TO ALL STOCK EXCHANGES

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

April 13, 2022

Dear Sir, Madam,

Sub: Outcome of Board meeting

This has reference to our letter dated March 15, 2022, regarding the captioned subject. The Board, at their meeting held on April 12-13, 2022, transacted the following items of business:

Financial Results and Dividend

1. Approved the audited consolidated financial results of the Company and its subsidiaries as per Indian Accounting Standards (INDAS) for the quarter and year ended March 31, 2022;

2. Approved the audited standalone financial results of the Company as per INDAS for the quarter and year ended March 31, 2022;

3. Approved the audited financial statements of the Company and its subsidiaries as per INDAS and IFRS for the quarter and year ended March 31, 2022;

4. Approved the audited financial statements of the Company and its subsidiaries as per INDAS for the year ended March 31, 2022;

5. Approved the audited financial statements of the Company as per INDAS for the year ended March 31, 2022 and

Dividend

6. Recommended a final dividend of ₹16/- per equity share for the financial year ended March 31, 2022.

Annual General Meeting and Record date

7. The 41st Annual General Meeting of the members of the Company will be held on Saturday, June 25, 2022.

8. The record date for the purposes of the Annual General Meeting and payment of final dividend is June 1, 2022. The dividend will be paid on June 28, 2022.

Re-appointment of independent director

9. Based on the recommendation of the Nomination and Remuneration Committee, considered and approved the reappointment of D. Sundaram (DIN: 00016304) as an Independent Director for the second term from July 14, 2022 to July 13, 2027, subject to shareholders' approval.

INFOSYS LIMITED
CIN: L85110KA1981PLC013115
44, Infosys Avenue
Electronics City, Hosur Road
Bengaluru 560 100, India
T 91 80 2852 0261
F 91 80 2852 0362
investors@infosys.com
www.infosys.com

It may be noted that D. Sundaram has no relationship with any member of the Board of directors and meets all the criteria to be appointed as an independent director under applicable laws including circulars issued by stock exchanges from time to time.

His brief profile is available on the website of the Company under following link: https://www.infosys.com/about/management-profiles/d-sundaram.html.

Re-appointment of Statutory auditors

10. Recommended, the re-appointment of Deloitte Haskins & Sells, LLP, Chartered Accountants (Firm Registration No. 117366W/ W100018) (Deloitte) as the statutory auditors of the Company under Section 139 of the Companies Act, 2013 subject to the approval of shareholders of the Company. Deloitte will hold office for another term of 5 consecutive years commencing from the financial year 2022-23 and ending with the financial year 2026-27.

Other matters

11. Stock grants and allotments
    a. The Board, on April 13, 2022, based on the recommendations of the Nomination and Remuneration Committee, approved:

       i. The grant of annual performance-based grant of RSUs amounting to ₹13 crore for the financial year 2023 under the 2015 Stock Incentive Compensation Plan (2015 plan) to Salil Parekh, CEO and MD. This is pursuant to the approval from the shareholders through postal ballot concluded on February 20, 2018 and as per the shareholders' approval in the Annual General meeting held on June 22, 2019. These RSUs will vest in line with the current employment agreement. The RSUs will be granted w.e.f May 2, 2022 and the number of RSU's will be calculated based on the market price at the close of trading on May 2, 2022.

       ii. The grant of annual performance-based stock incentives in the form of Restricted Stock Units (RSU's) to Salil Parekh, CEO & MD covering Company's equity shares having a market value of ₹10 crore as on the date of the grant under the Infosys Expanded Stock Ownership Program-2019 (2019 Plan), which shall vest 12 months from the date of the grant subject to the Company's achievement of certain performance criteria as laid out in the 2019 Plan. This is pursuant to the approval from the shareholders in the Annual General meeting held on June 22, 2019.The RSUs will be granted w.e.f May 2, 2022 and the number of RSU's will be calculated based on the market price at the close of trading on May 2, 2022.

       iii. The annual performance-based grant of RSUs amounting to ₹0.87 crore for the financial year 2023 under the 2015 plan to a Key Managerial Personnel (KMP). These RSUs will vest in line with the current employment agreement based on the achievement of certain performance targets. The RSUs will be granted w.e.f May 2, 2022 and the number of RSU's will be calculated based on the market price at the close of trading on May 2, 2022.

       iv. An annual time-based grant, under the 2015 Plan of 11,990 RSU's to a KMP. The RSUs would vest over a period of four years from the date of grant. The RSUs will be granted w.e.f May 2, 2022.

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v. The grant of performance-based stock incentives in the form of 8,000 RSU's to a KMP under 2019 Plan, which shall vest over a period of three years from the date of the grant subject to the Company's achievement of certain performance criteria as laid out in the 2019 Plan. The RSUs will be granted w.e.f May 2, 2022.

b. Allotted 85,569 equity shares pursuant to the exercise of Restricted Stock Units by eligible employees as hereunder:
   - 29,718 equity shares under the 2015 Stock Incentive Compensation Plan;
   - 55,851 equity shares under the Infosys Expanded Stock Ownership Program 2019.

   Consequently, on April 13, 2022, the issued and subscribed share capital of the Company stands increased to ₹ 21,034,121,050/- divided into 4,206,824,210 equity shares of ₹5/- each.

12. Policies

Considered and approved amendments to the following policies: -

- Related Party Transactions Policy
- Nomination and Remuneration Policy
- Code for fair disclosure and Investor Relations
- Document retention and Archival Policy
- Enterprise risk management policy
- Board Diversity Policy
- Corporate Governance Guidelines

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

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

Yours sincerely,
For **Infosys Limited**

MANIKANTHA AGS Digitally signed by MANIKANTHA AGS
Date: 2022.04.13 16:23:12 +05'30'

A.G.S. Manikantha
Company Secretary

INFOSYS LIMITED
CIN: L85110KA1981PLC013115
44, Infosys Avenue
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Fact Sheet

Consolidated Financial Data - Fourth Quarter, Fiscal 2022

38.8% YoY 41.2% FY CC Digital growth	20.6% YoY 19.7% FY CC Revenue growth	21.5% Q4 23.0% FY Operating margin	13.4% YoY 15.2% FY Increase in EPS (₹ terms)	$2.3 bn Q4 $9.5 bn FY Large deal TCV

Revenue Growth

	Reported	CC
QoQ growth (%)	0.7%	1.2%
YoY growth (%)	18.5%	20.6%

Revenues by Offering

	Quarter ended ($ mn)			YoY Growth (%)	
	Mar 31, 2022	Dec 31, 2021	Mar 31, 2021	Reported	CC
Digital	2,532	2,487	1,859	36.2	38.8
Core	1,748	1,763	1,754	(0.3)	1.4
Total	**4,280**	**4,250**	**3,613**	**18.5**	**20.6**
Digital Revenues as % of Total Revenues	*59.2*	*58.5*	*51.5*		

Revenues by Business Segments

(in %)

	Quarter ended			YoY Growth	
	Mar 31, 2022	Dec 31, 2021	Mar 31, 2021	Reported	CC
Financial services	31.3	31.5	33.0	12.4	14.1
Retail	14.3	14.5	14.8	14.3	16.5
Communication	12.8	12.5	12.0	26.4	29.2
Energy, Utilities, Resources & Services	12.0	11.7	12.3	15.7	17.8
Manufacturing	11.8	11.3	9.6	45.3	50.6
Hi-Tech	8.2	8.1	8.1	20.5	20.9
Life Sciences	6.6	7.5	6.8	15.1	16.2
Others	3.0	2.9	3.4	3.6	7.3
Total	**100.0**	**100.0**	**100.0**	**18.5**	**20.6**

Revenues by Client Geography

(in %)

	Quarter ended			YoY Growth	
	Mar 31, 2022	Dec 31, 2021	Mar 31, 2021	Reported	CC
North America	61.4	61.8	61.6	18.2	18.5
Europe	25.2	24.9	24.4	22.2	28.3
Rest of the world	10.2	10.3	11.0	9.6	13.9
India	3.2	3.0	3.0	25.9	29.5
Total	**100.0**	**100.0**	**100.0**	**18.5**	**20.6**

Client Data

	Quarter ended		
	Mar 31, 2022	Dec 31, 2021	Mar 31, 2021
Number of Clients			
Active	1,741	1,738	1,626
Added during the period (gross)	110	111	130
Number of million dollar clients*			
1 Million dollar +	853	854	779
10 Million dollar +	275	274	252
50 Million dollar +	64	64	59
100 Million dollar +	38	37	32
Client contribution to revenues			
Top 5 clients	11.8%	12.0%	10.9%
Top 10 clients	19.4%	20.2%	18.3%
Top 25 clients	35.4%	35.9%	34.2%
Days Sales Outstanding*	67	71	71

**LTM (Last twelve months) Revenues*

Effort and Utilization - Consolidated IT Services

(in %)

	Quarter ended		
	Mar 31, 2022	Dec 31, 2021	Mar 31, 2021
Effort			
Onsite	24.0	23.8	24.3
Offshore	76.0	76.2	75.7
Utilization			
Including trainees	80.0	82.7	82.2
Excluding trainees	87.0	88.5	87.7

Employee Metrics

(Nos.)

	Quarter ended		
	Mar 31, 2022	Dec 31, 2021	Mar 31, 2021
Total employees	3,14,015	2,92,067	2,59,619
S/W professionals	2,97,859	2,76,942	2,45,037
Sales & Support	16,156	15,125	14,582
Voluntary Attrition % (LTM - IT Services)	27.7%	25.5%	10.9%
% of Women Employees	39.6%	39.6%	38.6%
Revenue per Employee - Consolidated (In US $ K)	57.7	57.9	55.2

Cash Flow

In US $ million

	Quarter ended		
	Mar 31, 2022	Dec 31, 2021	Mar 31, 2021
Free cash flow (1)	761	719	799
Consolidated cash and investments (2)	4,937	4,280	5,288

In ₹ *crore*

	Quarter ended		
	Mar 31, 2022	Dec 31, 2021	Mar 31, 2021
Free cash flow (1)	5,769	5,399	5,824
Consolidated cash and investments (2)	37,419	31,813	38,660

(1) Free cash flow is defined as net cash provided by operating activities less capital expenditure as per the consolidated statement of cash flows prepared under IFRS (Non-IFRS measure)

(2) Consolidated cash and investments comprise of cash and cash equivalents, current and non-current investments excluding investments in unquoted equity and preference shares, unquoted compulsorily convertible debentures and others (Non-IFRS measure)

Consolidated statement of Comprehensive Income for three months ended,

(Extracted from IFRS Financial Statement)

In US $ million, except per equity share data

Particulars	Mar 31, 2022	Mar 31, 2021	Growth % Q4 22 over Q4 21	Dec 31, 2021	Growth % Q4 22 over Q3 22
Revenues	**4,280**	**3,613**	**18.5**	**4,250**	**0.7**
Cost of sales	2,955	2,357	25.4	2,856	3.5
Gross Profit	**1,325**	**1,256**	**5.5**	**1,394**	**(4.9)**
Operating Expenses:					
Selling and marketing expenses	179	165	8.5	177	1.1
Administrative expenses	226	207	9.2	219	3.2
Total Operating Expenses	**405**	**372**	**8.9**	**396**	**2.3**
Operating Profit	**920**	**884**	**4.1**	**998**	**(7.8)**
Operating Margin %	***21.5***	***24.5***	***(3.0)***	***23.5***	***(2.0)***
Other Income, net[(1)]	78	68	14.7	61	27.9
Profit before income taxes	**998**	**952**	**4.8**	**1,059**	**(5.8)**
Income tax expense	245	255	(3.9)	283	(13.4)
Net Profit (before minority interest)	**753**	**697**	**8.0**	**776**	**(2.9)**
Net Profit (after minority interest)	**752**	**697**	**7.9**	**774**	**(2.9)**
Basic EPS ($)	**0.18**	**0.16**	**9.2**	**0.18**	**(2.9)**
Diluted EPS ($)	**0.18**	**0.16**	**9.2**	**0.18**	**(2.9)**
Dividend Per Share ($)[(2)]	**0.21**	**0.20**	**6.7**	**-**	**-**

Consolidated statement of Comprehensive Income for year ended,

(Extracted from IFRS Financial Statement)

In US $ million, except per equity share data

Particulars	Mar 31, 2022	Mar 31, 2021	Growth %
Revenues	**16,311**	**13,561**	**20.3**
Cost of sales	10,996	8,828	24.6
Gross Profit	**5,315**	**4,733**	**12.3**
Operating Expenses:			
Selling and marketing expenses	692	624	10.9
Administrative expenses	868	784	10.7
Total Operating Expenses	**1,560**	**1,408**	**10.8**
Operating Profit	**3,755**	**3,325**	**12.9**
Operating Margin %	***23.0***	***24.5***	***(1.5)***
Other Income, net[(1)]	281	271	3.7
Profit before income taxes	**4,036**	**3,596**	**12.2**
Income tax expense	1,068	973	9.8
Net Profit (before minority interest)	**2,968**	**2,623**	**13.2**
Net Profit (after minority interest)	**2,963**	**2,613**	**13.4**
Basic EPS ($)	**0.70**	**0.62**	**14.3**
Diluted EPS ($)	**0.70**	**0.61**	**14.3**
Dividend Per Share ($)[(2)]	**0.41**	**0.36**	**14.8**

[(1)] Other income is net of Finance Cost
[(2)] USD/INR exchange rate of 75.00

Consolidated statement of Comprehensive Income for three months ended,

(Extracted from IFRS Financial Statement)

In ₹crore, except per equity share data

Particulars	Mar 31, 2022	Mar 31, 2021	Growth % Q4 22 over Q4 21	Dec 31, 2021	Growth % Q4 22 over Q3 22
Revenues	**32,276**	**26,311**	**22.7**	**31,867**	**1.3**
Cost of sales	22,272	17,164	29.8	21,415	4.0
Gross Profit	**10,004**	**9,147**	**9.4**	**10,452**	**(4.3)**
Operating Expenses:					
Selling and marketing expenses	1,347	1,200	12.3	1,325	1.7
Administrative expenses	1,701	1,507	12.9	1,643	3.5
Total Operating Expenses	**3,048**	**2,707**	**12.6**	**2,968**	**2.7**
Operating Profit	**6,956**	**6,440**	**8.0**	**7,484**	**(7.0)**
Operating Margin %	***21.5***	***24.5***	***(3.0)***	***23.5***	***(2.0)***
Other Income, net[(1)]	587	495	18.6	459	27.9
Profit before income taxes	**7,543**	**6,935**	**8.8**	**7,943**	**(5.0)**
Income tax expense	1,848	1,857	(0.5)	2,121	(12.9)
Net Profit (before minority interest)	**5,695**	**5,078**	**12.2**	**5,822**	**(2.2)**
Net Profit (after minority interest)	**5,686**	**5,076**	**12.0**	**5,809**	**(2.1)**
Basic EPS (₹)	**13.56**	**11.96**	**13.4**	**13.86**	**(2.1)**
Diluted EPS (₹)	**13.54**	**11.94**	**13.4**	**13.83**	**(2.1)**
Dividend Per Share (₹)	**16.00**	**15.00**	6.7	-	-

Consolidated statement of Comprehensive Income for year ended,

(Extracted from IFRS Financial Statement)

In ₹crore, except per equity share data

Particulars	Mar 31, 2022	Mar 31, 2021	Growth %
Revenues	**121,641**	**100,472**	**21.1**
Cost of sales	81,998	65,413	25.4
Gross Profit	**39,643**	**35,059**	**13.1**
Operating Expenses:			
Selling and marketing expenses	5,156	4,627	11.4
Administrative expenses	6,472	5,810	11.4
Total Operating Expenses	**11,628**	**10,437**	**11.4**
Operating Profit	**28,015**	**24,622**	**13.8**
Operating Margin %	***23.0***	***24.5***	***(1.5)***
Other Income, net[(1)]	2,095	2,006	4.4
Profit before income taxes	**30,110**	**26,628**	**13.1**
Income tax expense	7,964	7,205	10.5
Net Profit (before minority interest)	**22,146**	**19,423**	**14.0**
Net Profit (after minority interest)	**22,110**	**19,351**	**14.3**
Basic EPS (₹)	**52.52**	**45.61**	**15.2**
Diluted EPS (₹)	**52.41**	**45.52**	**15.1**
Dividend Per Share (₹)	**31.00**	**27.00**	**14.8**

[(1)] Other income is net of Finance Cost

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BSE LIMITED
NATIONAL STOCK EXCHANGE OF INDIA LIMITED

April 13, 2022

Dear Sirs/Madam,

Sub: Declaration pursuant to Regulation 33(3)(d) of the Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended.

DECLARATION

I, Nilanjan Roy, Chief Financial Officer of Infosys Limited (CIN: L85110KA1981PLC013115) having its Registered office at Electronics City, Hosur Road, Bangalore- 560100, India, hereby declare that, the Statutory Auditors of the Company, Deloitte Haskins & Sells LLP (FRN: 117366W/ W-100018) have issued an Audit Report with unmodified opinion on the annual Audited Financial Results of the Company (Standalone & Consolidated) for year ended on March 31, 2022.

This Declaration is given in compliance to Regulation 33(3)(d) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended and Circular no. CIR/CFD/CMD/56/2016 dated May 27, 2016.

Request you to kindly take this declaration on your records.

Yours sincerely,

For Infosys Limited

Nilanjan Roy
Chief Financial Officer

INFOSYS LIMITED
CIN: L85110KA1981PLC013115
44, Infosys Avenue
Electronics City, Hosur Road
Bengaluru 560 100, India
T 91 80 2852 0261
F 91 80 2852 0362
investors@infosys.com
www.infosys.com

Deloitte Haskins & Sells LLP

Chartered Accountants
Prestige Trade Tower, Level 19
46, Palace Road, High Grounds,
Bengaluru – 560 001
Karnataka, India

Tel: +91 (80) 6188 6000
Fax: +91 (80) 6188 6011

INDEPENDENT AUDITOR'S REPORT ON AUDIT OF THE STANDALONE FINANCIAL RESULTS

TO THE BOARD OF DIRECTORS OF INFOSYS LIMITED

Opinion

We have audited the accompanying Statement of Standalone Financial Results of **INFOSYS LIMITED** (the "Company"), for the quarter and year ended March 31, 2022 (the "Statement"), being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations").

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

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

b. gives a true and fair view in conformity with the recognition and measurement principles laid down in the Indian Accounting Standards ("Ind AS") and other accounting principles generally accepted in India of the net profit and total comprehensive income and other financial information of the Company for the quarter and year then ended March 31, 2022.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing ("SA"s) specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Results section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the Standalone Financial Results for the quarter and year ended March 31, 2022 under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion.

Management's Responsibilities for the Standalone Financial Results

This Statement, which includes the Standalone financial results is the responsibility of the Company's Board of Directors, and has been approved by them for the issuance. The Statement has been compiled from the related audited Interim condensed standalone financial statements for the three months and year ended March 31, 2022. This responsibility includes preparation and presentation of the Standalone Financial Results for the quarter and year ended March 31, 2022 that give a true and fair view of the net profit and other comprehensive income and other financial information in accordance with the recognition and measurement principles laid down in Ind AS, prescribed under Section 133 of the Act, read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the

Listing Regulations. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone Financial Results that give a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the Standalone Financial Results, the Board of Directors is responsible for assessing the Company's ability, to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

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

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

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

- Identify and assess the risks of material misstatement of the Standalone Financial Results, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Directors.
- Evaluate the appropriateness and reasonableness of disclosures made by the Board of Directors in terms of the requirements specified under Regulation 33 of the Listing Regulations.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Company to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Statement

or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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

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

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

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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

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

Place: Bengaluru
Date: April 13, 2022

Deloitte Haskins & Sells LLP

Chartered Accountants
Prestige Trade Tower, Level 19
46, Palace Road, High Grounds,
Bengaluru – 560 001
Karnataka, India

Tel: +91 (80) 6188 6000
Fax: +91 (80) 6188 6011

INDEPENDENT AUDITOR'S REPORT ON AUDIT OF CONSOLIDATED FINANCIAL RESULTS

TO THE BOARD OF DIRECTORS OF INFOSYS LIMITED

Opinion

We have audited the accompanying Statement of Consolidated Financial Results of **INFOSYS LIMITED** (the "Company") and its subsidiaries (the Company and its subsidiaries together referred to as the "Group"), for the quarter and year ended March 31, 2022 (the "Statement"), being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations").

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

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

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

(iii) gives a true and fair view in conformity with the recognition and measurement principles laid down in the Indian Accounting Standards ("Ind AS") and other accounting principles generally accepted in India of the consolidated net profit and consolidated total comprehensive income and other financial information of the Group for the quarter and year ended March 31, 2022.

Basis for Opinion

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

Management's Responsibilities for the Consolidated Financial Results

This Statement which includes Consolidated financial results is the responsibility of the Company's Board of Directors and has been approved by them for the issuance. The Statement has been compiled from the audited interim condensed consolidated financial statements for the three months and year ended March 31, 2022. This responsibility includes preparation and presentation of the Consolidated Financial Results that give a true and fair view of the consolidated net profit and consolidated other comprehensive income and other financial information of the Group in accordance with the recognition and measurement principles laid down in Ind AS, prescribed under Section 133 of the Act, read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the respective financial results that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of this Consolidated Financial Results by the Directors of the Company, as aforesaid.

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

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

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

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

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

- Identify and assess the risks of material misstatement of the Consolidated Financial Results, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Directors.
- Evaluate the appropriateness and reasonableness of disclosures made by the Board of Directors in terms of the requirements specified under Regulation 33 of the Listing Regulations.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required

to draw attention in our auditor's report to the related disclosures in the Consolidated Financial Results or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the Consolidated Financial Results, including the disclosures, and whether the Consolidated Financial Results represent the underlying transactions and events in a manner that achieves fair presentation.
- Perform procedures in accordance with the circular issued by the SEBI under Regulation 33(8) of the Listing Regulations to the extent applicable.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities within the Group to express an opinion on the Consolidated Financial Results. We are responsible for the direction, supervision and performance of the audit of financial information of such entities included in the Consolidated Financial Results of which we are the independent auditors.

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

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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

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

Place: Bengaluru
Date: April 13, 2022

Annexure to Auditors' Report

List of Entities:

1. Infosys Technologies (China) Co. Limited
2. Infosys Technologies S. de R. L. de C. V.
3. Infosys Technologies (Sweden) AB
4. Infosys Technologies (Shanghai) Company Limited
5. Infosys Nova Holdings LLC.
6. EdgeVerve Systems Limited
7. Infosys Austria GmbH
8. Skava Systems Private Limited (under liquidation)
9. Kallidus Inc. (liquidated effective March 9, 2021)
10. Infosys Chile SpA
11. Infosys Arabia Limited
12. Infosys Consulting Ltda.
13. Infosys CIS LLC (liquidated effective January 28, 2021)
14. Infosys Luxembourg S.a.r.l
15. Infosys Americas Inc.
16. Infosys Public Services, Inc.
17. Infosys Canada Public Services Inc. (liquidated effective November 23, 2021)
18. Infosys BPM Limited
19. Infosys (Czech Republic) Limited s.r.o.
20. Infosys Poland Sp z.o.o
21. Infosys McCamish Systems LLC
22. Portland Group Pty Ltd
23. Infosys BPO Americas LLC.
24. Infosys Consulting Holding AG
25. Infosys Management Consulting Pty Limited
26. Infosys Consulting AG
27. Infosys Consulting GmbH
28. Infosys Consulting S.R.L
29. Infosys Consulting SAS
30. Infosys Consulting s.r.o. v likvidaci (formerly Infosys Consulting s.r.o.) (liquidated effective December 16, 2021)
31. Infosys Consulting (Shanghai) Co., Ltd. (liquidated effective September 01, 2021)

32. Infy Consulting Company Ltd.
33. Infy Consulting B.V.
34. Infosys Consulting Sp. z.o.o (merged with Infosys Poland Sp z.o.o effective October 21, 2020)
35. Lodestone Management Consultants Portugal, Unipessoal, Lda. (liquidated effective November 19, 2020)
36. Infosys Consulting S.R.L
37. Infosys Consulting (Belgium) NV
38. Panaya Inc.
39. Panaya GmbH
40. Panaya Ltd.
41. Brilliant Basics Holdings Limited (under liquidation)
42. Brilliant Basics Limited (under liquidation)
43. Brilliant Basics (MENA) DMCC (liquidated effective July 17, 2020)
44. Infosys Consulting Pte Ltd.
45. Infosys Middle East FZ LLC
46. Fluido Oy
47. Fluido Sweden AB (Extero)
48. Fluido Norway A/S
49. Fluido Denmark A/S
50. Fluido Slovakia s.r.o
51. Fluido Newco AB (merged with Fluido Sweden AB effective December 18, 2020)
52. Infosys Compaz Pte Ltd
53. Infosys South Africa (Pty) Ltd
54. WongDoody Holding Company Inc. (merged with WongDoody, Inc effective December 31, 2021)
55. WDW Communications, Inc. (merged with WongDoody, Inc effective December 31, 2021)
56. WongDoody, Inc
57. HIPUS Co., Ltd.
58. Stater N.V.
59. Stater Nederland B.V.
60. Stater Duitsland B.V. (merged with Stater N.V effective December 23, 2020)
61. Stater XXL B.V.
62. HypoCasso B.V.
63. Stater Participations B.V.

64. Stater Deutschland Verwaltungs-GmbH (merged with Stater Duitsland B.V. effective December 18, 2020)
65. Stater Deutschland GmbH & Co. KG (merged with Stater Duitsland B.V. effective December 18, 2020)
66. Stater Belgium N.V./S.A.
67. Outbox systems Inc. dba Simplus (US)
68. Simplus North America Inc. (liquidated effective April 27, 2021)
69. Simplus ANZ Pty Ltd.
70. Simplus Australia Pty Ltd
71. Sqware Peg Digital Pty Ltd (liquidated effective September 02, 2021)
72. Simplus Philippines, Inc.
73. Simplus Europe, Ltd. (liquidated effective July 20, 2021)
74. Infosys Fluido UK, Ltd. (formerly Simplus U.K, Ltd)
75. Infosys Fluido Ireland, Ltd. (formerly Simplus Ireland, Ltd)
76. Infosys Limited Bulgaria EOOD (incorporated effective September 11, 2020)
77. Infosys BPM UK Limited (incorporated effective December 09, 2020)
78. Blue Acorn LLC (acquired on October 27, 2020) (merged with Beringer Commerce Holdings LLC effective January 1, 2022)
79. Beringer Commerce Inc renamed as Blue Acorn iCi Inc. (acquired on October 27, 2020)
80. Beringer Capital Digital Group Inc (acquired on October 27, 2020) (merged with Blue Acorn iCi Inc effective January 1, 2022)
81. Mediotype LLC (acquired on October 27, 2020) (merged with Blue Acorn iCi Inc effective January 1, 2022)
82. Beringer Commerce Holdings LLC (acquired on October 27, 2020) (merged with Blue Acorn iCi Inc effective January 1, 2022)
83. SureSource LLC (acquired on October 27, 2020) (merged with Beringer Commerce Holdings LLC effective January 1, 2022)
84. Simply Commerce LLC (acquired on October 27, 2020) (merged with Beringer Commerce Holdings LLC effective January 1, 2022)
85. iCiDIGITAL LLC (acquired on October 27, 2020) (merged with Beringer Capital Digital Group Inc effective January 1, 2022)
86. Kaleidoscope Animations, Inc; (acquired on October 09, 2020)
87. Kaleidoscope Prototyping LLC; (acquired on October 09, 2020)
88. GuideVision s.r.o (acquired on October 01, 2020)
89. GuideVision Deutschland GmbH (acquired on October 01, 2020)
90. GuideVision Suomi Oy (acquired on October 01, 2020)

91. GuideVision Magyarorszag Kft (acquired on October 01, 2020)
92. GuideVision Polska SP Z.O.O (acquired on October 01, 2020)
93. Infosys Business Solutions LLC, a wholly-owned subsidiary of Infosys Limited (incorporated on February 20, 2022)
94. Infosys Germany GmbH (formerly Kristall 247. GmbH) (acquired on March 22, 2022)
95. GuideVision UK Ltd (acquired on October 01, 2020)
96. Infosys Turkey Bilgi Teknolojikeri Limited Sirketi (incorporated effective December 30, 2020)
97. Infosys Germany Holding Gmbh (incorporated on March 23, 2021)
98. Infosys Automotive and Mobility GmbH & Co. KG, a partnership firm (formed on March 28, 2021).
99. Stater GmbH (incorporated on August 4, 2021)
100. Infosys Green Forum (incorporated on August 31, 2021)
101. Infosys (Malaysia) SDN. BHD. (formerly Global Enterprise International (Malaysia) Sdn. Bhd. (acquired on December 14, 2021)
102. Infosys Employees Welfare Trust
103. Infosys Employee Benefits Trust
104. Infosys Science Foundation
105. Infosys Expanded Stock Ownership Trust

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Q4 FY 22
Financial
Results

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

Statement of Audited results of Infosys Limited for the quarter and year ended March 31, 2022 prepared in compliance with the Indian Accounting Standards (Ind-AS)

(in ₹ crore, except per equity share data)

Particulars	Quarter ended March 31, 2022 Audited	Quarter ended December 31, 2021 Audited	Quarter ended March 31, 2021 Audited	Year ended March 31, 2022 Audited	Year ended March 31, 2021 Audited
Revenue from operations	27,426	27,337	22,497	103,940	85,912
Other income, net	590	1,013	504	3,224	2,467
Total income	**28,016**	**28,350**	**23,001**	**107,164**	**88,379**
Expenses					
Employee benefit expenses	13,464	13,275	11,532	51,664	45,179
Cost of technical sub-contractors	4,641	4,406	2,792	16,298	9,528
Travel expenses	278	195	144	731	484
Cost of software packages and others	865	856	550	2,985	2,058
Communication expenses	121	102	106	433	464
Consultancy and professional charges	424	412	338	1,511	999
Depreciation and amortisation expense	620	631	578	2,429	2,321
Finance cost	31	33	33	128	126
Other expenses #	664	651	888	2,490	2,743
Total expenses	**21,108**	**20,561**	**16,961**	**78,669**	**63,902**
Profit before tax	**6,908**	**7,789**	**6,040**	**28,495**	**24,477**
Tax expense:					
Current tax	1,606	1,852	1,512	6,960	6,013
Deferred tax	125	67	69	300	416
Profit for the period	**5,177**	**5,870**	**4,459**	**21,235**	**18,048**
Other comprehensive income					
Items that will not be reclassified subsequently to profit or loss					
Remeasurement of the net defined benefit liability / asset, net	(24)	(52)	(144)	(98)	148
Equity instruments through other comprehensive income, net	56	-	8	97	120
Items that will be reclassified subsequently to profit or loss					
Fair value changes on derivatives designated as cash flow hedges, net	(12)	(7)	26	(8)	25
Fair value changes on investments, net	(61)	(67)	(133)	(39)	(102)
Total other comprehensive income/ (loss), net of tax	**(41)**	**(126)**	**(243)**	**(48)**	**191**
Total comprehensive income for the period	**5,136**	**5,744**	**4,216**	**21,187**	**18,239**
Paid-up share capital (par value ₹5/- each fully paid)	2,103	2,102	2,130	2,103	2,130
Other Equity*	67,203	69,401	69,401	67,203	69,401
Earnings per equity share (par value ₹5 /- each)**					
Basic (₹)	12.31	13.96	10.47	50.27	42.37
Diluted (₹)	12.30	13.94	10.46	50.21	42.33

** Balances for the quarter ended December 31, 2021 represent balances as per the audited Balance Sheet for the year ended March 31, 2021 as required by SEBI (Listing and Other Disclosure Requirements) Regulations, 2015*

*** EPS is not annualized for the quarter ended March 31, 2022, quarter ended December 31, 2021 and quarter ended March 31, 2021.*

Notes pertaining to the previous quarter

Transfer of Corporate Social Responsibility (CSR) Asset

#Consequent to the Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021 ("the Rules"), the Company is required to transfer its CSR capital assets created prior to January 2021. Towards this the Company had incorporated a controlled subsidiary 'Infosys Green Forum' under Section 8 of the Companies Act, 2013 .The carrying amount of the capital asset amounting to ₹283 crore had been impaired and included as CSR expense in the standalone financial statements during the year ended March 31, 2021 because the Company will not be able to recover the carrying amount of the asset from its Subsidiary on account of prohibition on payment of dividend by this Subsidiary. During the quarter ended March 31, 2022, the transfer has been completed on obtaining the required approvals from regulatory authorities.

1. Notes pertaining to the current quarter

a) The audited interim condensed standalone financial statements for the quarter and year ended March 31, 2022 have been taken on record by the Board of Directors at its meeting held on April 13, 2022. **The statutory auditors, Deloitte Haskins & Sells LLP have expressed an unmodified audit opinion.** The information presented above is extracted from the audited interim condensed standalone financial statements. These interim condensed standalone financial statements are prepared in accordance with the Indian Accounting Standards (Ind-AS) as prescribed under Section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules thereafter.

b) Estimation of uncertainties relating to the global health pandemic from COVID-19 (COVID-19):
The Company has considered the possible effects that may result from the pandemic relating to COVID-19 in the preparation of these interim condensed standalone financial statements including the recoverability of carrying amounts of financial and non financial assets. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the Company has, at the date of approval of these condensed financial statements, used internal and external sources of information including credit reports and related information and economic forecasts and expects that the carrying amount of these assets will be recovered. The impact of COVID-19 on the Company's financial statements may differ from that estimated as at the date of approval of these interim condensed standalone financial statements.

c) Re-appointment of Independent Director
Based on the recommendation of the Nomination and Remuneration Committee, the Board approved the reappointment of D. Sundaram as an Independent Director for the second term from July 14, 2022 to July 13, 2027, subject to the approval of the shareholders of the Company.

d) Update on employee stock grants

The Board, on April 13, 2022, based on the recommendations of the Nomination and Remuneration Committee, approved :

i) The grant of annual performance-based grant of RSUs amounting to ₹13 crore for the financial year 2023 under the 2015 Stock Incentive Compensation Plan (2015 plan) to Salil Parekh, CEO and MD. This is pursuant to the approval from the shareholders through postal ballot concluded on February 20, 2018 and as per the shareholders' approval in the Annual General meeting held on June 22, 2019. These RSUs will vest in line with the current employment agreement. The RSUs will be granted w.e.f May 2, 2022 and the number of RSU's will be calculated based on the market price at the close of trading on May 2, 2022

ii) The grant of annual performance-based stock incentives in the form of Restricted Stock Units (RSU's) to Salil Parekh, CEO & MD covering Company's equity shares having a market value of ₹10 crore as on the date of the grant under the Infosys Expanded Stock Ownership Program-2019 (2019 Plan), which shall vest 12 months from the date of the grant subject to the Company's achievement of certain performance criteria as laid out in the 2019 Plan. This is pursuant to the approval from the shareholders in the Annual General meeting held on June 22, 2019.The RSUs will be granted w.e.f May 2, 2022 and the number of RSU's will be calculated based on the market price at the close of trading on May 2, 2022.

iii) The annual performance-based grant of RSUs amounting to ₹0.87 crore for the financial year 2023 under the 2015 plan to a Key Managerial Personnel (KMP). These RSUs will vest in line with the current employment agreement based on the achievement of certain performance targets. The RSUs will be granted w.e.f May 2, 2022 and the number of RSU's will be calculated based on the market price at the close of trading on May 2, 2022.

iv) An annual time-based grant, under the 2015 Plan of 11,990 RSU's to a KMP. The RSUs would vest over a period of four years from the date of grant. The RSU's will be granted w.e.f May 2, 2022.

v) The grant of annual performance-based stock incentives in the form of 8,000 RSU's to a KMP under 2019 Plan, which shall vest over a period of three years from the date of the grant subject to the Company's achievement of certain performance criteria as laid out in the 2019 Plan. The RSUs will be granted w.e.f May 2, 2022

e) Re-appointment of Statutory auditors, Deloitte Haskins & Sells LLP

The Board of Directors recommended the re-appointment of statutory auditors Deloitte Haskins & Sells LLP for another term of 5 years commencing from the financial year 2022-23 and ending with the financial year 2026-27, subject to the approval of the shareholders of the Company.

2. Information on dividends for the quarter and year ended March 31, 2022

For financial year 2022, the Board recommended a final dividend of ₹16/- (par value of ₹5/- each) per equity share. This payment is subject to the approval of shareholders in the Annual General Meeting (AGM) of the Company to be held on June 25, 2022. The record date for the purpose of the payment of final dividend is June 1, 2022.The dividend will be paid on June 28, 2022. For the financial year ended 2021, the Company declared a final dividend of ₹15/- per equity share.

The Board of Directors declared an interim dividend of ₹ 15 /- (par value ₹ 5/- each) per equity share. The record date for payment was October 27, 2021 and the same was paid on November 10, 2021. The interim dividend declared in the previous year was ₹12/- per equity share.

(in ₹)

Particulars	Quarter ended March 31,	Quarter ended December 31,	Quarter ended March 31,	Year ended March 31,	
	2022	2021	2021	2022	2021
Dividend per share (par value ₹5/- each)					
Interim dividend	-	-	-	15.00	12.00
Final dividend	16.00	-	15.00	16.00	15.00

3. Audited Standalone Balance Sheet

(In ₹ crore)

Particulars	As at	
	March 31, 2022	March 31, 2021
ASSETS		
Non-current assets		
Property, plant and equipment	11,384	10,930
Right of use assets	3,311	3,435
Capital work-in-progress	411	906
Goodwill	211	167
Other Intangible assets	32	67
Financial assets		
Investments	22,869	22,118
Loans	34	30
Other financial assets	727	613
Deferred tax assets (net)	970	955
Income tax assets (net)	5,585	5,287
Other non-current assets	1,416	1,149
Total non-current assets	**46,950**	**45,657**
Current assets		
Financial assets		
Investments	5,467	2,037
Trade receivables	18,966	16,394
Cash and cash equivalents	12,270	17,612
Loans	219	229
Other financial assets	6,580	5,226
Other current assets	8,935	6,784
Total current assets	**52,437**	**48,282**
Total assets	**99,387**	**93,939**
EQUITY AND LIABILITIES		
Equity		
Equity share capital	2,103	2,130
Other equity	67,203	69,401
Total equity	**69,306**	**71,531**
LIABILITIES		
Non-current liabilities		
Financial liabilities		
Lease liabilities	3,228	3,367
Other financial liabilities	676	259
Deferred tax liabilities (net)	841	511
Other non-current liabilities	360	649
Total non - current liabilities	**5,105**	**4,786**
Current liabilities		
Financial liabilities		
Lease liabilities	558	487
Trade payables		
Total outstanding dues of micro enterprises and small enterprises	3	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	2,666	1,562
Other financial liabilities	11,269	8,359
Other current liabilities	7,381	4,816
Provisions	920	661
Income tax liabilities (net)	2,179	1,737
Total current liabilities	**24,976**	**17,622**
Total equity and liabilities	**99,387**	**93,939**

The disclosure is an extract of the audited Balance Sheet as at March 31, 2022 and March 31, 2021 prepared in compliance with the Indian Accounting Standards (Ind-AS).

4. Audited Standalone Statement of Cash flows

(In ₹ crore)

Particulars	Year ended March 31, 2022	2021
Cash flow from operating activities:		
Profit for the period	21,235	18,048
Adjustments to reconcile net profit to net cash provided by operating activities:		
Depreciation and amortization	2,429	2,604
Income tax expense	7,260	6,429
Impairment loss recognized / (reversed) under expected credit loss model	117	152
Finance cost	128	126
Interest and dividend income	(2,617)	(1,795)
Stock compensation expense	372	297
Other adjustments	72	(47)
Exchange differences on translation of assets and liabilities, net	87	(32)
Changes in assets and liabilities		
Trade receivables and unbilled revenue	(5,725)	(1,414)
Loans, other financial assets and other assets	(1,125)	(684)
Trade payables	1,112	(5)
Other financial liabilities, other liabilities and provisions	5,487	2,284
Cash generated from operations	**28,832**	**25,963**
Income taxes paid	(6,736)	(6,061)
Net cash generated by operating activities	**22,096**	**19,902**
Cash flow from investing activities:		
Expenditure on property, plant and equipment	(1,787)	(1,720)
Deposits placed with corporations	(745)	(588)
Proceeds from redemption of Deposits with corporations	607	405
Loan given to subsidiaries	-	(76)
Loan repaid by subsidiaries	73	328
Proceeds from redemption of debentures	536	623
Investment in subsidiaries	(127)	(1,530)
Payment towards business transfer	(109)	(237)
Proceeds from liquidation of a subsidiary	-	173
Payment of contingent consideration pertaining to acquisition	-	(125)
Escrow and other deposits pertaining to Buyback	(420)	-
Redemption of escrow pertaining to buyback	420	-
Other receipts	47	49
Payments to acquire investments		
Preference, equity securities and others	(5)	-
Liquid mutual fund units and fixed maturity plan securities	(48,139)	(31,814)
Tax free bonds and Government bonds	-	(318)
Certificates of deposit	(3,897)	-
Non Convertible debentures	(1,456)	(3,398)
Government Securities	(3,450)	(7,346)
Others	(5)	(13)
Proceeds on sale of investments		
Preference and equity securities	9	73
Liquid mutual fund units and fixed maturity plan securities	48,219	32,996
Tax free bonds and Government bonds	20	-
Non-convertible debentures	1,939	944
Certificates of deposit	787	900
Government Securities	1,452	2,704
Others	5	-
Interest received	1,658	1,340
Dividend received from subsidiary	1,218	321
Net cash (used in) / from investing activities	**(3,150)**	**(6,309)**
Cash flow from financing activities:		
Payment of lease liabilities	(598)	(420)
Buyback of equity shares including transaction cost and tax on Buyback	(11,125)	-
Other Receipts	134	-
Payment of dividends	(12,697)	(9,155)
Shares issued on exercise of employee stock options	11	9
Net cash used in financing activities	**(24,275)**	**(9,566)**
Effect of exchange differences on translation of foreign currency cash and cash equivalents	(13)	23
Net increase / (decrease) in cash and cash equivalents	(5,329)	4,027
Cash and cash equivalents at the beginning of the period	17,612	13,562
Cash and cash equivalents at the end of the period	**12,270**	**17,612**
Supplementary information:		
Restricted cash balance	60	154

The disclosure is an extract of the audited Statement of Cash flows for the year ended March 31, 2022 and March 31, 2021 prepared in compliance with Indian Accounting Standard (Ind AS) 34 Interim Financial Reporting.

5. Segment Reporting

The Company publishes standalone financial statements along with the consolidated financial statements. In accordance with Ind AS 108, Operating Segments, the Company has disclosed the segment information in the audited interim consolidated financial statements. Accordingly, the segment information is given in the audited consolidated financial results of Infosys Limited and its subsidiaries for the quarter and year ended March 31, 2022.

By order of the Board
for Infosys Limited

Bengaluru, India
April 13, 2022

Salil Parekh
Chief Executive Officer and Managing Director

Certain statements in this release concerning our future growth prospects, financial expectations and plans for navigating the COVID-19 impact on our employees, clients and stakeholders are forward-looking statements intended to qualify for the 'safe harbor' under the Private Securities Litigation Reform Act of 1995, which involve a number of risks and uncertainties that could cause actual results to differ materially from those in such forward-looking statements. The risks and uncertainties relating to these statements include, but are not limited to, risks and uncertainties regarding COVID-19 and the effects of government and other measures seeking to contain its spread, risks related to an economic downturn or recession in India, the United States and other countries around the world, changes in political, business, and economic conditions, fluctuations in earnings, fluctuations in foreign exchange rates, our ability to manage growth, intense competition in IT services including those factors which may affect our cost advantage, wage increases in India, our ability to attract and retain highly skilled professionals, time and cost overruns on fixed-price, fixed-time frame contracts, client concentration, restrictions on immigration, industry segment concentration, our ability to manage our international operations, reduced demand for technology in our key focus areas, disruptions in telecommunication networks or system failures, our ability to successfully complete and integrate potential acquisitions, liability for damages on our service contracts, the success of the companies in which Infosys has made strategic investments, withdrawal or expiration of governmental fiscal incentives, political instability and regional conflicts, legal restrictions on raising capital or acquiring companies outside India, unauthorized use of our intellectual property and general economic conditions affecting our industry and the outcome of pending litigation and government investigation. Additional risks that could affect our future operating results are more fully described in our United States Securities and Exchange Commission filings including our Annual Report on Form 20-F for the fiscal year ended March 31, 2021. These filings are available at www.sec.gov. Infosys may, from time to time, make additional written and oral forward-looking statements, including statements contained in the Company's filings with the Securities and Exchange Commission and our reports to shareholders. The Company does not undertake to update any forward-looking statements that may be made from time to time by or on behalf of the Company unless it is required by law.

Infosys®
Navigate your next

Q4 FY 22
Financial
Results

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

Statement of Consolidated Audited Results of Infosys Limited and its subsidiaries for the quarter and year ended March 31, 2022 prepared in compliance with the Indian Accounting Standards (Ind-AS)

(in ₹ crore, except per equity share data)

Particulars	Quarter ended March 31,	Quarter ended December 31,	Quarter ended March 31,	Year ended March 31,	
	2022	2021	2021	2022	2021
	Audited	Audited	Audited	Audited	Audited
Revenue from operations	32,276	31,867	26,311	121,641	100,472
Other income, net	637	512	545	2,295	2,201
Total Income	**32,913**	**32,379**	**26,856**	**123,936**	**102,673**
Expenses					
Employee benefit expenses	16,658	16,355	14,440	63,986	55,541
Cost of technical sub-contractors	3,588	3,511	1,985	12,606	7,084
Travel expenses	309	221	161	827	554
Cost of software packages and others	2,268	1,861	1,072	6,811	4,223
Communication expenses	170	147	146	611	634
Consultancy and professional charges	521	520	395	1,885	1,261
Depreciation and amortisation expenses	890	899	831	3,476	3,267
Finance cost	50	53	50	200	195
Other expenses	916	869	841	3,424	3,286
Total expenses	**25,370**	**24,436**	**19,921**	**93,826**	**76,045**
Profit before tax	**7,543**	**7,943**	**6,935**	**30,110**	**26,628**
Tax expense:					
Current tax	1,825	2,063	1,662	7,811	6,672
Deferred tax	23	58	195	153	533
Profit for the period	**5,695**	**5,822**	**5,078**	**22,146**	**19,423**
Other comprehensive income					
Items that will not be reclassified subsequently to profit or loss					
Remeasurement of the net defined benefit liability/asset, net	(13)	(53)	(146)	(85)	134
Equity instruments through other comprehensive income, net	55	-	9	96	119
Items that will be reclassified subsequently to profit or loss					
Fair value changes on derivatives designated as cash flow hedges, net	(12)	(7)	26	(8)	25
Exchange differences on translation of foreign operations	137	(33)	(266)	228	130
Fair value changes on investments, net	(65)	(77)	(137)	(49)	(102)
Total other comprehensive income/(loss), net of tax	**102**	**(170)**	**(514)**	**182**	**306**
Total comprehensive income for the period	**5,797**	**5,652**	**4,564**	**22,328**	**19,729**
Profit attributable to:					
Owners of the company	5,686	5,809	5,076	22,110	19,351
Non-controlling interests	9	13	2	36	72
	5,695	**5,822**	**5,078**	**22,146**	**19,423**
Total comprehensive income attributable to:					
Owners of the company	5,787	5,640	4,570	22,293	19,651
Non-controlling interests	10	12	(6)	35	78
	5,797	**5,652**	**4,564**	**22,328**	**19,729**
Paid up share capital (par value ₹5/- each, fully paid)	2,098	2,097	2,124	2,098	2,124
Other equity *#	73,252	74,227	74,227	73,252	74,227
Earnings per equity share (par value ₹5/- each)**					
Basic (₹)	13.56	13.86	11.96	52.52	45.61
Diluted (₹)	13.54	13.83	11.94	52.41	45.52

* *Balances for the quarter ended December 31, 2021 represent balances as per the audited Balance Sheet for the year ended March 31, 2021 as required by SEBI (Listing and Other Disclosure Requirements) Regulations, 2015*

** *EPS is not annualized for the quarter ended March 31, 2022, quarter ended December 31, 2021 and quarter ended March 31, 2021.*

Excludes non-controlling interest

1. Notes pertaining to the current quarter

a) The audited interim consolidated financial statements for the quarter and year ended March 31, 2022 have been taken on record by the Board of Directors at its meeting held on April 13, 2022 . **The statutory auditors, Deloitte Haskins & Sells LLP have expressed an unmodified audit opinion.** The information presented above is extracted from the audited interim consolidated financial statements. These interim consolidated financial statements are prepared in accordance with the Indian Accounting Standards (Ind-AS) as prescribed under Section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules thereafter.

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

The Group has considered the possible effects that may result from the pandemic relating to COVID-19 in the preparation of these interim consolidated financial statements includin the recoverability of carrying amounts of financial and non financial assets. In developing the assumptions relating to the possible future uncertainties in the global economi conditions because of this pandemic, the Group has, at the date of approval of these financial statements, used internal and external sources of information including credit report and related information and economic forecasts and expects that the carrying amount of these assets will be recovered. The impact of COVID-19 on the Group's financial statement may differ from that estimated as at the date of approval of these interim consolidated financial statements.

c) Re-appointment of Independent Director

Based on the recommendation of the Nomination and Remuneration Committee, the Board approved the reappointment of D. Sundaram as an Independent Director for the secon term from July 14, 2022 to July 13, 2027, subject to the approval of the shareholders of the Company.

d) Update on employee stock grants

The Board, on April 13, 2022, based on the recommendations of the Nomination and Remuneration Committee, approved :

i) The grant of annual performance-based grant of RSUs amounting to ₹13 crore for the financial year 2023 under the 2015 Stock Incentive Compensation Plan (2015 plan) to Salil Parekh, CEO and MD. This is pursuant to the approval from the shareholders through postal ballot concluded on February 20, 2018 and as per the shareholders' approval in the Annual General meeting held on June 22, 2019. These RSUs will vest in line with the current employment agreement. The RSUs will be granted w.e.f May 2, 2022 and the number o RSU's will be calculated based on the market price at the close of trading on May 2, 2022

ii) The grant of annual performance-based stock incentives in the form of Restricted Stock Units (RSU's) to Salil Parekh, CEO & MD covering Company's equity shares having a market value of ₹10 crore as on the date of the grant under the Infosys Expanded Stock Ownership Program-2019 (2019 Plan), which shall vest 12 months from the date of the gran subject to the Company's achievement of certain performance criteria as laid out in the 2019 Plan. This is pursuant to the approval from the shareholders in the Annual General meeting held on June 22, 2019.The RSUs will be granted w.e.f May 2, 2022 and the number of RSU's will be calculated based on the market price at the close of trading on May 2, 2022.

iii) The annual performance-based grant of RSUs amounting to ₹0.87 crore for the financial year 2023 under the 2015 plan to a Key Managerial Personnel (KMP). These RSUs will vest in line with the current employment agreement based on the achievement of certain performance targets. The RSUs will be granted w.e.f May 2, 2022 and the number of RSU's will be calculated based on the market price at the close of trading on May 2, 2022.

iv) An annual time-based grant, under the 2015 Plan of 11,990 RSU's to a KMP. The RSUs would vest over a period of four years from the date of grant. The RSU's will be granted w.e.f May 2, 2022.

v) The grant of annual performance-based stock incentives in the form of 8,000 RSU's to a KMP under 2019 Plan, which shall vest over a period of three years from the date of th grant subject to the Company's achievement of certain performance criteria as laid out in the 2019 Plan. The RSUs will be granted w.e.f May 2, 2022

e) Proposed acquisition

On March 22, 2022, Infosys Consulting Pte. Ltd (a wholly owned subsidiary of Infosys Limited) entered into a definitive agreement to acquire "oddity", a Germany-based digital marketing, experience, and commerce agency, for a total consideration of upto EUR 50 million (approximately ₹420 crore), which includes earn-outs and bonuses. This acquisition is expected to strengthen the Group's creative, branding and experience design capabilities. To consummate this transaction, Infosys Consulting Pte. Ltd., has simultaneously acquirec Infosys Germany GmBH (formerly Kristall 247. GmBH).

f) Re-appointment of Statutory auditors, Deloitte Haskins & Sells LLP

The Board of Directors recommended the re-appointment of statutory auditors Deloitte Haskins & Sells LLP for another term of 5 years commencing from the financial year 2022-23 and ending with the financial year 2026-27, subject to the approval of the shareholders of the Company.

2. Information on dividends for the quarter and year ended March 31, 2022

For financial year 2022, the Board recommended a final dividend of ₹16/- (par value of ₹5/- each) per equity share. This payment is subject to the approval of shareholders in the Annual General Meeting (AGM) of the Company to be held on June 25, 2022. The record date for the purpose of the payment of final dividend is June 1, 2022.The dividend will be paid on June 28, 2022. For the financial year ended 2021, the Company declared a final dividend of ₹15/- per equity share.

The Board of Directors declared an interim dividend of ₹ 15 /- (par value ₹ 5/- each) per equity share. The record date for payment was October 27, 2021 and the same was paid on November 10, 2021. The interim dividend declared in the previous year was ₹12/- per equity share.

(in ₹)

Particulars	Quarter ended March 31,	Quarter ended December 31,	Quarter ended March 31,	Year ended March 31,	
	2022	2021	2021	2022	2021
Dividend per share (par value ₹5/- each)					
Interim dividend	-	-	-	15.00	12.00
Final dividend	16.00	-	15.00	16.00	15.00

3. Audited Consolidated Balance Sheet

(in ₹ crore)

Particulars	As at	
	March 31, 2022	March 31, 2021
ASSETS		
Non-current assets		
Property, plant and equipment	13,075	12,560
Right of use assets	4,823	4,794
Capital work-in-progress	416	922
Goodwill	6,195	6,079
Other Intangible assets	1,707	2,072
Financial assets		
Investments	13,651	11,863
Loans	34	32
Other financial assets	1,460	1,141
Deferred tax assets (net)	1,212	1,098
Income tax assets (net)	6,098	5,811
Other non-current assets	2,029	1,281
Total non-current assets	**50,700**	**47,653**
Current assets		
Financial assets		
Investments	6,673	2,342
Trade receivables	22,698	19,294
Cash and cash equivalents	17,472	24,714
Loans	248	159
Other financial assets	8,727	6,410
Income tax assets (net)	54	-
Other current assets	11,313	7,814
Total current assets	**67,185**	**60,733**
Total Assets	**117,885**	**108,386**
EQUITY AND LIABILITIES		
Equity		
Equity share capital	2,098	2,124
Other equity	73,252	74,227
Total equity attributable to equity holders of the Company	**75,350**	**76,351**
Non-controlling interests	386	431
Total equity	**75,736**	**76,782**
Liabilities		
Non-current liabilities		
Financial liabilities		
Lease liabilities	4,602	4,587
Other financial liabilities	2,337	1,514
Deferred tax liabilities (net)	1,156	875
Other non-current liabilities	451	763
Total non-current liabilities	**8,546**	**7,739**
Current liabilities		
Financial liabilities		
Lease liabilities	872	738
Trade payables	4,134	2,645
Other financial liabilities	15,837	11,390
Other Current Liabilities	9,178	6,233
Provisions	975	713
Income tax liabilities (net)	2,607	2,146
Total current liabilities	**33,603**	**23,865**
Total equity and liabilities	**117,885**	**108,386**

The disclosure is an extract of the audited Consolidated Balance Sheet as at March 31, 2022 and March 31, 2021 prepared in compliance with the Indian Accounting Standards (Ind-AS).

4. Audited Consolidated Statement of Cash Flows

(in ₹ crore)

Particulars	Year ended March 31,	
	2022	202
Cash flow from operating activities		
Profit for the period	22,146	19,42
Adjustments to reconcile net profit to net cash provided by operating activities:		
Income tax expense	7,964	7,20
Depreciation and amortization	3,476	3,26
Interest and dividend income	(1,645)	(1,615
Finance cost	200	19
Impairment loss recognized / (reversed) under expected credit loss model	170	19
Exchange differences on translation of assets and liabilities, net	119	(62
Stock compensation expense	415	33
Other adjustments	76	(91
Changes in assets and liabilities		
Trade receivables and unbilled revenue	(7,937)	(1,835
Loans, other financial assets and other assets	(1,914)	(534
Trade payables	1,489	(245
Other financial liabilities, other liabilities and provisions	6,938	3,38
Cash generated from operations	**31,497**	**29,61**
Income taxes paid	(7,612)	(6,389
Net cash generated by operating activities	**23,885**	**23,22**
Cash flows from investing activities		
Expenditure on property, plant and equipment and intangibles	(2,161)	(2,107
Deposits placed with corporation	(906)	(725
Redemption of deposits placed with Corporation	753	51
Interest and dividend received	1,898	1,41
Payment towards acquisition of business, net of cash acquired	-	(1,221
Payment of contingent consideration pertaining to acquisition of business	(53)	(158
Escrow and other deposits pertaining to Buyback	(420)	
Redemption of escrow pertaining to Buyback	420	
Other receipts	67	4
Other payments	(22)	(45
Payments to acquire Investments		
Tax free bonds and government bonds	-	(318
Liquid mutual funds and fixed maturity plan securities	(54,064)	(35,196
Non convertible debentures	(1,609)	(3,689
Certificates of deposit	(4,184)	
Government securities	(4,254)	(7,510
Others	(24)	(25
Proceeds on sale of Investments		
Tax free bonds and government bonds	20	
Non-convertible debentures	2,201	1,25
Government securities	1,457	2,70
Certificates of deposit	787	1,14
Liquid mutual funds and fixed maturity plan securities	53,669	36,35
Preference and equity securities	-	7
Others	9	2
Net cash (used in) / from investing activities	**(6,416)**	**(7,456**
Cash flows from financing activities:		
Payment of lease liabilities	(915)	(698
Payment of dividends	(12,652)	(9,117
Payment of dividend to non-controlling interest of subsidiary	(79)	(20
Shares issued on exercise of employee stock options	21	1
Payment towards purchase of non-controlling interest	(2)	(49
Other receipts	236	8
Other payments	(126)	
Buyback of equity shares including transaction cost and tax on Buyback	(11,125)	
Net cash used in financing activities	**(24,642)**	**(9,786**
Net increase / (decrease) in cash and cash equivalents	(7,173)	5,98
Cash and cash equivalents at the beginning of the period	24,714	18,64
Effect of exchange rate changes on cash and cash equivalents	(69)	8
Cash and cash equivalents at the end of the period	**17,472**	**24,71**
Supplementary information:		
Restricted cash balance	471	50

The disclosure is an extract of the audited Consolidated Statement of Cash flows for the year ended March 31, 2022 and March 31, 2021 prepared in compliance with Indian Accounting Standard (Ind AS) 34 Interim Financial Reporting.

5. Segment reporting (Consolidated - Audited)

(in ₹ crore)

Particulars	Quarter ended March 31,	Quarter ended December 31,	Quarter ended March 31,	Year ended March 31,	
	2022	2021	2021	2022	2021
Revenue by business segment					
Financial Services (1)	10,096	10,023	8,677	38,902	32,583
Retail (2)	4,617	4,612	3,902	17,734	14,745
Communication (3)	4,132	3,979	3,156	15,182	12,628
Energy, Utilities, Resources and Services	3,872	3,740	3,233	14,484	12,539
Manufacturing	3,816	3,598	2,533	13,336	9,447
Hi-Tech	2,649	2,567	2,124	10,036	8,560
Life Sciences (4)	2,140	2,383	1,796	8,517	6,870
All other segments (5)	954	965	890	3,450	3,100
Total	**32,276**	**31,867**	**26,311**	**121,641**	**100,472**
Less: Inter-segment revenue	-	-	-	-	-
Net revenue from operations	**32,276**	**31,867**	**26,311**	**121,641**	**100,472**
Segment profit before tax, depreciation and non-controlling interests:					
Financial Services (1)	2,578	2,734	2,239	10,314	8,946
Retail (2)	1,516	1,630	1,385	6,130	5,117
Communication (3)	884	963	709	3,372	2,795
Energy, Utilities , Resources and Services	1,111	1,075	932	4,225	3,552
Manufacturing	426	633	707	2,408	2,563
Hi-Tech	672	636	558	2,495	2,454
Life Sciences (4)	583	640	547	2,380	2,156
All other segments (5)	76	72	194	167	306
Total	**7,846**	**8,383**	**7,271**	**31,491**	**27,889**
Less: Other Unallocable expenditure	890	899	831	3,476	3,267
Add: Unallocable other income	637	512	545	2,295	2,201
Less: Finance cost	50	53	50	200	195
Profit before tax and non-controlling interests	**7,543**	**7,943**	**6,935**	**30,110**	**26,628**

(1) *Financial Services include enterprises in Financial Services and Insurance*

(2) *Retail includes enterprises in Retail, Consumer Packaged Goods and Logistics*

(3) *Communication includes enterprises in Communication, Telecom OEM and Media*

(4) *Life Sciences includes enterprises in Life sciences and Health care*

(5) *All other segments include operating segments of businesses in India, Japan, China, Infosys Public Services & other enterprises in Public Services*

Notes on segment information

Business segments

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

Segmental capital employed

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

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

(in ₹ crore)

Particulars	Quarter ended March 31,	Quarter ended December 31,	Quarter ended March 31,	Year ended March 31,	
	2022	2021	2021	2022	2021
Revenue from operations	27,426	27,337	22,497	103,940	85,912
Profit before tax	6,908	7,789	6,040	28,495	24,477
Profit for the period	5,177	5,870	4,459	21,235	18,048

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

By order of the Board
for Infosys Limited

Salil Parekh
Chief Executive Officer and Managing Director

Bengaluru, India
April 13, 2022

The Board has also taken on record the consolidated results of Infosys Limited and its subsidiaries for the quarter and year ended March 31, 2022, prepared as pe International Financial Reporting Standards (IFRS) and reported in US dollars. A summary of the financial statements is as follows:

(in US$ million, except per equity share data

Particulars	Quarter ended March 31,	Quarter ended December 31,	Quarter ended March 31,	Year ended March 31,	
	2022	2021	2021	2022	202
	Audited	Audited	Audited	Audited	Audite
Revenues	4,280	4,250	3,613	16,311	13,56
Cost of sales	2,955	2,856	2,357	10,996	8,82
Gross profit	**1,325**	**1,394**	**1,256**	**5,315**	**4,73**
Operating expenses	405	396	372	1,560	1,40
Operating profit	**920**	**998**	**884**	**3,755**	**3,32**
Other income, net	84	68	75	308	29
Finance cost	6	7	7	27	2
Profit before income taxes	**998**	**1,059**	**952**	**4,036**	**3,59**
Income tax expense	245	283	255	1,068	97
Net profit	**753**	**776**	**697**	**2,968**	**2,62**
Earnings per equity share *					
Basic	0.18	0.18	0.16	0.70	0.6
Diluted	0.18	0.18	0.16	0.70	0.6
Total assets	15,555	14,673	14,825	15,555	14,82
Cash and cash equivalents and current investments	3,185	2,703	3,700	3,185	3,70

** EPS is not annualized for the quarter ended March 31, 2022, quarter ended December 31, 2021 and quarter ended March 31, 2021.*

Certain statements in this release concerning our future growth prospects, financial expectations and plans for navigating the COVID-19 impact on our employees, clients an stakeholders are forward-looking statements intended to qualify for the 'safe harbor' under the Private Securities Litigation Reform Act of 1995, which involve a number of risks an uncertainties that could cause actual results to differ materially from those in such forward-looking statements. The risks and uncertainties relating to these statements include, bu are not limited to, risks and uncertainties regarding COVID-19 and the effects of government and other measures seeking to contain its spread, risks related to an economi downturn or recession in India, the United States and other countries around the world, changes in political, business, and economic conditions, fluctuations in earnings, fluctuation in foreign exchange rates, our ability to manage growth, intense competition in IT services including those factors which may affect our cost advantage, wage increases in India, ou ability to attract and retain highly skilled professionals, time and cost overruns on fixed-price, fixed-time frame contracts, client concentration, restrictions on immigration, industr segment concentration, our ability to manage our international operations, reduced demand for technology in our key focus areas, disruptions in telecommunication networks c system failures, our ability to successfully complete and integrate potential acquisitions, liability for damages on our service contracts, the success of the companies in which Infosy has made strategic investments, withdrawal or expiration of governmental fiscal incentives, political instability and regional conflicts, legal restrictions on raising capital or acquirin companies outside India, unauthorized use of our intellectual property and general economic conditions affecting our industry and the outcome of pending litigation and governmer investigation. Additional risks that could affect our future operating results are more fully described in our United States Securities and Exchange Commission filings including ou Annual Report on Form 20-F for the fiscal year ended March 31, 2021. These filings are available at www.sec.gov. Infosys may, from time to time, make additional written and ora forward-looking statements, including statements contained in the Company's filings with the Securities and Exchange Commission and our reports to shareholders. The Compan does not undertake to update any forward-looking statements that may be made from time to time by or on behalf of the Company unless it is required by law.

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IFRS – USD

Press Release

Differentiated Cloud Services and Large Deal Momentum Drive Infosys' Highest Annual Growth in a Decade

Strong Revenue growth guidance of 13%-15% and operating margin guidance of 21%-23% for FY23

Bengaluru, India – April 13, 2022: Infosys (NSE, BSE, NYSE: INFY), a global leader in next-generation digital services and consulting, delivered $16.3 billion in revenues with the highest annual growth in the last decade of 19.7% in constant currency with a robust operating margin of 23.0%. Growth was broad-based, supported by continued momentum in large deal wins with TCV of $9.5 billion. EPS grew by 15.2% in rupee terms. FCF crossed $3 billion for the year.

Q4 sequential growth was 1.2% in constant currency with operating margin of 21.5%. TCV of large deal wins was $2.3 billion in Q4.

"Infosys delivered highest annual growth in a decade with broad-based performance driven by deeply differentiated digital and Infosys Cobalt led cloud capabilities, powered by 'One Infosys' approach. We continue to gain market share as a result of sustained clients' confidence in our ability to successfully navigate their digital journeys", **said Salil Parekh CEO and MD**. "With the acceleration of digital disruptions across industries, we see immense potential to engage and partner with clients as they transform, adapt and thrive. We will scale talent globally, invest in employees and accelerate innovation and digital capabilities to capitalize on the expanding market opportunities", he added.

38.8% YoY 41.2% FY CC Digital growth	20.6% YoY 19.7% FY CC Revenue growth	21.5% Q4 23.0% FY Operating margin	13.4% YoY 15.2% FY Increase in EPS (₹ terms)	$2.3 bn Q4 $9.5 bn FY Large deal TCV

Guidance for FY23:

- Revenue growth of 13%-15% in constant currency
- Operating margin of 21%-23%

1. Key financial highlights:

For the quarter ended March 31, 2022	For the year ended March 31, 2022
• Revenues in CC terms grew by 20.6% YoY and 1.2% QoQ	• Revenues in CC terms grew by 19.7% YoY
• Reported revenues at $4,280 million, growth of 18.5% YoY	• Reported revenues at $16,311 million, growth of 20.3% YoY
• Digital revenues at 59.2% of total revenues, YoY CC growth of 38.8%	• Digital revenues at 57.0% of total revenues, YoY CC growth of 41.2%
• Operating margin at 21.5%, decline of 3.0% YoY	• Operating margin at 23.0%, decline of 1.5% YoY
• Basic EPS at $0.18, growth of 9.2% YoY	• Basic EPS at $0.70, growth of 14.3% YoY
• FCF at $761 million, decline of 4.8% YoY; FCF conversion at 101.0% of net profit	• FCF at $3,055 million, growth of 2.8% YoY; FCF conversion at 102.9% of net profit

"In a year marked by intense supply side challenges, Infosys delivered strong financial performance – EPS growth of 15.2%, Free Cash Flows surpassing $3 billion and Return on Equity of 29.1%, reflecting the company's success, driven by client-centricity and rich capabilities. The Board has proposed a final dividend of ₹16 per share, taking the total dividend for FY22 to ₹31 per share, an increase of 14.8% over prior year", **said Nilanjan Roy, Chief Financial Officer**. "With a robust demand environment ahead, we envisage making appropriate long-term investments in capability building across sales, delivery and innovation. However, we plan to neutralize some of the impact through aggressive cost optimization programs and value led pricing driven by service and brand differentiation. This, along with post-pandemic normalization of expenses, is reflected in the margin guidance", he added.

2. Capital allocation

For FY22, the Board has recommended a final dividend of ₹16 per share ($0.21 per ADS*). Together with the interim dividend of ₹15 per share already paid, the total dividend per share for FY22 will amount to ₹31 (app. $0.41 per ADS*) which is a 14.8% increase over FY21. With this, the company has announced total dividend of approx. ₹13,000 crore (approx. $1.74 billion*) for FY22.

USD-INR rate of 75.00

3. Client wins & Testimonials

- Infosys launched Infosys Metaverse Foundry, an integral part of Infosys Living Labs to accelerate enterprises' ability to evolve and execute strategies for virtual-physical interconnections. **Daniel Schumacher, Head of Global IT Applications and Digital Innovation, Komatsu**, said, "Our strategic foresight and transformation roadmap point to the rapid acceleration of digital ecosystems, and we are looking to bring its value to all facets of our business – both as we know them today and to what we can create for the future. We are excited to partner with Infosys metaverse foundry to uncover the most significant investment we must make in the virtual world and plant seeds today that are most likely to bear fruit for our future."
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- Infosys Finacle enabled WhatsApp Baking for Union Bank of India. The new service, called Union Virtual Connect (UVConn), will provide customers personalized and daily banking services. **Shri**

Rajkiran Rai G, Managing Director & CEO, Union Bank of India, said, "It has always been our endeavor to build lasting relationships with customers by offering simple, fast, and contextual banking solutions and experiences with improved convenience. In line with this vision, we have introduced this service on WhatsApp, one of the most popular instant messaging applications in the world. Our retail customers can execute a host of their banking requirements on their own, without visiting a branch, instantaneously and securely. With Finacle Conversational Banking and Remote Banker we can now tap into the growing prominence of social media in everyday life. We expect this simple and convenient form of banking to add immense convenience to our customers and hope to see its rapid adoption in the months to come."

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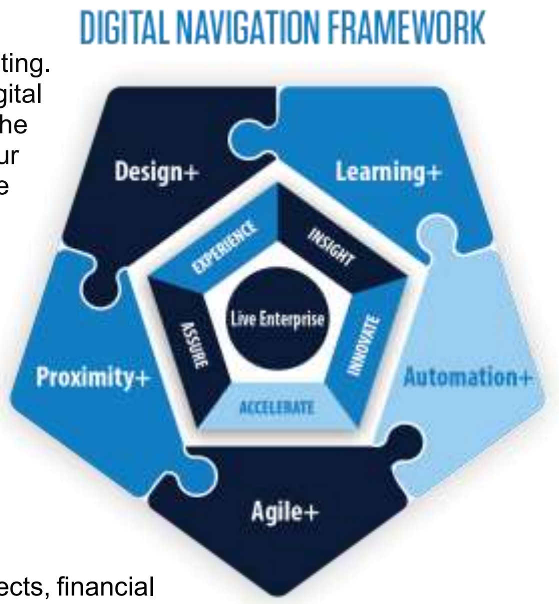
About Infosys



Infosys is a global leader in next-generation digital services and consulting. We enable clients in more than 50 countries to navigate their digital transformation. With over four decades of experience in managing the systems and workings of global enterprises, we expertly steer our clients through their digital journey. We do it by enabling the enterprise with an AI-powered core that helps prioritize the execution of change. We also empower the business with agile digital at scale to deliver unprecedented levels of performance and customer delight. Our always-on learning agenda drives their continuous improvement through building and transferring digital skills, expertise, and ideas from our innovation ecosystem.

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

Safe Harbor

"Certain statements in this release concerning our future growth prospects, financial expectations and plans for navigating the COVID-19 impact on our employees, clients and stakeholders are forward-looking statements intended to qualify for the 'safe harbor' under the Private Securities Litigation Reform Act of 1995, which involve a number of risks and uncertainties that could cause actual results to differ materially from those in such forward-looking statements. The risks and uncertainties relating to these statements include, but are not limited to, risks and uncertainties regarding COVID-19 and the effects of government and other measures seeking to contain its spread, risks related to an economic downturn or recession in India, the United States and other countries around the world, changes in political, business, and economic conditions, fluctuations in earnings, fluctuations in foreign exchange rates, our ability to manage growth, intense competition in IT services including those factors which may affect our cost advantage, wage increases in India, our ability to attract and retain highly skilled professionals, time and cost overruns on fixed-price, fixed-time frame contracts, client concentration, restrictions on immigration, industry segment concentration, our ability to manage our international operations, reduced demand for technology in our key focus areas, disruptions in telecommunication networks or system failures, our ability to successfully complete and integrate potential acquisitions, liability for damages on our service contracts, the success of the companies in which Infosys has made strategic investments, withdrawal or expiration of governmental fiscal incentives, political instability and regional conflicts, legal restrictions on raising capital or acquiring companies outside India, unauthorized use of our intellectual property and general economic conditions affecting our industry and the outcome of pending litigation and government investigation. Additional risks that could affect our future operating results are more fully described in our United States Securities and Exchange Commission filings including our Annual Report on Form 20-F for the fiscal year ended March 31, 2021. These filings are available at www.sec.gov. Infosys may, from time to time, make additional written and oral forward-looking statements, including statements contained in the Company's filings with the Securities and Exchange Commission and our reports to shareholders. The Company does not undertake to update any forward-looking statements that may be made from time to time by or on behalf of the Company unless it is required by law."

Contact

Investor Relations	Sandeep Mahindroo +91 80 3980 1018 Sandeep_Mahindroo@infosys.com	
Media Relations	Rishi Basu +91 80 4156 3998 Rajarshi.Basu@infosys.com	Harini Babu +1 46999 63516 Harini_Babu@infosys.com

Infosys Limited and subsidiaries

Extracted from the Condensed Consolidated Balance Sheet under IFRS as at: *(Dollars in million)*

	March 31, 2022	March 31, 2021
ASSETS		
Current assets		
Cash and cash equivalents	2,305	3,380
Current investments	880	320
Trade receivables	2,995	2,639
Unbilled revenue	1,526	1,030
Other Current assets	1,159	938
Total current assets	**8,865**	**8,307**
Non-current assets		
Property, plant and equipment and Right-of-use assets	2,429	2,519
Goodwill and other Intangible assets	1,042	1,115
Non-current investments	1,801	1,623
Unbilled revenue	124	81
Other non-current assets	1,294	1,180
Total non-current assets	**6,690**	**6,518**
Total assets	**15,555**	**14,825**
LIABILITIES AND EQUITY		
Current liabilities		
Trade payables	545	362
Unearned revenue	834	554
Employee benefit obligations	288	276
Other current liabilities and provisions	2,766	2,072
Total current liabilities	**4,433**	**3,264**
Non-current liabilities		
Lease liabilities	607	627
Other non-current liabilities	521	432
Total non-current liabilities	**1,128**	**1,059**
Total liabilities	**5,561**	**4,323**
Total equity attributable to equity holders of the company	**9,941**	**10,442**
Non-controlling interests	53	60
Total equity	**9,994**	**10,502**
Total liabilities and equity	**15,555**	**14,825**

Extracted from the Condensed Consolidated statement of Comprehensive Income under IFRS for:

(Dollars in million except per equity share data)

	3 months ended March 31, 2022	3 months ended March 31, 2021	Year ended March 31, 2022	Year ended March 31, 2021
Revenues	**4,280**	**3,613**	**16,311**	**13,561**
Cost of sales	2,955	2,357	10,996	8,828
Gross profit	**1,325**	**1,256**	**5,315**	**4,733**
Operating expenses:				
Selling and marketing expenses	179	165	692	624
Administrative expenses	226	207	868	784
Total operating expenses	405	372	1,560	1,408
Operating profit	**920**	**884**	**3,755**	**3,325**
Other income, net [(3)]	78	68	281	271
Profit before income taxes	**998**	**952**	**4,036**	**3,596**
Income tax expense	245	255	1,068	973
Net profit (before minority interest)	**753**	**697**	**2,968**	**2,623**
Net profit (after minority interest)	752	697	2,963	2,613
Basic EPS ($)	0.18	0.16	0.70	0.62
Diluted EPS ($)	0.18	0.16	0.70	0.61

NOTES:

1. *The above information is extracted from the audited condensed consolidated Balance sheet and Statement of Comprehensive Income for the quarter and year ended March 31,2022 which have been taken on record at the Board meeting held on April 13, 2022.*

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

3. *Other Income includes Finance Cost.*

Infosys
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IFRS – INR

Press Release

Differentiated Cloud Services and Large Deal Momentum Drive Infosys' Highest Annual Growth in a Decade

Strong Revenue growth guidance of 13%-15% and operating margin guidance of 21%-23% for FY23

Bengaluru, India – April 13, 2022: Infosys (NSE, BSE, NYSE: INFY), a global leader in next-generation digital services and consulting, delivered $16.3 billion in revenues with the highest annual growth in the last decade of 19.7% in constant currency with a robust operating margin of 23.0%. Growth was broad-based, supported by continued momentum in large deal wins with TCV of $9.5 billion. EPS grew by 15.2% in rupee terms. FCF crossed $3 billion for the year.

Q4 sequential growth was 1.2% in constant currency with operating margin of 21.5%. TCV of large deal wins was $2.3 billion in Q4.

"Infosys delivered highest annual growth in a decade with broad-based performance driven by deeply differentiated digital and Infosys Cobalt led cloud capabilities, powered by 'One Infosys' approach. We continue to gain market share as a result of sustained clients' confidence in our ability to successfully navigate their digital journeys", **said Salil Parekh CEO and MD**. "With the acceleration of digital disruptions across industries, we see immense potential to engage and partner with clients as they transform, adapt and thrive. We will scale talent globally, invest in employees and accelerate innovation and digital capabilities to capitalize on the expanding market opportunity", he added.

38.8% YoY **41.2% FY** CC Digital growth	**20.6% YoY** **19.7% FY** CC Revenue growth	**21.5% Q4** **23.0% FY** Operating margin	**13.4% YoY** **15.2% FY** Increase in EPS (₹ terms)	**$2.3 bn Q4** **$9.5 bn FY** Large deal TCV

Guidance for FY23:

- Revenue growth of 13%-15% in constant currency
- Operating margin of 21%-23%

1. Key financial highlights:

For the quarter ended March 31, 2022	For the year ended March 31, 2022
• Revenues in CC terms grew by 20.6% YoY and 1.2% QoQ	• Revenues in CC terms grew by 19.7% YoY
• Reported revenues at ₹32,276 crore, growth of 22.7% YoY	• Reported revenues at ₹1,21,641 crore, growth of 21.1% YoY
• Digital revenues at 59.2% of total revenues, YoY CC growth of 38.8%	• Digital revenues at 57.0% of total revenues, YoY CC growth of 41.2%
• Operating margin at 21.5%, decline of 3.0% YoY	• Operating margin at 23.0%, decline of 1.5% YoY
• Basic EPS at ₹13.56, growth of 13.4% YoY	• Basic EPS at ₹52.52, growth of 15.2% YoY
• FCF at ₹5,769 crore, decline of 0.9% YoY; FCF conversion at 101.3% of net profit	• FCF at ₹22,803 crore, growth of 3.6% YoY; FCF conversion at 103.0% of net profit

"In a year marked by intense supply side challenges, Infosys delivered strong financial performance – EPS growth of 15.2%, Free Cash Flows surpassing $3 billion and Return on Equity of 29.1%, reflecting the company's success, driven by client-centricity and rich capabilities. The Board has proposed a final dividend of ₹16 per share, taking the total dividend for FY22 to ₹31 per share, an increase of 14.8% over prior year", **said Nilanjan Roy, Chief Financial Officer**. "With a robust demand environment ahead, we envisage making appropriate long-term investments in capability building across sales, delivery and innovation. However, we plan to neutralize some of the impact through aggressive cost optimization programs and value led pricing driven by service and brand differentiation. This, along with post-pandemic normalization of expenses, is reflected in the margin guidance", he added.

2. Capital allocation

For FY22, the Board has recommended a final dividend of ₹16 per share. Together with the interim dividend of ₹15 per share already paid, the total dividend per share for FY22 will amount to ₹31 which is a 14.8% increase over FY21. With this, the company has announced total dividend of approx. ₹13,000 crore for FY22.

3. Client wins & Testimonials

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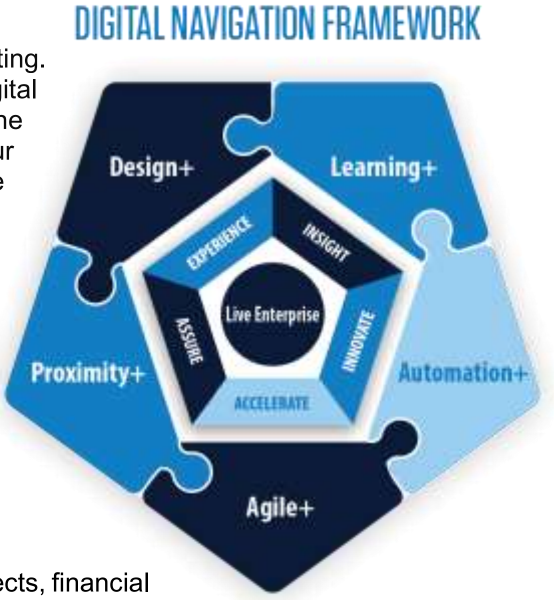

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Contact

Investor Relations	Sandeep Mahindroo +91 80 3980 1018 Sandeep_Mahindroo@infosys.com	
Media Relations	Rishi Basu +91 80 4156 3998 Rajarshi.Basu@infosys.com	Harini Babu +1 46999 63516 Harini_Babu@infosys.com

Infosys Limited and subsidiaries

Extracted from the Condensed Consolidated Balance Sheet under IFRS as at:

(In ₹crore)

	March 31, 2022	March 31, 2021
ASSETS		
Current assets		
Cash and cash equivalents	17,472	24,714
Current investments	6,673	2,342
Trade receivables	22,698	19,294
Unbilled revenue	11,568	7,527
Other Current assets	8,774	6,856
Total current assets	**67,185**	**60,733**
Non-current assets		
Property, plant and equipment and Right-of-use assets	18,402	18,417
Goodwill and other Intangible assets	7,902	8,151
Non-current investments	13,651	11,863
Unbilled revenue	941	594
Other non-current assets	9,804	8,628
Total non-current assets	**50,700**	**47,653**
Total assets	**117,885**	**108,386**
LIABILITIES AND EQUITY		
Current liabilities		
Trade payables	4,134	2,645
Unearned revenue	6,324	4,050
Employee benefit obligations	2,182	2,020
Other current liabilities and provisions	20,963	15,150
Total current liabilities	**33,603**	**23,865**
Non-current liabilities		
Lease liabilities	4,602	4,587
Other non-current liabilities	3,944	3,152
Total non-current liabilities	**8,546**	**7,739**
Total liabilities	**42,149**	**31,604**
Total equity attributable to equity holders of the company	**75,350**	**76,351**
Non-controlling interests	386	431
Total equity	**75,736**	**76,782**
Total liabilities and equity	**117,885**	**108,386**

Extracted from the Condensed Consolidated statement of Comprehensive Income under IFRS for:

(In ₹crore except per equity share data)

	3 months ended March 31, 2022	3 months ended March 31, 2021	Year ended March 31, 2022	Year ended March 31, 2021
Revenues	**32,276**	**26,311**	**121,641**	**100,472**
Cost of sales	22,272	17,164	81,998	65,413
Gross profit	**10,004**	**9,147**	**39,643**	**35,059**
Operating expenses:				
Selling and marketing expenses	1,347	1,200	5,156	4,627
Administrative expenses	1,701	1,507	6,472	5,810
Total operating expenses	3,048	2,707	11,628	10,437
Operating profit	**6,956**	**6,440**	**28,015**	**24,622**
Other income, net (3)	587	495	2,095	2,006
Profit before income taxes	**7,543**	**6,935**	**30,110**	**26,628**
Income tax expense	1,848	1,857	7,964	7,205
Net profit (before minority interest)	**5,695**	**5,078**	**22,146**	**19,423**
Net profit (after minority interest)	5,686	5,076	22,110	19,351
Basic EPS (₹)	13.56	11.96	52.52	45.61
Diluted EPS (₹)	13.54	11.94	52.41	45.52

NOTES:

1. *The above information is extracted from the audited condensed consolidated Balance sheet and Statement of Comprehensive Income for the quarter and year ended March 31,2022 which have been taken on record at the Board meeting held on April 13, 2022.*

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

3. *Other Income includes Finance Cost.*

Chartered Accountants
Prestige Trade Tower, Level 19
46, Palace Road, High
Grounds, Bengaluru – 560 001
Karnataka, India

Tel: +91 (80) 6188 6000
Fax: +91 (80) 6188 6011

INDEPENDENT AUDITOR'S REPORT

TO THE BOARD OF DIRECTORS OF INFOSYS LIMITED

Report on the Audit of the Interim Condensed Consolidated Financial Statements

Opinion

We have audited the accompanying Interim condensed consolidated financial statements of **INFOSYS LIMITED** (the "Company") and its subsidiaries (the Company and its subsidiaries together referred to as the "Group"), which comprise the Interim Condensed Consolidated Balance Sheet as at March 31, 2022, the Interim Condensed Consolidated Statement of Comprehensive Income for the three months and year ended on that date, the Condensed Consolidated Statement of Changes in Equity and the Condensed Consolidated Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as the "Interim condensed consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Interim condensed consolidated financial statements give a true and fair view in conformity with International Accounting Standard 34 "Interim Financial Reporting" ("IAS 34") as issued by the International Accounting Standards Board ("IASB"), of their consolidated state of affairs of the Group as at March 31, 2022 and their consolidated profit, their consolidated total comprehensive income, consolidated changes in equity and its consolidated cash flows for the year ended on that date.

Basis for Opinion

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

Management's Responsibility for the Interim Condensed Consolidated Financial Statements

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

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

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

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

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

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

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

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

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

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

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

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

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

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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

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

Place: Bengaluru
Date: April 13, 2022

INFOSYS LIMITED AND SUBSIDIARIES

Condensed Consolidated Financial Statements under International Financial Reporting Standards (IFRS) in US Dollars for the three months and year ended March 31, 2022

Index

Infosys Limited and Subsidiaries

(Dollars in millions except equity share data)

Condensed Consolidated Balance Sheet as at	Note	March 31, 2022	March 31, 2021
ASSETS			
Current assets			
Cash and cash equivalents	2.1	2,305	3,380
Current investments	2.2	880	320
Trade receivables		2,995	2,639
Unbilled revenue	2.17	1,526	1,030
Prepayments and other current assets	2.4	1,133	912
Income tax assets	2.12	7	-
Derivative financial instruments	2.3	19	26
Total current assets		**8,865**	**8,307**
Non-current assets			
Property, plant and equipment	2.7	1,793	1,863
Right-of-use assets	2.8	636	656
Goodwill	2.9	817	832
Intangible assets		225	283
Non-current investments	2.2	1,801	1,623
Unbilled revenue	2.17	124	81
Deferred income tax assets	2.12	160	150
Income tax assets	2.12	805	795
Other non-current assets	2.4	329	235
Total Non-current assets		**6,690**	**6,518**
Total assets		**15,555**	**14,825**
LIABILITIES AND EQUITY			
Current liabilities			
Trade payables		545	362
Lease Liabilities	2.8	115	101
Derivative financial instruments	2.3	8	8
Current income tax liabilities	2.12	344	294
Unearned revenue		834	554
Employee benefit obligations		288	276
Provisions	2.6	129	97
Other current liabilities	2.5	2,170	1,572
Total current liabilities		**4,433**	**3,264**
Non-current liabilities			
Lease liabilities	2.8	607	627
Deferred income tax liabilities	2.12	153	120
Employee benefit obligations		12	13
Other non-current liabilities	2.5	356	299
Total liabilities		**5,561**	**4,323**
Equity			
Share capital - ₹5 ($0.16) par value 4,800,000,000 (4,800,000,000) equity shares authorized, issued and outstanding 4,193,012,929 (4,245,146,114) equity shares fully paid up, net of 13,725,712 (15,514,732) treasury shares as at March 31, 2022 and March 31, 2021	2.19	328	332
Share premium		337	359
Retained earnings		11,672	12,087
Cash flow hedge reserve		1	2
Other reserves		1,170	908
Capital redemption reserve		21	17
Other components of equity		(3,588)	(3,263)
Total equity attributable to equity holders of the company		**9,941**	**10,442**
Non-controlling interests		53	60
Total equity		**9,994**	**10,502**
Total liabilities and equity		**15,555**	**14,825**

The accompanying notes form an integral part of the interim condensed consolidated financial statements.
As per our report of even date attached.

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

Sanjiv V. Pilgaonkar
Partner
Membership No. 039826

Bengaluru
April 13, 2022

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

Nandan M. Nilekani
Chairman

Salil Parekh
Chief Executive Officer and Managing Director

D. Sundaram
Director

Nilanjan Roy
Chief Financial Officer

Jayesh Sanghrajka
Executive Vice President and Deputy Chief Financial Officer

A.G.S. Manikantha
Company Secretary

Infosys Limited and Subsidiaries

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

Condensed Consolidated Statement of Comprehensive Income	Note	Three months ended		Year ended	
		March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
Revenues	2.16	**4,280**	**3,613**	**16,311**	**13,561**
Cost of sales	2.18	2,955	2,357	10,996	8,828
Gross profit		**1,325**	**1,256**	**5,315**	**4,733**
Operating expenses:					
Selling and marketing expenses	2.18	179	165	692	624
Administrative expenses	2.18	226	207	868	784
Total operating expenses		**405**	**372**	**1,560**	**1,408**
Operating profit		**920**	**884**	**3,755**	**3,325**
Other income, net	2.18	84	75	308	297
Finance cost		6	7	27	26
Profit before income taxes		**998**	**952**	**4,036**	**3,596**
Income tax expense	2.12	245	255	1,068	973
Net profit		**753**	**697**	**2,968**	**2,623**
Other comprehensive income					
Items that will not be reclassified subsequently to profit or loss:					
Re-measurements of the net defined benefit liability/asset, net		(1)	(20)	(11)	17
Equity instrument through other comprehensive income, net		7	1	12	16
		6	(19)	1	33
Items that will be reclassified subsequently to profit or loss:					
Fair valuation of investments, net		(8)	(19)	(6)	(14)
Fair value changes on derivatives designated as cash flow hedge, net		(2)	4	(1)	4
Foreign currency translation		(163)	(43)	(320)	333
		(173)	(58)	(327)	323
Total other comprehensive income/(loss), net of tax		**(167)**	**(77)**	**(326)**	**356**
Total comprehensive income		**586**	**620**	**2,642**	**2,979**
Profit attributable to:					
Owners of the company		752	697	2,963	2,613
Non-controlling interests		1	-	5	10
		753	**697**	**2,968**	**2,623**
Total comprehensive income attributable to:					
Owners of the company		584	619	2,637	2,968
Non-controlling interests		2	1	5	11
		586	**620**	**2,642**	**2,979**
Earnings per equity share					
Basic ($)		0.18	0.16	0.70	0.62
Diluted ($)		0.18	0.16	0.70	0.61
Weighted average equity shares used in computing earnings per equity share	2.13				
Basic		4,191,743,339	4,243,805,540	4,209,546,724	4,242,416,665
Diluted		4,199,791,086	4,251,783,840	4,218,525,134	4,250,732,467

The accompanying notes form an integral part of the interim condensed consolidated financial statements.
As per our report of even date attached.

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

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

Nandan M. Nilekani
Chairman

Salil Parekh
Chief Executive Officer and Managing Director

D. Sundaram
Director

Sanjiv V. Pilgaonkar
Partner
Membership No. 039826

Nilanjan Roy
Chief Financial Officer

Jayesh Sanghrajka
Executive Vice President and Deputy Chief Financial Officer

A.G.S. Manikantha
Company Secretary

Bengaluru
April 13, 2022

Infosys Limited and Subsidiaries

Condensed Consolidated Statement of Changes in Equity

(Dollars in millions except equity share data)

	Number of Shares[(1)]	Share capital	Share premium	Retained earnings	Other reserves [(2)]	Capital redemption reserve	Cash flow hedge reserve	Other components of equity	Total equity attributable to equity holders of the company	Non-controlling interest	Total equity
Balance as at April 1, 2020	**4,240,753,210**	**332**	**305**	**11,014**	**594**	**17**	**(2)**	**(3,614)**	**8,646**	**55**	**8,701**
Changes in equity for year ended March 31, 2021											
Net profit	-	-	-	2,613	-	-	-	-	2,613	10	2,623
Remeasurement of the net defined benefit liability/asset, net*	-	-	-	-	-	-	-	17	17	-	17
Equity instruments through other comprehensive income, net*	-	-	-	-	-	-	-	16	16	-	16
Fair value changes on investments, net*	-	-	-	-	-	-	-	(14)	(14)	-	(14)
Fair value changes on derivatives designated as cash flow hedge, net*	-	-	-	-	-	-	4	-	4	-	4
Foreign currency translation	-	-	-	-	-	-	-	332	332	1	333
Total comprehensive income for the period	**-**	**-**	**-**	**2,613**	**-**	**-**	**4**	**351**	**2,968**	**11**	**2,979**
Shares issued on exercise of employee stock options (Refer note 2.11)	4,392,904	-	2	-	-	-	-	-	2	-	2
Effect of modification of share based payments awards	-	-	12	-	-	-	-	-	12	-	12
Transfer from other reserves on utilization	-	-	-	141	(141)	-	-	-	-	-	-
Transfer to other reserves	-	-	-	(455)	455	-	-	-	-	-	-
Employee stock compensation expense (Refer note 2.11)	-	-	34	-	-	-	-	-	34	-	34
Income tax benefit arising on exercise of stock options	-	-	6	-	-	-	-	-	6	-	6
Payments towards acquisition of minority interest	-	-	-	(4)	-	-	-	-	(4)	(3)	(7)
Dividends paid to non controlling interest of subsidiary	-	-	-	-	-	-	-	-	-	(3)	(3)
Dividends (including dividend distribution tax)[#]	-	-	-	(1,222)	-	-	-	-	(1,222)	-	(1,222)
Balance as at March 31, 2021	**4,245,146,114**	**332**	**359**	**12,087**	**908**	**17**	**2**	**(3,263)**	**10,442**	**60**	**10,502**

Infosys Limited and Subsidiaries

(Dollars in millions except equity share data)

	Number of Shares[1]	Share capital	Share premium	Retained earnings	Other reserves [2]	Capital redemption reserve	Cash flow hedge reserve	Other components of equity	Total equity attributable to equity holders of the company	Non-controlling interest	Total equity
Balance as at April 1, 2021	**4,245,146,114**	**332**	**359**	**12,087**	**908**	**17**	**2**	**(3,263)**	**10,442**	**60**	**10,502**
Changes in equity for year ended March 31, 2022											
Net profit	-	-	-	2,963	-	-	-	-	2,963	5	2,968
Remeasurement of the net defined benefit liability/asset, net*	-	-	-	-	-	-	-	(11)	(11)	-	(11)
Equity instruments through other comprehensive income, net*	-	-	-	-	-	-	-	12	12	-	12
Fair value changes on investments, net*	-	-	-	-	-	-	-	(6)	(6)	-	(6)
Fair value changes on derivatives designated as cash flow hedge, net*	-	-	-	-	-	-	(1)	-	(1)	-	(1)
Foreign currency translation	-	-	-	-	-	-	-	(320)	(320)		(320)
Total comprehensive income for the period	**-**	**-**	**-**	**2,963**	**-**	**-**	**(1)**	**(325)**	**2,637**	**5**	**2,642**
Shares issued on exercise of employee stock options (Refer to note 2.11)	3,674,152	-	2	-	-	-	-	-	2	-	2
Buyback of equity shares (Refer to note 2.19)**	(55,807,337)	(4)	(86)	(1,409)	-	-	-	-	(1,499)	-	(1,499)
Transaction cost relating to buyback *	-	-	-	(4)	-	-	-	-	(4)	-	(4)
Amount transferred to capital redemption reserve upon buyback	-	-	-	(4)	-	4	-	-	-	-	-
Transfer from other reserves on utilization	-	-	-	146	(146)	-	-	-	-	-	-
Transfer to other reserves	-	-	-	(408)	408	-	-	-	-	-	-
Employee stock compensation expense (Refer to note 2.11)	-	-	52	-	-	-	-	-	52	-	52
Income tax benefit arising on exercise of stock options	-	-	10	-	-	-	-	-	10	-	10
Dividends paid to non controlling interest of subsidiary	-	-	-	-	-	-	-	-	-	(12)	(12)
Dividends#	-	-	-	(1,699)	-	-	-	-	(1,699)	-	(1,699)
Balance as at March 31, 2022	**4,193,012,929**	**328**	**337**	**11,672**	**1,170**	**21**	**1**	**(3,588)**	**9,941**	**53**	**9,994**

** net of tax*

*** including tax on buyback of $256 million*

 # net of treasury shares

(1) excludes treasury shares of 13,725,712 as at March 31, 2022, 15,514,732 as at April 1, 2021, and 18,239,356 as at April 1, 2020, held by consolidated trust.

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

The accompanying notes form an integral part of the interim condensed consolidated 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 No :
117366W/ W-100018

Nandan M. Nilekani
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Partner
Membership No.039826

Bengaluru
April 13, 2022

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Chief Financial Officer

Jayesh Sanghrajka
Executive Vice President and Deputy Chief Financial Officer

A.G.S. Manikantha
Company Secretary

Infosys Limited and Subsidiaries

Condensed Consolidated Statement of Cash Flows

Accounting Policy

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

(Dollars in millions)

Particulars	Note	Year ended March 31, 2022	Year ended March 31, 2021
Operating activities:			
Net Profit		2,968	2,623
Adjustments to reconcile net profit to net cash provided by operating activities:			
Depreciation and amortization	2.18	466	441
Interest and dividend income		(108)	(77)
Finance Cost		27	26
Income tax expense	2.12	1,068	973
Effect of exchange rate changes on assets and liabilities, net		15	(8)
Impairment loss under expected credit loss model		23	25
Stock compensation expense	2.11	56	45
Other adjustments		8	(13)
Changes in working capital			
Trade receivables and unbilled revenue		(1,064)	(248)
Prepayments and other assets		(225)	(90)
Trade payables		200	(33)
Unearned revenue		299	138
Other liabilities and provisions		632	319
Cash generated from operations		**4,365**	**4,121**
Income taxes paid		(1,020)	(863)
Net cash generated by operating activities		**3,345**	**3,258**
Investing activities:			
Expenditure on property, plant and equipment and intangibles		(290)	(285)
Deposits placed with corporation		(121)	(97)
Redemption of deposits placed with corporations		101	69
Interest and dividend received		109	70
Payment towards acquisition of business, net of cash acquired		-	(165)
Payment of contingent consideration pertaining to acquisition of business		(7)	(21)
Escrow and other deposits pertaining to Buyback		(57)	-
Redemption of escrow and other deposits pertaining to Buyback		57	-
Payments to acquire Investments			
Liquid mutual funds and fixed maturity plan securities		(7,240)	(4,753)
Certificate of deposits		(560)	-
Quoted debt securities		(786)	(1,555)
Other Investments		(3)	(3)
Proceeds on sale of Investments			
Quoted debt securities		494	534
Equity and preference securities		-	10
Certificate of deposits		105	154
Liquid mutual funds and fixed maturity plan securities		7,186	4,909
Other Investments		1	3
Other payments		(3)	(6)
Other receipts		9	7
Net cash (used)/generated in investing activities		**(1,005)**	**(1,129)**

Financing activities:			
Payment of Lease Liabilities	2.8	(125)	(94)
Payment of dividends		(1,703)	(1,226)
Payment of dividend to non controlling interests of subsidiary		(11)	(3)
Shares issued on exercise of employee stock options		2	2
Payment towards purchase of non controlling interest		-	(7)
Other payments		(17)	-
Other receipts		32	11
Buy back of equity shares including transaction costs and tax on buyback	2.19.1	(1,503)	-
Net cash used in financing activities		**(3,325)**	**(1,317)**
Effect of exchange rate changes on cash and cash equivalents		(90)	103
Net increase / (decrease) in cash and cash equivalents		(985)	812
Cash and cash equivalents at the beginning of the period	2.1	3,380	2,465
Cash and cash equivalents at the end of the period	2.1	**2,305**	**3,380**
Supplementary information:			
Restricted cash balance	2.1	62	69

The accompanying notes form an integral part of the interim condensed consolidated financial statements.
As per our report of even date attached

for Deloitte Haskins & Sells LLP

Chartered Accountants

Firm's Registration No :

117366W/ W-100018

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

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Executive Vice President and
Deputy Chief Financial Officer

A.G.S. Manikantha
Company Secretary

Bengaluru

April 13, 2022

Infosys Limited and Subsidiaries

Overview and Notes to the Interim Condensed Consolidated Financial Statements

1. Overview

1.1 Company overview

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

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

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

The Group's interim condensed consolidated financial statements are authorized for issue by the company's Board of Directors on April 13, 2022.

1.2 Basis of preparation of financial statements

The interim condensed consolidated financial statements have been prepared in compliance with IAS 34, Interim Financial Reporting as issued by International Accounting Standards Board, under the historical cost convention on the accrual basis except for certain financial instruments which have been measured at fair values. Accordingly, these interim condensed consolidated financial statements do not include all the information required for a complete set of financial statements. These interim condensed consolidated financial statements should be read in conjunction with the consolidated financial statements and related notes included in the company's Annual Report on Form 20-F for the year ended March 31, 2021. 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 to date figures are taken from the source and rounded to the nearest digits, the quarter figures in this statement added up to the figures reported for the previous quarters might not always add up to the year to date figures reported in this statement.

1.3 Basis of consolidation

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

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

1.4 Use of estimates and judgments

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

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

The Group has considered the possible effects that may result from the COVID-19 pandemic in the preparation of these interim condensed consolidated financial statements including the recoverability of carrying amounts of financial and non-financial assets. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of the COVID-19 pandemic, the Group has, at the date of approval of these interim condensed consolidated financial statements, used internal and external sources of information including credit reports and related information and economic forecasts and expects that the carrying amount of these assets will be recovered. The impact of the COVID-19 pandemic on the Group's financial statements may differ from that estimated as at the date of approval of these interim condensed consolidated financial statements.

1.5 Critical accounting estimates and judgements

a. Revenue recognition

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

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

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

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

b. Income taxes

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

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

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

c. Business combinations and intangible assets

Business combinations are accounted for using IFRS 3 (Revised), Business Combinations. IFRS 3 requires us to fair value identifiable intangible assets and contingent consideration to ascertain the net fair value of identifiable assets, liabilities and contingent liabilities of the acquiree. Estimates are required to be made in determining the value of contingent consideration, value of option arrangements and intangible assets. These valuations are conducted by external valuation experts. These measurements are based on information available at the acquisition date and are based on expectations and assumptions that have been deemed reasonable by management.(refer to note 2.10)

d. Property, plant and equipment

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

e. Impairment of Goodwill

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

The recoverable amount of CGUs is determined based on higher of value-in-use and fair value less cost to sell. Key assumptions in the cash flow projections are prepared based on current economic conditions and comprises estimated long term growth rates, weighted average cost of capital and estimated operating margins (Refer to note 2.9).

1.6 Recent accounting pronouncements

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

Amendments to IAS 16 Property, Plant and Equipment	Proceeds before Intended Use
Amendments to IAS 37 Onerous Contracts	Cost of Fulfilling a Contract
Amendments to IAS 8, Accounting Policies, Changes in Accounting Estimates and Errors	Definition of Accounting Estimates
Amendments to IAS 1, Presentation of Financial Statements	Disclosure of Accounting Policies
Amendments to IAS12, Income taxes	Deferred Tax related to Assets and Liabilities arising from a Single Transaction

Amendments to IAS 16

On May 14, 2020 International Accounting Standards Board (IASB) has issued amendment to IAS 16 Property, Plant and Equipment — Proceeds before Intended Use (Amendments to IAS 16) which amends the standard to prohibit deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognises the proceeds from selling such items, and the cost of producing those items, in profit or loss.

The effective date for adoption of this amendment is annual periods beginning on or after January 1, 2022, although early adoption is permitted. The Group has evaluated the amendment and there is no impact on its condensed consolidated financial statements.

Amendments to IAS 37

On May 14, 2020 International Accounting Standards Board (IASB) has issued Onerous Contracts — Cost of Fulfilling a Contract (Amendments to IAS 37) which specify that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract).

The effective date for adoption of this amendment is annual periods beginning on or after January 1, 2022, although early adoption is permitted. The Group has evaluated the amendment and the impact is not expected to be material.

Amendments to IAS 8

On February 12, 2021 International Accounting Standards Board (IASB) has issued amendments to IAS 8 Accounting Policies, Changes in Accounting estimates and Errors which introduced a definition of 'accounting estimates' and included amendments to IAS 8 to help entities distinguish changes in accounting policies from changes in accounting estimates.

The effective date for adoption of this amendment is annual periods beginning on or after January 1, 2023, although early adoption is permitted. The Group has evaluated the amendment and there is no impact on its condensed consolidated financial statements.

Amendments to IAS 1

On February 12, 2021 International Accounting Standards Board (IASB) has issued amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2 Making Materiality Judgements which requires the entities to disclose their material accounting policies rather than their significant accounting policies.

The effective date for adoption of this amendment is annual periods beginning on or after January 1, 2023, although early adoption is permitted. The Group is in the process of evaluating the impact of the amendment.

Amendments to IAS 12

On May 7,2021, International Accounting Standards Board (IASB) has issued amendment to IAS 12 Income Taxes which narrowed the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and offsetting temporary differences.

The effective date for adoption of this amendment is annual periods beginning on or after January 1, 2023, although early adoption is permitted. The Group is in the process of evaluating the impact of the amendment.

2. Notes to the Interim Condensed Consolidated Financial Statements

2.1 Cash and cash equivalents

Cash and cash equivalents consist of the following:

(Dollars in millions)

Particulars	As at	
	March 31, 2022	**March 31, 2021**
Cash and bank deposits	1,840	2,745
Deposits with financial institutions	465	635
Total Cash and cash equivalents	**2,305**	**3,380**

Cash and cash equivalents as at March 31, 2022 and March 31, 2021 include restricted cash and bank balances of $62 million and $69 million, respectively. The restrictions are primarily on account of bank balances held by irrevocable trusts controlled by the company and bank balances held as margin money deposits against guarantees.

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

Infosys Limited and Subsidiaries

2.2 Investments

The carrying value of investments are as follows:

(Dollars in millions)

Particulars	**As at March 31, 2022**	**As at March 31, 2021**
(i) Current		
Amortized cost		
Quoted debt securities	29	-
Fair value through profit or loss		
Liquid Mutual funds	266	205
Others (Fair Value)	-	-
Fixed maturity plan securities	-	-
Fair Value through Other comprehensive		
Quoted debt securities	133	115
Certificate of deposits	452	-
Total current investments	**880**	**320**
(ii) Non-current		
Amortized cost		
Quoted debt securities	251	294
Fair value through Other comprehensive income		
Quoted debt securities	1,501	1,293
Unquoted equity and preference securities	26	23
Fair value through profit or loss		
Unquoted Preference securities	3	2
Unquoted Compulsorily convertible debentures	1	1
Others[1]	19	10
Total Non-current investments	**1,801**	**1,623**
Total investments	**2,681**	**1,943**
Investment carried at amortized cost	280	294
Investments carried at fair value through other comprehensive income	2,112	1,431
Investments carried at fair value through profit or loss	289	218

[1]*Uncalled capital commitments outstanding as on March 31, 2022 and March 31, 2021 was $million and $6 million, respectively.*

Refer note 2.3 for accounting policies on financial instruments.

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

Class of investment	Method	Fair value	
		As at March 31, 2022	As at March 31, 2021
Liquid mutual fund units	Quoted price	266	205
Quoted debt securities- carried at amortized cost	Quoted price and market observable inputs	323	347
Quoted debt securities- carried at Fair value through other comprehensive income	Quoted price and market observable inputs	1,634	1,408
Certificate of deposits	Market observable inputs	452	-
Unquoted equity and preference securities carried at fair value through other comprehensive income	Discounted cash flows method, Market multiples method, Option pricing model	26	23
Unquoted equity and preference securities - carried at fair value through profit or loss	Discounted cash flows method, Market multiples method, Option pricing model	3	2
Unquoted compulsorily convertible debentures - carried at fair value through profit or loss	Discounted cash flows method	1	1
Others	Discounted cash flows method, Market multiples method, Option pricing model	19	10
		2,724	**1,996**

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

2.3 Financial instruments

Accounting Policy

2.3.1 Initial recognition

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

2.3.2 Subsequent measurement

a. Non-derivative financial instruments

(i) Financial assets carried at amortized cost

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

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

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

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

(iv) Financial liabilities

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

b. Derivative financial instruments

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

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

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

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

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

(ii) Cash flow hedge

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

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

2.3.3 Derecognition of financial instruments

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

2.3.4 Fair value of financial instruments

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

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

2.3.5 Impairment

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

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

The amount of 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 recorded is recognized as an impairment gain or loss in condensed consolidated statement of comprehensive income.

Infosys Limited and Subsidiaries

Financial instruments by category

The carrying value and fair value of financial instruments by categories as at March 31, 2022 were as follows:

(Dollars in millions)

Particulars	Amortized cost	Financial assets/ liabilities at fair value through profit or loss		Financial assets/liabilities at fair value through OCI		Total carrying value	Total fair value	
		Designated upon initial recognition	Mandatory	Equity instruments designated upon initial recognition	Mandatory			
Assets:								
Cash and cash equivalents (Refer note 2.1)	2,305	-	-	-	-	2,305	2,305	
Investments (Refer to Note 2.2)								
Liquid mutual fund units	-	-	266	-	-	266	266	
Quoted debt securities	280	-	-	-	1,634	1,914	1,957	(1)
Certificate of deposits	-	-	-	-	452	452	452	
Unquoted equity and preference Securities	-	-	3	26	-	29	29	
Unquoted Compulsorily convertible debentures	-	-	1	-	-	1	1	
Unquoted investment others	-	-	19	-	-	19	19	
Trade receivables	2,995	-	-	-	-	2,995	2,995	
Unbilled revenues (Refer note 2.17)[3]	838	-	-	-	-	838	838	
Prepayments and other assets (Refer to Note 2.4)	526	-	-	-	-	526	514	(2)
Derivative financial instruments	-	-	16	-	3	19	19	
Total	**6,944**	**-**	**305**	**26**	**2,089**	**9,364**	**9,395**	
Liabilities:								
Trade payables	545	-	-	-	-	545	545	
Lease liabilities	722	-	-	-	-	722	722	
Derivative financial instruments	-	-	8	-	-	8	8	
Financial liability under option arrangements (Refer to note 2.5)	-	-	86	-	-	86	86	
Other liabilities including contingent consideration (Refer to note 2.5)	1,990	-	16	-	-	2,006	2,006	
Total	**3,257**	-	**110**	**-**	**-**	**3,367**	**3,367**	

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

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

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

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The carrying value and fair value of financial instruments by categories as at March 31, 2021 were as follows:

(Dollars in millions)

Particulars	Amortized cost	Financial assets/ liabilities at fair value through profit or loss		Financial assets/liabilities at fair value through OCI		Total carrying value	Total fair value	
		Designated upon initial recognition	Mandatory	Equity instruments designated upon initial recognition	Mandatory			
Assets:								
Cash and cash equivalents (Refer to Note 2.1)	3,380	-	-	-	-	3,380	3,380	
Investments (Refer note 2.2)								
Liquid mutual fund units	-	-	205	-	-	205	205	
Quoted debt securities	294	-	-	-	1,408	1,702	1,755	(1)
Certificate of deposits	-	-	-	-	-	-	-	
Unquoted Compulsorily convertible debentures	-	-	1	-	-	1	1	
Unquoted equity and preference Securities	-	-	2	23	-	25	25	
Unquoted investment others	-	-	10	-	-	10	10	
Trade receivables	2,639	-	-	-	-	2,639	2,639	
Unbilled revenues(Refer note 2.17)[3]	489	-	-	-	-	489	489	
Prepayments and other assets (Refer to Note 2.4)	573	-	-	-	-	573	560	(2)
Derivative financial instruments	-	-	23	-	3	26	26	
Total	**7,375**	**-**	**241**	**23**	**1,411**	**9,050**	**9,090**	
Liabilities:								
Trade payables	362	-	-	-	-	362	362	
Lease liabilities	728	-	-	-	-	728	728	
Derivative financial instruments	-	-	8	-	-	8	8	
Financial liability under option arrangements (Refer to note 2.5)	-	-	95	-	-	95	95	
Other liabilities including contingent consideration (Refer to note 2.5)	1,351	-	22	-	-	1,373	1,373	
Total	**2,441**	**-**	**125**	**-**	**-**	**2,566**	**2,566**	

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

[2] *Excludes interest accrued on quoted debt securities carried at amortized cost of $13 million.*

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

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

Fair value hierarchy

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

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

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

The following table presents fair value hierarchy of assets and liabilities as at March 31, 2022

(Dollars in millions)

Particulars	**As at March 31, 2022**	**Fair value measurement at end of the reporting period using**		
		Level 1	**Level 2**	**Level 3**
Assets				
Investments in liquid mutual fund units (Refer to Note 2.2)	266	266	-	-
Investments in quoted debt securities (Refer to Note 2.2)	1,957	1,721	236	-
Investments in certificate of deposit (Refer to Note 2.2)	452	-	452	-
Investments in unquoted equity and preference securities (Refer to Note 2.2)	29	-	-	29
Investments in unquoted compulsorily convertible debentures (Refer to Note 2.2)	1	-	-	1
Investments in unquoted investments others (Refer to Note 2.2)	19	-	-	19
Derivative financial instruments - gain on outstanding foreign exchange forward and option contracts	19	-	19	-
Liabilities				
Derivative financial instruments - loss on outstanding foreign exchange forward and option contracts	8	-	8	-
Financial liability under option arrangements	86	-	-	86
Liability towards contingent consideration (Refer to note 2.5)*	16	-	-	16

*Discount rate pertaining to contingent consideration ranges from 8% to 14.5 %

During the year ended March 31, 2022, quoted debt securities of $76 million were transferred from Level 2 to Level 1 of fair value hierarchy, since these were valued based on quoted price and quoted debt securities of $127 million were transferred from Level 1 to Level 2 of fair value hierarchy, since these were valued based on market observable inputs.

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The following table presents fair value hierarchy of assets and liabilities as at March 31, 2021

(Dollars in millions)

Particulars	As at March 31, 2021	Fair value measurement at end of the reporting period using		
		Level 1	Level 2	Level 3
Assets				
Investments in liquid mutual fund units (Refer to Note 2.2)	205	205	-	-
Investments in quoted debt securities (Refer to Note 2.2)	1,755	1,556	199	-
Investments in unquoted equity and preference securities (Refer to Note 2.2)	25	-	-	25
Investments in unquoted investments others (Refer to Note 2.2)	10	-	-	10
Investments in unquoted compulsorily convertible debentures (Refer to Note 2.2)	1	-	-	1
Derivative financial instruments- gain on outstanding foreign exchange forward and option contracts	26	-	26	-
Liabilities				
Derivative financial instruments- loss on outstanding foreign exchange forward and option contracts	8	-	8	-
Financial liability under option arrangements (Refer to Note 2.5)	95	-	-	95
Liability towards contingent consideration (Refer to Note 2.5)*	22	-	-	22

*Discount rate pertaining to contingent consideration ranges from 8% to 14.5%

During the year ended March 31, 2021 quoted debt securities of $14 million were transferred from Level 2 to Level 1 of fair value hierarchy, since these were valued based on quoted price and quoted debt securities of $161 million were transferred from Level 1 to Level 2 of fair value hierarchy, since these were valued based on market observable inputs.

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

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

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2.4 Prepayments and other assets

Prepayments and other assets consist of the following:

(Dollars in millions)

Particulars	As at	
	March 31, 2022	March 31, 2021
Current		
Rental deposits	8	4
Security deposits	1	1
Loans to employees	33	22
Prepaid expenses(1)	263	159
Interest accrued and not due	48	85
Withholding taxes and others(1)	256	286
Advance payments to vendors for supply of goods(1)	25	19
Deposit with corporations*	287	276
Deferred contract cost(1)(#)	-	-
Cost of obtaining a contract	113	7
Cost of fulfillment	12	2
Net investment in sublease of right of use asset	7	5
Other non financial assets(1)	43	-
Other financial assets	37	46
Total Current prepayment and other assets	**1,133**	**912**
Non-current		
Loans to employees	5	4
Security deposits	6	7
Deposit with corporations *	4	6
Defined benefit plan assets(1)	3	3
Prepaid expenses(1)	13	11
Deferred contract cost(1)(#)	-	-
Cost of obtaining a contract	78	16
Cost of fulfillment	41	4
Withholding taxes and others(1)	89	96
Net investment in sublease of right of use asset	43	48
Rental Deposits	24	30
Other financial assets	23	10
Total Non- current prepayment and other assets	**329**	**235**
Total prepayment and other assets	**1,462**	**1,147**
Financial assets in prepayments and other assets	**526**	**573**

(1) *Non financial assets*

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

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

Includes technology assets taken over by the Company from a customer as a part of transformation project which is not considered as distinct goods or services and the control related to the assets is not transferred to the Company in accordance with IFRS 15 - Revenue from contract with customers. Accordingly, the same has been considered as a reduction to the total contract value and accounted as Deferred contract cost. Further, as at March 31, 2022 the Company has entered into a financing arrangement with a third party for these assets for $118 million which has been considered as financial liability. This includes $112 million settled directly by the third party to the customer on behalf of the Company and accordingly considered as non-cash transaction (Refer to note 2.5)

2.5 Other liabilities

Other liabilities comprise the following:

(Dollars in millions)

Particulars	As at March 31, 2022	As at March 31, 2021
Current		
Accrued compensation to employees	536	550
Accrued defined benefit plan liability(1)	1	1
Accrued expenses	986	612
Withholding taxes and others (1)	374	297
Retention money	2	2
Liabilities of controlled trusts	28	27
Deferred income - government grants(1)	1	-
Liability towards contingent consideration	9	10
Capital creditors	57	51
Other non financial liabilities(1)	-	1
Other financial liabilities#	176	21
Total Current other liabilities	**2,170**	**1,572**
Non-Current		
Liability towards contingent consideration	7	12
Accrued compensation to employees	1	-
Accrued expenses	125	78
Accrued defined benefit plan liability(1)	49	44
Deferred income - government grants(1)	8	8
Deferred income (1)	1	2
Financial liability under option arrangements	86	95
Withholding taxes and others(1)	-	50
Other non financial liabilities(1)	1	-
Other financial liabilities#	78	10
Total Non-current other liabilities	**356**	**299**
Total other liabilities	**2,526**	**1,871**
Financial liabilities included in other liabilities	2,092	1,468
Financial liability towards contingent consideration on an undiscounted basis	17	25

(1) *Non financial liabilities*

\# Deferred contract cost in note 2.4 includes technology assets taken over by the Company from a customer as a part of transformation project which is not considered as distinct goods or services and the control related to the assets is not transferred to the Company in accordance with IFRS 15 - Revenue from contract with customers. Accordingly, the same has been considered as a reduction to the total contract value and accounted as Deferred contract cost. Further , as at March 31, 2022 the Company has entered into a financing arrangement with a third party for these assets for $118 million which has been considered as financial liability. This includes $112 million settled directly by the third party to the customer on behalf of the Company and accordingly considered as non-cash transaction.

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

2.6 Provisions and other contingencies

Accounting Policy

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

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

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

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

Provisions comprise the following:

(Dollars in millions)

Particulars	**As at**	
	March 31, 2022	**March 31, 2021**
Provision for post sales client support and other provisions	129	97
	129	**97**

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

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

As at March 31, 2022 and March 31, 2021, claims against the Group, not acknowledged as debts, (excluding demands from income tax authorities- Refer to Note 2.12) amounted to $84 million (₹640 crore) and $82 million (₹599 crore), respectively.

Legal Proceedings

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

2.7 Property, plant and equipment

Accounting Policy

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

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

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

Depreciation methods, useful lives and residual values are reviewed periodically, including at each financial year end. The useful lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology.

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

Impairment

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

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

Following are the changes in the carrying value of property, plant and equipment for three months ended March 31, 2022:

(Dollars in millions)

Particulars	Land	Buildings	Plant and machinery	Computer equipment	Furniture and fixtures	Vehicles	Total
Gross carrying value as at January 1, 2022	**192**	**1,496**	**695**	**1,081**	**425**	**6**	**3,895**
Additions	-	11	11	74	6	-	102
Deletions*	-	-	(41)	(10)	(1)	-	(52)
Translation difference	(4)	(26)	(12)	(20)	(7)	-	(69)
Gross carrying value as at March 31, 2022	**188**	**1,481**	**653**	**1,125**	**423**	**6**	**3,876**
Accumulated depreciation as at January 1, 2022	**-**	**(537)**	**(520)**	**(784)**	**(320)**	**(5)**	**(2,166)**
Depreciation	-	(14)	(15)	(37)	(11)	-	(77)
Accumulated depreciation on deletions*	-	-	41	10	1	-	52
Translation difference	-	10	10	15	6	(1)	40
Accumulated depreciation as at March 31, 2022	**-**	**(541)**	**(484)**	**(796)**	**(324)**	**(5)**	**(2,150)**
Capital work-in progress as at March 31, 2022							67
Carrying value as at March 31, 2022	**188**	**940**	**169**	**329**	**99**	**1**	**1,793**
Capital work-in progress as at January 1, 2022							67
Carrying value as at January 1, 2022	**192**	**959**	**175**	**297**	**105**	**1**	**1,796**

Following are the changes in the carrying value of property, plant and equipment for three months ended March 31, 2021:

(Dollars in millions)

Particulars	Land	Buildings	Plant and machinery	Computer equipment	Furniture and fixtures	Vehicles	Total
Gross carrying value as at January 1, 2021	**190**	**1,414**	**661**	**1,011**	**409**	**6**	**3,691**
Additions	1	33	19	44	10	-	107
Additions-Business Combinations (Refer Note 2.10)	-	-	-	-	-	-	-
Deletions	-	-	(1)	(10)	(3)	-	(14)
Translation difference	-	(2)	-	-	-	-	(2)
Gross carrying value as at March 31, 2021	**191**	**1,445**	**679**	**1,045**	**416**	**6**	**3,782**
Accumulated depreciation as at January 1, 2021	**-**	**(490)**	**(479)**	**(748)**	**(286)**	**(4)**	**(2,007)**
Depreciation	-	(13)	(15)	(33)	(12)	-	**(73)**
Accumulated depreciation on deletions	-	-	1	9	3	-	**13**
Translation difference	-	-	1	1	1	-	**3**
Accumulated depreciation as at March 31, 2021	**-**	**(503)**	**(492)**	**(771)**	**(294)**	**(4)**	**(2,064)**
Capital work-in progress as at March 31, 2021							145
Carrying value as at March 31, 2021	**191**	**942**	**187**	**274**	**122**	**2**	**1,863**
Capital work-in progress as at January 1, 2021							182
Carrying value as at January 1, 2021	**190**	**924**	**182**	**263**	**123**	**2**	**1,866**

Following are the changes in the carrying value of property, plant and equipment for year ended March 31, 2022:

(Dollars in millions)

Particulars	Land	Buildings	Plant and machinery	Computer equipment	Furniture and fixtures	Vehicles	Total
Gross carrying value as at April 1, 2021	**191**	**1,445**	**679**	**1,045**	**416**	**6**	**3,782**
Additions	4	81	47	206	26	-	364
Additions- Business Combinations (Refer Note 2.10)	-	-	-	-	-	-	-
Deletions*	-	-	(50)	(90)	(7)	-	(147)
Translation difference	(7)	(45)	(23)	(36)	(12)	-	(123)
Gross carrying value as at March 31, 2022	**188**	**1,481**	**653**	**1,125**	**423**	**6**	**3,876**
Accumulated depreciation as at April 1, 2021	**-**	**(503)**	**(492)**	**(771)**	**(294)**	**(4)**	**(2,064)**
Depreciation	-	(56)	(57)	(142)	(45)	(1)	(301)
Accumulated depreciation on deletions*	-	-	47	90	6	-	143
Translation difference	-	18	18	27	9	-	72
Accumulated depreciation as at March 31, 2022	**-**	**(541)**	**(484)**	**(796)**	**(324)**	**(5)**	**(2,150)**
Capital work-in progress as at March 31, 2022							67
Carrying value as at March 31, 2022	**188**	**940**	**169**	**329**	**99**	**1**	**1,793**
Capital work-in progress as at April 1, 2021							145
Carrying value as at April 1, 2021	**191**	**942**	**187**	**274**	**122**	**2**	**1,863**

* During the three months ended and year ended ended March 31, 2022, certain assets which were old and not in use having gross book value of NIL million (net book value: Nil) and $43 million (net book value: Nil) respectively, were retired.

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

(Dollars in millions)

Particulars	Land	Buildings	Plant and machinery	Computer equipment	Furniture and fixtures	Vehicles	Total
Gross carrying value as at April 1, 2020	**174**	**1,324**	**621**	**882**	**381**	**6**	**3,388**
Additions	11	70	39	156	26	-	**302**
Additions-Business Combinations (Refer Note 2.10)	-	-	-	1	-	-	**1**
Deletions	-	-	(4)	(29)	(6)	-	**(39)**
Translation difference	6	51	23	35	15	-	**130**
Gross carrying value as at March 31, 2021	**191**	**1,445**	**679**	**1,045**	**416**	**6**	**3,782**
Accumulated depreciation as at April 1, 2020	**-**	**(434)**	**(418)**	**(646)**	**(243)**	**(4)**	**(1,745)**
Depreciation	-	(52)	(63)	(129)	(47)	(1)	**(292)**
Accumulated depreciation on deletions	-	-	4	27	6	-	**37**
Translation difference	-	(17)	(15)	(23)	(10)	1	**(64)**
Accumulated depreciation as at March 31, 2021	**-**	**(503)**	**(492)**	**(771)**	**(294)**	**(4)**	**(2,064)**
Capital work-in progress as at March 31, 2021							145
Carrying value as at March 31, 2021	**191**	**942**	**187**	**274**	**122**	**2**	**1,863**
Capital work-in progress as at April 1, 2020							167
Carrying value as at April 1, 2020	**174**	**890**	**203**	**236**	**138**	**2**	**1,810**

The aggregate depreciation expense is included in cost of sales in the consolidated statement of comprehensive income.
The contractual commitments for capital expenditure primarily comprise of commitments for infrastructure facilities and computer equipments aggregating to $164 million and $100 million as at March 31, 2022 and March 31, 2021, respectively.

2.8 Leases

Accounting Policy

The Group as a lessee

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

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

As a lessee, the Group determines the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Group makes an assessment on the expected lease term on a lease-by-lease basis and thereby assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. In evaluating the lease term, the Company considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of the lease and the importance of the underlying asset to Infosys's operations taking into account the location of the underlying asset and the availability of suitable alternatives. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances.

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

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

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

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

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

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

The Group as a lessor

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

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

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

Following are the changes in the carrying value of right of use assets for the three months ended March 31, 2022

(Dollars in millions)

Particulars	**Category of ROU asset**				
	Land	**Buildings**	**Vehicle**	**Computer**	**Total**
Balance as of January 1, 2022	**85**	**503**	**2**	**47**	**637**
Additions*	-	20	-	23	43
Deletions	-	(2)	-	(2)	(4)
Depreciation	-	(23)	-	(6)	(29)
Translation difference	(2)	(9)	-	-	(11)
Balance as of March 31, 2022	**83**	**489**	**2**	**62**	**636**

* *Net of adjustments on account of modifications*

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

(Dollars in millions)

Particulars	**Category of ROU asset**				
	Land	**Buildings**	**Vehicle**	**Computer**	**Total**
Balance as of January 1, 2021	**86**	**513**	**3**	**15**	**617**
Additions	-	59	-	8	67
Deletions	-	(1)	-	-	(1)
Depreciation	-	(20)	(1)	(2)	(23)
Translation difference	-	(6)	1	1	(4)
Balance as of March 31, 2021	**86**	**545**	**3**	**22**	**656**

Following are the changes in the carrying value of right of use assets for the year ended March 31, 2022

(Dollars in millions)

Particulars	**Category of ROU asset**				
	Land	**Buildings**	**Vehicle**	**Computer**	**Total**
Balance as of April 1, 2021	**86**	**545**	**3**	**22**	**656**
Additions*	-	60	-	63	123
Deletions	-	(11)	-	(6)	(17)
Depreciation	(1)	(88)	(1)	(15)	(105)
Translation difference	(2)	(17)	-	(2)	(21)
Balance as of March 31, 2022	**83**	**489**	**2**	**62**	**636**

* *Net of adjustments on account of modifications*

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

(Dollars in millions)

Particulars	Category of ROU asset				
	Land	**Buildings**	**Vehicle**	**Computer**	**Total**
Balance as of April 1, 2020	**83**	**461**	**2**	**5**	**551**
Additions*	1	168	1	19	189
Deletions	-	(20)	-	-	(20)
Depreciation	(1)	(80)	(1)	(4)	(86)
Translation difference	3	16	1	2	22
Balance as of March 31, 2021	**86**	**545**	**3**	**22**	**656**

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

The following is the break-up of current and non-current lease liabilities as of March 31, 2022 and March 31, 2021

(Dollars in millions)

Particulars	**As at**	
	March 31, 2022	**March 31, 2021**
Current lease liabilities	115	101
Non-current lease liabilities	607	627
Total	**722**	**728**

2.9 Goodwill and intangible assets

2.9.1 Goodwill

Accounting Policy

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

Impairment

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

Total impairment loss of a CGU is allocated first to reduce the carrying amount of goodwill allocated to the CGU and then to the other assets of the CGU pro-rata on the basis of the carrying amount of each asset in the CGU. An impairment loss on goodwill is recognized in net profit in the Statement of Comprehensive Income and is not reversed in the subsequent period.

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

(Dollars in millions)

Particulars	As at	
	March 31, 2022	**March 31, 2021**
Carrying value at the beginning	832	699
Goodwill on acquisition	-	102
Translation differences	(15)	31
Carrying value at the end	**817**	**832**

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

The following table presents the allocation of goodwill to operating segments as at March 31, 2022 and March 31, 2021 respectively:

(Dollars in millions)

Particulars	**As at March 31, 2022**	**As at March 31, 2021**
Financial services	180	186
Retail	108	109
Communication	82	82
Energy, utilities, resources and services	141	143
Manufacturing	66	67
	577	587
Operating segments without significant goodwill	123	127
Carrying value at the end	700	714

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

(in %)

	As at March 31, 2022	As at March 31, 2021
Long term growth rate	8-10	8-10
Operating margins	19-21	19-21
Discount rate	12.0	11.7

The above discount rate is based on the Weighted Average Cost of Capital (WACC) of the Company. As at March 31, 2022, the estimated recoverable amount of the CGU exceeded its carrying amount. Reasonable sensitivities in key assumptions is unlikely to cause the carrying amount to exceed the recoverable amount of the cash generating units.

2.9.2 Intangibles

Accounting policy

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

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

Impairment

Intangible assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the CGU to which the asset belongs.
If such assets are considered to be impaired, the impairment to be recognized in the net profit in the statement of comprehensive income is measured by the amount by which the carrying value of the assets exceeds the estimated recoverable amount of the asset. An impairment loss is reversed in the net profit in the statement of comprehensive income if there has been a change in the estimates used to determine the recoverable amount. The carrying amount of the asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortization) had no impairment loss been recognized for the asset in prior years.

2.10 Business combination

Accounting Policy

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

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

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

Business combinations between entities under common control is outside the scope of IFRS 3 (Revised), Business Combinations and is accounted for at carrying value of assets acquired and liabilities assumed.

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

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

Proposed acquisitions

On March 22, 2022, Infosys Consulting Pte. Ltd (a wholly owned subsidiary of Infosys Limited) entered into a definitive agreement to acquire oddity, a Germany-based digital marketing, experience, and commerce agency, for a total consideration of upto EUR 50 million (approximately ₹420 crore), which includes earn-out and bonuses. This acquisition is expected to strengthen the Group's creative, branding and experience design capabilities. To consummate this transaction, Infosys Consulting Pte. Ltd., has simultaneously acquired Infosys Germany GmBH (formerly Kristall 247. GmBH).

2.11 Employees' Stock Option Plans (ESOP)

Accounting Policy

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

Infosys Expanded Stock Ownership Program 2019 (the 2019 Plan)

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

2015 Stock Incentive Compensation Plan (the 2015 Plan) :

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

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

Controlled trust holds 13,725,712 and 15,514,732 shares as at March 31, 2022 and March 31, 2021, respectively under the 2015 plan. Out of these shares, 2,00,000 equity shares each have been earmarked for welfare activities of the employees as at March 31, 2022 and March 31, 2021.

The following is the summary of grants during three months and year ended March 31, 2022 and March 31, 2021

Particulars	2019 Plan		2019 Plan		2015 Plan		2015 Plan	
	Three months ended March 31,		Year ended March 31,		Three months ended March 31,		Year ended March 31,	
	2022	2021	2022	2021	2022	2021	2022	2021
Equity settled RSU								
KMPs	74,800	106,000	148,762	313,808	182,846	253,054	284,543	457,151
Employees other than KMP	2,701,867	1,282,600	2,701,867	1,282,600	1,280,610	2,144,960	1,305,880	2,203,460
	2,776,667	**1,388,600**	**2,850,629**	**1,596,408**	**1,463,456**	**2,398,014**	**1,590,423**	**2,660,611**
Cash settled RSU								
KMPs	-	-	-	-	-	-	-	-
Employees other than KMP	-	-	-	-	49,960	115,250	49,960	115,250
	-	-	-	-	**49,960**	**115,250**	**49,960**	**115,250**
Total grants	**2,776,667**	**1,388,600**	**2,850,629**	**1,596,408**	**1,513,416**	**2,513,264**	**1,640,383**	**2,775,861**

Notes on grants to KMP:

CEO & MD

Under the 2015 plan:

In accordance with the employee agreement which has been approved by the shareholders, the CEO is eligible to receive an annual grant of RSUs of fair value ₹3.25 crore (approximately $0.50 million) which will vest overtime in three equal annual installments upon the completion of each year of service from the respective grant date. Accordingly, annual time-based grant of 18340 RSUs was made effective February 1, 2022 for fiscal 2022

The Board, on April 14, 2021, based on the recommendations of the nomination and remuneration committee, in accordance with the terms of his employment agreement, approved the grant of performance-based RSUs of fair value of ₹13 crore for fiscal 2022 under the 2015 Plan. These RSUs will vest in line with the employment agreement based on achievement of certain performance targets. Accordingly, 96,150 performance based RSU's were granted effective May 2, 2021.

Under the 2019 plan:

The Board, on April 14, 2021, based on the recommendations of the Nomination and Remuneration Committee, approved performance-based grant of RSUs amounting to ₹10 crore for fiscal 2022 under the 2019 Plan. These RSUs will vest in line with the employment agreement based on achievement of certain performance targets. Accordingly, 73,962 performance based RSU's were granted effective May 2, 2021.

Other KMP

Under the 2015 plan:

On April 14, 2021, based on the recommendations of the Nomination and Remuneration Committee, in accordance with employment agreement, the Board, approved performance-based grant of 5,547 RSUs to a KMP under the 2015 Plan. The grants were made effective May 2, 2021. The performance based RSUs will vest over three years based on certain performance targets.

On January 12, 2022, based on the recommendations of the Nomination and Remuneration Committee, the Board, approved time based grant of 9,876 RSUs to a KMP under the 2015 Plan. The grants were made effective February 1, 2022. These RSUs will vest over four years.

On March 31, 2022, based on the recommendations of the Nomination and Remuneration Committee, the Board, approved time based grant of 154,630 RSUs to other KMPs under the 2015 Plan. The grants were made effective March 31, 2022. These RSUs will vest over four years.

Under the 2019 plan:

On March 31, 2022, based on the recommendations of the Nomination and Remuneration Committee, the Board, approved performance based grants of 74,800 RSUs to other KMPs under the 2019 plan. The grants were made effective March 31, 2022. These RSUs will vest over three years based on achievement of certain performance targets.

Break-up of employee stock compensation expense: -

(Dollars in millions)

Particulars	Three months ended March 31, 2022	Three months ended March 31, 2021	Year ended March 31, 2022	Year ended March 31, 2021
Granted to:				
KMP	2	3	9	10
Employees other than KMP	14	7	47	35
Total [(1)]	**16**	**10**	**56**	**45**
(1) Cash settled stock compensation expense included in the above	1	3	4	11

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

During the year ended March 31, 2021, the company issued ADS settled RSU and ESOP awards as replacement for outstanding stock appreciation rights awards. The replacement was pursuant to SEBI Circular 'Framework for issue of Depository Receipts - Clarifications' dated December 18, 2020 which allows Non resident Indians to hold depository receipts. The awards were granted after necessary approvals from the NARC. All other terms and conditions of the replaced awards remain the same as the original award.

The replacement awards was accounted as a modification and the fair value on the date of modification of $12 million (₹85 crore) was recognized as equity with a corresponding adjustment to financial liability.

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

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

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

Particulars	For options granted in			
	Fiscal 2022- Equity Shares-	Fiscal 2022- ADS-RSU	Fiscal 2021- Equity Shares-	Fiscal 2021- ADS-RSU
Weighted average share price (₹) / ($ ADS)	1,791	24.45	1,253	18.46
Exercise price (₹)/ ($ ADS)	5.00	0.07	5.00	0.07
Expected volatility (%)	21-31	26-34	30-35	30-36
Expected life of the option (years)	1-4	1-4	1-4	1-4
Expected dividends (%)	2-3	2-3	2-3	2-3
Risk-free interest rate (%)	4-6	1-2	4-5	0.1-0.3
Weighted average fair value as on grant date (₹) / ($ ADS)	1,661	22.88	1,124	16.19

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

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2.12 Income taxes

Accounting policy

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

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

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

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

(Dollars in millions)

Particulars	Three months ended March 31, 2022	Three months ended March 31, 2021	Year ended March 31, 2022	Year ended March 31, 2021
Current taxes				
Domestic taxes	203	181	785	716
Foreign taxes	39	48	263	185
	242	**229**	**1,048**	**901**
Deferred taxes				
Domestic taxes	2	25	48	85
Foreign taxes	1	1	(28)	(13)
	3	**26**	**20**	**72**
Income tax expense	**245**	**255**	**1,068**	**973**

Income tax expense for the three months ended March 31, 2022 and March 31, 2021 includes reversal (net of provisions) of $33 million and $8 million, respectively. Income tax expense for the year ended March 31, 2022 and March 31, 2021 includes reversal (net of provisions) of $36 million and $47 million respectively. These reversals pertain to prior periods primarily on account of adjudication of certain disputed matters in favor of the Company and upon filing of tax return across various jurisdictions.

Deferred income tax for the three months ended and year ended March 31, 2022 and March 31, 2021 substantially relates to origination and reversal of temporary differences.

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

As at March 31, 2022, claims against the Group not acknowledged as debts from the Income tax authorities amounted to $528 million (₹4,001crore).

As at March 31, 2021, claims against the Group not acknowledged as debts from the Income tax authorities amounted to $473 million (₹3,462 crore).

Amount paid to statutory authorities against the tax claims amounted to $791 million (₹5,996 crore) and $834 million (₹6,095 crore) as at March 31, 2022 and March 31, 2021 respectively.

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

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

2.13 Basic and diluted shares used in computing earnings per equity share

Accounting Policy

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

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

2.14 Related party transactions

Refer Note 2.20 "Related party transactions" in the Company’s 2021 Annual Report on Form 20-F for the full names and other details of the Company's subsidiaries and controlled trusts.

Changes in Subsidiaries

During year ended March 31, 2022, the following are the changes in the subsidiaries:

- Simplus North America Inc., a wholly-owned subsidiary of Outbox Systems Inc., has been liquidated effective April 27, 2021.
- Simplus Europe, Ltd., a wholly-owned subsidiary of Outbox Systems Inc., has been liquidated effective July 20, 2021.
- Stater GmbH, a wholly-owned subsidiary of Stater N.V., was incorporated on August 4, 2021.
- Infosys Green Forum, a wholly-owned subsidiary of Infosys Limited, was incorporated on August 31, 2021.
- Infosys Consulting (Shanghai) Co., Ltd., a wholly-owned subsidiary of Infosys Consulting Holding AG, has been liquidated effective September 01, 2021.
- Sqware Peg Digital Pty Ltd, a wholly-owned subsidiary of Simplus Australia Pty Ltd, has been liquidated effective September 02, 2021.
- Beringer Commerce Inc. renamed as Blue Acorn iCi Inc.
- Infosys Canada Public Services, Inc., a wholly-owned subsidiary of Infosys Public Services, Inc. has been liquidated effective November 23, 2021.
- On December 14, 2021, Infosys Consulting Pte. Ltd., a wholly-owned subsidiary of Infosys Limited acquired 100% of voting interests in Global Enterprise International (Malaysia) Sdn. Bhd., renamed as Infosys (Malaysia) SDN. BHD.
- Infosys Consulting s.r.o. v likvidaci (formerly Infosys Consulting s.r.o.), a wholly-owned subsidiary of Infosys Consulting Holding AG, has been liquidated effective December 16, 2021.
- WongDoody Holding Company Inc. (WongDoody) merged into WongDoody, Inc effective December 31, 2021.
- WDW Communications, Inc merged into WongDoody, Inc effective December 31, 2021.
- SureSource LLC , Blue Acorn LLC and Simply Commerce LLC , merged into Beringer Commerce Holdings LLC effective January 1, 2022.
- iCiDIGITAL LLC, merged into Beringer Capital Digital Group Inc effective January 1, 2022.
- Beringer Capital Digital Group Inc, Mediotype LLC and Beringer Commerce Holdings LLC, merged into Blue Acorn iCi Inc effective January 1, 2022.
- Infosys Business Solutions LLC, a wholly-owned subsidiary of Infosys Limited, was incorporated on February 20, 2022.
- On March 17, 2022, Infosys Limited acquired non-controlling interest of 0.01% of the voting interests in Infosys BPM Limited.
- On March 22, 2022, Infosys Consulting Pte. Ltd., a wholly-owned subsidiary of Infosys Limited acquired 100% of voting interests in Infosys Germany GmbH (formerly Kristall 247. GmbH (“Kristall”))
- Brilliant Basics Holdings Limited (Brilliant Basics), a wholly-owned subsidiary of Infosys Limited, is under liquidation.

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- Brilliant Basics Limited, a wholly-owned subsidiary of Brilliant Basics Holdings Limited (Brilliant Basics), is under liquidation.

- Infosys Foundation is a trust jointly controlled by KMPs effective January 1, 2022.

Change in key management personnel

The following are the changes in the key management personnel:

- U.B. Pravin Rao (retired as a Chief Operating Officer and Whole-time director effective December 12, 2021).

Transactions with key management personnel

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

(Dollars in millions)

Particulars	Three months ended March 31, 2022	Three months ended March 31, 2021	Year ended March 31, 2022	Year ended March 31, 2021
Salaries and other employee benefits to whole-time directors and executive officers(1)(2)	4	5	18	19
Commission and other benefits to non-executive/ independent directors	-	-	2	1
Total	**4**	**5**	**20**	**20**

(1) Total employee stock compensation expense for the three months ended March 31, 2022 and March 31, 2021 includes a charge of $2 million and $3 million respectively, towards key managerial personnel. For the year ended March 31, 2022 and March 31, 2021, includes a charge of $9 million and 10 million respectively, towards key managerial personnel. (Refer note 2.11)

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

2.15 Segment Reporting

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

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

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

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

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

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

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2.15.1 Business Segments

Three months ended March 31, 2022 and March 31, 2021

(Dollars in millions)

Particulars	Financial Services(1)	Retail(2)	Communication(3)	Energy, Utilities, resources and Services	Manufacturing	Hi Tech	Life Sciences(4)	All Other Segments (5)	Total
Revenues	**1,339**	**613**	**548**	**514**	**505**	**351**	**284**	**126**	**4,280**
	1,192	*535*	*433*	*444*	*348*	*292*	*247*	*122*	*3,613*
Identifiable operating expenses	770	305	336	271	357	205	162	85	2,491
	672	*250*	*249*	*231*	*180*	*168*	*130*	*66*	*1,946*
Allocated expenses	228	106	95	96	93	57	45	31	751
	213	*95*	*87*	*85*	*71*	*47*	*42*	*29*	*669*
Segment operating income	**341**	**202**	**117**	**147**	**55**	**89**	**77**	**10**	**1,038**
	307	*190*	*97*	*128*	*97*	*77*	*75*	*27*	*998*
Unallocable expenses									118
									114
Operating profit									**920**
									884
Other income, net (Refer Note 2.18)									84
									75
Finance cost									6
									7
Profit before Income taxes									**998**
									952
Income tax expense									245
									255
Net profit									**753**
									697
Depreciation and amortization									118
									114
Non-cash expenses other than depreciation and amortization									-
									-

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

Infosys Limited and Subsidiaries

Year ended March 31, 2022 and March 31, 2021

(Dollars in millions)

Particulars	Financial Services (1)	Retail(2)	Communication (3)	Energy, Utilities, resources and Services	Manufacturing	Hi Tech	Life Sciences(4)	All Other Segments (5)	Total
Revenues	**5,218**	**2,379**	**2,035**	**1,942**	**1,787**	**1,346**	**1,142**	**462**	**16,311**
	4,399	*1,991*	*1,703*	*1,692*	*1,275*	*1,155*	*927*	*419*	*13,561*
Identifiable operating expenses	2,967	1,158	1,231	1,029	1,133	798	649	316	9,281
	2,378	*937*	*991*	*877*	*674*	*648*	*475*	*259*	*7,239*
Allocated expenses	867	399	353	347	332	213	174	124	2,809
	813	*363*	*335*	*335*	*255*	*176*	*161*	*118*	*2,556*
Segment operating income	**1,384**	**822**	**451**	**566**	**322**	**335**	**319**	**22**	**4,221**
	1,208	*691*	*377*	*480*	*346*	*331*	*291*	*42*	*3,766*
Unallocable expenses									466
									441
Operating profit									**3,755**
									3,325
Other income, net (Refer Note 2.18)									308
									297
Finance cost									27
									26
Profit before Income taxes									**4,036**
									3,596
Income tax expense									1,068
									973
Net profit									**2,968**
									2,623
Depreciation and amortization									466
									441
Non-cash expenses other than depreciation and amortization									-
									-

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

2.15.2 Significant clients

No client individually accounted for more than 10% of the revenues for the three months and year ended March 31, 2022 and March 31, 2021, respectively.

2.16 Revenue from Operations

Accounting Policy:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Revenues for the three months ended and year ended March 31, 2022 and March 31, 2021 is as follows

(Dollars in millions)

Particulars	**Three months ended March 31, 2022**	**Three months ended March 31, 2021**	**Year ended March 31, 2022**	**Year ended March 31, 2021**
Revenue from software services	3,993	3,372	15,225	12,604
Revenue from products and platforms	287	241	1,086	957
Total revenue from operations	**4,280**	**3,613**	**16,311**	**13,561**

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

Disaggregated revenue information

The table below presents disaggregated revenues from contracts with customers by geography and offerings for each of our business segments. The Group believes that this disaggregation best depicts how the nature, amount, timing and uncertainty of revenues and cash flows are affected by industry, market and other economic factors.

Three months ended March 31, 2022 and March 31, 2021

(Dollars in millions)

Particulars	Financial Services(1)	Retail(2)	Communication(3)	Energy, Utilities, resources and Services	Manufacturing	Hi Tech	Life Sciences(4)	Others(5)	Total
Revenues by Geography*									
North America	853	415	317	259	219	326	209	32	2,630
	739	*359*	*224*	*235*	*188*	*272*	*174*	*34*	*2,225*
Europe	225	164	124	207	271	8	70	8	1,077
	224	*145*	*109*	*169*	*150*	*8*	*69*	*7*	*881*
India	76	2	7	7	2	15	1	28	138
	58	*3*	*7*	*3*	*2*	*11*	-	*25*	*109*
Rest of the world	185	32	100	41	13	2	4	58	435
	171	*28*	*93*	*37*	*8*	*1*	*4*	*56*	*398*
Total	**1,339**	**613**	**548**	**514**	**505**	**351**	**284**	**126**	**4,280**
	1,192	***535***	***433***	***444***	***348***	***292***	***247***	***122***	***3,613***
Revenue by offerings									
Digital	707	388	361	307	332	210	168	59	2,532
	587	*293*	*244*	*229*	*182*	*151*	*126*	*47*	*1,859*
Core	632	225	187	207	173	141	116	67	1,748
	605	*242*	*189*	*215*	*166*	*141*	*121*	*75*	*1,754*
Total	**1,339**	**613**	**548**	**514**	**505**	**351**	**284**	**126**	**4,280**
	1,192	***535***	***433***	***444***	***348***	***292***	***247***	***122***	***3,613***

(1) Financial Services include enterprises in Financial Services and Insurance
(2) Retail includes enterprises in Retail, Consumer Packaged Goods and Logistics
(3) Communication includes enterprises in Communication, Telecom OEM and Media
(4) Life Sciences includes enterprises in Life sciences and Health care
(5) Others include operating segments of businesses in India, Japan, China, Infosys Public Services & other enterprises in Public Services
** Geographical revenues is based on the domicile of customer*

Infosys Limited and Subsidiaries

Year ended March 31, 2022 and March 31, 2021

(Dollars in millions)

Particulars	Financial Services(1)	Retail(2)	Communication(3)	Energy, Utilities, resources and Services	Manufacturing	Hi Tech	Life Sciences(4)	Others(5)	Total
Revenues by Geography*									
North America	3,274	1,608	1,136	996	845	1,253	828	126	10,066
	2,636	*1,313*	*916*	*935*	*692*	*1,086*	*638*	*104*	*8,320*
Europe	905	639	483	773	884	30	295	30	4,039
	865	*562*	*390*	*605*	*535*	*22*	*272*	*29*	*3,280*
India	259	12	42	21	9	55	4	78	480
	212	*8*	*31*	*5*	*7*	*40*	*2*	*87*	*392*
Rest of the world	780	120	374	152	49	8	15	228	1,726
	686	*108*	*366*	*147*	*41*	*7*	*15*	*199*	*1,569*
Total	**5,218**	**2,379**	**2,035**	**1,942**	**1,787**	**1,346**	**1,142**	**462**	**16,311**
	4,399	***1,991***	***1,703***	***1,692***	***1,275***	***1,155***	***927***	***419***	***13,561***
Revenue by									
Digital	2,735	1,456	1,247	1,128	1,103	780	660	194	9,303
	2,100	*1,040*	*874*	*821*	*617*	*562*	*408*	*155*	*6,577*
Core	2,483	923	788	814	684	566	482	268	7,008
	2,299	*951*	*829*	*871*	*658*	*593*	*519*	*264*	*6,984*
Total	**5,218**	**2,379**	**2,035**	**1,942**	**1,787**	**1,346**	**1,142**	**462**	**16,311**
	4,399	***1,991***	***1,703***	***1,692***	***1,275***	***1,155***	***927***	***419***	***13,561***

(1) Financial Services include enterprises in Financial Services and Insurance
(2) Retail includes enterprises in Retail, Consumer Packaged Goods and Logistics
(3) Communication includes enterprises in Communication, Telecom OEM and Media
(4) Life Sciences includes enterprises in Life sciences and Health care
(5) Others include operating segments of businesses in India, Japan, China, Infosys Public Services & other enterprises in Public Services
** Geographical revenues is based on the domicile of customer*

Digital Services

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

Core Services

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

Products & platforms

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

Trade Receivables and Contract Balances

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

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

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

Invoicing in excess of earnings are classified as unearned revenue.

Trade receivable and unbilled revenues are presented net of impairment in the consolidated financial position.

2.17 Unbilled revenue

(Dollars in millions)

Particulars	As at	
	March 31, 2022	March 31, 2021
Unbilled financial asset [(1)]	838	489
Unbilled non financial asset [(2)]	812	622
Total	**1,650**	**1,111**

(1) Right to consideration is unconditional and is due only after a passage of time.
(2) Right to consideration is dependent on completion of contractual milestones.

2.18 Break-up of expenses and other income, net

Accounting Policy

2.18.1 Gratuity and Pensions

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

The Group operates defined benefit pension plan in certain overseas jurisdictions, in accordance with the local laws. These plans are managed by third party fund managers. The plans provide for periodic payouts after retirement or for a lumpsum payment as set out in rules of each fund and includes death and disability benefits.

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

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

2.18.2 Superannuation

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

2.18.3 Provident fund

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

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

2.18.4 Compensated absences

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

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

2.18.5 Other income, net

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

2.18.6 Foreign Currency

Transactions and translations

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

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

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

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

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

2.18.7 Government grants

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

2.18.8 Operating Profits

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

The table below provides details of break-up of expenses:

Cost of sales

(Dollars in millions)

Particulars	Three months ended		Year ended	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
Employee benefit costs	1,998	1,769	7,714	6,671
Depreciation and amortization	118	114	466	441
Travelling costs	34	20	93	65
Cost of technical sub-contractors	476	273	1,690	957
Cost of software packages for own use	50	43	179	160
Third party items bought for service delivery to	246	103	721	406
Short term leases	1	1	3	4
Consultancy and professional charges	5	3	19	8
Communication costs	12	11	42	45
Repairs and maintenance	13	14	51	65
Provision for post-sales client support	-	-	10	5
Others	2	6	8	1
Total	**2,955**	**2,357**	**10,996**	**8,828**

Selling and marketing expenses

(Dollars in millions)

Particulars	Three months ended		Year ended	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
Employee benefit costs	140	142	572	548
Travelling costs	3	1	8	3
Branding and marketing	25	14	73	48
Short term leases	-	-	1	1
Consultancy and professional charges	7	5	25	13
Communication costs	-	-	1	2
Others	4	3	11	9
Total	**179**	**165**	**692**	**624**

Infosys Limited and Subsidiaries

Administrative expenses

(Dollars in millions)

Particulars	Three months ended		Year ended	
	March 31, 2022	**March 31, 2021**	**March 31, 2022**	**March 31, 2021**
Employee benefit costs	74	71	299	274
Consultancy and professional charges	59	46	209	150
Repairs and maintenance	27	35	110	125
Power and fuel	4	4	18	19
Communication costs	10	9	38	39
Travelling costs	3	2	9	7
Rates and taxes	11	10	35	35
Short-term leases	1	2	5	6
Insurance charges	6	4	22	18
Commission to non-whole time directors	-	-	2	1
Impairment loss recognized/(reversed) under expected credit loss model	4	1	23	25
Contributions towards Corporate Social Responsibility *	10	14	57	59
Others	17	9	41	26
Total	**226**	**207**	**868**	**784**

*Figures for the year ended March 31, 2021 includes $5 million which the Company intends to spend in the future relating to and in addition to the amounts spent in the prior years

Consequent to the Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021 ("the Rules"), the Company was required to transfer its CSR capital assets created prior to January 2021. Towards this the Company had incorporated a controlled subsidiary 'Infosys Green Forum' under Section 8 of the Companies Act, 2013. During the year ended March 31, 2022 the Company has completed the transfer of assets upon obtaining the required approvals from regulatory authorities, as applicable.

Infosys Limited and Subsidiaries

Other income, net

(Dollars in millions)

Particulars	Three months ended		Year ended	
	March 31, 2022	**March 31, 2021**	**March 31, 2022**	**March 31, 2021**
Interest income on financial assets carried at amortized cost	30	40	135	161
Interest income on financial assets carried at fair value through other comprehensive income	25	18	86	55
Dividend income on investments carried at fair value through profit or loss	-	-	-	1
Gain/(loss) on investments carried at fair value through profit or loss	10	1	24	10
Gain/(loss) on investments carried at fair value through other comprehensive income	-	-	-	11
Interest income on income tax refund	-	-	-	1
Exchange gains / (losses) on forward and options contracts	(11)	12	12	75
Exchange gains / (losses) on translation of foreign currency assets and liabilities	26	(1)	24	(47)
Others	4	5	27	30
Total	**84**	**75**	**308**	**297**

2.19 Equity

Accounting policy

Ordinary Shares

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

Treasury Shares

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

Description of reserves

Retained earnings

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

Share premium

The amount received in excess of the par value has been classified as share premium. Additionally, share-based compensation recognized in net profit in the condensed consolidated statement of comprehensive income is credited to share premium. Amounts have been utilized for bonus issue and share buyback from share premium account.

Special Economic Zone Re-investment reserve

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

Capital Redemption Reserve

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

Other components of equity

Other components of equity include currency translation, re-measurement of net defined benefit liability/asset, fair value changes of equity instruments fair valued through other comprehensive income, changes on fair valuation of investments, net of taxes..

Cash flow hedge reserve

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

2.19.1 Capital Allocation Policy

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

Update on buyback announced in April 2021:

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

The shareholders approved the proposal of buyback of Equity Shares recommended by its Board of Directors in the Annual General meeting held on June 19 , 2021.

The buyback was offered to all eligible equity shareholders of the Company (other than the Promoters, the Promoter Group and Persons in Control of the Company) under the open market route through the stock exchange. The buyback of equity shares through the stock exchange commenced on June 25, 2021 and was completed on September 8, 2021. During this buyback period the Company had purchased and extinguished a total of 55,807,337 equity shares from the stock exchange at a volume weighted average buyback price of ₹1,648.53/- per equity share comprising 1.31% of the pre buyback paid up equity share capital of the Company. The buyback resulted in a cash outflow of ₹9,200 crore (excluding transaction costs and tax on buyback). The Company funded the buyback from its free reserves including Securities Premium as explained in Section 68 of the Companies Act, 2013. In accordance with section 69 of the Companies Act, 2013, as at March 31, 2022 , the Company has created 'Capital Redemption Reserve' amounting to $4 million equal to the nominal value of the shares bought back as an appropriation from general reserve.

The Company's objective when managing capital is to safeguard its ability to continue as a going concern and to maintain an optimal capital structure so as to maximize shareholder value. In order to maintain or achieve an optimal capital structure, the Company may adjust the amount of dividend payment, return capital to shareholders, issue new shares or buy back issued shares. As of March 31, 2022, the Company has only one class of equity shares and has no debt. Consequent to the above capital structure there are no externally imposed capital requirements.

2.19.2 Dividend

The final dividend on shares is recorded as a liability on the date of approval by the shareholders and interim dividends are recorded as a liability on the date of declaration by the Company's Board of Directors. Income tax consequences of dividends on financial instruments classified as equity will be recognized according to where the entity originally recognized those past transactions or events that generated distributable profits.

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

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

Particulars	Year ended March 31, 2022		Year ended March 31, 2021	
	in ₹	in US Dollars	in ₹	in US Dollars
Final dividend for fiscal 2020	-	-	9.50	0.13
Interim dividend for fiscal 2021	-	-	12.00	0.16
Final dividend for fiscal 2021	15.00	0.20	-	-
Interim dividend for fiscal 2022	15.00	0.20	-	-

During the year ended March 31, 2022, on account of the final dividend for fiscal 2021 and interim dividend for fiscal 2022, the Company has incurred a net cash outflow of ₹12,655 crore (approximately $1,699 million) (excluding dividend paid on treasury shares).

Infosys Limited and Subsidiaries

The Board of Directors in their meeting held on April 13, 2022 declared an final dividend of ₹16/- per equity share (approximately $0.21 per equity share*) for the financial year ended March 31, 2022. This payment is subject to approval of shareholders in the Annual General Meeting (AGM) of the Company to be held on June 25, 2022 and if approved would result in a net cash outflow of approximately $885 million (excluding dividend paid on treasury shares).

*USD-INR rate of 75.79

2.19.3 Share capital and share premium

The Company has only one class of shares referred to as equity shares having a par value of ₹5/- each. 13,725,712 shares and 15,514,732 shares were held by controlled trust, as at March 31, 2022 and March 31, 2021, respectively.

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

Nandan M. Nilekani
Chairman

Salil Parekh
Chief Executive Officer and Managing Director

D. Sundaram
Director

Nilanjan Roy
Chief Financial Officer

Jayesh Sanghrajka
Executive Vice President and Deputy Chief Financial Officer

A.G.S. Manikantha
Company Secretary

Bengaluru
April 13, 2022

**Deloitte
Haskins & Sells LLP**

Chartered Accountants
Prestige Trade Tower, Level 19
46, Palace Road, High
Grounds, Bengaluru – 560 001
Karnataka, India

Tel: +91 (80) 6188 6000
Fax: +91 (80) 6188 6011

INDEPENDENT AUDITOR'S REPORT

TO THE BOARD OF DIRECTORS OF INFOSYS LIMITED

Report on the Audit of the Interim Consolidated Financial Statements

Opinion

We have audited the accompanying interim consolidated financial statements of **INFOSYS LIMITED** (the "Company") and its subsidiaries (the Company and its subsidiaries together referred to as "the Group"), which comprise the Consolidated Balance Sheet as at March 31, 2022, the Consolidated Statement of Comprehensive Income for the quarter and year ended on that date, the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as the "interim consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid interim consolidated financial statements give a true and fair view in conformity with International Accounting Standard 34 "Interim Financial Reporting" ("IAS 34") as issued by the International Accounting Standards Board ("IASB"), of the consolidated state of affairs of the Group as at March 31, 2022 and their consolidated profit, their consolidated total comprehensive income for the three months and year ended on that date, consolidated changes in equity and its consolidated cash flows for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

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

Sr. No.	Key Audit Matter	Auditor's Response
1	**Revenue recognition** The Group's contracts with customers include contracts with multiple products and services. The group derives revenues from IT services comprising software development and related services, maintenance, consulting and package implementation, licensing of software products and platforms across the Group's core and digital offerings and business process management services. The Group assesses the services promised in a contract and identifies distinct performance obligations in the contract. Identification of distinct performance obligations to determine the deliverables and the ability of the customer to benefit independently from such deliverables involves significant judgement. In certain integrated services arrangements, contracts with customers include subcontractor services or third-party vendor equipment or software. In these types of arrangements, revenue from sales of third-party vendor products or services is recorded net of costs when the Group is acting as an agent between the customer and the vendor, and gross when the Group is the principal for the transaction. In doing so, the Group first evaluates whether it controls the products or service before it is transferred to the customer. The Group considers whether it has the primary obligation to fulfil the contract, inventory risk, pricing discretion and other factors to determine whether it controls the products or service and therefore, is acting as a principal or an agent. Fixed price maintenance revenue is recognized ratably either on (1) a straight-line basis when services are performed through an indefinite number of repetitive acts over a specified period or (2) using a percentage of completion method when the pattern of benefits from the services rendered to the customer and the Group's costs to fulfil	Principal Audit Procedures Performed Our audit procedures related to the (1) identification of distinct performance obligations, (2) determination of whether the Group is acting as a principal or agent and (3) whether fixed price maintenance revenue is recognized on a straight-line basis or using the percentage of completion method included the following, among others: • We tested the effectiveness of controls relating to the (a) identification of distinct performance obligations, (b) determination of whether the Group is acting as a principal or an agent and (c) determination of whether fixed price maintenance revenue for certain contracts is recognized on a straight-line basis or using the percentage of completion method. • We selected a sample of contracts with customers and performed the following procedures: − Obtained and read contract documents for each selection, including master service agreements, and other documents that were part of the agreement. − Identified significant terms and deliverables in the contract to assess management's conclusions regarding the (i) identification of distinct performance obligations (ii) whether the Group is acting as a principal or an agent and (iii) whether fixed price maintenance revenue is recognized on a straight-line basis or using the percentage of completion method.

Sr. No.	Key Audit Matter	Auditor's Response
	the contract is not even through the period of contract because the services are generally discrete in nature and not repetitive. The use of method to recognize the maintenance revenues requires judgment and is based on the promises in the contract and nature of the deliverables. As certain contracts with customers involve management's judgment in (1) identifying distinct performance obligations, (2) determining whether the Group is acting as a principal or an agent and (3) whether fixed price maintenance revenue is recognized on a straight-line basis or using the percentage of completion method, revenue recognition from these judgments were identified as a key audit matter and required a higher extent of audit effort. Refer Notes 1.5 and 2.16 to the consolidated financial statements.	
2	**Revenue recognition - Fixed price contracts using the percentage of completion method** Fixed price maintenance revenue is recognized ratably either (1) on a straight-line basis when services are performed through an indefinite number of repetitive acts over a specified period or (2) using a percentage of completion method when the pattern of benefits from services rendered to the customer and the Group's costs to fulfil the contract is not even through the period of contract because the services are generally discrete in nature and not repetitive. Revenue from other fixed-price, fixed-timeframe contracts, where the performance obligations are satisfied over time is recognized using the percentage-of-completion method. Use of the percentage-of-completion method requires the Group to determine the actual efforts or costs expended to date as a proportion of the estimated total efforts or	Principal Audit Procedures Performed Our audit procedures related to estimates of total expected costs or efforts to complete for fixed-price contracts included the following, among others: • We tested the effectiveness of controls relating to (1) recording of efforts or costs incurred and estimation of efforts or costs required to complete the remaining contract performance obligations and (2) access and application controls pertaining to time recording, allocation and budgeting systems which prevents unauthorised changes to recording of efforts incurred. • We selected a sample of fixed price contracts with customers measured the using percentage-of-completion method and performed the following:

Sr. No.	Key Audit Matter	Auditor's Response
	costs to be incurred. Efforts or costs expended have been used to measure progress towards completion as there is a direct relationship between input and productivity. The estimation of total efforts or costs involves significant judgement and is assessed throughout the period of the contract to reflect any changes based on the latest available information. Provisions for estimated losses, if any, on uncompleted contracts are recorded in the period in which such losses become probable based on the estimated efforts or costs to complete the contract. We identified the estimate of total efforts or costs to complete fixed price contracts measured using the percentage of completion method as a key audit matter as the estimation of total efforts or costs involves significant judgement and is assessed throughout the period of the contract to reflect any changes based on the latest available information. This estimate has a high inherent uncertainty and requires consideration of progress of the contract, efforts or costs incurred to-date and estimates of efforts or costs required to complete the remaining contract performance obligations over the term of the contracts. This required a high degree of auditor judgment in evaluating the audit evidence and a higher extent of audit effort to evaluate the reasonableness of the total estimated amount of revenue recognized on fixed-price contracts. Refer Notes 1.5 and 2.16 to the consolidated financial statements	– Evaluated management's ability to reasonably estimate the progress towards satisfying the performance obligation by comparing actual efforts or costs incurred to prior year estimates of efforts or costs budgeted for performance obligations that have been fulfilled. – Compared efforts or costs incurred with Group's estimate of efforts or costs incurred to date to identify significant variations and evaluate whether those variations have been considered appropriately in estimating the remaining costs or efforts to complete the contract. – Tested the estimate for consistency with the status of delivery of milestones and customer acceptances and sign off from customers to identify possible delays in achieving milestones, which require changes in estimated costs or efforts to complete the remaining performance obligations.

Management's Responsibility for the Interim Consolidated Financial Statements

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

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

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

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

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

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

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

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

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

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

- Evaluate the overall presentation, structure and content of the interim consolidated financial statements, including the disclosures, and whether the interim consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities within the Group to express an opinion on the interim consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the interim consolidated financial statements of which we are the independent auditors.

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

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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

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

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

Place: Bengaluru
Date: April 13, 2022

INFOSYS LIMITED AND SUBSIDIARIES

Consolidated Financial Statements under International Financial Reporting Standards (IFRS) in Indian Rupee for the three months and year months ended March 31, 2022

Index **Page No.**

Infosys Limited and subsidiaries

(In ₹ crore except equity share data)

Consolidated Balance Sheet as at	Note	March 31, 2022	March 31, 2021
ASSETS			
Current assets			
Cash and cash equivalents	2.1	17,472	24,714
Current investments	2.2	6,673	2,342
Trade receivables		22,698	19,294
Unbilled revenue	2.17	11,568	7,527
Prepayments and other current assets	2.4	8,577	6,668
Income tax assets	2.12	54	-
Derivative financial instruments	2.3	143	188
Total current assets		**67,185**	**60,733**
Non-current assets			
Property, plant and equipment	2.7	13,579	13,623
Right-of-use assets	2.8	4,823	4,794
Goodwill	2.9	6,195	6,079
Intangible assets		1,707	2,072
Non-current investments	2.2	13,651	11,863
Unbilled revenue	2.17	941	594
Deferred income tax assets	2.12	1,212	1,098
Income tax assets	2.12	6,098	5,811
Other non-current assets	2.4	2,494	1,719
Total non-current assets		**50,700**	**47,653**
Total assets		**117,885**	**108,386**
LIABILITIES AND EQUITY			
Current liabilities			
Trade payables		4,134	2,645
Lease liabilities	2.8	872	738
Derivative financial instruments	2.3	61	56
Current income tax liabilities	2.12	2,607	2,146
Unearned revenue		6,324	4,050
Employee benefit obligations		2,182	2,020
Provisions	2.6	975	713
Other current liabilities	2.5	16,448	11,497
Total current liabilities		**33,603**	**23,865**
Non-current liabilities			
Lease liabilities	2.8	4,602	4,587
Deferred income tax liabilities	2.12	1,156	875
Employee benefit obligations		92	97
Other non-current liabilities	2.5	2,696	2,180
Total liabilities		**42,149**	**31,604**
Equity			
Share capital - ₹5 par value 4,800,000,000 (4,800,000,000) equity shares authorized, issued and outstanding 4,193,012,929 (4,245,146,114) equity shares fully paid up, net of 13,725,712 (15,514,732) treasury shares as at March 31, 2022 (March 31, 2021)	2.20	2,098	2,124
Share premium		827	993
Retained earnings		62,423	65,397
Cash flow hedge reserves		2	10
Other reserves		8,339	6,385
Capital redemption reserve		139	111
Other components of equity		1,522	1,331
Total equity attributable to equity holders of the Company		**75,350**	**76,351**
Non-controlling interests		386	431
Total equity		**75,736**	**76,782**
Total liabilities and equity		**117,885**	**108,386**

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

As per our report of even date attached

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

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

Sanjiv V. Pilgaonkar
Partner
Membership No. 039826

Nandan M. Nilekani
Chairman

Salil Parekh
Chief Executive Officer and Managing Director

D. Sundaram
Director

Bengaluru
April 13, 2022

Nilanjan Roy
Chief Financial Officer

Jayesh Sanghrajka
Executive Vice President a
Deputy Chief Financial Of

A.G.S. Manikantha
Company Secretary

Infosys Limited and subsidiaries

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

Consolidated Statement of Comprehensive Income for the	Note	Three months ended March 31, 2022	Three months ended March 31, 2021	Year ended March 31, 2022	Year ended March 31, 2021
Revenues	2.16	**32,276**	**26,311**	**121,641**	**100,472**
Cost of sales	2.18	22,272	17,164	81,998	65,413
Gross profit		**10,004**	**9,147**	**39,643**	**35,059**
Operating expenses					
Selling and marketing expenses	2.18	1,347	1,200	5,156	4,627
Administrative expenses	2.18	1,701	1,507	6,472	5,810
Total operating expenses		3,048	2,707	11,628	10,437
Operating profit		**6,956**	**6,440**	**28,015**	**24,622**
Other income, net	2.21	637	545	2,295	2,201
Finance cost		50	50	200	195
Profit before income taxes		**7,543**	**6,935**	**30,110**	**26,628**
Income tax expense	2.12	1,848	1,857	7,964	7,205
Net profit		**5,695**	**5,078**	**22,146**	**19,423**
Other comprehensive income					
Items that will not be reclassified subsequently to profit or loss					
Remeasurement of the net defined benefit liability/asset, net		(13)	(146)	(85)	134
Equity instruments through other comprehensive income, net	2.2	55	9	96	119
		42	(137)	11	253
Items that will be reclassified subsequently to profit or loss					
Fair value changes on derivatives designated as cash flow hedge, net		(12)	26	(8)	25
Exchange differences on translation of foreign operations		137	(266)	228	130
Fair value changes on investments, net	2.2	(65)	(137)	(49)	(102)
		60	(377)	171	53
Total other comprehensive income/(loss), net of tax		**102**	**(514)**	**182**	**306**
Total comprehensive income		**5,797**	**4,564**	**22,328**	**19,729**
Profit attributable to:					
Owners of the Company		5,686	5,076	22,110	19,351
Non-controlling interests		9	2	36	72
		5,695	**5,078**	**22,146**	**19,423**
Total comprehensive income attributable to:					
Owners of the Company		5,787	4,570	22,293	19,651
Non-controlling interests		10	(6)	35	78
		5,797	**4,564**	**22,328**	**19,729**
Earnings per equity share					
Equity shares of par value ₹5/- each					
Basic (₹)		13.56	11.96	52.52	45.61
Diluted (₹)		13.54	11.94	52.41	45.52
Weighted average equity shares used in computing earnings per equity share	2.13				
Basic		4,191,743,339	4,243,805,540	4,209,546,724	4,242,416,665
Diluted		4,199,791,086	4,251,783,840	4,218,525,134	4,250,732,467

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

As per our report of even date attached

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

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

Sanjiv V. Pilgaonkar
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D. Sundaram
Director

Bengaluru
April 13, 2022

Nilanjan Roy
Chief Financial Officer

Jayesh Sanghrajka
Executive Vice President and Deputy Chief Financial Officer

A.G.S. Manikantha
Company Secretary

(In ₹ crore except equity share data)

Consolidated Statement of Changes in Equity	Number of Shares(1)	Share capital	Share premium	Retained earnings	Other reserves(2)	Capital redemption reserve	Other components of equity	Cash flow hedge reserve	Total equity attributable to equity holders of the Company	Non-controlling interest	Total equity
Balance as at April 1, 2020	**4,240,753,210**	**2,122**	**600**	**57,506**	**4,070**	**111**	**1,056**	**(15)**	**65,450**	**394**	**65,844**
Changes in equity for the Year ended March 31, 2021											
Net profit	-	-	-	19,351	-	-	-	-	19,351	72	19,423
Remeasurement of the net defined benefit liability/asset, net*(Refer to note 2.19)	-	-	-	-	-	-	134	-	134	-	134
Fair value changes on derivatives designated as Cash flow hedge, net*	-	-	-	-	-	-	-	25	25	-	25
Exchange differences on translation of foreign operations	-	-	-	-	-	-	124	-	124	6	130
Equity instruments through other comprehensive income, net*	-	-	-	-	-	-	119	-	119	-	119
Fair value changes on investments, net*	-	-	-	-	-	-	(102)	-	(102)	-	(102)
Total comprehensive income for the period	**-**	**-**	**-**	**19,351**	**-**	**-**	**275**	**25**	**19,651**	**78**	**19,729**
Shares issued on exercise of employee stock options (Refer to note 2.11)	4,392,904	2	13	-	-	-	-	-	15	-	15
Employee stock compensation expense (Refer to note 2.11)	-	-	253	-	-	-	-	-	253	-	253
Transfer on account of options not exercised	-	-	(3)	3	-	-	-	-	-	-	-
Income tax benefit arising on exercise of stock options(Refer to note 2.12)	-	-	45	-	-	-	-	-	45	-	45
Effect of modification of equity settled share based payment awards(Refer to note 2.11)	-	-	85	-	-	-	-	-	85	-	85
Transferred to other reserves	-	-	-	(3,354)	3,354	-	-	-	-	-	-
Transferred from other reserves on utilization	-	-	-	1,039	(1,039)	-	-	-	-	-	-
Payment towards acquisition of minority interest	-	-	-	(28)	-	-	-	-	(28)	(21)	(49)
Dividends paid to non controlling interest of subsidiary	-	-	-	-	-	-	-	-	-	(20)	(20)
Dividends (including dividend distribution tax)#	-	-	-	(9,120)	-	-	-	-	(9,120)	-	(9,120)
Balance as at March 31, 2021	**4,245,146,114**	**2,124**	**993**	**65,397**	**6,385**	**111**	**1,331**	**10**	**76,351**	**431**	**76,782**

(In ₹ crore except equity share data)

Consolidated Statement of Changes in Equity	Number of Shares(1)	Share capital	Share premium	Retained earnings	Other reserves(2)	Capital redemption reserve	Other components of equity	Cash flow hedge reserve	Total equity attributable to equity holders of the Company	Non-controlling interest	Total equity
Balance as at April 1, 2021	**4,245,146,114**	**2,124**	**993**	**65,397**	**6,385**	**111**	**1,331**	**10**	**76,351**	**431**	**76,782**
Changes in equity for the Year ended March 31, 2022											
Net profit	-	-	-	22,110	-	-	-	-	22,110	36	22,146
Remeasurement of the net defined benefit liability/asset*(Refer to note 2.19)	-	-	-	-	-	-	(85)	-	(85)	-	(85)
Equity instruments through other comprehensive income*	-	-	-	-	-	-	96	-	96	-	96
Fair value changes on derivatives designated as cash flow hedge*	-	-	-	-	-	-	-	(8)	(8)	-	(8)
Exchange differences on translation of foreign operations	-	-	-	-	-	-	229	-	229	(1)	228
Fair value changes on investments, net*	-	-	-	-	-	-	(49)	-	(49)	-	(49)
Total comprehensive income for the period	**-**	**-**	**-**	**22,110**	**-**	**-**	**191**	**(8)**	**22,293**	**35**	**22,328**
Buyback of equity shares (Refer to note 2.20)**	**(55,807,337)**	(28)	(640)	(10,425)	-	-	-	-	(11,093)	-	(11,093)
Transaction cost relating to buyback*	-	-	-	(24)	-	-	-	-	(24)	-	(24)
Amount transferred to capital redemption reserve upon buyback	-	-	-	(28)	-	28	-	-	-	-	-
Shares issued on exercise of employee stock options (Refer to note 2.11)	3,674,152	2	19	-	-	-	-	-	21	-	21
Transfer on account of options not exercised	-	-	(1)	1	-	-	-	-	-	-	-
Employee stock compensation expense (Refer to note 2.11)	-	-	393	-	-	-	-	-	393	-	393
Income tax benefit arising on exercise of stock options (Refer to note 2.12)	-	-	63	-	-	-	-	-	63	-	63
Changes in the controlling stake of a subsidiary	-	-	-	1	-	-	-	-	1	(1)	-
Transferred to other reserves	-	-	-	(3,054)	3,054	-	-	-	-	-	-
Transferred from other reserves on utilization	-	-	-	1,100	(1,100)	-	-	-	-	-	-
Dividends paid to non controlling interest of subsidiary	-	-	-	-	-	-	-	-	-	(79)	(79)
Dividends#	-	-	-	(12,655)	-	-	-	-	(12,655)	-	(12,655)
Balance as at March 31, 2022	**4,193,012,929**	**2,098**	**827**	**62,423**	**8,339**	**139**	**1,522**	**2**	**75,350**	**386**	**75,736**

** net of tax*
*** Including tax on buyback ₹1,893 crore*
 # net of treasury shares
(1) excludes treasury shares of 1,37,25,712 as at March 31, 2022, 15,514,732 as at April 1, 2021 and 18,239,356 as at April 1, 2020, held by consolidated trust.
(2) Represents the Special Economic Zone Re-investment reserve created out of the profit of the eligible SEZ unit in terms of the provisions of Sec 10AA(1)(ii) of Income Tax Act,1961. The reserve should be utilized by the Group for acquiring new plant and machinery for the purpose of its business in terms of the provisions of the Sec 10AA(2) of the Income Tax Act, 1961.

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

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

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

Sanjiv V. Pilgaonkar
Partner
Membership No. 039826

Nandan M. Nilekani
Chairman

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Chief Executive Officer and Managing Director

D. Sundaram
Director

Bengaluru
April 13, 2022

Nilanjan Roy
Chief Financial Officer

Jayesh Sanghrajka
Executive Vice President and Deputy Chief Financial Officer

A.G.S. Manikantha
Company Secretary

Infosys Limited and subsidiaries

Consolidated Statement of Cash Flows

Accounting Policy

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

(In ₹ crore)

Particulars	Note	Year ended March 31, 2022	2021
Operating activities:			
Net Profit		22,146	19,423
Adjustments to reconcile net profit to net cash provided by operating activities:			
Depreciation and amortization	2.18	3,476	3,267
Income tax expense	2.12	7,964	7,205
Finance cost	2.8	200	195
Interest and dividend income		(807)	(577)
Effect of exchange rate changes on assets and liabilities, net		119	(62)
Impairment loss under expected credit loss model		170	190
Stock compensation expense	2.11	415	333
Other adjustments		76	(91)
Changes in working capital			
Trade receivables and unbilled revenue		(7,937)	(1,835)
Prepayments and other assets		(1,673)	(669)
Trade payables		1,489	(245)
Unearned revenue		2,229	1,019
Other liabilities and provisions		4,709	2,363
Cash generated from operations		**32,576**	**30,516**
Income taxes paid		(7,612)	(6,389)
Net cash generated by operating activities		**24,964**	**24,127**
Investing activities:			
Expenditure on property, plant and equipment and intangibles		(2,161)	(2,107)
Deposits placed with corporation		(906)	(725)
Redemption of deposits placed with Corporation		753	518
Interest and dividend received		819	515
Payment for acquisition of business, net of cash acquired	2.10	-	(1,221)
Payment of contingent consideration pertaining to acquisition of business		(53)	(158)
Escrow and other deposits pertaining to Buyback	2.4	(420)	-
Redemption of escrow and other deposits pertaining to Buyback		420	-
Payments to acquire Investments			
- Quoted debt securities		(5,863)	(11,517)
- Liquid mutual fund units and fixed maturity plan securities		(54,064)	(35,196)
- Certificates of deposit		(4,184)	-
- Other investments		(24)	(25)
Proceeds on sale of investments			
- Equity and preference securities		-	73
- Certificates of deposit		787	1,149
- Quoted debt securities		3,678	3,955
- Liquid mutual fund units and fixed maturity plan securities		53,669	36,353
- Other investments		9	23
Other payments		(22)	(45)
Other receipts		67	49
Net cash (used)/generated in investing activities		**(7,495)**	**(8,359)**
Financing activities:			
Payment of lease liabilities	2.8	(915)	(698)
Payment of dividends		(12,652)	(9,117)
Payment of dividends to non-controlling interests of subsidiary		(79)	(20)
Payment towards purchase of non-controlling interest		(2)	(49)
Other payments		(126)	-
Other receipts		236	83
Buyback of equity shares including transaction costs and tax on buyback	2.20	(11,125)	-
Shares issued on exercise of employee stock options		21	15
Net cash used in financing activities		**(24,642)**	**(9,786)**
Effect of exchange rate changes on cash and cash equivalents		(69)	83
Net increase/(decrease) in cash and cash equivalents		(7,173)	5,982
Cash and cash equivalents at the beginning of the period	2.1	24,714	18,649
Cash and cash equivalents at the end of the period	2.1	**17,472**	**24,714**
Supplementary information:			
Restricted cash balance	2.1	471	504

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

As per our report of even date attached

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

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

Sanjiv V. Pilgaonkar
Partner
Membership No. 039826

Nandan M. Nilekani
Chairman

Salil Parekh
Chief Executive Officer and Managing Director

D. Sundaram
Director

Bengaluru
April 13, 2022

Nilanjan Roy
Chief Financial Officer

Jayesh Sanghrajka
Executive Vice President and Deputy Chief Financial Officer

A.G.S. Manikantha
Company Secretary

Overview and Notes to the Consolidated Financial Statements

1. Overview

1.1 Company overview

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

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

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

The Group's consolidated financial statements are authorized for issue by the Company's Board of Directors on April 13, 2022.

1.2 Basis of preparation of financial statements

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

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

1.3 Basis of consolidation

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

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

1.4 Use of estimates and judgments

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

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

The Group has considered the possible effects that may result from the COVID-19 pandemic in the preparation of these consolidated financial statements including the recoverability of carrying amounts of financial and non financial assets. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of the COVID-19 pandemic, the Group has, at the date of approval of these consolidated financial statements, used internal and external sources of information including credit reports and related information and economic forecasts and expects that the carrying amount of these assets will be recovered. The impact of COVID-19 pandemic on the Group's financial statements may differ from that estimated as at the date of approval of these consolidated financial statements.

1.5 Critical accounting estimates and judgments

a. Revenue recognition

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

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

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

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

b. Income taxes

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

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

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

c. Business combinations and intangible assets

Business combinations are accounted for using IFRS 3 (Revised), Business Combinations. IFRS 3 requires us to fair value identifiable intangible assets and contingent consideration to ascertain the net fair value of identifiable assets, liabilities and contingent liabilities of the acquiree. Estimates are required to be made in determining the value of contingent consideration, value of option arrangements and intangible assets. These valuations are conducted by external valuation experts. These measurements are based on information available at the acquisition date and are based on expectations and assumptions that have been deemed reasonable by management (Refer to note 2.10).

d. Property, plant and equipment

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

e. Impairment of Goodwill

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

The recoverable amount of CGUs is determined based on higher of value-in-use and fair value less cost to sell. Key assumptions in the cash flow projections are prepared based on current economic conditions and comprises estimated long term growth rates, weighted average cost of capital and estimated operating margins. (Refer to note 2.9)

1.6 Recent accounting pronouncements

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

Amendments to IAS 16 Property, Plant and Equipment	Proceeds before Intended Use
Amendments to IAS 37 Onerous Contracts	Cost of Fulfilling a Contract
Amendments to IAS 8, Accounting Policies, Changes in Accounting Estimates and Errors	Definition of Accounting Estimates
Amendments to IAS 1 Presentation of Financial Statements	Disclosure of Accounting Policies
Amendments to IAS 12 Income Taxes	Deferred Tax related to Assets and Liabilities arising from a Single Transaction

Amendments to IAS 16

On May 14, 2020 International Accounting Standards Board (IASB) has issued amendment to IAS 16 Property, Plant and Equipment — Proceeds before Intended Use (Amendments to IAS 16) which amends the standard to prohibit deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognises the proceeds from selling such items, and the cost of producing those items, in profit or loss.

The effective date for adoption of this amendment is annual periods beginning on or after January 1, 2022, although early adoption is permitted. The Group has evaluated the amendment and there is no impact on its consolidated financial statements.

Amendments to IAS 37

On May 14, 2020 International Accounting Standards Board (IASB) has issued Onerous Contracts — Cost of Fulfilling a Contract (Amendments to IAS 37) which specify that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract).

The effective date for adoption of this amendment is annual periods beginning on or after January 1, 2022, although early adoption is permitted. The Group has evaluated the amendment and the impact is not expected to be material.

Amendments to IAS 8

On February 12, 2021 International Accounting Standards Board (IASB) has issued amendments to IAS 8 Accounting Policies, Changes in Accounting estimates and Errors which introduced a definition of 'accounting estimates' and included amendments to IAS 8 to help entities distinguish changes in accounting policies from changes in accounting estimates.

The effective date for adoption of this amendment is annual periods beginning on or after January 1, 2023, although early adoption is permitted. The Group has evaluated the amendment and there is no impact on its consolidated financial statements.

Amendments to IAS 1

On February 12, 2021 International Accounting Standards Board (IASB) has issued amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2 Making Materiality Judgements which requires the entities to disclose their material accounting policies rather than their significant accounting policies.

The effective date for adoption of this amendment is annual periods beginning on or after January 1, 2023, although early adoption is permitted. The Group is in the process of evaluating the impact of the amendment.

Amendments to IAS 12

On May 7, 2021, International Accounting Standards Board (IASB) has issued amendment to IAS 12 Income Taxes which narrowed the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and offsetting temporary differences.

The effective date for adoption of this amendment is annual periods beginning on or after January 1, 2023, although early adoption is permitted. The Group is in the process of evaluating the impact of the amendment.

2. Notes to the Interim Consolidated Financial Statements

2.1 Cash and cash equivalents

Cash and cash equivalents consist of the following:

(In ₹ crore)

Particulars	As at March 31, 2022	As at March 31, 2021
Cash and bank deposits	13,942	20,069
Deposits with financial institutions	3,530	4,645
Total Cash and cash equivalents	**17,472**	**24,714**

Cash and cash equivalents as at March 31, 2022 and March 31, 2021 include restricted cash and bank balances of ₹471 crore and ₹504 crore, respectively. The restrictions are primarily on account of bank balances held by irrevocable trusts controlled by the Company and bank balances held as margin money deposits against guarantees.

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

2.2 Investments

The carrying value of the investments are as follows:

(In ₹ crore)

Particulars	As at March 31, 2022	As at March 31, 2021
(i) Current		
Amortised Cost		
Quoted debt securities	221	-
Fair Value through profit or loss		
Liquid mutual fund units	2,012	1,500
Fair Value through other comprehensive income		
Quoted Debt Securities	1,011	842
Certificates of Deposit	3,429	-
Total current investments	**6,673**	**2,342**
(ii) Non-current		
Amortised Cost		
Quoted debt securities	1,901	2,152
Fair Value through other comprehensive income		
Quoted debt securities	11,373	9,452
Unquoted equity and preference securities	194	167
Fair Value through profit or loss		
Unquoted Preference securities	24	11
Unquoted compulsorily convertible debentures	7	7
Others[(1)]	152	74
Total non-current investments	**13,651**	**11,863**
Total investments	**20,324**	**14,205**
Investments carried at amortised cost	2,122	2,152
Investments carried at fair value through other comprehensive income	16,007	10,461
Investments carried at fair value through profit or loss	2,195	1,592

[(1)] Uncalled capital commitments outstanding as at March 31, 2022 and March 31, 2021 was ₹28 crore and ₹42 crore, respectively.

Refer to note 2.3 for accounting policies on financial instruments.

Details of amounts recorded in Other comprehensive income :

(In ₹ crore)

	Year ended March 31, 2022			Year ended March 31, 2021		
	Gross	**Tax**	**Net**	**Gross**	**Tax**	**Net**
Net Gain/(loss) on						
Quoted debt securities	(73)	23	(50)	(119)	19	(100)
Certificates of deposit	2	(1)	1	(3)	1	(2)
Unquoted equity and preference securities	119	(23)	96	136	(17)	119

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

Class of investment	Method	Fair value as at	
		March 31, 2022	March 31, 2021
Liquid mutual fund units	Quoted price	2,012	1,500
Quoted debt securities- carried at amortized cost	Quoted price and market observable inputs	2,447	2,536
Quoted debt securities- carried at fair value through other comprehensive income	Quoted price and market observable inputs	12,384	10,294
Certificates of Deposit	Market observable inputs	3,429	-
Unquoted equity and preference securities - carried at fair value through other comprehensive income	Discounted cash flows method, Market multiples method, Option pricing model	194	167
Unquoted equity and preference securities - carried at fair value through profit or loss	Discounted cash flows method, Market multiples method, Option pricing model	24	11
Unquoted compulsorily convertible debentures - carried at fair value through profit or loss	Discounted cash flows method	7	7
Others	Discounted cash flows method, Market multiples method, Option pricing model	152	74
Total		**20,649**	**14,589**

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

2.3 Financial instruments

Accounting Policy

2.3.1 Initial recognition

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

2.3.2 Subsequent measurement

a. Non-derivative financial instruments

(i) Financial assets carried at amortised cost

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

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

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

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

(iv) Financial liabilities

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

b. Derivative financial instruments

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

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

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

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

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

(ii) Cash flow hedge

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

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

2.3.3 Derecognition of financial instruments

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

2.3.4 Fair value of financial instruments

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

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

2.3.5 Impairment

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

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

The amount of 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 recorded is recognized as an impairment gain or loss in consolidated statement of comprehensive income.

Financial instruments by category

The carrying value and fair value of financial instruments by categories as at March 31, 2022 were as follows:

(In ₹ crore)

Particulars	Amortised cost	Financial assets / liabilities at fair value through profit or loss		Financial assets / liabilities at fair value through OCI		Total carrying value	Total fair value
		Designated upon initial recognition	Mandatory	Equity instruments designated upon initial recognition	Mandatory		
Assets:							
Cash and cash equivalents (Refer to note 2.1)	17,472	-	-	-	-	17,472	17,472
Investments (Refer to note 2.2)							
Liquid mutual fund units	-	-	2,012	-	-	2,012	2,012
Quoted debt securities	2,122	-	-	-	12,384	14,506	14,831 [1]
Certificates of deposit	-	-	-	-	3,429	3,429	3,429
Unquoted equity and preference securities	-	-	24	194	-	218	218
Unquoted compulsorily convertible debentures	-	-	7	-	-	7	7
Unquoted investment others	-	-	152	-	-	152	152
Trade receivables	22,698	-	-	-	-	22,698	22,698
Unbilled revenues (Refer to note 2.17)[3]	6,354	-	-	-	-	6,354	6,354
Prepayments and other assets (Refer to note 2.4)	3,972	-	-	-	-	3,972	3,881 [2]
Derivative financial instruments	-	-	123	-	20	143	143
Total	**52,618**	**-**	**2,318**	**194**	**15,833**	**70,963**	**71,197**
Liabilities:							
Trade payables	4,134	-	-	-	-	4,134	4,134
Lease liabilities	5,474	-	-	-	-	5,474	5,474
Derivative financial instruments	-	-	58	-	3	61	61
Financial liability under option arrangements (Refer to note 2.5)	-	-	655	-	-	655	655
Other liabilities including contingent consideration (Refer to note 2.5)	15,061	-	123	-	-	15,184	15,184
Total	**24,669**	**-**	**836**	**-**	**3**	**25,508**	**25,508**

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

[2] *Excludes interest accrued on quoted debt securities carried at amortized cost of ₹91 crore.*

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

The carrying value and fair value of financial instruments by categories as at March 31, 2021 were as follows:

(In ₹ crore)

Particulars	Amortised cost	Financial assets/ liabilities at fair value through profit or loss		Financial assets/liabilities at fair value through OCI		Total carrying value	Total fair value
		Designated upon initial recognition	Mandatory	Equity instruments designated upon initial recognition	Mandatory		
Assets:							
Cash and cash equivalents (Refer to note 2.1)	24,714	-	-	-	-	24,714	24,714
Investments (Refer to note 2.2)							
Liquid mutual fund units	-	-	1,500	-	-	1,500	1,500
Quoted debt securities	2,152	-	-	-	10,294	12,446	12,830 [1]
Unquoted equity and preference securities	-	-	11	167	-	178	178
Unquoted compulsorily convertible debentures	-	-	7	-	-	7	7
Unquoted investments others	-	-	74	-	-	74	74
Trade receivables	19,294	-	-	-	-	19,294	19,294
Unbilled revenue (Refer to note 2.17)[3]	3,572	-	-	-	-	3,572	3,572
Prepayments and other assets (Refer to note 2.4)	3,982	-	-	-	-	3,982	3,890 [2]
Derivative financial instruments	-	-	163	-	25	188	188
Total	**53,714**	**-**	**1,755**	**167**	**10,319**	**65,955**	**66,247**
Liabilities:							
Trade payables	2,645	-	-	-	-	2,645	2,645
Lease liabilities	5,325	-	-	-	-	5,325	5,325
Derivative financial instruments	-	-	56	-	-	56	56
Financial liability under option arrangements (Refer to note 2.5)	-	-	693	-	-	693	693
Other liabilities including contingent consideration (Refer to note 2.5)	9,877	-	161	-	-	10,038	10,038
Total	**17,847**	**-**	**910**	**-**	**-**	**18,757**	**18,757**

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

[2] *Excludes interest accrued on quoted debt securities carried at amortized cost of ₹92 crore.*

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

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

Fair value hierarchy

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

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

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

The following table presents fair value hierarchy of assets and liabilities as at March 31, 2022:

(In ₹ crore)

Particulars	As at March 31, 2022	Fair value measurement at end of the reporting period using		
		Level 1	Level 2	Level 3
Assets				
Investments in liquid mutual fund units (Refer to note 2.2)	2,012	2,012	-	-
Investments in quoted debt securities (Refer to note 2.2)	14,831	13,042	1,789	-
Investments in unquoted equity and preference securities (Refer to note 2.2)	218	-	-	218
Investments in certificates of deposits (Refer to note 2.2)	3,429	-	3,429	-
Investments in unquoted compulsorily convertible debentures (Refer to note 2.2)	7	-	-	7
Investments in unquoted investments others (Refer to note 2.2)	152	-	-	152
Derivative financial instruments - gain on outstanding foreign exchange forward and option contracts	143	-	143	-
Liabilities				
Derivative financial instruments - loss on outstanding foreign exchange forward and option contracts	61	-	61	-
Financial liability under option arrangements (Refer to note 2.5)	655	-	-	655
Liability towards contingent consideration (Refer to note 2.5)*	123	-	-	123

** Discount rate pertaining to contingent consideration ranges from 8% to 14.5%*

During the year ended March 31, 2022, quoted debt securities of ₹576 crore were transferred from Level 2 to Level 1 of fair value hierarchy, since these were valued based on quoted price and quoted debt securities of ₹965 crore were transferred from Level 1 to Level 2 of fair value hierarchy, since these were valued based on market observable inputs.

The following table presents fair value hierarchy of assets and liabilities as at March 31, 2021:

(In ₹ crore)

Particulars	As at March 31, 2021	Fair value measurement at end of the reporting period using		
		Level 1	Level 2	Level 3
Assets				
Investments in liquid mutual fund units (Refer to note 2.2)	1,500	1,500	-	-
Investments in quoted debt securities (Refer to note 2.2)	12,830	11,374	1,456	-
Investments in unquoted equity and preference securities(Refer to note 2.2)	178	-	-	178
Investments in unquoted compulsorily convertible debentures (Refer to note 2.2)	7	-	-	7
Investments in unquoted investments others (Refer to note 2.2)	74	-	-	74
Derivative financial instruments- gain on outstanding foreign exchange forward and option contracts	188	-	188	-
Liabilities				
Derivative financial instruments- loss on outstanding foreign exchange forward and option contracts	56	-	56	-
Financial liability under option arrangements (Refer to note 2.5)	693	-	-	693
Liability towards contingent consideration (Refer to note 2.5)*	161	-	-	161

**Discount rate pertaining to contingent consideration ranges from 8% to 14.5%*

During the year ended March 31, 2021, quoted debt securities of ₹107 crore were transferred from Level 2 to Level 1 of fair value hierarchy, since these were valued based on quoted price and quoted debt securities of ₹1,177 crore were transferred from Level 1 to Level 2 of fair value hierarchy, since these were valued based on market observable inputs.

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

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

Income from financial assets is as follows :

(In ₹ crore)

Particulars	Three months ended March 31,		Year ended March 31,	
	2022	2021	2022	2021
Interest income from financial assets carried at amortised cost	227	289	1,003	1,195
Interest income on financial assets fair valued through other comprehensive income	189	128	642	409
Dividend income from investments carried at fair value through profit or loss	-	-	-	11
Gain / (loss) on investments carried at fair value through profit or loss	77	7	177	74
Gain / (loss) on investments carried at fair value through other comprehensive Income	-	2	1	82
	493	**426**	**1,823**	**1,771**

Financial risk management

Financial risk factors

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

Market risk

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

The following table analyses foreign currency risk from financial assets and liabilities as at March 31, 2022:

(In ₹ crore)

Particulars	U.S. dollars	Euro	United Kingdom Pound Sterling	Australian dollars	Other currencies	Total
Net financial assets	18,224	4,976	1,510	1,350	2,115	28,175
Net financial liabilities	(9,205)	(3,158)	(666)	(975)	(1,806)	(15,810)
Total	**9,019**	**1,818**	**844**	**375**	**309**	**12,365**

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

(In ₹ crore)

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

Sensitivity analysis between Indian rupee and U.S. Dollar

Particulars	Three months ended March 31,		Year ended March 31,	
	2022	2021	2022	2021
Impact on Group's incremental operating margins	0.45%	0.48%	0.46%	0.47%

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

Derivative financial instruments

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

The following table gives details in respect of outstanding foreign exchange forward and option contracts:

Particulars	As at March 31, 2022		As at March 31, 2021	
	In million	In ₹ crore	In million	In ₹ crore
Derivatives designated as cash flow hedges				
Forward contracts				
In Euro	8	67	-	-
Option Contracts				
In Australian dollars	185	1,050	92	512
In Euro	280	2,358	165	1,415
In United Kingdom Pound Sterling	32	318	35	353
Other derivatives				
Forward contracts				
In Brazilian Real	6	8	-	-
In Canadian dollars	34	205	33	194
In Chinese Yuan	38	45	105	117
In Czech Koruna	296	101	313	103
In Euro	297	2,501	171	1,466
In New Zealand dollars	20	105	16	82
In Norwegian Krone	80	70	25	21
In Romanian Leu	-	-	10	17
In Singapore dollars	252	1,366	241	1,419
In Swiss Franc	15	123	27	213
In U.S. dollars	1,166	8,853	1,139	8,325
In Phillipine Peso	-	-	800	121
In United Kingdom Pound Sterling	65	646	28	282
In South African rand	45	24	-	-
Option Contracts				
In Euro	81	682	65	557
In U.S. dollars	677	5,131	404	2,951
Total forwards & options		**23,653**		**18,148**

The group recognized a net loss of ₹65 crore and a net gain of ₹162 crore during the three months and year ended March 31, 2022 and a net gain of ₹111 crore and ₹623 crore during the three months and year ended March 31, 2021, respectively, on derivative financial instruments not designated as cash flow hedges which are included in other income.

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

(In ₹ crore)

Particulars	As at	
	March 31, 2022	March 31, 2021
Not later than one month	6,237	6,159
Later than one month and not later than three months	12,444	8,074
Later than three months and not later than one year	4,972	3,915
Total	**23,653**	**18,148**

During the year ended March 31, 2022 and March 31, 2021, the Group has designated certain foreign exchange forward and option contracts as cash flow hedges to mitigate the risk of foreign exchange exposure on highly probable forecast cash transactions. The related hedge transactions for balance in cash flow hedging reserve as at March 31, 2022 are expected to occur and reclassified to statement of comprehensive income within 3 months.

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

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

The following table provides the reconciliation of cash flow hedge reserve for the three months and year ended March 31, 2022 and March 31, 2021:

(In ₹ crore)

Particulars	Three months ended March 31,		Year ended March 31,	
	2022	2021	2022	2021
Gain / (Loss)				
Balance at the beginning of the period	14	(16)	10	(15)
Gain / (loss) recognised in other comprehensive income during the period	11	18	102	(126)
Amount reclassified to profit and loss during the period	(27)	17	(113)	160
Tax impact on above	4	(9)	3	(9)
Balance at the end of the period	**2**	**10**	**2**	**10**

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

The following table provides quantitative information about offsetting of derivative financial assets and derivative financial liabilities:

(In ₹ crore)

Particulars	As at			
	March 31, 2022		March 31, 2021	
	Derivative financial asset	Derivative financial liability	Derivative financial asset	Derivative financial liability
Gross amount of recognized financial asset/liability	179	(97)	201	(69)
Amount set off	(36)	36	(13)	13
Net amount presented in balance sheet	**143**	**(61)**	**188**	**(56)**

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 ₹22,698 crore and ₹19,294 crore as at March 31, 2022 and March 31, 2021, respectively and unbilled revenue amounting to ₹12,509 crore and ₹8,121 crore as at March 31, 2022 and March 31, 2021, respectively. Trade receivables and unbilled revenue are typically unsecured and are derived from revenues from customers primarily located in the United States of America. Credit risk has always been managed by the Group through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Group grants credit terms in the normal course of business. The Group uses the expected credit loss model to assess any required allowances; and uses a provision matrix to compute the expected credit loss allowance for trade receivables and unbilled revenues. This matrix takes into account credit reports and other related credit information to the extent available.

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

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

(In %)

Particulars	Three months ended March 31,		Year ended March 31,	
	2022	2021	2022	2021
Revenue from top five customers	11.8	10.9	11.4	11.0
Revenue from top ten customers	19.4	18.3	19.3	18.1

Credit risk exposure

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

The allowance of lifetime expected credit loss on customer balances for the three months and year ended March 31, 2022 was ₹20 crore and ₹143 crore, respectively.
The allowance of lifetime expected credit losses for the three months and year ended March 31, 2021 was ₹5 crore and ₹184 crore, respectively

Movement in credit loss allowance:

(In ₹ crore)

Particulars	Three months ended March 31,		Year ended March 31,	
	2022	2021	2022	2021
Balance at the beginning	820	829	752	705
Translation differences	18	(9)	25	(14)
Impairment loss recognised / (reversed)	20	5	143	184
Write-offs	-	(73)	(62)	(123)
Balance at the end	**858**	**752**	**858**	**752**

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

Credit exposure

(In ₹ crore)

Particulars	As at	
	March 31, 2022	March 31, 2021
Trade receivables	22,698	19,294
Unbilled revenue	12,509	8,121

Days Sales Outstanding (DSO) as of March 31, 2022 and March 31, 2021 was 67 days and 71 days, respectively.

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

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

Liquidity risk

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

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

As at March 31, 2022, the Group had a working capital of ₹33,583 crore including cash and cash equivalents of ₹17,472 crore and current investments of ₹6,673 crore. As at March 31, 2021, the Group had a working capital of ₹36,868 crore including cash and cash equivalents of ₹24,714 crore and current investments of ₹2,342 crore.

As at March 31, 2022 and March 31, 2021, the outstanding employee benefit obligations were ₹2275 crore and ₹2,117 crore, respectively, which have been substantially funded. Accordingly, no liquidity risk is perceived.

The table below provides details regarding the contractual maturities of significant financial liabilities as at March 31, 2022:

(In ₹ crore)

Particulars	Less than 1 year	1-2 years	2-4 years	4-7 years	Total
Trade payables	4,134	-	-	-	4,134
Other financial liabilities (excluding liability towards contingent consideration) on an undicounted basis (Refer to Note 2.5)	13,600	1,076	457	10	15,143
Financial liability under option arrangements	-	72	80	503	655
Liability towards contingent consideration on an undiscounted basis (Refer to Note 2.5)	68	25	39	-	132

The table below provides details regarding the contractual maturities of significant financial liabilities as at March 31, 2021:

(In ₹ crore)

Particulars	Less than 1 year	1-2 years	2-4 years	4-7 years	Total
Trade payables	2,645	-	-	-	2,645
Other financial liabilities (excluding liability towards contingent consideration) (Refer to Note 2.5)	9,239	411	197	30	9,877
Financial liability under option arrangements	-	615	78	-	693
Liability towards contingent consideration on an undiscounted basis (Refer to Note 2.5)	76	67	38	-	181

2.4 Prepayments and other assets

Prepayments and other assets consist of the following:

(In ₹ crore)

Particulars	As at March 31, 2022	As at March 31, 2021
Current		
Rental deposits	58	30
Security deposits	7	6
Loans to employees	248	159
Prepaid expenses[(1)]	1,996	1,160
Interest accrued and not due	362	620
Withholding taxes and others[(1)]	1,941	2,091
Advance payments to vendors for supply of goods[(1)]	193	141
Deposit with corporations*	2,177	2,016
Deferred contract cost[(1)#]		
Cost of obtaining a contract	858	49
Cost of fulfillment	91	16
Net investment in sublease of right of use asset	50	38
Other non financial assets [(1)]	325	3
Other financial assets	271	339
Total Current prepayment and other assets	**8,577**	**6,668**
Non-current		
Loans to employees	34	32
Deposit with corporations*	33	42
Rental deposits	186	217
Security deposits	47	49
Withholding taxes and others[(1)]	674	705
Deferred contract cost[(1) #]		
Cost of obtaining a contract	593	31
Cost of fulfillment	309	112
Prepaid expenses[(1)]	99	78
Net investment in sublease of right of use asset	322	350
Defined benefit plan assets[(1)]	20	19
Other financial assets	177	84
Total Non- current prepayment and other assets	**2,494**	**1,719**
Total prepayment and other assets	**11,071**	**8,387**
Financial assets in prepayments and other assets	**3,972**	**3,982**

[(1)] *Non financial assets*

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

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

[#] Includes technology assets taken over by the Company from a customer as a part of transformation project which is not considered as distinct goods or services and the control related to the assets is not transferred to the Company in accordance with IFRS 15 - Revenue from contract with customers. Accordingly, the same has been considered as a reduction to the total contract value and accounted as Deferred contract cost. Further as at March 31, 2022 the Company has entered into a financing arrangement with a third party for these assets for ₹895 crore which has been considered as financial liability. This includes ₹869 crore settled directly by the third party to the customer on behalf of the Company and accordingly considered as non-cash transaction (Refer to note 2.5)

2.5 Other liabilities

Other liabilities comprise the following :

(In ₹ crore)

Particulars	As at	
	March 31, 2022	March 31, 2021
Current		
Accrued compensation to employees	4,061	4,019
Accrued expenses	7,476	4,475
Withholding taxes and others(1)	2,834	2,170
Retention money	13	13
Liabilities of controlled trusts	211	199
Deferred income - government grants(1)	11	3
Accrued defined benefit plan liability (1)	5	6
Liability towards contingent consideration	67	75
Capital Creditors	431	371
Financial liability relating to buyback (2) (Refer to note 2.20)	-	-
Tax on buyback (1) (Refer to note 2.20)	-	-
Other non-financial liabilities (1)	4	4
Other financial liabilities#	1,335	162
Total current other liabilities	**16,448**	**11,497**
Non-current		
Liability towards contingent consideration	56	86
Accrued expenses	946	569
Withholding taxes and others(1)	-	364
Accrued defined benefit plan liability (1)	367	324
Accrued compensation to employees	8	-
Deferred income - government grants(1)	64	57
Deferred income(1)	9	17
Other financial liabilities#	580	69
Other non-financial liabilities(1)	11	1
Financial liability under option arrangements	655	693
Total non-current other liabilities	**2,696**	**2,180**
Total other liabilities	**19,144**	**13,677**
Financial liabilities included in other liabilities	15,839	10,731
Financial liability towards contingent consideration on an undiscounted basis	132	181

(1) *Non financial liabilities*

\# Deferred contract cost in note 2.4 includes technology assets taken over by the Company from a customer as a part of transformation project which is not considered as distinct goods or services and the control related to the assets is not transferred to the Company in accordance with IFRS 15 - Revenue from contract with customers. Accordingly, the same has been considered as a reduction to the total contract value and accounted as Deferred contract cost. Further as at March 31, 2022 the Company has entered into a financing arrangement with a third party for these assets for ₹895 crore which has been considered as financial liability. This includes ₹869 crore settled directly by the third party to the customer on behalf of the Company and accordingly considered as non-cash transaction.

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

2.6 Provisions and other contingencies

Accounting Policy

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

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

Post sales client support

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

Onerous contracts

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

Provisions comprise the following:

(In ₹ crore)

Particulars	As at	
	March 31, 2022	March 31, 2021
Provision for post sales client support and other provisions	975	713
	975	**713**

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

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

(In ₹ crore)

Particulars	Three months ended March 31, 2022	Year ended March 31, 2022
Balance at the beginning	956	713
Provision recognized / (reversed)	21	372
Provision utilized	(60)	(180)
Translation difference	18	30
Balance at the end	**935**	**935**

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

As at March 31, 2022 and March 31, 2021 claims against the Group, not acknowledged as debts, (excluding demands from income tax authorities - Refer to note 2.12) amounted to ₹640 crore and ₹599 crore respectively.

Legal proceedings

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

2.7 Property, plant and equipment

Accounting Policy

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

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

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

Depreciation methods, useful lives and residual values are reviewed periodically, including at each financial year end. The useful lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology.

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

Impairment

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

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

Following are the changes in the carrying value of property, plant and equipment for the three months ended March 31, 2022:

(In ₹ crore)

Particulars	Land	Buildings	Plant and machinery	Computer equipment	Furniture and fixtures	Vehicles	Total
Gross carrying value as at January 1, 2022	**1,428**	**11,123**	**5,168**	**8,033**	**3,155**	**44**	**28,951**
Additions	1	84	82	560	44	-	**771**
Deletions*	-	(1)	(305)	(77)	(5)	-	**(388)**
Translation difference	-	18	5	11	7	-	**41**
Gross carrying value as at March 31, 2022	**1,429**	**11,224**	**4,950**	**8,527**	**3,201**	**44**	**29,375**
Accumulated depreciation as at January 1, 2022	**-**	**(3,993)**	**(3,870)**	**(5,830)**	**(2,373)**	**(36)**	**(16,102)**
Depreciation	-	(106)	(108)	(273)	(79)	(1)	(567)
Accumulated depreciation on deletions*	-	-	305	76	5	-	386
Translation difference	-	(1)	(4)	(7)	(5)	-	(17)
Accumulated depreciation as at March 31, 2022	**-**	**(4,100)**	**(3,677)**	**(6,034)**	**(2,452)**	**(37)**	**(16,300)**
Capital work-in progress as at January 1, 2022							495
Carrying value as at January 1, 2022	**1,428**	**7,130**	**1,298**	**2,203**	**782**	**8**	**13,344**
Capital work-in progress as at March 31, 2022							504
Carrying value as at March 31, 2022	**1,429**	**7,124**	**1,273**	**2,493**	**749**	**7**	**13,579**

Following are the changes in the carrying value of property, plant and equipment for the three months ended March 31, 2021:

(In ₹ crore)

Particulars	Land	Buildings	Plant and machinery	Computer equipment	Furniture and fixtures	Vehicles	Total
Gross carrying value as at January 1, 2021	**1,390**	**10,331**	**4,829**	**7,390**	**2,987**	**44**	**26,971**
Additions	8	240	141	324	77	1	791
Deletions	(1)	-	(9)	(72)	(21)	(1)	(104)
Translation difference	-	(6)	2	(3)	-	-	(7)
Gross carrying value as at March 31, 2021	**1,397**	**10,565**	**4,963**	**7,639**	**3,043**	**44**	**27,651**
Accumulated depreciation as at January 1, 2021	**-**	**(3,578)**	**(3,497)**	**(5,466)**	**(2,089)**	**(32)**	**(14,662)**
Depreciation	**-**	(98)	(113)	(241)	(85)	(1)	(538)
Accumulated depreciation on deletions	**-**	-	8	63	21	1	93
Translation difference	**-**	1	3	8	4	-	16
Accumulated depreciation as at March 31, 2021	**-**	**(3,675)**	**(3,599)**	**(5,636)**	**(2,149)**	**(32)**	**(15,091)**
Capital work-in progress as at January 1, 2021							1,325
Carrying value as at January 1, 2021	**1,390**	**6,753**	**1,332**	**1,924**	**898**	**12**	**13,634**
Capital work-in progress as at March 31, 2021							1,063
Carrying value as at March 31, 2021	**1,397**	**6,890**	**1,364**	**2,003**	**894**	**12**	**13,623**

Following are the changes in the carrying value of property, plant and equipment for the year ended March 31, 2022:

(In ₹ crore)

Particulars	Land	Buildings	Plant and machinery	Computer equipment	Furniture and fixtures	Vehicles	Total
Gross carrying value as at April 1, 2021	**1,397**	**10,565**	**4,963**	**7,639**	**3,043**	**44**	**27,651**
Additions	32	599	348	1,542	195	-	2,716
Deletions*	-	(1)	(372)	(672)	(55)	-	(1,100)
Translation difference	-	61	11	18	18	-	108
Gross carrying value as at March 31, 2022	**1,429**	**11,224**	**4,950**	**8,527**	**3,201**	**44**	**29,375**
Accumulated depreciation as at April 1, 2021	**-**	**(3,675)**	**(3,599)**	**(5,636)**	**(2,149)**	**(32)**	**(15,091)**
Depreciation	-	(417)	(421)	(1,055)	(335)	(5)	(2,233)
Accumulated depreciation on deletions*	-	-	350	671	47	-	1,068
Translation difference	-	(8)	(7)	(14)	(15)	-	(44)
Accumulated depreciation as at March 31, 2022	**-**	**(4,100)**	**(3,677)**	**(6,034)**	**(2,452)**	**(37)**	**(16,300)**
Capital work-in progress as at April 1, 2021							1,063.00
Carrying value as at April 1, 2021	**1,397.00**	**6,890.00**	**1,364.00**	**2,003.00**	**894.00**	**12.00**	**13,623.00**
Capital work-in progress as at March 31, 2022							504.00
Carrying value as at March 31, 2022	**1,429.00**	**7,124.00**	**1,273.00**	**2,493.00**	**749.00**	**7.00**	**13,579.00**

*During the three months ended and year ended March 31, 2022, certain assets which were old and not in use having gross book value NIL (net book value: Nil) and ₹ 316 crore (net book value: Nil) respectively, were retired.

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

(In ₹ crore)

Particulars	Land	Buildings	Plant and machinery	Computer equipment	Furniture and fixtures	Vehicles	Total
Gross carrying value as at April 1, 2020	**1,316**	**10,016**	**4,701**	**6,676**	**2,887**	**45**	**25,641**
Additions	82	511	285	1,159	193	1	2,231
Additions- Business combinations	-	-	3	4	3	-	10
Deletions	(1)	-	(32)	(211)	(46)	(2)	(292)
Translation difference	-	38	6	11	6	-	61
Gross carrying value as at March 31, 2021	**1,397**	**10,565**	**4,963**	**7,639**	**3,043**	**44**	**27,651**
Accumulated depreciation as at April 1, 2020	**-**	**(3,284)**	**(3,161)**	**(4,885)**	**(1,848)**	**(28)**	**(13,206)**
Depreciation	-	(386)	(468)	(954)	(352)	(6)	(2,166)
Accumulated depreciation on deletions	-	-	30	199	46	2	277
Translation difference	-	(5)	-	4	5	-	4
Accumulated depreciation as at March 31, 2021	**-**	**(3,675)**	**(3,599)**	**(5,636)**	**(2,149)**	**(32)**	**(15,091)**
Capital work-in progress as at April 1, 2020							1,264
Carrying value as at April 1, 2020	**1,316**	**6,732**	**1,540**	**1,791**	**1,039**	**17**	**13,699**
Capital work-in progress as at March 31, 2021							1,063
Carrying value as at March 31, 2021	**1,397**	**6,890**	**1,364**	**2,003**	**894**	**12**	**13,623**

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

The contractual commitments for capital expenditure primarily comprises of commitments for infrastructure facilities and computer equipment's aggregating to ₹1245 crore and ₹733 crore as at March 31, 2022 and March 31, 2021, respectively.

2.8 Leases

Accounting Policy

The Group as a lessee

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

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

As a lessee, the Group determines the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Group makes an assessment on the expected lease term on a lease-by-lease basis and thereby assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. In evaluating the lease term, the Company considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of the lease and the importance of the underlying asset to Infosys's operations taking into account the location of the underlying asset and the availability of suitable alternatives. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances.

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

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

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

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

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

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

The Group as a lessor

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

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

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

Following are the changes in the carrying value of right of use assets for the three months ended March 31, 2022:

(In ₹ crore)

Particulars	**Category of ROU asset**				**Total**
	Land	**Buildings**	**Vehicles**	**Computers**	
Balance as of January 1, 2022	**629**	**3,742**	**15**	**347**	**4,733**
Additions*	-	147	3	170	320
Deletions	-	(15)	-	(12)	(27)
Depreciation	(1)	(171)	(2)	(41)	(215)
Translation difference	-	8	-	4	12
Balance as of March 31, 2022	**628**	**3,711**	**16**	**468**	**4,823**

**Net of adjustments on account of modifications*

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

(In ₹ crore)

Particulars	**Category of ROU asset**				**Total**
	Land	**Buildings**	**Vehicles**	**Computers**	
Balance as of January 1, 2021	**632**	**3,750**	**19**	**110**	**4,511**
Additions	-	433	2	58	493
Deletions	-	(7)	-	-	(7)
Depreciation	(2)	(149)	(2)	(12)	(165)
Translation difference	-	(43)	-	5	(38)
Balance as of March 31, 2021	**630**	**3,984**	**19**	**161**	**4,794**

**Net of adjustments on account of modifications*

Following are the changes in the carrying value of right of use assets for the year ended March 31, 2022:

(In ₹ crore)

Particulars	Category of ROU asset				Total
	Land	Buildings	Vehicles	Computers	
Balance as of April 1, 2021	**630**	**3,984**	**19**	**161**	**4,794**
Additions*	-	449	6	459	914
Deletions	-	(85)	-	(47)	(132)
Depreciation	(6)	(657)	(10)	(108)	(781)
Translation difference	4	20	1	3	28
Balance as of March 31, 2022	**628**	**3,711**	**16**	**468**	**4,823**

**Net of adjustments on account of modifications*

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

(In ₹ crore)

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

**Net of adjustments on account of modifications*

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

The following is the break-up of current and non-current lease liabilities as of March 31, 2022 and March 31, 2021:

(In ₹ crore)

Particulars	As at	
	March 31, 2022	March 31, 2021
Current lease liabilities	872	738
Non-current lease liabilities	4,602	4,587
Total	**5,474**	**5,325**

The following is the movement in lease liabilities during the three months and year ended March 31, 2022 and March 31, 2021:

(In ₹ crore)

	Three months ended March 31,		Year ended March 31,	
Particulars	**2022**	**2021**	**2022**	**2021**
Balance as at Beginning	**5,312**	**5,061**	**5,325**	**4,633**
Additions	319	504	933	1,494
Additions through business combination (Refer to Note 2.10)	-	-	-	-
Deletions	(27)	(7)	(134)	(168)
Finance cost accrued during the period	42	45	175	176
Payment of lease liabilities	(239)	(211)	(910)	(821)
Translation difference	67	(67)	85	11
Balance as at end	**5,474**	**5,325**	**5,474**	**5,325**

The table below provides details regarding the contractual maturities of lease liabilities as at March 31, 2022 and March 31, 2021 on an undiscounted basis:

(In ₹ crore)

Particulars	March 31, 2022	March 31, 2021
Less than one year	991	867
One to five years	3,793	3,011
More than five years	1,423	2,239
Total	**6,207**	**6,117**

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

Rental expense recorded for short-term leases was ₹15 crore and ₹62 crore for the three months and year ended March 31, 2022 respectively. Similarly, Rental expense recorded for short-term leases was ₹22 crore and ₹82 crore for the three months and year ended March 31, 2021 respectively.

The following is the movement in the net-investment in sub-lease of ROU asset during the three months and year ended March 31, 2022 and March 31, 2021:

(In ₹ crore)

	Three months ended March 31,		Year ended March 31,	
Particulars	**2022**	**2021**	**2022**	**2021**
Balance as at beginning	**371**	**394**	**388**	**433**
Additions	-	3	5	3
Interest income accrued during the period	3	3	13	14
Lease receipts	(9)	(12)	(48)	(49)
Translation difference	7	-	14	(13)
Balance as at the end	**372**	**388**	**372**	**388**

The table below provides details regarding the contractual maturities of net investment in sublease of ROU asset as at March 31, 2022 and March 31, 2021 on an undiscounted basis:

(In ₹ crore)

Particulars	March 31, 2022	March 31, 2021
Less than one year	55	51
One to five years	297	218
More than five years	64	179
Total	**416**	**448**

2.9 Goodwill and intangible assets

2.9.1 Goodwill

Accounting Policy

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

Impairment

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

Total impairment loss of a CGU is allocated first to reduce the carrying amount of goodwill allocated to the CGU and then to the other assets of the CGU pro-rata on the basis of the carrying amount of each asset in the CGU. An impairment loss on goodwill is recognized in net profit in the Statement of Comprehensive Income and is not reversed in the subsequent period.

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

(In ₹ crore)

Particulars	**As at**	
	March 31, 2022	**March 31, 2021**
Carrying value at the beginning	**6,079**	**5,286**
Goodwill on acquisitions	-	758
Translation differences	116	35
Carrying value at the end	**6,195**	**6,079**

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

The following table presents the allocation of goodwill to operating segments as at March 31, 2022 and March 31, 2021 respectively :

(In ₹ crore)

Segment	**As at**	
	March 31, 2022	**March 31, 2021**
Financial services	1,366	1,359
Retail	817	797
Communication	619	605
Energy, Utilities, Resources and Services	1,070	1,046
Manufacturing	499	487
	4,371	4,294
Operating segments without significant goodwill	938	925
Total	**5,309**	**5,219**

The goodwill pertaining to Panaya amounting to ₹886 crore and ₹860 crore as at March 31, 2022 and March 31, 2021, respectively is tested for impairment at the entity level.

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

(in %)

	As at	
	March 31, 2022	March 31, 2021
Long term growth rate	8-10	8-10
Operating margins	19-21	19-21
Discount rate	12.0	11.7

The above discount rate is based on the Weighted Average Cost of Capital (WACC) of the Company. As at March 31, 2022, the estimated recoverable amount of the CGU exceeded its carrying amount. Reasonable sensitivities in the key assumptions is unlikely to cause the carrying amount to exceed the recoverable amount of the cash generating units.

2.9.2 Other intangible assets

Accounting Policy

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

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

Impairment

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

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

Following are the changes in the carrying value of acquired intangible assets for the three months ended March 31, 2022:

(In ₹ crore)

Particulars	**Customer related**	**Software related**	**Intellectual property rights related**	**Brand or Trademark Related**	**Others***	**Total**
Gross carrying value as at January 1, 2022	**2,069**	**885**	**1**	**295**	**675**	**3,925**
Additions during the period	-	23	-	-	-	23
Deletions	-	-	-	-	-	-
Translation differences	11	7	-	4	11	33
Gross carrying value as at March 31, 2022	**2,080**	**915**	**1**	**299**	**686**	**3,981**
Accumulated amortization as at January 1, 2022	(1,217)	(544)	(1)	(130)	(253)	**(2,145)**
Amortization expense	(52)	(19)	-	(10)	(27)	(108)
Deletions	-	-	-	-	-	-
Translation differences	(10)	(6)	-	(1)	(4)	(21)
Accumulated amortization as at March 31, 2022	**(1,279)**	**(569)**	**(1)**	**(141)**	**(284)**	**(2,274)**
Carrying value as at January 1, 2022	**852**	**341**	**-**	**165**	**422**	**1,780**
Carrying value as at March 31, 2022	**801**	**346**	**-**	**158**	**402**	**1,707**
Estimated Useful Life *(in years)*	*1-15*	*3-10*	-	*3-10*	*3-7*	
Estimated Remaining Useful Life *(in years)*	*1-12*	*1-7*	-	*1-8*	*1-6*	

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

(In ₹ crore)

Particulars	**Customer related**	**Software related**	**Intellectual property rights related**	**Brand or Trademark Related**	**Others***	**Total**
Gross carrying value as at January 1, 2021	**1,951**	**785**	**1**	**280**	**669**	**3,686**
Additions during the period	-	10	-	-	-	10
Deletions	-	-	-	-	-	-
Translation differences	113	29	-	13	(3)	152
Gross carrying value as at March 31, 2021	**2,064**	**824**	**1**	**293**	**666**	**3,848**
Accumulated amortization as at January 1, 2021	(799)	(435)	(1)	(73)	(134)	**(1,442)**
Amortization expense	(70)	(17)	-	(10)	(31)	(128)
Deletions	-	-	-	-	-	-
Translation differences	(152)	(40)	-	(16)	2	(206)
Accumulated amortization as at March 31, 2021	**(1,021)**	**(492)**	**(1)**	**(99)**	**(163)**	**(1,776)**
Carrying value as at January 1, 2021	**1,152**	**350**	**-**	**207**	**535**	**2,244**
Carrying value as at March 31, 2021	**1,043**	**332**	**-**	**194**	**503**	**2,072**
Estimated Useful Life *(in years)*	*1-15*	*3-10*	-	*3-10*	*3-7*	
Estimated Remaining Useful Life *(in years)*	*1-13*	*1-8*	-	*1-9*	*1-7*	

Following are the changes in the carrying value of acquired intangible assets for the year ended March 31, 2022:

(In ₹ crore)

Particulars	Customer related	Software related	Intellectual property rights related	Brand or Trademark Related	Others*	Total
Gross carrying value as at April 1, 2021	**2,064**	**824**	**1**	**293**	**666**	**3,848**
Additions during the period	-	85	-	-	-	85
Acquisition through business combination (Refer note no. 2.10)	-	-	-	-	-	-
Deletions	-	-	-	-	-	-
Translation differences	16	6	-	6	20	48
Gross carrying value as at March 31, 2022	**2,080**	**915**	**1**	**299**	**686**	**3,981**
Accumulated amortization as at April 1, 2021	**(1,021)**	**(492)**	**(1)**	**(99)**	**(163)**	**(1,776)**
Amortization expense	(238)	(68)	-	(40)	(118)	(464)
Reduction in value	-	-	-	-	-	-
Deletions	-	-	-	-	-	-
Translation differences	(20)	(9)	-	(2)	(3)	(34)
Accumulated amortization as at March 31, 2022	**(1,279)**	**(569)**	**(1)**	**(141)**	**(284)**	**(2,274)**
Carrying value as at April 1, 2021	**1,043**	**332**	**-**	**194**	**503**	**2,072**
Carrying value as at March 31, 2022	**801**	**346**	**-**	**158**	**402**	**1,707**
Estimated Useful Life *(in years)*	*1-15*	*3-10*	-	*3-10*	*3-7*	
Estimated Remaining Useful Life *(in years)*	*1-12*	*1-7*	-	*1-8*	*1-6*	

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

(In ₹ crore)

Particulars	Customer related	Software related	Intellectual property rights related	Brand or Trademark Related	Others*	Total
Gross carrying value as at April 1, 2020	**1,878**	**697**	**1**	**241**	**411**	**3,228**
Additions during the period	-	101	-	-	-	101
Acquisition through business combination (Refer note no. 2.10)	179	33	-	57	266	535
Deletions	-	-	-	-	-	-
Translation differences	7	(7)	-	(5)	(11)	(16)
Gross carrying value as at March 31, 2021	**2,064**	**824**	**1**	**293**	**666**	**3,848**
Accumulated amortization as at April 1, 2020	**(755)**	**(450)**	**(1)**	**(66)**	**(56)**	**(1,328)**
Amortization expense	(272)	(53)	-	(34)	(107)	(466)
Deletions	-	-	-	-	-	-
Translation differences	6	11	-	1	-	18
Accumulated amortization as at March 31, 2021	**(1,021)**	**(492)**	**(1)**	**(99)**	**(163)**	**(1,776)**
Carrying value as at April 1, 2020	**1,123**	**247**	**-**	**175**	**355**	**1,900**
Carrying value as at March 31, 2021	**1,043**	**332**	**-**	**194**	**503**	**2,072**
Estimated Useful Life *(in years)*	*1-15*	*3-10*	-	*3-10*	*3-7*	
Estimated Remaining Useful Life *(in years)*	*1-13*	*1-8*	-	*1-9*	*1-7*	

** Majorly includes intangibles related to vendor relationships*

Research and development expense recognized in net profit in the consolidated statement of comprehensive income for the three months ended March 31, 2022 and March 31, 2021 was ₹236 crore and ₹246 crore respectively, and for the year ended March 31, 2022 and March 31, 2021 was ₹922 crore and ₹945 crore respectively.

2.10 BUSINESS COMBINATIONS

Accounting policy

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

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

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

Business combinations between entities under common control is outside the scope of IFRS 3 (Revised), Business Combinations and is accounted for at carrying value of assets acquired and liabilities assumed.

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

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

Proposed acquisition

On March 22, 2022, Infosys Consulting Pte. Ltd (a wholly owned subsidiary of Infosys Limited) entered into a definitive agreement to acquire oddity, a Germany-based digital marketing, experience, and commerce agency, for a total consideration of upto EUR 50 million (approximately ₹420 crore), which includes earn-out and bonuses. This acquisition is expected to strengthen the Group's creative, branding and experience design capabilities. To consummate this transaction, Infosys Consulting Pte. Ltd., has simultaneously acquired Infosys Germany GmBH (formerly Kristall 247. GmBH).

Acquisitions during the year ended March 31, 2021

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

(i) Kaleidoscope Animations, Inc. a US based Product Design and Development services focused primarily on medical devices on October 9, 2020
(ii) GuideVision, s.r.o a ServiceNow Elite Partner in Europe on October 1, 2020 and
(iii) Beringer Commerce Inc. and Beringer Capital Digital Group Inc., collectively known as Blue Acorn iCi, an Adobe Platinum partner in the US, and a leader in digital customer experience, commerce and analytics on October 27, 2020

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

(In ₹ crore)

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

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

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

Goodwill amounting to ₹520 crore is not tax deductible. Goodwill pertaining to these business combinations is allocated to all the operating segments as more fully described in Note 2.9.1

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

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

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

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

The transaction costs of ₹11 crore related to the acquisition have been included under administrative expenses in the statement of comprehensive income for the year ended March 31, 2021.

2.11 Employees' Stock Option Plans (ESOP)

Accounting Policy

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

Infosys Expanded Stock Ownership Program 2019 (the 2019 Plan)

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

2015 Stock Incentive Compensation Plan (the 2015 Plan) :

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

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

Controlled trust holds 13,725,712 and 15,514,732 shares as at March 31, 2022 and March 31, 2021, respecti+A22vely under the 2015 plan. Out of these shares 200,000 equity shares each have been earmarked for welfare activities of the employees as at March 31, 2022 and March 31, 2021.

The following is the summary of grants during the three months and year months ended March 31, 2022 and March 31, 2021:

Particulars	2019 Plan				2015 Plan			
	Three months ended March 31,		Year ended March 31,		Three months ended March 31,		Year ended March 31,	
	2022	2021	2022	2021	2022	2021	2022	2021
Equity settled RSU								
KMPs	74,800	106,000	148,762	313,808	182,846	253,054	284,543	457,151
Employees other than KMP	2,701,867	1,282,600	2,701,867	1,282,600	1,280,610	2,144,960	1,305,880	2,203,460
Total Grants	**2,776,667**	**1,388,600**	**2,850,629**	**1,596,408**	**1,463,456**	**2,398,014**	**1,590,423**	**2,660,611**
Cash settled RSU								
KMPs	—	—	—	—	—	—	—	—
Employees other than KMP	—	—	—	—	49,960	115,250	49,960	115,250
	—	**—**	**—**	**—**	**49,960**	**115,250**	**49,960**	**115,250**
Total Grants	**2,776,667**	**1,388,600**	**2,850,629**	**1,596,408**	**1,513,416**	**2,513,264**	**1,640,383**	**2,775,861**

Notes on grants to KMP:

CEO & MD

Under the 2015 plan:

In accordance with the employee agreement which has been approved by the shareholders, the CEO is eligible to receive an annual grant of RSUs of fair value ₹3.25 crore which will vest overtime in three equal annual installments upon the completion of each year of service from the respective grant date. Accordingly, annual time-based grant of 18,340 RSUs was made effective February 1, 2022 for fiscal 2022.

The Board, on April 14, 2021, based on the recommendations of the nomination and remuneration committee, in accordance with the terms of his employment agreement, approved the grant of performance-based RSUs of fair value of ₹13 crore for fiscal 2022 under the 2015 Plan. These RSUs will vest in line with the employment agreement based on achievement of certain performance targets. Accordingly, 96,150 performance based RSU's were granted effective May 2, 2021.

Under the 2019 plan:

The Board, on April 14, 2021, based on the recommendations of the Nomination and Remuneration Committee, approved performance-based grant of RSUs amounting to ₹10 crore for fiscal 2022 under the 2019 Plan. These RSUs will vest in line with the employment agreement based on achievement of certain performance targets. Accordingly, 73,962 performance based RSU's were granted effective May 2, 2021.

Other KMPs

Under the 2015 plan:

On April 14, 2021, based on the recommendations of the Nomination and Remuneration Committee, in accordance with employment agreement, the Board, approved performance-based grant of 5,547 RSUs to a KMP under the 2015 Plan. The grants were made effective May 2, 2021. The performance based RSUs will vest over three years based on certain performance targets.

On January 12, 2022, based on the recommendations of the Nomination and Remuneration Committee, the Board, approved time based grant of 9,876 RSUs to a KMP under the 2015 Plan. The grants were made effective February 1, 2022. These RSUs will vest over four years.

On March 31, 2022, based on the recommendations of the Nomination and Remuneration Committee, the Board, approved time based grant of 154,630 RSUs to other KMPs under the 2015 Plan. The grants were made effective March 31, 2022. These RSUs will vest over four years.

Under the 2019 plan:

On March 30, 2022, based on the recommendations of the Nomination and Remuneration Committee, the Board, approved performance based grants of 74,800 RSUs to other KMPs under the 2019 plan. The grants were made effective March 31, 2022. These RSUs will vest over three years based on achievement of certain performance targets.

Break-up of employee stock compensation expense

(in ₹ crore)

Particulars	Three months ended March 31,		Year ended March 31,	
	2022	2021	2022	2021
Granted to:				
KMP	14	20	65	76
Employees other than KMP	99	56	350	257
Total [(1)]	**113**	**76**	**415**	**333**
[(1)] *Cash settled stock compensation expense included in the above*	4	20	22	80

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

During the year ended March 31, 2021, the company issued ADS settled RSU and ESOP awards as replacement for outstanding stock appreciation rights awards. The replacement was pursuant to SEBI Circular 'Framework for issue of Depository Receipts - Clarifications' dated December 18, 2020 which allows Non resident Indians to hold depository receipts. The awards were granted after necessary approvals from the NARC. All other terms and conditions of the replaced awards remain the same as the original award.

The replacement awards was accounted as a modification and the fair value on the date of modification of ₹85 crore is recognized as equity with a corresponding adjustment to financial liability.

The activity in the 2015 and 2019 plan for equity-settled share based payment transactions during the three months and year ended March 31, 2022 and March 31, 2021 respectively is set out as follows:

Particulars	Three months ended March 31, 2022		Three months ended March 31, 2021		Year ended March 31, 2022		Year ended March 31, 2021	
	Shares arising out of options	Weighted average exercise price (₹)	Shares arising out of options	Weighted average exercise price (₹)	Shares arising out of options	Weighted average exercise price (₹)	Shares arising out of options	Weighted average exercise price (₹)
2015 Plan: RSU								
Outstanding at the beginning	6,341,919	4.60	6,447,968	4.25	8,047,240	4.52	8,780,898	3.96
Granted	1,463,456	5.00	2,398,014	5.00	1,590,423	5.00	2,660,611	5.00
Exercised	1,423,342	4.13	1,568,680	4.04	2,569,983	4.07	3,783,462	3.55
Modification to equity settled awards	-	-	873,250	-	-	-	871,900	-
Modification to cash settled awards	-	-	-	-	-	-	-	-
Forfeited and expired	149,058	4.69	103,312	4.27	834,705	4.63	482,707	4.13
Outstanding at the end	**6,232,975**	**4.82**	**8,047,240**	**4.52**	**6,232,975**	**4.80**	**8,047,240**	**4.52**
Exercisable at the end	653,946	4.51	151,685	3.36	653,946	4.51	151,685	3.36
2015 Plan: Employee Stock Options (ESOPs)								
Outstanding at the beginning	816,744	539	902,930	529	1,049,456	535	1,100,330	539
Granted	-	-	-	-	-	-	-	-
Exercised	115,900	476	56,500	515	348,612	529	239,272	534
Modification to equity settled awards	-	-	203,026	-	-	-	203,026	-
Modification to cash settled awards	-	-	-	-	-	-	-	-
Forfeited and expired	-	-	-	-	-	-	14,628	566
Outstanding at the end	**700,844**	**557**	**1,049,456**	**535**	**700,844**	**557**	**1,049,456**	**535**
Exercisable at the end	700,844	557	1,002,130	536	700,844	557	1,002,130	536
2019 Plan: RSU								
Outstanding at the beginning	2,549,404	5.00	2,065,808	5.00	3,050,573	5.00	2,091,293	5.00
Granted	2,776,667	5.00	1,388,600	5.00	2,850,629	5.00	1,596,408	5.00
Exercised	310,449	5.00	229,325	5.00	755,557	5.00	370,170	5.00
Forfeited and expired	56,684	5.00	174,510	5.00	186,707	5.00	266,958	5.00
Outstanding at the end	**4,958,938**	5.00	**3,050,573**	**5.00**	**4,958,938**	**5.00**	**3,050,573**	**5.00**
Exercisable at the end	4,958,938	5.00	233,050	5.00	4,958,938	5.00	233,050	5.00

During the three months ended March 31, 2022 and March 31, 2021 the weighted average share price of options exercised under the 2015 Plan on the date of exercise was ₹948 and ₹1,331 respectively.

During the year ended March 31, 2022 and March 31, 2021 the weighted average share price of options exercised under the 2015 Plan on the date of exercise was ₹1,705 and ₹1,097 respectively.

During the three months ended March 31, 2022 and March 31, 2021 the weighted average share price of options exercised under the 2019 Plan on the date of exercise was ₹754 and ₹1,353 respectively.

During the year ended March 31, 2022 and March 31, 2021 the weighted average share price of options exercised under the 2019 Plan on the date of exercise was ₹1,560 and ₹1,166 respectively.

The summary of information about equity settled RSUs and ESOPs outstanding as at March 31, 2022 is as follows:

Range of exercise prices per share (₹)	2019 plan - Options outstanding			2015 plan - Options outstanding		
	No. of shares arising out of options	Weighted average remaining contractual life	Weighted average exercise price (₹)	No. of shares arising out of options	Weighted average remaining contractual life	Weighted average exercise price (₹)
0 - 5 (RSU)	4,958,938	1.43	5.00	6,232,975	1.47	4.82
450 - 600 (ESOP)	-	-	-	700,844	0.65	557
	4,958,938	**1.43**	**5.00**	**6,933,819**	**1.39**	**61**

The summary of information about equity settled RSUs and ESOPs outstanding as at March 31, 2021 was as follows:

Range of exercise prices per share (₹)	2019 plan - Options outstanding			2015 plan - Options outstanding		
	No. of shares arising out of options	**Weighted average remaining contractual life**	**Weighted average exercise price (₹)**	**No. of shares arising out of options**	**Weighted average remaining contractual life**	**Weighted average exercise price (₹)**
0 - 5 (RSU)	3,050,573	1.48	5.00	8,047,240	1.67	4.52
450 - 600 (ESOP)	-	-	-	1,049,456	1.83	535
	3,050,573	**1.48**	**5.00**	**9,096,696**	**1.69**	**66**

As at March 31, 2022 and March 31, 2021, 258,601 and 3,87,088 (net of forfeitures) cash settled options were outstanding respectively. The carrying value of liability towards cash settled share based payments was ₹12 crore and ₹7 crore as at March 31, 2022 and March 31, 2021 respectively.

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

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

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

Particulars	For options granted in			
	Fiscal 2022-Equity Shares-RSU	**Fiscal 2022-ADS-RSU**	**Fiscal 2021-Equity Shares-RSU**	**Fiscal 2021-ADS-RSU**
Weighted average share price (₹) / ($ ADS)	1,791	24.45	1,253	18.46
Exercise price (₹)/ ($ ADS)	5.00	0.07	5.00	0.07
Expected volatility (%)	21-31	26-34	30-35	30-36
Expected life of the option (years)	1-4	1-4	1-4	1-4
Expected dividends (%)	2-3	2-3	2-3	2-3
Risk-free interest rate (%)	4-6	1-2	4-5	0.1-0.3
Weighted average fair value as on grant date (₹) / ($ ADS)	1,661	22.88	1,124	16.19

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

2.12 INCOME TAXES

Accounting policy

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

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

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

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

(In ₹ crore)

Particulars	Three months ended March 31,		Year ended March 31,	
	2022	2021	2022	2021
Current taxes				
Domestic taxes	1,535	1,312	5,854	5,305
Foreign taxes	290	350	1,957	1,367
	1,825	**1,662**	**7,811**	**6,672**
Deferred taxes				
Domestic taxes	18	191	357	633
Foreign taxes	5	4	(204)	(100)
	23	**195**	**153**	**533**
Income tax expense	**1,848**	**1,857**	**7,964**	**7,205**

Income tax expense for the three months ended March 31, 2022 and March 31, 2021 includes reversal (net of provisions) of ₹242 crore and ₹62 crore respectively. Income tax expense for the year ended March 31, 2022 and March 31, 2021 includes reversal (net of provisions) of ₹268 crore and ₹348 crore respectively. These reversals pertain to prior periods primarily on account of adjudication of certain disputed matters in favor of the Company and upon filing of tax return across various jurisdictions.

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

(In ₹ crore)

Particulars	Year ended March 31,	
	2022	2021
Profit before income taxes	30,110	26,628
Enacted tax rates in India	34.94%	34.94%
Computed expected tax expense	10,522	9,305
Tax effect due to non-taxable income for Indian tax purposes	(2,949)	(2,569)
Overseas taxes	984	705
Tax provision (reversals)	(268)	(348)
Effect of exempt non-operating income	(52)	(34)
Effect of unrecognized deferred tax assets	72	10
Effect of differential tax rates	(196)	(129)
Effect of non-deductible expenses	162	148
Impact of change in tax rate	(94)	-
Others	(217)	117
Income tax expense	**7,964**	**7,205**

The applicable Indian corporate statutory tax rate for the year ended March 31, 2022 and March 31, 2021 is 34.94% each.

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

Deferred income tax for the three months and year ended March 31, 2022 and March 31, 2021 substantially relates to origination and reversal of temporary differences.

Infosys is subject to a 15% BPT in the U.S. to the extent its U.S. branch's net profit during the year is greater than the increase in the net assets of the U.S. branch during the year, computed in accordance with the Internal Revenue Code. As at March 31, 2022, Infosys' U.S. branch net assets amounted to approximately ₹6,332 crore. As at March 31, 2022, the Company has a deferred tax liability for branch profit tax of ₹158 crore (net of credits), as the Company estimates that these branch profits are expected to be distributed in the foreseeable future.

Deferred income tax liabilities have not been recognized on temporary differences amounting to ₹9,618 crore and ₹9,670 crore as at March 31, 2022 and March 31, 2021, 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 ₹4,487 crore and ₹3,726 crore as at March 31, 2022 and March 31, 2021, respectively, as it is probable that future taxable profit will be not available against which the unused tax losses can be utilized in the foreseeable future.

The following table provides details of expiration of unused tax losses as at March 31, 2022:

(In ₹ crore)

Year	As at March 31, 2022
2023	201
2024	154
2025	127
2026	153
2027	52
Thereafter	3,800
Total	**4,487**

The following table provides details of expiration of unused tax losses as at March 31, 2021:

(In ₹ crore)

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

The following table provides the details of income tax assets and income tax liabilities as at March 31, 2022 and March 31, 2021:

(In ₹ crore)

Particulars	As at	
	March 31, 2022	March 31, 2021
Income tax assets	6,152	5,811
Current income tax liabilities	2,607	2,146
Net current income tax asset / (liability) at the end	**3,545**	**3,665**

The gross movement in the current income tax asset/ (liability) for the three months and year ended March 31, 2022 and March 31, 2021 is as follows:

(In ₹ crore)

Particulars	Three months ended March 31,		Year ended March 31,	
	2022	2021	2022	2021
Net current income tax asset/ (liability) at the beginning	3,473	3,920	3,665	3,901
Translation differences	(6)	(2)	(7)	1
Income tax paid	1,849	1,374	7,612	6,389
Current income tax expense	(1,825)	(1,662)	(7,811)	(6,672)
Income tax benefit arising on exercise of stock options	44	30	63	45
Additions through business combination	-	-	-	(3)
Tax impact on buyback expenses	2	-	8	-
Income tax on other comprehensive income	8	5	15	4
Net current income tax asset/ (liability) at the end	**3,545**	**3,665**	**3,545**	**3,665**

The movement in gross deferred income tax assets / liabilities (before set off) for the three months ended March 31, 2022 is as follows:

(In ₹ crore)

Particulars	Carrying value as at January 1, 2022	Changes through profit and loss	Addition through business combination	Changes through OCI	Translation difference	Carrying value as at March 31, 2022
Deferred income tax assets/(liabilities)						
Property, plant and equipment	167	44	-	-	-	211
Lease liabilities	172	8	-	-	-	180
Accrued compensation to employees	43	8	-	-	-	51
Trade receivables	223	(10)	-	-	-	213
Compensated absences	545	(16)	-	-	-	529
Post sales client support	123	7	-	-	1	131
Credits related to branch profits	384	285	-	-	7	676
Derivative financial instruments	(50)	21	-	4	-	(25)
Intangible assets	45	3	-	-	1	49
Intangibles arising on business combinations	(320)	13	-	-	(1)	(308)
Branch profit tax	(508)	(316)	-	-	(10)	(834)
SEZ reinvestment reserve	(800)	(52)	-	-	-	(852)
Others	58	(18)	-	(5)	-	35
Total deferred income tax assets/(liabilities)	**82**	**(23)**	**-**	**(1)**	**(2)**	**56**

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

(In ₹ crore)

Particulars	Carrying value as at January 1, 2021	Changes through profit and loss	Addition through business combination	Changes through OCI	Translation difference	Carrying value as at March 31, 2021
Deferred income tax assets/(liabilities)						
Property, plant and equipment	276	(21)	-	-	-	255
Lease liabilities	149	17	-	-	-	166
Accrued compensation to employees	45	(1)	-	-	(2)	42
Trade receivables	232	(15)	-	-	-	217
Compensated absences	497	-	-	-	-	497
Post sales client support	135	(13)	-	-	(1)	121
Credits related to branch profits	290	64	-	-	1	355
Derivative financial instruments	12	(60)	-	(9)	-	(57)
Intangible assets	24	7	-	-	-	31
Intangibles arising on business combinations	(397)	18	-	-	11	(368)
Branch profit tax	(438)	(62)	-	-	-	(500)
SEZ reinvestment reserve	(477)	(136)	-	-	-	(613)
Others	43	7	-	21	6	77
Total deferred income tax assets/(liabilities)	**391**	**(195)**	**-**	**12**	**15**	**223**

The movement in gross deferred income tax assets / liabilities (before set off) for the year ended March 31, 2022 is as follows:

(In ₹ crore)

Particulars	Carrying value as at April 1, 2021	Changes through profit and loss	Addition through business combination	Changes through OCI	Translation difference	Carrying value as of March 31, 2022
Deferred income tax assets/(liabilities)						
Property, plant and equipment	255	(44)	-	-	-	211
Lease liabilities	166	14	-	-	-	180
Accrued compensation to employees	42	10	-	-	(1)	51
Trade receivables	217	(4)	-	-	-	213
Compensated absences	497	32	-	-	-	529
Post sales client support	121	9	-	-	1	131
Credits related to branch profits	355	308	-	-	13	676
Derivative financial instruments	(57)	29	-	3	-	(25)
Intangible assets	31	17	-	-	1	49
Intangibles arising on business combinations	(368)	62	-	-	(2)	(308)
Branch profit tax	(500)	(316)	-	-	(18)	(834)
SEZ reinvestment reserve	(613)	(239)	-	-	-	(852)
Others	77	(31)	-	(12)	1	35
Total deferred income tax assets/(liabilities)	**223**	**(153)**	**-**	**(9)**	**(5)**	**56**

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

(In ₹ crore)

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

The deferred income tax assets and liabilities are as follows:

(In ₹ crore)

Particulars	As at March 31, 2022	March 31, 2021
Deferred income tax assets after set off	1,212	1,098
Deferred income tax liabilities after set off	(1,156)	(875)

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

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

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

As at March 31, 2022, claims against the Group not acknowledged as debts from the Income tax authorities amounted to ₹4,001 crore.

As at March 31, 2021, claims against the Group not acknowledged as debts from the Income tax authorities amounted to ₹3,462 crore.

The amount paid to statutory authorities against the tax claims amounted to ₹5,996 crore and ₹6,095 crore as at March 31, 2022 and March 31, 2021, respectively.

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

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

2.13 Basic and diluted shares used in computing earnings per equity share

Accounting Policy

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

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

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

Particulars	Three months ended March 31, 2022	Three months ended March 31, 2021	Year ended March 31, 2022	Year ended March 31, 2021
Basic earnings per equity share - weighted average number of equity shares outstanding[(1)]	4,191,743,339	4,243,805,540	4,209,546,724	4,242,416,665
Effect of dilutive common equivalent shares - share options outstanding	8,047,746	7,978,300	8,978,410	8,315,802
Diluted earnings per equity share - weighted average number of equity shares and common equivalent shares outstanding	**4,199,791,086**	**4,251,783,840**	**4,218,525,134**	**4,250,732,467**

[(1)] excludes treasury shares

For the three months ended March 31, 2022 and March 31, 2021, Nil and Nil number of option to purchase equity shares had an anti-dilutive effect, respectively.

For the year ended March 31, 2022 and March 31, 2021, Nil and Nil number of options to purchase equity shares had an anti-dilutive effect, respectively.

2.14 Related party transactions

List of related parties:

Name of subsidiaries	**Country**	**Holdings as at**	
		March 31, 2022	**March 31, 2021**
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 Nova Holdings LLC. (Infosys Nova)	U.S.	100%	100%
EdgeVerve Systems Limited (EdgeVerve)	India	100%	100%
Infosys Austria GmbH	Austria	100%	100%
Skava Systems Private Limited (Skava Systems)[41]	India	100%	100%
Kallidus Inc, (Kallidus)[42]	U.S.	-	-
Infosys Chile SpA	Chile	100%	100%
Infosys Arabia Limited[2]	Saudi Arabia	70%	70%
Infosys Consulting Ltda.[1]	Brazil	100%	100%
Infosys CIS LLC[1][15]	Russia	-	-
Infosys Luxembourg S.a.r.l	Luxembourg	100%	100%
Infosys Americas Inc., (Infosys Americas)	U.S.	100%	100%
Infosys Public Services, Inc. USA (Infosys Public Services)	U.S.	100%	100%
Infosys Canada Public Services Inc[20][53]	Canada	-	-
Infosys BPM Limited[61]	India	100%	99.99%
Infosys (Czech Republic) Limited s.r.o.[3]	Czech Republic	100%	99.99%
Infosys Poland Sp z.o.o[3]	Poland	100%	99.99%
Infosys McCamish Systems LLC[3]	U.S.	100%	99.99%
Portland Group Pty Ltd[3]	Australia	100%	99.99%
Infosys BPO Americas LLC.[3]	U.S.	100%	99.99%
Infosys Consulting Holding AG (Infosys Lodestone)	Switzerland	100%	100%
Infosys Management Consulting Pty Limited[4]	Australia	100%	100%
Infosys Consulting AG[4]	Switzerland	100%	100%
Infosys Consulting GmbH[4]	Germany	100%	100%
Infosys Consulting S.R.L.	Romania	100%	100%
Infosys Consulting SAS[4]	France	100%	100%
Infosys Consulting s.r.o. v likvidaci (formerly Infosys Consulting s.r.o.)[4][52]	Czech Republic	-	100%
Infosys Consulting (Shanghai) Co., Ltd.[4][48]	China	-	100%
Infy Consulting Company Ltd[4]	U.K.	100%	100%
Infy Consulting B.V.[4]	The Netherlands	100%	100%
Infosys Consulting Sp. z.o.o[29]	Poland	-	-
Lodestone Management Consultants Portugal, Unipessoal, Lda.[4][34]	Portugal	-	-
Infosys Consulting S.R.L.[4]	Argentina	100%	100%
Infosys Consulting (Belgium) NV[5]	Belgium	99.90%	99.90%
Panaya Inc. (Panaya)	U.S.	100%	100%
Panaya Ltd.[6]	Israel	100%	100%
Panaya GmbH[6]	Germany	100%	100%
Brilliant Basics Holdings Limited (Brilliant Basics)[41]	U.K.	100%	100%
Brilliant Basics Limited[7][41]	U.K.	100%	100%
Brilliant Basics (MENA) DMCC[7][21]	Dubai	-	-
Infosys Consulting Pte. Ltd. (Infosys Singapore)	Singapore	100%	100%
Infosys Middle East FZ LLC[8]	Dubai	100%	100%
Fluido Oy[8]	Finland	100%	100%
Fluido Sweden AB (Extero)[11]	Sweden	100%	100%
Fluido Norway A/S[11]	Norway	100%	100%
Fluido Denmark A/S[11]	Denmark	100%	100%
Fluido Slovakia s.r.o[11]	Slovakia	100%	100%
Fluido Newco AB[11][36]	Sweden	-	-
Infosys Compaz Pte. Ltd[9]	Singapore	60%	60%
Infosys South Africa (Pty) Ltd[8]	South Africa	100%	100%
WongDoody Holding Company Inc. (WongDoody)[1][54]	U.S.	-	100%
WDW Communications, Inc[10][55]	U.S.	-	100%
WongDoody, Inc[10][56]	U.S.	100%	100%
HIPUS Co., Ltd[9]	Japan	81%	81%
Stater N.V.[9]	The Netherlands	75%	75%
Stater Nederland B.V.[12]	The Netherlands	75%	75%
Stater Duitsland B.V.[12][38]	The Netherlands	-	-
Stater XXL B.V.[12]	The Netherlands	75%	75%
HypoCasso B.V.[12]	The Netherlands	75%	75%
Stater Participations B.V.[12]	The Netherlands	75%	75%
Stater Deutschland Verwaltungs-GmbH[13][37]	Germany	-	-
Stater Deutschland GmbH & Co. KG[13][37]	Germany	-	-

Name of subsidiaries	Country	Holdings as at	
		March 31, 2022	March 31, 2021
Stater Belgium N.V./S.A.(14)(39)	Belgium	75%	75%
Stater Gmbh(12)(46)	Germany	75%	-
Outbox systems Inc. dba Simplus (US)(16)	U.S.	100%	100%
Simplus North America Inc.(17)(45)	Canada	-	100%
Simplus ANZ Pty Ltd.(17)	Australia	100%	100%
Simplus Australia Pty Ltd(18)	Australia	100%	100%
Sqware Peg Digital Pty Ltd(19)(49)	Australia	-	100%
Simplus Philippines, Inc.(17)	Philippines	100%	100%
Simplus Europe, Ltd.(17)(47)	U.K.	-	100%
Infosys Fluido UK, Ltd. (formerly Simplus U.K., Ltd)(22)	U.K.	100%	100%
Infosys Fluido Ireland, Ltd.(formerly Simplus Ireland, Ltd)(23)	Ireland	100%	100%
Infosys Limited Bulgaria EOOD(1)(24)	Bulgaria	100%	100%
Kaleidoscope Animations, Inc.(27)	U.S.	100%	100%
Kaleidoscope Prototyping LLC(28)	U.S.	100%	100%
GuideVision s.r.o.(25)	Czech Republic	100%	100%
GuideVision Deutschland GmbH(26)	Germany	100%	100%
GuideVision Suomi Oy(26)	Finland	100%	100%
GuideVision Magyarország Kft(26)	Hungary	100%	100%
GuideVision Polska SP.Z.O.O(26)	Poland	100%	100%
GuideVision UK Ltd(26)	U.K.	100%	100%
Blue Acorn iCi Inc (formerly Beringer Commerce Inc)(30)	U.S.	100%	100%
Beringer Capital Digital Group Inc(30)(59)	U.S.	-	100%
Mediotype LLC(31)(59)	U.S.	-	100%
Beringer Commerce Holdings LLC(31)(59)	U.S.	-	100%
SureSource LLC(32)(57)	U.S.	-	100%
Blue Acorn LLC(32)(57)	U.S.	-	100%
Simply Commerce LLC(32)(57)	U.S.	-	100%
iCiDIGITAL LLC(33)(58)	U.S.	-	100%
Infosys BPM UK Limited(3)(35)	U.K.	-	-
Infosys Turkey Bilgi Teknolojikeri Limited Sirketi(1)(40)	Turkey	100%	-
Infosys Germany Holding Gmbh(1)(43)	Germany	100%	100%
Infosys Automotive and Mobility GmbH & Co. KG(1)(44)	Germany	100%	-
Infosys Green Forum(1)(50)	India	100%	-
Infosys (Malaysia) SDN. BHD. (formerly Global Enterprise International (Malaysia) Sdn. Bhd.)(51)	Malaysia	100%	-
Infosys Business Solutions LLC(1)(60)	Quatar	-	-
Infosys Germany GmbH (formerly Kristall 247. GmbH ("Kristall"))(62)	Germany	100%	-

(1) Wholly-owned subsidiary of Infosys Limited

(2) Majority owned and controlled subsidiary of Infosys Limited

(3) Wholly-owned subsidiary of Infosys BPM Limited

(4) Wholly-owned subsidiary of Infosys Consulting Holding AG

(5) Majority owned and controlled subsidiary of Infosys Consulting Holding AG

(6) Wholly-owned subsidiary of Panaya Inc

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

(8) Wholly-owned subsidiary of Infosys Consulting Pte. Ltd.

(9)Majority owned and controlled subsidiary of Infosys Consulting Pte. Ltd.

(10) Wholly-owned subsidiary of WongDoody Holding Company Inc. (WongDoody)

(11)Wholly-owned subsidiary of Fluido Oy

(12)Wholly-owned subsidiary of Stater N.V

(13)Wholly-owned subsidiary of Stater Duitsland B.V.

(14)Majority owned and controlled subsidiary of Stater Participations B.V.

(15)Liquidated effective January 28, 2021.

(16) Wholly-owned subsidiary of Infosys Nova Holdings LLC

(17) Wholly-owned subsidiary of Outbox Systems Inc.

(18) Wholly-owned subsidiary of Simplus ANZ Pty Ltd

(19)Wholly-owned subsidiary of Simplus Australia Pty Ltd

(20)Wholly-owned subsidiary of Infosys Public Services, Inc.

(21) Liquidated effective July 17, 2020

(22) On June 1, 2020, Fluido Oy, acquired 100% of the voting interests in Infosys Fluido UK, Ltd. (formerly Simplus U.K., Ltd)

(23)Wholly-owned subsidiary of Infosys Fluido UK, Ltd. (formerly Simplus U.K., Ltd)

(24) Incorporated effective September 11, 2020.

(25) On October 1, 2020, Infy Consulting Company Limited acquired 100% of voting interests in GuideVision s.r.o

(26)Wholly-owned subsidiary of GuideVision s.r.o.

(27) On October 9, 2020, Infosys Nova Holdings LLC, acquired 100% voting interest in Kaleidoscope Animations, Inc.

(28) Wholly-owned subsidiary of Kaleidoscope Animations, Inc.

(29) Merged with Infosys Poland Sp. z.o.o, effective October 21, 2020

(30) On October 27, 2020, Infosys Nova Holding LLC, a wholly-owned subsidiary of Infosys Limited, acquired 100% voting interest in Blue Acorn iCi Inc (formerly Beringer Commerce Inc) and Beringer Capital Digital Group Inc

(31) Wholly-owned subsidiary of Blue Acorn iCi Inc

(32) Wholly-owned subsidiary of Beringer Commerce Holdings LLC

(33) Wholly-owned subsidiary of Beringer Capital Digital Group Inc.

(34) Liquidated effective November 19,2020

(35) Incorporated, effective December 9, 2020

(36) Merged into Fluido Sweden AB (Extero), effective December 18, 2020

(37) Merged into Stater Duitsland B.V., effective December 18, 2020

(38) Merged with Stater N.V., effective December 23, 2020

(39) On December 29, 2020, Stater Participation B.V acquired non-controlling interest of 28.01% of the voting interests in Stater Belgium NV/SA

(40) Incorporated on December 30, 2020.

(41) Under liquidation

(42) Liquidated effective March 9,2021

(43) Incorporated on March 23, 2021

(44) On March 28, 2021 Infosys Limited and Infosys Germany Holding Gmbh registered Infosys Automotive and Mobility GmbH & Co. KG, a partnership firm.

(45) Liquidated effective April 27,2021

(46) Incorporated on August 4, 2021

(47) Liquidated effective July 20, 2021

(48) Liquidated effective September 1, 2021

(49) Liquidated effective September 2, 2021

(50) Incorporated on August 31, 2021

(51) On December 14, 2021, Infosys Consulting Pte. Ltd., a wholly-owned subsidiary of Infosys Limited acquired 100% of voting interests in Infosys (Malaysia) SDN. BHD. (formerly Global Enterprise International (Malaysia) Sdn. Bhd.)

(52) Liquidated effective December 16, 2021

(53) Liquidated effective November 23, 2021

(54) Wholly-owned subsidiary of Infosys Limited, merged with WongDoody Inc, effective December 31, 2021

(55) Wholly-owned subsidiary of WongDoody Holding Company Inc. (WongDoody), merged with WongDoody Inc, effective December 31, 2021

(56) Wholly-owned subsidiary of Infosys Limited, effective December 31, 2021

(57) Merged with Beringer Commerce Holdings LLC, effective January 1, 2022

(58) Merged with Beringer Capital Digital Group Inc, effective January 1, 2022

(59) Merged with Blue Acorn iCi Inc, effective January 1, 2022

(60) Incorporated on February 20, 2022

(61) On March 17, 2022, Infosys Limited acquired non-controlling interest of 0.01% of the voting interests in Infosys BPM Limited.

(62) On March 22, 2022, Infosys Consulting Pte. Ltd., a wholly-owned subsidiary of Infosys Limited acquired 100% of voting interests in Infosys Germany GmbH (formerly Kristall 247. GmbH ("Kristall"))

List of other related party

Particulars	**Country**	**Nature of relationship**
Infosys Limited Employees' Gratuity Fund Trust	India	Post-employment benefit plan of Infosys
Infosys Limited Employees' Provident Fund Trust	India	Post-employment benefit plan of Infosys
Infosys Limited Employees' Superannuation Fund Trust	India	Post-employment benefit plan of Infosys
Infosys BPM Limited Employees' Superannuation Fund Trust	India	Post-employment benefit plan of Infosys BPM
Infosys BPM Limited Employees' Gratuity Fund Trust	India	Post-employment benefit plan of Infosys BPM
EdgeVerve Systems Limited Employees' Gratuity Fund Trust	India	Post-employment benefit plan of EdgeVerve
EdgeVerve Systems Limited Employees' Superannuation Fund Trust	India	Post-employment benefit plan of EdgeVerve
Infosys Employees Welfare Trust	India	Controlled trust
Infosys Employee Benefits Trust	India	Controlled trust
Infosys Science Foundation	India	Controlled trust
Infosys Expanded Stock Ownership Trust (1)	India	Controlled trust
Infosys Foundation(2)(3)	India	Trust jointly controlled by KMPs

Refer note no. 2.19 for information on transactions with post-employment benefit plans mentioned above.

(1) *Registered on May 15, 2019*

(2) *Effective January 1, 2022*

(3) *During the quarter ended March 31,2022, the Group contributed ₹2 crore towards CSR.*

List of key management personnel

Whole-time Directors
Salil Parekh, Chief Executive Officer and Managing Director
U.B. Pravin Rao, Chief Operating Officer (retired as a Chief Operating Officer and Whole-time director effective December 12, 2021)

Non-whole-time Directors
Nandan M. Nilekani
Micheal Gibbs
Kiran Mazumdar-Shaw
Roopa Kudva (retired as member of the Board effective February 3, 2020)
D.N. Prahlad (resigned as a member of the Board effective April 20, 2020)
D. Sundaram
Uri Levine (appointed as an independent director effective April 20, 2020)
Bobby Parikh (appointed as an independent director effective July 15, 2020)
Dr. Punita Kumar-Sinha (retired as member of the Board effective January 13, 2021)
Chitra Nayak (appointed as an independent director effective March 25, 2021)

Executive Officers
Nilanjan Roy
Mohit Joshi, President
Ravi Kumar S, President
Krishnamurthy Shankar, Group Head - Human Resources
Inderpreet Sawhney, Group General Counsel and Chief Compliance Officer

Company Secretary
A.G.S. Manikantha

Transactions with key management personnel

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

(In ₹ crore)

Particulars	Three months ended March 31,		Year ended March 31,	
	2022	2021	2022	2021
Salaries and other employee benefits to whole-time directors and executive officers(1)(2)	29	37	134	144
Commission and other benefits to non-executive/ independent directors	4	1	11	6
Total	**33**	**38**	**145**	**150**

(1) For the three months ended March 31, 2022 and March 31, 2021, includes a charge of ₹14 crore and ₹20 crore respectively, towards employee stock compensation expense. For the year ended March 31, 2022 and March 31, 2021, includes a charge of ₹65 crore and ₹76 crore respectively, towards employee stock compensation expense(Refer to note 2.11).

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

2.15 Segment reporting

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

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

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

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

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

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

2.15.1 Business segments

Three months ended March 31, 2022 and March 31, 2021

(In ₹ crore)

Particulars	**Financial Services**[(1)]	**Retail**[(2)]	**Communication**[(3)]	**Energy, Utilities, Resources and Services**	**Manufacturing**	**Hi Tech**	**Life Sciences**[(4)]	**All other segments**[(5)]	**Total**
Revenue	10,096	4,617	4,132	3,872	3,816	2,649	2,140	954	32,276
	8,677	*3,902*	*3,156*	*3,233*	*2,533*	*2,124*	*1,796*	*890*	*26,311*
Identifiable operating expenses	5,801	2,299	2,532	2,041	2,691	1,543	1,220	642	18,769
	4,891	*1,823*	*1,812*	*1,685*	*1,309*	*1,225*	*942*	*485*	*14,172*
Allocated expenses	1,717	802	716	720	699	434	337	236	5,661
	1,547	*694*	*635*	*616*	*517*	*341*	*307*	*211*	*4,868*
Segment operating income	**2,578**	**1,516**	**884**	**1,111**	**426**	**672**	**583**	**76**	**7,846**
	2,239	*1,385*	*709*	*932*	*707*	*558*	*547*	*194*	*7,271*
Unallocable expenses									**890**
									831
Operating profit									**6,956**
									6,440
Other income, net *(Refer to note 2.21)*									**637**
									545
Finance Cost									**50**
									50
Profit before income taxes									**7,543**
									6,935
Income tax expense									**1,848**
									1,857
Net profit									**5,695**
									5,078
Depreciation and amortization									**890**
									831
Non-cash expenses other than depreciation and amortization									**-**
									-

(1) *Financial Services include enterprises in Financial Services and Insurance*

(2) *Retail includes enterprises in Retail, Consumer Packaged Goods and Logistics*

(3) *Communication includes enterprises in Communication, Telecom OEM and Media*

(4) *Life Sciences includes enterprises in Life sciences and Health care*

(5) *Others include operating segments of businesses in India, Japan, China, Infosys Public Services & other enterprises in Public Services*

Year ended March 31, 2022 and March 31, 2021

(In ₹ crore)

Particulars	Financial Services[(1)]	Retail[(2)]	Communication[(3)]	Energy, Utilities, Resources and Services	Manufacturing	Hi Tech	Life Sciences[(4)]	All other segments[(5)]	Total
Revenues	**38,902**	**17,734**	**15,182**	**14,484**	**13,336**	**10,036**	**8,517**	**3,450**	**121,641**
	32,583	*14,745*	*12,628*	*12,539*	*9,447*	*8,560*	*6,870*	*3,100*	*100,472*
Identifiable operating expenses	**22,119**	**8,632**	**9,179**	**7,673**	**8,457**	**5,952**	**4,840**	**2,357**	**69,209**
	17,612	*6,937*	*7,349*	*6,500*	*4,996*	*4,804*	*3,516*	*1,919*	*53,633*
Allocated expenses	**6,469**	**2,972**	**2,631**	**2,586**	**2,471**	**1,589**	**1,297**	**926**	**20,941**
	6,025	*2,691*	*2,484*	*2,487*	*1,888*	*1,302*	*1,198*	*875*	*18,950*
Segment operating income	**10,314**	**6,130**	**3,372**	**4,225**	**2,408**	**2,495**	**2,380**	**167**	**31,491**
	8,946	*5,117*	*2,795*	*3,552*	*2,563*	*2,454*	*2,156*	*306*	*27,889*
Unallocable expenses									3,476
									3,267
Operating profit									**28,015**
									24,622
Other income, net *(Refer to note 2.21)*									**2,295**
									2,201
Finance Cost									**200**
									195
Profit before income taxes									**30,110**
									26,628
Income tax expense									**7,964**
									7,205
Net profit									**22,146**
									19,423
Depreciation and amortization expense									**3,476**
									3,267
Non-cash expenses other than depreciation and amortization									**-**
									-

(1) *Financial Services include enterprises in Financial Services and Insurance*

(2) *Retail includes enterprises in Retail, Consumer Packaged Goods and Logistics*

(3) *Communication includes enterprises in Communication, Telecom OEM and Media*

(4) *Life Sciences includes enterprises in Life sciences and Health care*

(5) *Others include operating segments of businesses in India, Japan, China, Infosys Public Services & other enterprises in Public Services*

2.15.2 Significant clients

No client individually accounted for more than 10% of the revenues for the three months and year ended March 31, 2022 and March 31, 2021, respectively.

2.16 Revenue from Operations

Accounting Policy:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Revenues for the three months and year ended March 31, 2022 and March 31, 2021 is as follows:

(In ₹ crore)

Particulars	**Three months ended March 31,**		**Year ended March 31,**	
	2022	**2021**	**2022**	**2021**
Revenue from software services	30,111	24,555	113,536	93,387
Revenue from products and platforms	2,165	1,756	8,105	7,085
Total revenue from operations	**32,276**	**26,311**	**121,641**	**100,472**

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

Disaggregated revenue information

The table below presents disaggregated revenues from contracts with customers by geography and offerings for each of our business segments. The group believes that this disaggregation best depicts how the nature, amount, timing and uncertainty of our revenues and cash flows are affected by industry, market and other economic factors.

Three months ended March 31, 2022 and March 31, 2021

(In ₹ crore)

Particulars	**Financial Services (1)**	**Retail(2)**	**Communication (3)**	**Energy, Utilities, Resources and Services**	**Manufacturing**	**Hi Tech**	**Life Sciences(4)**	**Others (5)**	**Total**
Revenues by Geography*									
North America	6,431	3,128	2,395	1,948	1,648	2,458	1,574	243	19,825
	5,383	*2,616*	*1,632*	*1,709*	*1,371*	*1,982*	*1,265*	*247*	*16,205*
Europe	1,696	1,235	932	1,561	2,053	58	532	61	8,128
	1,631	*1,059*	*798*	*1,233*	*1,092*	*52*	*502*	*51*	*6,418*
India	570	17	50	51	17	117	6	212	1,040
	422	*24*	*52*	*20*	*13*	*82*	*2*	*182*	*797*
Rest of the world	1,399	237	755	312	98	16	28	438	3,283
	1,241	*203*	*674*	*271*	*57*	*8*	*27*	*410*	*2,891*
Total	**10,096**	**4,617**	**4,132**	**3,872**	**3,816**	**2,649**	**2,140**	**954**	**32,276**
	8,677	***3,902***	***3,156***	***3,233***	***2,533***	***2,124***	***1,796***	***890***	***26,311***
Revenue by offerings									
Digital	5,330	2,924	2,722	2,317	2,508	1,589	1,268	443	19,101
	4,274	2,141	1,776	1,670	1,324	1,098	918	344	*13,545*
Core	4,766	1,693	1,410	1,555	1,308	1,060	872	511	13,175
	4,403	1,761	1,380	1,563	1,209	1,026	878	546	*12,766*
Total	**10,096**	**4,617**	**4,132**	**3,872**	**3,816**	**2,649**	**2,140**	**954**	**32,276**
	8,677	***3,902***	***3,156***	***3,233***	***2,533***	***2,124***	***1,796***	***890***	***26,311***

Year ended March 31, 2022 and March 31, 2021

(In ₹ crore)

Particulars	Financial Services (1)	Retail(2)	Communication (3)	Energy, Utilities, Resources and Services	Manufacturing	Hi Tech	Life Sciences(4)	Others (5)	Total
Revenues by Geography*									
North America	24,410	11,989	8,474	7,430	6,303	9,342	6,173	937	75,058
	19,517	*9,722*	*6,791*	*6,935*	*5,126*	*8,052*	*4,728*	*769*	*61,640*
Europe	6,746	4,759	3,598	5,766	6,606	224	2,203	227	30,129
	6,415	*4,165*	*2,893*	*4,481*	*3,962*	*164*	*2,013*	*210*	*24,303*
India	1,933	90	315	153	69	412	27	586	3,585
	1,568	*61*	*229*	*33*	*53*	*294*	*16*	*645*	*2,899*
Rest of the world	5,813	896	2,795	1,135	358	58	114	1,700	12,869
	5,083	*797*	*2,715*	*1,090*	*306*	*50*	*113*	*1,476*	*11,630*
Total	**38,902**	**17,734**	**15,182**	**14,484**	**13,336**	**10,036**	**8,517**	**3,450**	**121,641**
	32,583	***14,745***	***12,628***	***12,539***	***9,447***	***8,560***	***6,870***	***3,100***	***100,472***
Revenue by offerings									
Digital	20,391	10,857	9,310	8,412	8,240	5,817	4,925	1,452	69,404
	15,547	*7,695*	*6,478*	*6,077*	*4,567*	*4,160*	*3,020*	*1,143*	*48,687*
Core	18,511	6,877	5,872	6,072	5,096	4,219	3,592	1,998	52,237
	17,036	*7,050*	*6,150*	*6,462*	*4,880*	*4,400*	*3,850*	*1,957*	*51,785*
Total	**38,902**	**17,734**	**15,182**	**14,484**	**13,336**	**10,036**	**8,517**	**3,450**	**121,641**
	32,583	***14,745***	***12,628***	***12,539***	***9,447***	***8,560***	***6,870***	***3,100***	***100,472***

(1) *Financial Services include enterprises in Financial Services and Insurance*

(2) *Retail includes enterprises in Retail, Consumer Packaged Goods and Logistics*

(3) *Communication includes enterprises in Communication, Telecom OEM and Media*

(4) *Life Sciences includes enterprises in Life sciences and Health care*

(5) *Others include operating segments of businesses in India, Japan, China, Infosys Public Services & other enterprises in Public Services*

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

Digital Services

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

Core Services

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

Products & platforms

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

The percentage of revenue from fixed-price contracts for each of the year ended March 31, 2022 and March 31, 2021 is approximately 53%.

Trade Receivables and Contract Balances

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

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

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

Invoicing in excess of earnings are classified as unearned revenue.

Trade receivables and unbilled revenues are presented net of impairment in the consolidated financial position.

During the year ended March 31, 2022 and March 31, 2021, the Company recognized revenue of ₹3,551 crore and ₹2,489 crore arising from opening unearned revenue as of April 1, 2021 and April 1, 2020 respectively.

During the year ended March 31, 2022 and March 31, 2021, ₹4,047 crore and ₹3,822 crore of unbilled revenue pertaining to other fixed price and fixed time frame contracts as of April 1, 2021 and April 1, 2020, respectively has been reclassified to Trade receivables upon billing to customers on completion of milestones.

Performance obligations and remaining performance obligations

The remaining performance obligation disclosure provides the aggregate amount of the transaction price yet to be recognized as at the end of the reporting period and an explanation as to when the Group expects to recognize these amounts in revenue. Applying the practical expedient as given in IFRS 115, the Group has not disclosed the remaining performance obligation related disclosures for contracts where the revenue recognized corresponds directly with the value to the customer of the entity's performance completed to date, typically those contracts where invoicing is on time and material and unit of work based contracts. Remaining performance obligation estimates are subject to change and are affected by several factors, including terminations, changes in the scope of contracts, periodic revalidations, adjustment for revenue that has not materialized and adjustments for currency fluctuations.

The aggregate value of performance obligations that are completely or partially unsatisfied as at March 31, 2022, other than those meeting the exclusion criteria mentioned above, is ₹74,254 crore. Out of this, the Group expects to recognize revenue of around 55% within the next one year and the remaining thereafter. The aggregate value of performance obligations that are completely or partially unsatisfied as at March 31, 2021 is ₹69,890 crore. The contracts can generally be terminated by the customers and typically includes an enforceable termination penalty payable by them. Generally, customers have not terminated contracts without cause.

2.17 Unbilled Revenue

(In ₹ crore)

Particulars	As at	
	March 31, 2022	March 31, 2021
Unbilled financial asset [(1)]	6,354	3,572
Unbilled non financial asset [(2)]	6,155	4,549
Total	**12,509**	**8,121**

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

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

2.18 Expense by nature

Particulars	Three months ended March 31,		Year ended March 31,	
	2022	2021	2022	2021
Employee benefit costs	16,658	14,440	63,986	55,541
Depreciation and amortization charges	890	831	3,476	3,267
Travelling costs	309	161	827	554
Consultancy and professional charges	521	395	1,885	1,261
Cost of Software packages for own use	380	320	1,332	1,221
Third party items bought for service delivery to clients	1,861	752	5,394	3,002
Communication costs	170	146	611	634
Cost of technical sub-contractors	3,588	1,985	12,606	7,084
Power and fuel	32	31	132	143
Repairs and maintenance	305	356	1,201	1,411
Rates and taxes	85	74	266	256
Insurance charges	43	33	162	134
Commission to non-whole time directors	4	1	11	6
Branding and marketing expenses	188	103	547	355
Provision for post-sales client support	3	3	78	39
Impairment loss recognized / (reversed) on financial assets	29	7	170	190
Contribution towards Corporate Social Responsibility*	78	103	426	439
Short-term leases (Refer note 2.8)	15	22	61	82
Others	161	108	455	231
Total cost of sales, selling and marketing expenses and administrative expenses	**25,320**	**19,871**	**93,626**	**75,850**

* Figures for the year ended March 31, 2021 includes ₹37 crore which the Company intends to spend in the future relating to and in addition to the amounts spent in the prior years

Consequent to the Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021 (“the Rules”), the Company was required to transfer its CSR capital assets created prior to January 2021. Towards this the Company had incorporated a controlled subsidiary ‘Infosys Green Forum’ under Section 8 of the Companies Act, 2013. During the year ended March 31, 2022 the Company has completed the transfer of assets upon obtaining the required approvals from regulatory authorities, as applicable.

The table below provides details of break-up of expenses:

Cost of sales

(In ₹ crore)

Particulars	Three months ended March 31,		Year ended March 31,	
	2022	2021	2022	2021
Employee benefit costs	15,047	12,887	57,499	49,444
Depreciation and amortization	890	831	3,476	3,267
Travelling costs	259	143	699	482
Cost of technical sub-contractors	3,588	1,985	12,606	7,084
Cost of software packages for own use	380	310	1,332	1,184
Third party items bought for service delivery to clients	1,861	752	5,394	3,002
Short-term leases (Refer to note 2.8)	5	6	22	31
Consultancy and professional charges	37	26	142	61
Communication costs	89	79	315	333
Repairs and maintenance	98	102	380	479
Provision for post-sales client support	3	3	78	39
Others	15	40	55	7
Total	**22,272**	**17,164**	**81,998**	**65,413**

Selling and marketing expenses

(In ₹ crore)

Particulars	Three months ended March 31,		Year ended March 31,	
	2022	2021	2022	2021
Employee benefit costs	1,054	1,033	4,263	4,063
Travelling costs	24	4	61	19
Branding and marketing	188	103	547	354
Short-term leases (Refer to note 2.8)	1	1	4	4
Communication costs	3	3	10	12
Consultancy and professional charges	49	34	183	94
Others	28	22	88	81
Total	**1,347**	**1,200**	**5,156**	**4,627**

Administrative expenses

(In ₹ crore)

Particulars	Three months ended March 31,		Year ended March 31,	
	2022	2021	2022	2021
Employee benefit costs	557	520	2,224	2,034
Consultancy and professional charges	435	335	1,560	1,106
Repairs and maintenance	207	253	821	926
Power and fuel	32	31	132	143
Communication costs	78	64	286	289
Travelling costs	26	14	67	53
Impairment loss recognized/(reversed) under expected credit loss model	29	7	170	190
Rates and taxes	85	74	266	256
Insurance charges	43	32	162	131
Short-term leases (Refer to note 2.8)	9	15	35	47
Commission to non-whole time directors	4	1	11	6
Contribution towards Corporate Social Responsibility	78	103	426	439
Others	118	58	312	190
Total	**1,701**	**1,507**	**6,472**	**5,810**

2.19 Employee Benefits

a. Accounting policy

Gratuity and Pensions

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

The Group operates defined benefit pension plan in certain overseas jurisdictions, in accordance with the local laws. These plans are managed by third party fund managers. The plans provide for periodic payouts after retirement and/or for a lumpsum payment as set out in rules of each fund and includes death and disability benefits.

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

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

Provident fund

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

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

Superannuation

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

Compensated absences

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

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

2.19.1 Gratuity and pensions

The following tables set out the funded status majorly of the Indian gratuity plans and the amounts recognized in the Group's financial statements as at March 31, 2022 and March 31, 2021:

(In ₹ crore)

Particulars	As at	
	March 31, 2022	March 31, 2021
Change in benefit obligations		
Benefit obligations at the beginning	1,624	1,402
Service cost	219	207
Interest expense	89	84
Remeasurements - Actuarial (gains) / losses	81	30
Transfer of obligation	-	3
Benefits paid	(274)	(98)
Translation difference	(17)	(4)
Benefit obligations at the end	**1,722**	**1,624**
Change in plan assets		
Fair value of plan assets at the beginning	1,610	1,522
Interest income	96	92
Remeasurements- Return on plan assets excluding amounts included in interest income	24	11
Contributions	267	78
Benefits paid	(286)	(93)
Fair value of plan assets at the end	**1,711**	**1,610**
Funded status	(11)	(14)

Amount for the three months and year ended March 31, 2022 and March 31, 2021 recognized in the Consolidated Statement of Comprehensive income under employee benefit expense:

(In ₹ crore)

Particulars	Three months ended March 31,		Year ended March 31,	
	2022	2021	2022	2021
Service cost	55	52	219	207
Net interest on the net defined benefit liability/asset	(3)	(2)	(7)	(8)
Net gratuity cost	**52**	**50**	**212**	**199**

Amount for the three months and year ended March 31, 2022 and March 31, 2021 recognized in the Consolidated Statement of other comprehensive income:

(In ₹ crore)

Particulars	Three months ended March 31,		Year ended March 31,	
	2022	2021	2022	2021
Remeasurements of the net defined benefit liability/ (asset)				
Actuarial (gains) / losses	35	26	81	30
(Return) / loss on plan assets excluding amounts included in the net interest on the	3	(3)	(24)	(11)
	38	**23**	**57**	**19**

(In ₹ crore)

Particulars	Three months ended March 31,		Year ended March 31,	
	2022	2021	2022	2021
(Gain)/loss from change in demographic assumptions	-	-	-	-
(Gain)/loss from change in financial assumptions	(38)	(44)	(46)	14
(Gain)/loss from experience adjustment	73	69	127	16
	35	**25**	**81**	**30**

Amount recognised in statement of comprehensive income has been apportioned between cost of sales, selling and marketing expenses and administrative expenses on the basis of direct employee cost as follows: -

(In ₹ crore)

Particulars	Three months ended March 31,		Year ended March 31,	
	2022	2021	2022	2021
Cost of sales	46	45	186	177
Selling and marketing expenses	3	4	11	15
Administrative expenses	3	1	15	7
	52	**50**	**212**	**199**

The weighted-average assumptions used to determine benefit obligations as at March 31, 2022 and March 31, 2021 are set out below:

Particulars	As at	
	March 31, 2022	March 31, 2021
Discount rate[(1)]	6.5%	6.1%
Weighted average rate of increase in compensation levels[(2)]	6.0%	6%
Weighted average duration of defined benefit obligation[(3)]	5.9 years	5.9 years

The weighted-average assumptions used to determine net periodic benefit cost for the three months and year ended March 31, 2022 and March 31, 2021 are set out below:

Particulars	Three months ended March 31,		Year ended March 31,	
	2021	2020	2021	2020
Discount rate(%)	6.1%	6.2%	6.1%	6.2%
Weighted average rate of increase in compensation levels(%)	6.0%	6.0%	6.0%	6.0%

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

[(2)]The average rate of increase in compensation levels is determined by the Company, considering factors such as, the Company's past compensation revision trends and management's estimate of future salary increases.

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

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.

The Company contributes all ascertained liabilities towards gratuity to the Infosys Limited Employees' Gratuity Fund Trust. In case of Infosys BPM and EdgeVerve, contributions are made to the Infosys BPM Employees' Gratuity Fund Trust and EdgeVerve Systems Limited Employees Gratuity Fund Trust, respectively. Trustees administer contributions made to the trust as at March 31, 2022 and March 31, 2021, the plan assets have been primarily invested in insurer managed funds.

Actual return on assets for the three months ended March 31, 2022, and March 31, 2021 were ₹27 crore and ₹24 crore, respectively.

Actual return on assets for the year ended March 31, 2022 and March 31, 2021 were ₹120 crore and ₹103 crore, respectively.

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

(in ₹ crore)

Impact from percentage point increase / decrease in	As at March 31, 2022
Discount rate	81
Weighted average rate of increase in compensation levels	73

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

The Group expects to contribute ₹226 crore to the gratuity trusts during fiscal 2023.

Maturity profile of defined benefit obligation:

(In ₹ crore)

Within 1 year	264
1-2 year	268
2-3 year	280
3-4 year	285
4-5 year	324
5-10 years	1,697

The Group operates defined benefit pension plan in certain overseas jurisdictions, in accordance with local laws. As on March 31, 2022, and March 31, 2021, the defined benefit obligation (DBO) is ₹926 crore and ₹814 crore, fair value of plan assets is ₹846 crore and ₹690 crore resulting in recognition of a net DBO of ₹80 crore and ₹124 crore.

2.19.2 Provident fund

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

The following tables set out the funded status of the defined benefit provident fund plan of Infosys limited and the amounts recognized in the Company's financial statements as at March 31, 2022 and March 31, 2021:

(In ₹ crore)

Particulars	As at	
	March 31, 2022	March 31, 2021
Change in benefit obligations		
Benefit obligations at the beginning	8,287	7,366
Service cost - employer contribution	656	423
Employee contribution	1,153	816
Interest expense	516	606
Actuarial (gains) / loss	118	(26)
Benefits paid	(1,426)	(898)
Benefit obligations at the end	**9,304**	**8,287**
Change in plan assets		
Fair value of plan assets at the beginning	8,140	7,117
Interest income	507	596
Remeasurements- Return on plan assets excluding amounts included in interest income	66	125
Contributions	1,771	1,200
Benefits paid	(1,426)	(898)
Fair value of plan assets at the end	**9,058**	**8,140**
Net liability	(246)	(147)

Amount for the three months and year ended March 31, 2022 and March 31, 2021 recognized in the consolidated statement of other comprehensive income:

(In ₹ crore)

Particulars	Three months ended March 31,		Year ended March 31,	
	2022	2021	2022	2021
Remeasurements of the net defined benefit liability/ (asset)				
Actuarial (gains) / losses	134	(14)	118	(26)
(Return) / loss on plan assets excluding amounts included in the net interest on the	134	148	(66)	(125)
	268	134	52	(151)

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

Particulars	As at	
	March 31, 2022	March 31, 2021
Government of India (GOI) bond yield [(1)]	6.50%	6.10%
Expected rate of return on plan assets	7.70%	8.00%
Remaining term to maturity of portfolio	6 years	6 years
Expected guaranteed interest rate	8.10%	8.50%

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

The breakup of the plan assets into various categories as at March 31, 2022 and March 31, 2021 is as follows:

Particulars	As at	
	March 31, 2022	March 31, 2021
Central and State government bonds	57%	54%
Public sector undertakings and Private sector bonds	37%	40%
Others	6%	6%

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

As at March 31, 2022 the defined benefit obligation would be affected by approximately ₹88 crore and ₹114 crore on account of a 0.25% increase / decrease in the expected rate of return on plan assets.

The Group contributed ₹246 crore and ₹185 crore to the provident fund during the three months ended March 31, 2022 and March 31, 2021, respectively. The Group contributed ₹882 crore and ₹665 crore to the provident fund during the year ended March 31, 2022 and March 31, 2021, respectively. The same has been recognized in the net profit in the consolidated Statement of comprehensive income under the head employee benefit expense.

Provident Fund contribution have been apportioned between cost of sales, selling and marketing expenses and administrative expenses on the basis of direct employee cost as follows: -

(In ₹ crore)

Particulars	Three months ended March 31,		Year ended March 31,	
	2022	2021	2022	2021
Cost of sales	216	165	772	592
Selling and marketing expenses	13	13	49	49
Administrative expenses	17	7	61	24
	246	**185**	**882**	**665**

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

2.19.3 Superannuation

The group contributed ₹100 crore and ₹69 crore to the superannuation plan during the three months ended March 31, 2022 and March 31, 2021, respectively.
The group contributed ₹364 crore and ₹260 crore to the superannuation plan during the year ended March 31, 2022 and March 31, 2021, respectively and the same has been recognized in the Consolidated Statement of comprehensive income under the head employee benefit expense.

Superannuation contribution have been apportioned between cost of sales, selling and marketing expenses and administrative expenses on the basis of direct employee cost as follows: -

(In ₹ crore)

Particulars	Three months ended March 31,		Year ended March 31,	
	2021	2020	2021	2020
Cost of sales	88	61	319	232
Selling and marketing expenses	5	5	20	19
Administrative expenses	8	3	24	9
	101	**69**	**363**	**260**

2.19.4 Employee benefit costs include:

(In ₹ crore)

Particulars	Three months ended March 31,		Year ended March 31,	
	2021	2020	2021	2020
Salaries and bonus[(1)]	16,233	14,208	62,489	54,274
Defined contribution plans	131	95	478	358
Defined benefit plans	294	137	1,019	909
	16,658	**14,440**	**63,986**	**55,541**

[(1)] Includes an employee stock compensation expense of ₹113 crore and ₹415 crore for the three months and year ended March 31, 2022 respectively and, includes employee stock compensation expense of ₹76 crore and ₹333 crore for the three months and year ended March 31, 2021 respectively.

The employee benefit cost is recognised in the following line items in the consolidated statement of comprehensive income: -

(In ₹ crore)

Particulars	Three months ended March 31,		Year ended March 31,	
	2022	2021	2022	2021
Cost of sales	15,047	12,887	57,496	49,444
Selling and marketing expenses	1,054	1,033	4,263	4,063
Administrative expenses	557	520	2,225	2,034
	16,658	**14,440**	**63,984**	**55,541**

2.20 Equity

Accounting policy

Ordinary Shares

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

Treasury Shares

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

Description of reserves

Retained earnings

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

Share premium

The amount received in excess of the par value has been classified as share premium. Additionally, share-based compensation recognized in net profit in the consolidated statement of comprehensive income is credited to share premium. Amounts have been utilized for bonus issue and share buyback from share premium account.

Special Economic Zone Re-investment reserve

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

Capital Redemption Reserve

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

Other components of equity

Other components of equity include currency translation, re-measurement of net defined benefit liability/asset, fair value changes of equity instruments fair valued through other comprehensive income, changes on fair valuation of investments, net of taxes.

Cash flow hedge reserve

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

2.20.1 Dividend

The final dividend on shares are recorded as a liability on the date of approval by the shareholders and interim dividends are recorded as a liability on the date of declaration by the Company's Board of Directors. Income tax consequences of dividends on financial instruments classified as equity will be recognized according to where the entity originally recognized those past transactions or events that generated distributable profits.

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

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

(In ₹)

Particulars	Three months ended March 31,		Year ended March 31,	
	2022	2021	2022	2021
Final dividend for fiscal 2020	-	-	-	9.50
Interim dividend for fiscal 2021	-	-	-	12.00
Final dividend for fiscal 2021	-	-	15.00	-
Interim dividend for fiscal 2022	-	-	15.00	-

During the year ended March 31, 2022, on account of the final dividend for fiscal 2021 and interim dividend for fiscal 2022, the Company has incurred a net cash outflow of ₹ 12,655 crore (excluding dividend paid on treasury shares).

The Board of Directors in their meeting held on April 13, 2022 recommended a final dividend of ₹16/- per equity share for the financial year ended March 31, 2022. This payment is subject to approval of shareholders in the Annual General Meeting (AGM) of the company to be held on June 25, 2022 and if approved would result in a net cash outflow of ₹6,709 crore (excluding dividend paid on treasury shares).

2.20.2 Capital allocation policy

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

Update on buyback announced in April 2021:

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

The shareholders approved the proposal of buyback of Equity Shares recommended by its Board of Directors in the Annual General meeting held on June 19, 2021.

The buyback was offered to all eligible equity shareholders of the Company (other than the Promoters, the Promoter Group and Persons in Control of the Company) under the open market route through the stock exchange. The buyback of equity shares through the stock exchange commenced on June 25, 2021 and was completed on September 8, 2021. During this buyback period, the Company had purchased and extinguished a total of 55,807,337 equity shares from the stock exchange at a volume weighted average buy back price of ₹1,648.53/- per equity share comprising 1.31% of the pre buyback paid-up equity share capital of the Company. The buyback resulted in a cash outflow of ₹9,200 crore (excluding transaction costs and tax on buyback). The Company funded the buyback from its free reserves including Securities Premium as explained in Section 68 of the Companies Act, 2013.

In accordance with section 69 of the Companies Act, 2013, as at December 31, 2021, the Company has created 'Capital Redemption Reserve' of ₹28 crore equal to the nominal value of the shares bought back as an appropriation from general reserve.

The Company's objective when managing capital is to safeguard its ability to continue as a going concern and to maintain an optimal capital structure so as to maximize shareholder value. In order to maintain or achieve an optimal capital structure, the Company may adjust the amount of dividend payment, return capital to shareholders, issue new shares or buy back issued shares. As at March 31, 2022, the Company has only one class of equity shares and has no debt. Consequent to the above capital structure there are no externally imposed capital requirements.

2.20.3 Share capital and share premium

The Company has only one class of shares referred to as equity shares having a par value of ₹5/- each. 13,725,712 and 15,514,732 shares were held by controlled trust, as at March 31, 2022 and March 31, 2021, respectively.

2.21 Other income, net

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

Foreign currency

Functional currency

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

Transactions and translations

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

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

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

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

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

Government grants

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

Operating Profits

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

Other income consists of the following:

(In ₹ crore)

Particulars	Three months ended March 31,		Year ended March 31,	
	2022	**2021**	**2022**	**2021**
Interest income on financial assets carried at amortized cost	227	289	1,003	1,195
Interest income on financial assets carried at fair value through other comprehensive income	189	128	642	409
Dividend income on investments carried at fair value through profit or loss	-	-	-	11
Gain/(loss) on investments carried at fair value through profit or loss	77	7	177	74
Gain/(loss) on investments carried at fair value through other comprehensive income	-	2	1	82
Interest income on income tax refund	-	2	-	4
Exchange gains / (losses) on forward and options contracts	(86)	90	88	556
Exchange gains / (losses) on translation of foreign currency assets and liabilities	199	(10)	186	(346)
Others	31	37	198	216
Total	**637**	**545**	**2,295**	**2,201**

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

Nandan M. Nilekani
Chairman

Salil Parekh
Chief Executive Officer and Managing Director

D. Sundaram
Director

Nilanjan Roy
Chief Financial Officer

Jayesh Sanghrajka
Executive Vice President and Deputy Chief Financial Officer

A.G.S. Manikantha
Company Secretary

Bengaluru
April 13, 2022

Deloitte
Haskins & Sells LLP

Chartered Accountants
Prestige Trade Tower, Level 19
46, Palace Road, High
Grounds, Bengaluru – 560 001
Karnataka, India

Tel: +91 (80) 6188 6000
Fax: +91 (80) 6188 6011

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF INFOSYS LIMITED

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of **INFOSYS LIMITED** (the "Company"), which comprise the Balance Sheet as at March 31, 2022, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date and a summary of significant accounting policies and other explanatory information (hereinafter referred to as the "standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022 and its profit, total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing ("SA"s) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Key Audit Matters

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

Sr. No.	Key Audit Matter	Auditor's Response
1	**Revenue recognition** The Company's contracts with customers include contracts with multiple products and services. The Company derives revenues from IT services comprising software development and related services, maintenance, consulting and package implementation, licensing of software products and platforms across the Company's core and digital offerings and business process management services. The Company assesses the services promised in a contract and identifies distinct performance obligations in the contract. Identification of distinct performance obligations to determine the deliverables and the ability of the customer to benefit independently from such deliverables involves significant judgement. In certain integrated services arrangements, contracts with customers include subcontractor services or third-party vendor equipment or software. In these types of arrangements, revenue from sales of third-party vendor products or services is recorded net of costs when the Company is acting as an agent between the customer and the vendor, and gross when the Company is the principal for the transaction. In doing so, the Company first evaluates whether it controls the products or service before it is transferred to the customer. The Company considers whether it has the primary obligation to fulfil the contract, inventory risk, pricing discretion and other factors to determine whether it controls the products or service and therefore, is acting as a principal or an agent.	Principal Audit Procedures Performed Our audit procedures related to the (1) identification of distinct performance obligations, (2) determination of whether the Company is acting as a principal or agent and (3) whether fixed price maintenance revenue is recognized on a straight-line basis or using the percentage of completion method included the following, among others: • We tested the effectiveness of controls relating to the (a) identification of distinct performance obligations, (b) determination of whether the Company is acting as a principal or an agent and (c) determination of whether fixed price maintenance revenue for certain contracts is recognized on a straight-line basis or using the percentage of completion method. • We selected a sample of contracts with customers and performed the following procedures: − Obtained and read contract documents for each selection, including master service agreements, and other documents that were part of the agreement. − Identified significant terms and deliverables in the contract to assess management's conclusions regarding the (i) identification of distinct performance obligations (ii) whether the Company is acting as a principal or an agent and (iii) whether fixed price maintenance revenue is recognized on a straight-line basis or using the percentage of completion method.

Sr. No.	Key Audit Matter	Auditor's Response
	Fixed price maintenance revenue is recognized ratably either on (1) a straight-line basis when services are performed through an indefinite number of repetitive acts over a specified period or (2) using a percentage of completion method when the pattern of benefits from the services rendered to the customer and the Company's costs to fulfil the contract is not even through the period of contract because the services are generally discrete in nature and not repetitive. The use of method to recognize the maintenance revenues requires judgment and is based on the promises in the contract and nature of the deliverables. As certain contracts with customers involve management's judgment in (1) identifying distinct performance obligations, (2) determining whether the Company is acting as a principal or an agent and (3) whether fixed price maintenance revenue is recognized on a straight-line basis or using the percentage of completion method, revenue recognition from these judgments were identified as a key audit matter and required a higher extent of audit effort. Refer Notes 1.4 and 2.18 to the standalone financial statements.	
2	**Revenue recognition - Fixed price contracts using the percentage of completion method** Fixed price maintenance revenue is recognized ratably either (1) on a straight-line basis when services are performed through an indefinite number of repetitive acts over a specified period or (2) using a percentage of completion method when the pattern of benefits from services rendered to the customer and the Company's costs to fulfil the	Principal Audit Procedures Performed Our audit procedures related to estimates of total expected costs or efforts to complete for fixed-price contracts included the following, among others: • We tested the effectiveness of controls relating to (1) recording of efforts or costs incurred and estimation of efforts or costs required to complete the remaining contract performance obligations and (2) access and application controls pertaining

<table>
<tr><th>Sr. No.</th><th>Key Audit Matter</th><th>Auditor’s Response</th></tr>
<tr><td></td><td>contract is not even through the period of contract because the services are generally discrete in nature and not repetitive. Revenue from other fixed-price, fixed-timeframe contracts, where the performance obligations are satisfied over time is recognized using the percentage-of-completion method.

Use of the percentage-of-completion method requires the Company to determine the actual efforts or costs expended to date as a proportion of the estimated total efforts or costs to be incurred. Efforts or costs expended have been used to measure progress towards completion as there is a direct relationship between input and productivity. The estimation of total efforts or costs involves significant judgement and is assessed throughout the period of the contract to reflect any changes based on the latest available information. Provisions for estimated losses, if any, on uncompleted contracts are recorded in the period in which such losses become probable based on the estimated efforts or costs to complete the contract.

We identified the estimate of total efforts or costs to complete fixed price contracts measured using the percentage of completion method as a key audit matter as the estimation of total efforts or costs involves significant judgement and is assessed throughout the period of the contract to reflect any changes based on the latest available information. This estimate has a high inherent uncertainty and requires consideration of progress of the contract, efforts or costs incurred to-date and estimates of efforts or costs required to complete the remaining contract performance obligations over the term of the contracts.</td><td>to time recording, allocation and budgeting systems which prevents unauthorised changes to recording of efforts incurred.

• We selected a sample of fixed price contracts with customers measured the using percentage-of-completion method and performed the following:

– Evaluated management’s ability to reasonably estimate the progress towards satisfying the performance obligation by comparing actual efforts or costs incurred to prior year estimates of efforts or costs budgeted for performance obligations that have been fulfilled.

– Compared efforts or costs incurred with Company’s estimate of efforts or costs incurred to date to identify significant variations and evaluate whether those variations have been considered appropriately in estimating the remaining costs or efforts to complete the contract.

- Tested the estimate for consistency with the status of delivery of milestones and customer acceptances and sign off from customers to identify possible delays in achieving milestones, which require changes in estimated costs or efforts to complete the remaining performance obligations.</td></tr>
</table>

Sr. No.	Key Audit Matter	Auditor's Response
	This required a high degree of auditor judgment in evaluating the audit evidence and a higher extent of audit effort to evaluate the reasonableness of the total estimated amount of revenue recognized on fixed-price contracts. Refer Notes 1.4 and 2.18 to the standalone financial statements.	

Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the consolidated financial statements, standalone financial statements and our auditor's report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibilities for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, including other comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

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

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

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit we report that:

   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

   c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account.

   d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.

   e) On the basis of the written representations received from the directors as on March 31, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164(2) of the Act.

   f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

   g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

      In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

   h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:

      i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements.

      ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.

      iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

      iv. (a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

v. As stated in Note 2.12.3 to the standalone financial statements

(a) The final dividend proposed in the previous year, declared and paid by the Company during the year is in accordance with Section 123 of the Act, as applicable.

(b) The interim dividend declared and paid by the Company during the year and until the date of this report is in compliance with Section 123 of the Act.

(c) The Board of Directors of the Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The amount of dividend proposed is in accordance with section 123 of the Act, as applicable.

2. As required by the Companies (Auditor's Report) Order, 2020 (the "Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

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

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

Place: Bengaluru
Date: April 13, 2022

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Infosys Limited of even date)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of sub-section 3 of Section 143 of the Companies Act, 2013 (the "Act")

We have audited the internal financial controls over financial reporting of **INFOSYS LIMITED** (the "Company") as of March 31, 2022 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Management of the Company is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the ICAI and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained, is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2022, based on the criteria for internal financial control over financial reporting established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

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

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

Place: Bengaluru
Date: April 13, 2022

Deloitte
Haskins & Sells LLP

ANNEXURE 'B' TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Infosys Limited of even date)

To the best of our information and according to the explanations provided to us by the Company and the books of account and records examined by us in the normal course of audit, we state that:

i. In respect of the Company's Property, Plant and Equipment and Intangible Assets:

(a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment and relevant details of right-of-use assets.

(B) The Company has maintained proper records showing full particulars of intangible assets.

(b) The Company has a program of physical verification of Property, Plant and Equipment and right-of-use assets so to cover all the assets once every three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain Property, Plant and Equipment were due for verification during the year and were physically verified by the Management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.

(c) Based on our examination of the property tax receipts and lease agreement for land on which building is constructed, registered sale deed / transfer deed / conveyance deed provided to us, we report that, the title in respect of self-constructed buildings and title deeds of all other immovable properties (other than properties where the company is the lessee and the lease agreements are duly executed in favour of the lessee), disclosed in the financial statements included under Property, Plant and Equipment are held in the name of the Company as at the balance sheet date.

(d) The Company has not revalued any of its Property, Plant and Equipment (including right-of-use assets) and intangible assets during the year.

(e) No proceedings have been initiated during the year or are pending against the Company as at March 31, 2022 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.

ii. (a) The Company does not have any inventory and hence reporting under clause 3(ii)(a) of the Order is not applicable.

(b) The Company has not been sanctioned working capital limits in excess of ₹ 5 crore, in aggregate, at any points of time during the year, from banks or financial institutions on the basis of security of current assets and hence reporting under clause 3(ii)(b) of the Order is not applicable.

iii. The Company has made investments in, companies, firms, Limited Liability Partnerships, and granted unsecured loans to other parties, during the year, in respect of which:

(a) The Company has not provided any loans or advances in the nature of loans or stood guarantee, or provided security to any other entity during the year, and hence reporting under clause 3(iii)(a) of the Order is not applicable.

(b) In our opinion, the investments made and the terms and conditions of the grant of loans, during the year are, prima facie, not prejudicial to the Company's interest.

(c) In respect of loans granted by the Company, the schedule of repayment of principal and payment of interest has been stipulated and the repayments of principal amounts and receipts of interest are generally been regular as per stipulation.

(d) In respect of loans granted by the Company, there is no overdue amount remaining outstanding as at the balance sheet date.

(e) No loan granted by the Company which has fallen due during the year, has been renewed or extended or fresh loans granted to settle the overdues of existing loans given to the same parties.

(f) The Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment during the year. Hence, reporting under clause 3(iii)(f) is not applicable.

The Company has not provided any guarantee or security or granted any advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties.

iv. The Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of loans granted, investments made and guarantees and securities provided, as applicable.

v. The Company has not accepted any deposit or amounts which are deemed to be deposits. Hence, reporting under clause 3(v) of the Order is not applicable.

vi. The maintenance of cost records has not been specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013 for the business activities carried out by the Company. Hence, reporting under clause (vi) of the Order is not applicable to the Company.

vii. In respect of statutory dues:

(a) In our opinion, the Company has generally been regular in depositing undisputed statutory dues, including Goods and Services tax, Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, Cess and other material statutory dues applicable to it with the appropriate authorities.

There were no undisputed amounts payable in respect of Goods and Service tax, Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, Cess and other material statutory dues in arrears as at March 31, 2022 for a period of more than six months from the date they became payable.

(b) Details of statutory dues referred to in sub-clause (a) above which have not been deposited as on March 31, 2022 on account of disputes are given below:

Nature of the statute	Nature of dues	Forum where the dispute is pending	Period to which the amount relates	Amount ₹ crore
The Income Tax Act, 1961	Income Tax	Income Tax Appellate Tribunal[2]	AY[1] 2012-13 and AY[1] 2016-17	1,030
	Income Tax	Appellate Authority upto	AY[1] 2008-09 to AY[1] 2011-12;	5,216

Nature of the statute	Nature of dues	Forum where the dispute is pending	Period to which the amount relates	Amount ₹ crore
		Commissioner level	AY[1] 2013-14 to AY[1] 2022-23	
Customs Act, 1962	Duty of Custom	Specified Officer of SEZ	FY[1] 2008-09 to FY[1] 2011-12	5
Central Excise Act, 1944	Duty of Excise	Supreme Court of India[4]	FY[1] 2005-06 to FY[1] 2015-16	68
	Duty of Excise	Customs Excise and Service Tax Appellate Tribunal	FY[1] 2015-16	-[5]
Goods and Service Tax Act, 2017	Goods and Service Tax	Appellate Authority upto Commissioner level	FY[1] 2019-20	6
Sales Tax Act and VAT Laws	Sales Tax	Appellate Authority upto Commissioner level[4]	FY[1] 2006-07 to FY[1] 2010-11 and FY[1] 2014-15 to FY[1] 2016-17	21
	Sales Tax	High Court of Andhra Pradesh	FY[1] 2007-08	-[5]
Finance Act, 1994	Service Tax	Customs Excise and Service Tax Appellate Tribunal [3]	FY[1] 2004-05 to FY[1] 2017-18	327
	Service Tax	Appellate Authority upto Commissioner level	FY[1] 2015-16 to FY 2017-18	1
The National Internal Revenue Code of 1997	Corporate Income tax	Commissioner of Bureau of Internal Revenue, Philippines	FY[1] 2017-18	1
The National Internal Revenue Code of 1997	Withholding tax	Commissioner of Bureau of Internal Revenue, Philippines	FY[1] 2017-18	1
The National Internal Revenue Code of 1997	Value Added Tax	Commissioner of Bureau of Internal Revenue, Philippines	FY[1] 2017-18	2
Income Tax Assessment Act (ITAA 1936)	Corporate Income tax	Administrative Appeals Tribunal, Australia	FY[1] 2011-12 to FY[1] 2016-17	188

Nature of the statute	Nature of dues	Forum where the dispute is pending	Period to which the amount relates	Amount ₹ crore
UK Finance Act 1998	Corporation Tax	Her Majesty's Revenue and Customs (HMRC) Tax Officer, United Kingdom[4]	FY[1] 2014-15 to FY[1] 2016-17	197
Central Sales Tax Act, 1956	Central Sales Tax	Appellate Authority upto Commissioner Level	FY[1] 2016-17	-[5]
The Karnataka (Gram Swaraj and Panchayat Raj) Act, 1993	Panchayat Property Tax	City Municipal Council	FY[1] 2017-18 and FY[1] 2018-19	16
	Panchayat Property Tax	High Court of Bangalore (Karnataka)	FY[1] 2018-19 to FY[1] 2020-21	16

Footnotes:
[1] AY=Assessment Year; FY= Financial Year
[2] In respect of AY 2012-13, stay order has been granted against ₹1,029 crore disputed which has not been deposited.
[3] Stay order has been granted against ₹60 crore disputed which has not been deposited.
[4] Stay order has been granted.
[5] Less than ₹ 1 crore.

viii. There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).

ix. a. The Company has not taken any loans or other borrowings from any lender. Hence reporting under clause 3(ix)(a) of the Order is not applicable.

b. The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

c. The Company has not taken any term loan during the year and there are no outstanding term loans at the beginning of the year and hence, reporting under clause 3(ix)(c) of the Order is not applicable.

d. On an overall examination of the financial statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.

e. On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries.

f. The Company has not raised any loans during the year and hence reporting on clause 3(ix)(f) of the Order is not applicable.

x. a. The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3(x)(a) of the Order is not applicable.

b. During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause 3(x)(b) of the Order is not applicable.

xi. a. No fraud by the Company and no material fraud on the Company has been noticed or reported during the year.

b. No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.

c. We have taken into consideration the whistle blower complaints received by the Company during the year (and upto the date of this report), while determining the nature, timing and extent of our audit procedures.

xii. The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.

xiii. In our opinion, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013 with respect to applicable transactions with the related parties and the details of related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.

xiv. (a) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.

(b) We have considered, the internal audit reports for the year under audit, issued to the Company during the year and till date, in determining the nature, timing and extent of our audit procedures.

xv. In our opinion during the year the Company has not entered into any non-cash transactions with its Directors or persons connected with its directors. and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.

xvi. (a) In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi)(a), (b) and (c) of the Order is not applicable.

(b) In our opinion, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under clause 3(xvi)(d) of the Order is not applicable.

xvii. The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.

xviii. There has been no resignation of the statutory auditors of the Company during the year.

xix. On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

xx. (a) There are no unspent amounts towards Corporate Social Responsibility (CSR) on other than ongoing projects requiring a transfer to a Fund specified in Schedule VII to the Companies Act in compliance with second proviso to sub-section (5) of Section 135 of the said Act. Accordingly, reporting under clause 3(xx)(a) of the Order is not applicable for the year.

(b) In respect of ongoing projects, the Company has transferred unspent Corporate Social Responsibility (CSR) amount as at the end of the previous financial year, to a Special account within a period of 30 days from the end of the said financial year in compliance with the provision of section 135(6) of the Act.

In respect of ongoing projects, the Company has not transferred the unspent Corporate Social Responsibility (CSR) amount as at the Balance Sheet date out of the amounts that was required to be spent during the year, to a Special Account in compliance with the provision of sub-section (6) of section 135 of the said Act till the date of our report since the time period for such transfer i.e. 30 days from the end of the financial year has not elapsed till the date of our report.

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

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

Place: Bengaluru
Date: April 13, 2022

INFOSYS LIMITED

Standalone Financial Statements under Indian Accounting Standards (Ind AS) for the year ended March 31, 2022

Index	**Page No.**

INFOSYS LIMITED

(In ₹ crore)

Balance Sheet as at	Note No.	March 31, 2022	March 31, 2021
ASSETS			
Non-current assets			
Property, plant and equipment	2.1	11,384	10,930
Right-of-use assets	2.3	3,311	3,435
Capital work-in-progress	2.4	411	906
Goodwill	2.2	211	167
Other intangible assets	2.2	32	67
Financial assets			
Investments	2.5	22,869	22,118
Loans	2.6	34	30
Other financial assets	2.7	727	613
Deferred tax assets (net)	2.17	970	955
Income tax assets (net)	2.17	5,585	5,287
Other non-current assets	2.10	1,416	1,149
Total non - current Assets		**46,950**	**45,657**
Current assets			
Financial assets			
Investments	2.5	5,467	2,037
Trade receivables	2.8	18,966	16,394
Cash and cash equivalents	2.9	12,270	17,612
Loans	2.6	219	229
Other financial assets	2.7	6,580	5,226
Other current assets	2.10	8,935	6,784
Total current assets		**52,437**	**48,282**
Total Assets		**99,387**	**93,939**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	2.12	2,103	2,130
Other equity		67,203	69,401
Total equity		**69,306**	**71,531**
LIABILITIES			
Non-current liabilities			
Financial liabilities			
Lease liabilities	2.3	3,228	3,367
Other financial liabilities	2.13	676	259
Deferred tax liabilities (net)	2.17	841	511
Other non-current liabilities	2.15	360	649
Total non - current liabilities		**5,105**	**4,786**
Current liabilities			
Financial liabilities			
Lease liabilities	2.3	558	487
Trade payables	2.14		
Total outstanding dues of micro enterprises and small enterprises		3	-
Total outstanding dues of creditors other than micro enterprises and small enterprises		2,666	1,562
Other financial liabilities	2.13	11,269	8,359
Other current liabilities	2.15	7,381	4,816
Provisions	2.16	920	661
Income tax liabilities (net)	2.17	2,179	1,737
Total current liabilities		**24,976**	**17,622**
Total equity and liabilities		**99,387**	**93,939**

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

As per our report of even date attached

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

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

Sanjiv V. Pilgaonkar
Partner
Membership No. 039826

Nandan M. Nilekani
Chairman

Salil Parekh
Chief Executive Officer and Managing Director

D. Sundaram
Director

Bengaluru
April 13, 2022

Nilanjan Roy
Chief Financial Officer

Jayesh Sanghrajka
Executive Vice President and Deputy Chief Financial Officer

A.G.S. Manikantha
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,**	
		2022	**2021**
Revenue from operations	2.18	103,940	85,912
Other income, net	2.19	3,224	2,467
Total income		**107,164**	**88,379**
Expenses			
Employee benefit expenses	2.20	51,664	45,179
Cost of technical sub-contractors		16,298	9,528
Travel expenses		731	484
Cost of software packages and others	2.20	2,985	2,058
Communication expenses		433	464
Consultancy and professional charges		1,511	999
Depreciation and amortization expense	2.1 & 2.2.2 & 2.3	2,429	2,321
Finance cost	2.3	128	126
Other expenses	2.20	2,490	2,743
Total expenses		**78,669**	**63,902**
Profit before tax		**28,495**	**24,477**
Tax expense:			
Current tax	2.17	6,960	6,013
Deferred tax	2.17	300	416
Profit for the year		**21,235**	**18,048**
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss			
Remeasurement of the net defined benefit liability/asset, net	2.17 & 2.21	(98)	148
Equity instruments through other comprehensive income, net	2.5 & 2.17	97	120
Items that will be reclassified subsequently to profit or loss			
Fair value changes on derivatives designated as cash flow hedge, net	2.11 & 2.17	(8)	25
Fair value changes on investments, net	2.5 & 2.17	(39)	(102)
Total other comprehensive income/ (loss), net of tax		**(48)**	**191**
Total comprehensive income for the year		**21,187**	**18,239**
Earnings per equity share			
Equity shares of par value ₹5/- each			
Basic (₹)		50.27	42.37
Diluted (₹)		50.21	42.33
Weighted average equity shares used in computing earnings per equity share			
Basic	2.22	4,22,43,39,562	4,25,94,38,950
Diluted	2.22	4,22,95,46,328	4,26,30,92,514

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

As per our report of even date attached

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

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

Sanjiv V. Pilgaonkar
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Chief Executive Officer and Managing Director

D. Sundaram
Director

Nilanjan Roy
Chief Financial Officer

Jayesh Sanghrajka
Executive Vice President and Deputy Chief Financial Officer

A.G.S. Manikantha
Company Secretary

Bengaluru
April 13, 2022

Statement of Changes in Equity

(In ₹ crore)

Particulars	Equity Share Capital	Other Equity											Total equity attributable to equity holders of the Company
		Reserves & Surplus								Other comprehensive income			
		Capital reserve		Capital redemption reserve	Securities Premium	Retained earnings	General reserve	Share Options Outstanding Account	Special Economic Zone Re-investment reserve (1)	Equity Instruments through other comprehensive income	Effective portion of Cash flow hedges	Other items of other comprehensive income / (loss)	
		Capital reserve	Other reserves(2)										
Balance as at April 1, 2020	**2,129**	**54**	**3,082**	**111**	**268**	**52,419**	**106**	**297**	**3,907**	**49**	**(15)**	**(173)**	**62,234**
Changes in equity for the year ended March 31, 2021													
Profit for the year	-	-	-	-	-	18,048	-	-	-	-	-	-	18,048
Remeasurement of the net defined benefit liability/asset, net*	-	-	-	-	-	-	-	-	-	-	-	148	148
Equity instruments through other comprehensive income, net* (Refer to note 2.5 and 2.17)	-	-	-	-	-	-	-	-	-	120	-	-	120
Fair value changes on derivatives designated as cash flow hedge, net* (Refer to note 2.11)	-	-	-	-	-	-	-	-	-	-	25	-	25
Fair value changes on investments, net* (Refer to note 2.5 and 2.17)	-	-	-	-	-	-	-	-	-	-	-	(102)	(102)
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**-**	**18,048**	**-**	**-**	**-**	**120**	**25**	**46**	**18,239**
Transfer to general reserve	-	-	-	-	-	(1,554)	1,554	-	-	-	-	-	-
Transferred to Special Economic Zone Re-investment reserve	-	-	-	-	-	(3,204)	-	-	3,204	-	-	-	-
Transferred from Special Economic Zone Re-investment reserve on utilization	-	-	-	-	-	967	-	-	(967)	-	-	-	-
Transfer on account of exercise of stock options (Refer to note 2.12)	-	-	-	-	260	-	-	(260)	-	-	-	-	-
Transfer on account of options not exercised	-	-	-	-	-	-	3	(3)	-	-	-	-	-
Shares issued on exercise of employee stock options (Refer to note 2.12)	1	-	-	-	8	-	-	-	-	-	-	-	9
Effect of modification of equity settled share based payment awards to cash settled awards (Refer to note 2.12)	-	-	-	-	-	-	-	85	-	-	-	-	85
Employee stock compensation expense (Refer to note 2.12)	-	-	-	-	-	-	-	253	-	-	-	-	253
Income tax benefit arising on exercise of stock options	-	-	-	-	45	-	-	-	-	-	-	-	45
Reserves recorded upon business transfer under common control (Refer to note 2.5.1)	-	-	(176)	-	-	-	-	-	-	-	-	-	(176)
Dividends	-	-	-	-	-	(9,158)	-	-	-	-	-	-	(9,158)
Balance as at March 31, 2021	**2,130**	**54**	**2,906**	**111**	**581**	**57,518**	**1,663**	**372**	**6,144**	**169**	**10**	**(127)**	**71,531**

INFOSYS LIMITED

Statement of Changes in Equity

(In ₹ crore)

Particulars	Equity Share Capital	Other Equity											Total equity attributable to equity holders of the Company
		Reserves & Surplus								Other comprehensive income			
		Capital reserve		Capital redemption reserve	Securities Premium	Retained earnings	General reserve	Share Options Outstanding Account	Special Economic Zone Re-investment	Equity Instruments through other comprehensive income	Effective portion of Cash flow hedges	Other items of other comprehensive income / (loss)	
		Capital reserve	Other reserves[2]										
Balance as at April 1, 2021	**2,130**	**54**	**2,906**	**111**	**581**	**57,518**	**1,663**	**372**	**6,144**	**169**	**10**	**(127)**	**71,531**
Changes in equity for the year ended March 31, 2022													
Profit for the year	-	-	-	-	-	21,235	-	-	-	-	-	-	21,235
Remeasurement of the net defined benefit liability/asset, net*	-	-	-	-	-	-	-	-	-	-	-	(98)	(98)
Equity instruments through other comprehensive income, net* (Refer to note 2.5 and 2.17)	-	-	-	-	-	-	-	-	-	97	-	-	97
Fair value changes on derivatives designated as cash flow hedge, net* (Refer to note 2.11)	-	-	-	-	-	-	-	-	-	-	(8)	-	(8)
Fair value changes on investments, net* (Refer to note 2.5 and 2.17)	-	-	-	-	-	-	-	-	-	-	-	(39)	(39)
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**-**	**21,235**	**-**	**-**	**-**	**97**	**(8)**	**(137)**	**21,187**
Buyback of equity shares (Refer to note 2.12) **	(28)	-	-	-	(640)	(8,822)	(1,603)	-	-	-	-	-	(11,093)
Transaction cost relating to buyback*	-	-	-	-	-	-	(24)	-	-	-	-	-	(24)
Amount transferred to capital redemption reserve upon buyback	-	-	-	28	-	-	(28)	-	-	-	-	-	-
Transferred to Special Economic Zone Re-investment reserve	-	-	-	-	-	(2,794)	-	-	2,794	-	-	-	-
Transferred from Special Economic Zone Re-investment reserve on utilization	-	-	-	-	-	1,012	-	-	(1,012)	-	-	-	-
Transfer on account of exercise of stock options (Refer to note 2.12)	-	-	-	-	218	-	-	(218)	-	-	-	-	-
Transfer on account of options not exercised	-	-	-	-	-	-	1	(1)	-	-	-	-	-
Shares issued on exercise of employee stock options (Refer to note 2.12)	1	-	-	-	10	-	-	-	-	-	-	-	11
Employee stock compensation expense (Refer to note 2.12)	-	-	-	-	-	-	-	393	-	-	-	-	393
Income tax benefit arising on exercise of stock options	-	-	-	-	3	-	-	60	-	-	-	-	63
Reserves recorded upon business transfer under common control (Refer to note 2.5.1)	-	-	(62)	-	-	-	-	-	-	-	-	-	(62)
Dividends	-	-	-	-	-	(12,700)	-	-	-	-	-	-	(12,700)
Balance as at March 31, 2022	**2,103**	**54**	**2,844**	**139**	**172**	**55,449**	**9**	**606**	**7,926**	**266**	**2**	**(264)**	**69,306**

**net of tax*

*** Including tax on buyback of ₹1,893 crore*

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

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

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

As per our report of even date attached

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

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

Sanjiv V. Pilgaonkar
Partner
Membership No. 039826

Nandan M. Nilekani
Chairman

Salil Parekh
Chief Executive Officer and Managing Director

D. Sundaram
Director

Bengaluru
April 13, 2022

Nilanjan Roy
Chief Financial Officer

Jayesh Sanghrajka
Executive Vice President and Deputy Chief Financial Officer

A.G.S. Manikantha
Company Secretary

INFOSYS LIMITED

Statement of Cash Flows

Accounting Policy

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

(In ₹ crore)

Particulars	Note No.	Year ended March 31, 2022	Year ended March 31, 2021
Cash flow from operating activities:			
Profit for the year		21,235	18,048
Adjustments to reconcile net profit to net cash provided by operating activities:			
Depreciation, amortization and provision for impairment	2.1 & 2.2.2 & 2.3	2,429	2,604
Income tax expense	2.17	7,260	6,429
Impairment loss recognized / (reversed) under expected credit loss model		117	152
Finance cost	2.3	128	126
Interest and dividend income		(2,617)	(1,795)
Stock compensation expense		372	297
Other adjustments		72	(47)
Exchange differences on translation of assets and liabilities, net		87	(32)
Changes in assets and liabilities			
Trade receivables and unbilled revenue		(5,725)	(1,414)
Loans, other financial assets and other assets		(1,125)	(684)
Trade payables	2.14	1,112	(5)
Other financial liabilities, other liabilities and provisions		5,487	2,284
Cash generated from operations		**28,832**	**25,963**
Income taxes paid		(6,736)	(6,061)
Net cash generated by operating activities		**22,096**	**19,902**
Cash flow from investing activities:			
Expenditure on property, plant and equipment and intangibles		(1,787)	(1,720)
Deposits placed with corporations		(745)	(588)
Proceeds from redemption of Deposits with corporations		607	405
Loan given to subsidiaries		-	(76)
Loan repaid by subsidiaries		73	328
Proceeds from redemption of debentures		536	623
Investment in subsidiaries		(127)	(1,530)
Payment towards business transfer		(109)	(237)
Proceeds from liquidation of a subsidiairy		-	173
Escrow and other deposits pertaining to Buyback		420	-
Redemption of Escrow and other deposits pertaining to Buyback		(420)	-
Payment of contingent consideration pertaining to acquisition		-	(125)
Other receipts		47	49
Payments to acquire investments			
Preference, equity securities and others		(5)	-
Liquid mutual fund units and fixed maturity plan securities		(48,139)	(31,814)
Tax free bonds and Government bonds		-	(318)
Certificates of deposit		(3,897)	-
Non Convertible debentures		(1,456)	(3,398)
Government Securities		(3,450)	(7,346)
Others		(5)	(13)
Proceeds on sale of investments			
Preference and equity securities		9	73
Liquid mutual fund units and fixed maturity plan securities		48,219	32,996
Tax free bonds and Government bonds		20	-
Non-convertible debentures		1,939	944
Certificates of deposit		787	900
Government Securities		1,452	2,704
Others		5	-
Interest received		1,658	1,340
Dividend received from subsidiary		1,218	321
Net cash (used in) / from investing activities		**(3,150)**	**(6,309)**

Cash flow from financing activities:			
Other Receipts		134	-
Payment of lease liabilities	2.3	(598)	(420)
Buyback of equity shares including transaction cost and tax on buy back		(11,125)	-
Shares issued on exercise of employee stock options		11	9
Payment of dividends		(12,697)	(9,155)
Net cash used in financing activities		**(24,275)**	**(9,566)**
Effect of exchange differences on translation of foreign currency cash and cash equivalents		(13)	23
Net increase / (decrease) in cash and cash equivalents		(5,329)	4,027
Cash and cash equivalents at the beginning of the year	2.9	17,612	13,562
Cash and cash equivalents at the end of the year		**12,270**	**17,612**
Supplementary information:			
Restricted cash balance	2.9	60	154

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

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

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

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Executive Vice President and Deputy Chief Financial Officer

A.G.S. Manikantha
Company Secretary

Bengaluru
April 13, 2022

INFOSYS LIMITED

Notes to the Standalone Financial Statements

1. Overview

1.1 Company overview

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

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

The standalone financial statements are approved for issue by the Company's Board of Directors on April 13, 2022.

1.2 Basis of preparation of financial statements

These standalone financial statements are prepared in accordance with Indian Accounting Standard (Ind AS), under the historical cost convention on accrual basis except for certain financial instruments which are measured at fair values, the provisions of the Companies Act, 2013 ('the Act') and guidelines issued by the Securities and Exchange Board of India (SEBI). The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued there after.

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

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

1.3 Use of estimates and judgments

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

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

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

1.4 Critical accounting estimates and judgments

a. Revenue recognition

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

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

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

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

b. Income taxes

The 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 to note 2.16 and note 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 to note 2.1)

1.5 Recent accounting pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 23, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, as below.

Ind AS 16 – Property Plant and equipment - The amendment clarifies that excess of net sale proceeds of items produced over the cost of testing, if any, shall not be recognised in the profit or loss but deducted from the directly attributable costs considered as part of cost of an item of property, plant, and equipment. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2022. The Company has evaluated the amendment and there is no impact on its consolidated financial statements.

Ind AS 37 – Provisions, Contingent Liabilities and Contingent Assets – The amendment specifies that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract). The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2022, although early adoption is permitted. The Company has evaluated the amendment and the impact is not expected to be material.

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 charge in respect of periodic depreciation is derived at after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The Company depreciates property, plant and equipment over their estimated useful lives using the straight-line method. The estimated useful lives of assets are as follows:

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

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

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

Depreciation methods, useful lives and residual values are reviewed periodically, including at each financial year end. The useful lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology.

Advances paid towards the acquisition of property, plant and equipment outstanding at each Balance Sheet date is classified as capital advances under other non-current assets and the cost of assets not ready to use before such date are disclosed under 'Capital work-in-progress'. Subsequent expenditures relating to property, plant and equipment is capitalized only when it is probable that future economic benefits associated with these will flow to the 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, 2022 are as follows:

(In ₹ crore)

Particulars	Land-Freehold[(1)]	Buildings[(1)(2)]	Plant and machinery[(2)]	Office Equipment[(2)]	Computer equipment[(2)]	Furniture and fixtures[(2)]	Leasehold Improvements	Vehicles	Total
Gross carrying value as at April 1, 2021	**1,397**	**9,546**	**3,141**	**1,195**	**6,530**	**1,952**	**788**	**44**	**24,593**
Additions	32	569	244	62	1,281	130	63	-	**2,381**
Deletions*	-	-	(331)	(7)	(572)	(12)	(34)	-	**(956)**
Gross carrying value as at March 31, 2022	**1,429**	**10,115**	**3,054**	**1,250**	**7,239**	**2,070**	**817**	**44**	**26,018**
Accumulated depreciation as at April 1, 2021	**-**	**(3,460)**	**(2,600)**	**(891)**	**(4,870)**	**(1,434)**	**(376)**	**(32)**	**(13,663)**
Depreciation	-	(374)	(224)	(108)	(864)	(191)	(148)	(5)	**(1,914)**
Accumulated depreciation on deletions*	-	-	330	6	571	11	25	-	**943**
Accumulated depreciation as at March 31, 2022	**-**	**(3,834)**	**(2,494)**	**(993)**	**(5,163)**	**(1,614)**	**(499)**	**(37)**	**(14,634)**
Carrying value as at April 1, 2021	**1,397**	**6,086**	**541**	**304**	**1,660**	**518**	**412**	**12**	**10,930**
Carrying value as at March 31, 2022	**1,429**	**6,281**	**560**	**257**	**2,076**	**456**	**318**	**7**	**11,384**

* During the year ended March 31, 2022, certain assets which were old and not in use having gross book value of ₹291 crore (net book value: Nil) respectively, were retired.

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

(In ₹ crore)

Particulars	Land-Freehold	Buildings[1][2]	Plant and machinery[2]	Office Equipment[2]	Computer equipment[2]	Furniture and fixtures[2]	Leasehold Improvements	Vehicles	Total
Gross carrying value as at April 1, 2020	**1,316**	**9,038**	**3,038**	**1,094**	**5,690**	**1,875**	**669**	**43**	**22,763**
Additions	82	508	113	110	975	92	134	1	2,015
Additions through Business transfer	-	-	-	-	6	-	2	-	8
Deletions	(1)	-	(10)	(9)	(141)	(15)	(17)	-	(193)
Gross carrying value as at March 31, 2021	**1,397**	**9,546**	**3,141**	**1,195**	**6,530**	**1,952**	**788**	**44**	**24,593**
Accumulated depreciation as at April 1, 2020	**-**	**(3,114)**	**(2,053)**	**(787)**	**(4,197)**	**(1,246)**	**(248)**	**(26)**	**(11,671)**
Depreciation	-	(346)	(273)	(112)	(804)	(202)	(145)	(6)	(1,888)
Provision for Impairment (Refer to note 2.25)	-	-	(283)	-	-	-	-	-	(283)
Accumulated depreciation on deletions	-	-	9	8	131	14	17	-	179
Accumulated depreciation as at March 31, 2021	**-**	**(3,460)**	**(2,600)**	**(891)**	**(4,870)**	**(1,434)**	**(376)**	**(32)**	**(13,663)**
Carrying value as at April 1, 2020	**1,316**	**5,924**	**985**	**307**	**1,493**	**629**	**421**	**17**	**11,092**
Carrying value as at March 31, 2021	**1,397**	**6,086**	**541**	**304**	**1,660**	**518**	**412**	**12**	**10,930**

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

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

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

Tangible assets provided on operating lease to subsidiaries as at March 31, 2022 and March 31, 2021 are as follows:

(In ₹ crore)

Particulars	Cost	Accumulated depreciation	Net book value
Land	34	-	*34*
	-	-	-
Buildings	185	103	*82*
	186	98	*88*
Plant and machinery	30	30	-
	30	30	-
Furniture and fixtures	23	23	-
	24	*24*	-
Computer Equipment	3	3	-
	3	*3*	-
Office equipment	16	16	-
	16	*16*	-

(In ₹ crore)

Particulars	Year ended March 31,	
	2022	**2021**
Aggregate depreciation charged on above assets	7	7
Rental income from subsidiaries	52	53

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, 2022	March 31, 2021
Carrying value at the beginning	167	29
Goodwill on business transfer (Refer to note 2.5.1)	44	138
Carrying value at the end	**211**	**167**

The allocation of goodwill to operating segments as at March 31, 2022 and March 31, 2021 is as follows:

(In ₹ crore)

Segment	As at	
	March 31, 2022	March 31, 2021
Financial services	64	55
Retail	34	26
Communication	28	22
Energy, Utilities, Resources and Services	27	22
Manufacturing	21	17
	174	**142**
Operating segments without significant goodwill	37	25
Total	**211**	**167**

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, 2022:

(In ₹ crore)

Particulars	Customer related	Software related	Trade name related	Others	Total
Gross carrying value as at April 1, 2021	**113**	**54**	**26**	**26**	**219**
Additions through business transfer	-	-	-	-	-
Deletions during the year	-	-	-	-	-
Gross carrying value as at March 31, 2022	**113**	**54**	**26**	**26**	**219**
Accumulated amortization as at April 1, 2021	**(88)**	**(12)**	**(26)**	**(26)**	**(152)**
Amortization expense	(16)	(19)			(35)
Accumulated amortization on deletions			-	-	-
Accumulated amortization as at March 31, 2022	**(104)**	**(31)**	**(26)**	**(26)**	**(187)**
Carrying value as at March 31, 2022	**9**	**23**	**-**	**-**	**32**
Carrying value as at April 1, 2021	**25**	**42**	**-**	**-**	**67**
Estimated Useful Life *(in years)*	7	2	5	5	
Estimated Remaining Useful Life *(in years)*	1	1	-	-	

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

(In ₹ crore)

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

Research and Development expense recognized in net profit in the statement of profit and loss for the year ended March 31, 2022 and March 31, 2021 is ₹529 crore and ₹508 crore, respectively.

2.3 LEASES

Accounting Policy

The Company as a lessee

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

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

As a lessee, the Company determines the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Company makes an assessment on the expected lease term on a lease-by-lease basis and thereby assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. In evaluating the lease term, the Company considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of the lease and the importance of the underlying asset to Infosys's operations taking into account the location of the underlying asset and the availability of suitable alternatives. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances.

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

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

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

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

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

The Company as a lessor

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

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

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

Following are the changes in the carrying value of right of use assets for the year ended March 31, 2022:

(In ₹ crore)

Particulars	Category of ROU asset			Total
	Land	Buildings	Computers	
Balance as at April 1, 2021	556	2,766	113	3,435
Additions*	-	306	68	374
Deletion	-	(18)	-	(18)
Depreciation	(4)	(433)	(43)	(480)
Balance as at March 31, 2022	**552**	**2,621**	138	**3,311**

** Net of adjustments on account of modifications*

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

(In ₹ crore)

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

** Net of adjustments on account of modifications*

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

The following is the break-up of current and non-current lease liabilities as at March 31, 2022 and March 31, 2021:

(In ₹ crore)

Particulars	As at	
	March 31, 2022	March 31, 2021
Current lease liabilities	558	487
Non-current lease liabilities	3,228	3,367
Total	**3,786**	**3,854**

The movement in lease liabilities during the year ended March 31, 2022 and March 31, 2021 is as follows :

Particulars	As at	
	March 31, 2022	March 31, 2021
Balance at the beginning	3,854	3,165
Additions	394	1,198
Additions through business combination	-	10
Finance cost accrued during the period	126	125
Deletions	(18)	(99)
Payment of lease liabilities	(633)	(536)
Translation Difference	63	(9)
Balance at the end	**3,786**	**3,854**

The table below provides details regarding the contractual maturities of lease liabilities as at March 31, 2022 and March 31, 2021 on an undiscounted basis:

(In ₹ crore)

Particulars	As at	
	March 31, 2022	March 31, 2021
Less than one year	637	585
One to five years	2,524	2,109
More than five years	1,095	1,751
Total	**4,256**	**4,445**

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

Rental expense recorded for short-term leases was ₹12 crore and ₹24 crore for the year ended March 31, 2022 and March 31, 2021.

Rental income on assets given on operating lease to subsidiaries was ₹52 crore and ₹53 crore for the year ended March 31, 2022 and March 31, 2021.

The following is the movement in the net investment in sublease in ROU asset during the year ended March 31, 2022 and March 31, 2021:

(In ₹ crore)

Particulars	As at	
	March 31, 2022	March 31, 2021
Balance at the beginning of the period	**385**	**433**
Interest income accrued during the period	13	14
Lease receipts	(47)	(49)
Translation Difference	14	(13)
Balance at the end of the period	**365**	**385**

The table below provides details regarding the contractual maturities of net investment in sublease of ROU asset as at March 31, 2022 and March 31, 2021 on an undiscounted basis:

(In ₹ crore)

Particulars	As at	
	March 31, 2022	March 31, 2021
Less than one year	54	50
One to five years	292	216
More than five years	64	179
Total	**410**	**445**

2.4 CAPITAL WORK -IN-PROGRESS

(In ₹ crore)

Particulars	As at	
	March 31, 2022	March 31, 2021
Capital work-in-progress	411	906
Total Capital work-in-progress	**411**	**906**

Capital work-in-progress ageing schedule for the year ended March 31, 2022 and *March 31, 2021* is as follows:

(In ₹ crore)

Particulars	Amount in CWIP for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	267	48	51	45	411
	407	*268*	*37*	*194*	*906*
Total Capital work-in-progress	**267**	**48**	**51**	**45**	**411**
	407	*268*	*37*	*194*	*906*

For capital-work-in progress, whose completion is overdue or has exceeded its cost compared to its original plan the project wise details of when the project is expected to be completed is given below as of March 31, 2022 and *March 31, 2021* :

(In ₹ crore)

Particulars	**To be completed in**				
	Less than 1 year	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
Projects in progress					
NG-SZ-SDB1	89	-	-	-	89
	-	*-*	*-*	*-*	*-*
BN-SP-RETRO	30	-	-	-	30
	-	*-*	*-*	*-*	*-*
KL-SP-SDB1	-	27	-	-	27
	-	*-*	*-*	*-*	*-*
BH-SZ-MLP	116	-	-	-	116
	-	*67*	*-*	*-*	*67*
IN-OS-SDB	-	-	-	-	-
	407				*407*
MY-SZ-SDB8	-	-	-	-	-
	160				*160*
Total Capital work-in-progress	**235**	**27**	**-**	**-**	**262**
	567	*67*	*-*	*-*	*634*

2.5 INVESTMENTS

(In ₹ crore)

Particulars	As at March 31, 2022	As at March 31, 2021
Non-current investments		
Equity instruments of subsidiaries	9,061	8,933
Debentures of subsidiary	-	536
Redeemable Preference shares of subsidiary	1,318	1,318
Preference securities and equity instruments	194	167
Compulsorily convertible debentures	7	7
Others	76	42
Tax free bonds	1,901	2,131
Government bonds	-	13
Non-convertible debentures	3,459	3,669
Government Securities	6,853	5,302
Total non-current investments	**22,869**	**22,118**
Current investments		
Liquid mutual fund units	1,337	1,326
Certificates of deposit	3,141	-
Government bonds	13	-
Tax free bonds	200	-
Government Securities	362	-
Non-convertible debentures	414	711
Total current investments	**5,467**	**2,037**
Total carrying value	**28,336**	**24,155**

(In ₹ crore, except as otherwise stated)

Particulars	As at March 31, 2022	As at March 31, 2021
Non-current investments		
Unquoted		
Investment carried at cost		
Investments in equity instruments of subsidiaries		
Infosys BPM Limited (1)	662	660
33,828 (3,38,23,444) equity shares of ₹10,000/- (₹10/-) each, fully paid up		
Infosys Technologies (China) Co. Limited	369	369
Infosys Technologies, S. de R.L. de C.V., Mexico	65	65
17,49,99,990 (17,49,99,990) equity shares of MXN 1 par value, fully paid up		
Infosys Technologies (Sweden) AB	76	76
1,000 (1,000) equity shares of SEK 100 par value, fully paid		
Infosys Technologies (Shanghai) Company Limited	1,010	900
Infosys Public Services, Inc.	99	99
3,50,00,000 (3,50,00,000) shares of USD 0.50 par value, fully paid		
Infosys Consulting Holding AG	1,323	1,323
23,350 (23,350) - Class A shares of CHF 1,000 each and		
26,460 (26,460) - Class B Shares of CHF 100 each, fully paid up		
Infosys Americas Inc.	1	1
10,000 (10,000) shares of USD 10 per share, fully paid up		
EdgeVerve Systems Limited	1,312	1,312
1,31,18,40,000 (1,31,18,40,000) equity shares of ₹10/- each, fully paid up		
Infosys Nova Holdings LLC #	2,637	2,637
Infosys Consulting Pte Ltd	10	10
1,09,90,000 (1,09,90,000) shares of SGD 1.00 par value, fully paid		
Brilliant Basics Holding Limited	59	59
1,346 (1,346) shares of GBP 0.005 each, fully paid up		
Infosys Arabia Limited	2	2
70 (70) shares		
Skava Systems Private Limited	59	59
25,000 (25,000) shares of ₹10/- each, fully paid up		
Panaya Inc.	582	582
2 (2) shares of USD 0.01 per share, fully paid up		
Infosys Chile SpA	7	7
100 (100) shares		
WongDoody Holding Company Inc	380	380
2,000 (2,000) shares		
Infosys Luxembourg S.a r.l.	17	17
20,000 (20,000) shares		
Infosys Austria GmbH (formerly known as Lodestone Management Consultants GmbH)	-	-
80,000 (80,000) shares of EUR 1 par value, fully paid up		
Infosys Consulting Brazil	337	337
27,50,71,070 (27,50,71,070) shares of BRL 1 per share, fully paid up		

Infosys Romania	34	34
99,183 (99,183) shares of RON 100 per share, fully paid up		
Infosys Bulgaria	2	2
4,58,000 (4,58,000) shares of BGN 1 per share, fully paid up		
Infosys Germany Holdings GmbH	2	2
25,000 (25,000) shares EUR 1 per share, fully paid up		
Infosys Green Forum	1	-
10,00,000 (NIL) shares ₹10 per share, fully paid up		
Infosys Automotive and Mobility GmbH	15	-
Infosys Germany GmbH		
25,000 (Nil) shares EUR 1 per share, fully paid up	-	-
Infosys Turkey Bilgi Tekn		
1 (Nil) share Turkish Liras 10,000 per share, fully paid up	-	-
Investment in Redeemable Preference shares of subsidiary		
Infosys Consulting Pte Ltd	1,318	1,318
24,92,00,000 (24,92,00,000) shares of SGD 1 per share, fully paid up		
	10,379	**10,251**
Investment carried at amortized cost		
Investment in debentures of subsidiary		
EdgeVerve Systems Limited		
Nil (5,36,00,000) Unsecured redeemable, non-convertible debentures of ₹ 100/- each fully paid up	-	536
	-	**536**
Investments carried at fair value through profit or loss		
Compulsorily convertible debentures	7	7
Others [(3)]	76	42
	83	**49**
Investment carried at fair value through other comprehensive income		
Preference securities	192	165
Equity instruments	2	2
	194	**167**
Quoted		
Investments carried at amortized cost		
Tax free bonds	1,901	2,131
Government bonds	-	13
	1,901	**2,144**
Investments carried at fair value through other comprehensive income		
Non-convertible debentures	3,459	3,669
Government Securities	6,853	5,302
	10,312	**8,971**
Total non-current investments	**22,869**	**22,118**
Current investments		
Unquoted		
Investments carried at fair value through profit or loss		
Liquid mutual fund units	1,337	1,326
	1,337	**1,326**
Investments carried at fair value through other comprehensive income		
Certificates of deposit	3,141	-
	3,141	**-**
Quoted		
Investments carried at amortized cost		
Tax free bonds	200	-
Government bonds	13	-
	213	**-**
Investments carried at fair value through other comprehensive income		
Government Securities	362	-
Non-convertible debentures	414	711
	776	**711**
Total current investments	**5,467**	**2,037**
Total investments	**28,336**	**24,155**
Aggregate amount of quoted investments	13,202	11,826
Market value of quoted investments (including interest accrued), current	1,003	713
Market value of quoted investments (including interest accrued), non current	12,552	11,507
Aggregate amount of unquoted investments	15,134	12,329
[#] Aggregate amount of impairment in value of investments	94	94
Reduction in the fair value of assets held for sale	854	854
Investments carried at cost	10,379	10,251
Investments carried at amortized cost	2,114	2,680
Investments carried at fair value through other comprehensive income	14,423	9,849
Investments carried at fair value through profit or loss	1,420	1,375

[(1)] On March 17, 2022, Infosys Limited acquired non-controlling interest of 0.01% of the voting interests in Infosys BPM Limited.

[(2)] Uncalled capital commitments outstanding as of March 31, 2022 and March 31, 2021 was ₹11 crore and ₹10 crore, respectively.

Refer to note 2.11 for accounting policies on financial instruments.

Details of amounts recorded in other comprehensive income:

(In ₹ crore)

	Year ended March 31, 2022			Year ended March 31, 2021		
	Gross	Tax	Net	Gross	Tax	Net
Net Gain/(loss) on						
Non-convertible debentures	(7)	1	(6)	(5)	1	(4)
Government Securities	(56)	22	(34)	(114)	17	(97)
Certificate of deposits	2	(1)	1	(1)	-	(1)
Equity and preference securities	119	(22)	97	136	(16)	120

Method of fair valuation:

(In ₹ crore)

Class of investment	Method	Fair value as at March 31, 2022	Fair value as at March 31, 2021
Liquid mutual fund units	Quoted price	1,337	1,326
Tax free bonds and government bonds	Quoted price and market observable inputs	2,438	2,527
Non-convertible debentures	Quoted price and market observable inputs	3,873	4,380
Government Securities	Quoted price and market observable inputs	7,215	5,302
Certificate of deposits	Market observable inputs	3,141	-
Unquoted equity and preference securities	Discounted cash flows method, Market multiples method, Option pricing model	194	167
Unquoted compulsorily convertible debentures	Discounted cash flows method	7	7
Others	Discounted cash flows method, Market multiples method, Option pricing model	76	42

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

2.5.1 Business transfer- Brilliant Basics Limited

On August 04, 2021, the board of directors of Infosys authorized the company to execute a Business Transfer Agreement and related documents with its wholly owned subsidiary, Brilliant Basics Limited, to transfer the business of Brilliant Basics Limited to Infosys Limited, subject to securing the requisite regulatory approvals for a consideration based on an independent valuation. Subsequently on November 01, 2021, the company entered into a business transfer agreement to transfer the business of Brilliant Basics Limited for a consideration of ₹109 crore resulting in recognition of a business transfer reserve of ₹62 crore.

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

(In ₹ crore)

Particulars	Total
Goodwill	44
Net assets / (liabilities), others	3
Total	47
Less: Consideration payable	109
Business transfer reserve	(62)

Business transfer- Kallidus Inc. and Skava Systems Private Limited

On October 11, 2019, the Board of Directors of Infosys authorized the Company to execute a Business Transfer Agreement and related documents with its wholly-owned subsidiaries, Kallidus Inc. and Skava Systems Private Limited (together referred to as "Skava"), to transfer the business of Skava to Infosys Limited, for a consideration based on an independent valuation.

Accordingly on August 15, 2020 the company entered into a business transfer agreement to transfer the business of Kallidus Inc. and Skava Systems Private Limited for a consideration of ₹171 crore and ₹66 crore respectively on securing the requisite regulatory approvals.

The transaction was between a holding company and a wholly owned subsidiary, the resultant impact on account of business transfer was recorded in 'Business Transfer Adjustment Reserve' during the year ended March 31, 2021.

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

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

(In ₹ crore)

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

2.5.2 Details of Investments

The details of non-current other investments in preferred stock and equity instruments as at March 31, 2022 and March 31, 2021 are as follows:

(In ₹ crore, except as otherwise stated)

Particulars	As at	
	March 31, 2022	March 31, 2021
Preference Securities		
Airviz Inc.	-	-
2,82,279 (2,82,279) Series A Preferred Stock, fully paid up, par value USD 0.001 each		
Whoop Inc	150	94
1,10,59,340 (11,05,934) Series B Preferred Stock, fully paid up, par value USD 0.0001 each		
Nivetti Systems Private Limited	22	20
2,28,501 (2,28,501) Preferred Stock, fully paid up, par value ₹1/- each		
Trifacta Inc.	-	40
Nil (11,80,358) Series C-1 Preferred Stock		
Nil (19,59,823) Series E Preferred Stock		
Ideaforge Technology Private Limited	20	11
5,402 (5,402) Series A compulsorily convertible cumulative Preference shares of ₹10/- each, fully paid up		
Equity Instrument		
Merasport Technologies Private Limited	-	-
2,420 (2,420) equity shares at ₹ 8,052/- each, fully paid up, par value ₹10/- each		
Global Innovation and Technology Alliance	2	2
15,000 (15,000) equity shares at ₹1,000/- each, fully paid up, par value ₹1,000/- each		
Ideaforge Technology Private Limited	-	-
100 (100) equity shares at ₹10/-, fully paid up		
Compulsorily convertible debentures		
Ideaforge Technology Private Limited	7	7
3,886 (3,886) compulsorily convertible debentures, fully paid up, par value ₹ 19,300/- each		
Others		
Stellaris Venture Partners India	76	42
	277	**216**

2.6 LOANS

(In ₹ crore)

Particulars	As at March 31, 2022	As at March 31, 2021
Non- Current		
Loans considered good - Unsecured		
Other Loans		
Loans to employees	34	30
	34	**30**
Loans credit impaired - Unsecured		
Other Loans		
Loans to employees	-	23
Less: Allowance for credit impairement	-	23
	-	-
Total non - current loans	**34**	**30**
Current		
Loans considered good - Unsecured		
Loans to subsidiaries	-	96
Other Loans		
Loans to employees	219	133
Total current loans	**219**	**229**
Total Loans	**253**	**259**

2.7 OTHER FINANCIAL ASSETS

(In ₹ crore)

Particulars	As at March 31, 2022	As at March 31, 2021
Non-current		
Security deposits [(1)]	43	45
Net investment in Sublease of right of use asset [(1)]	320	348
Rental deposits [(1)]	134	164
Unbilled revenues [(1)(5)#]	215	11
Others [(1)]	15	45
Total non-current other financial assets	**727**	**613**
Current		
Security deposits [(1)]	1	1
Rental deposits [(1)]	36	10
Restricted deposits [(1)*]	1,965	1,826
Unbilled revenues [(1)(5)#]	3,543	2,139
Interest accrued but not due [(1)]	323	553
Foreign currency forward and options contracts [(2)(3)]	131	178
Net investment in Sublease of right of use asset [(1)]	45	37
Others [(1)(4)]	536	482
Total current other financial assets	**6,580**	**5,226**
Total other financial assets	**7,307**	**5,839**
[(1)] Financial assets carried at amortized cost	7,176	5,661
[(2)]Financial assets carried at fair value through other comprehensive income	20	25
[(3)]Financial assets carried at fair value through Profit or Loss	111	153
[(4)] *Includes dues from subsidiaries*	220	182
[(5)] *Includes dues from subsidiaries*	419	82

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

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

2.8 TRADE RECEIVABLES

(In ₹ crore)

Particulars	As at March 31, 2022	As at March 31, 2021
Current		
Trace Receivable considered good - Unsecured [2]	19,454	16,817
Less: Allowance for expected credit loss	488	423
Trace Receivable considered good - Unsecured	18,966	16,394
Trace Receivable - credit impaired - Unsecured	85	120
Less: Allowance for credit impairement	85	120
Trace Receivable - credit impaired - Unsecured	-	-
Total trade receivables[1]	**18,966**	**16,394**
[1] Includes dues from companies where directors are interested	1	-
[2] Includes dues from subsidiaries	268	203

Trade receivables ageing schedule for the year ended as on March 31, 2022 and March 31, 2021:

Particulars	Outstanding for following periods from due date of payment						
	Not Due	Less than 6 months	6 months to 1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed Trade receivables – considered good	14,555	4,703	133	10	30	23	19,454
	13,280	*3,457*	*16*	*26*	-	*34*	*16,813*
Undisputed Trade receivables – credit impaired	-	1	3	43	31	3	81
	1	*1*	*75*	*38*	*5*	-	*120*
Disputed Trade receivables – considered good	-	-	-	-	-	-	-
	-	*1*	*3*	-	-	-	*4*
Disputed Trade receivables – credit impaired	-	-	-	4	-	-	4
	-	-	-	-	-	-	-
	14,555	4,704	136	57	61	26	19,539
	13,281	*3,459*	*94*	*64*	*5*	*34*	*16,937*
Less: Allowance for credit loss							573
							543
Total Trade Receivables							18,966
							16,394

2.9 CASH AND CASH EQUIVALENTS

(In ₹ crore)

Particulars	As at March 31, 2022	As at March 31, 2021
Balances with banks		
In current and deposit accounts	9,375	13,792
Cash on hand		-
Others		
Deposits with financial institutions	2,895	3,820
Total Cash and cash equivalents	**12,270**	**17,612**
Balances with banks in unpaid dividend accounts	36	33
Deposit with more than 12 months maturity	1,471	11,948
Balances with banks held as margin money deposits against guarantees	1	71

Cash and cash equivalents as at March 31, 2022 and March 31, 2021 include restricted cash and bank balances of ₹60 crore and ₹154 crore, respectively. The restrictions are primarily on account of bank balances held as margin money deposits against guarantees.

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

2.10 OTHER ASSETS

(In ₹ crore)

Particulars	As at March 31, 2022	As at March 31, 2021
Non-current		
Capital advances	87	141
Advances other than capital advance		
Others		
Prepaid expenses	82	64
Defined benefit assets	10	9
Deferred contract cost[3]		
Cost of obtaining a contract	151	57
Cost of fulfillment	273	16
Unbilled revenues[2]	156	175
Withholding taxes and others	657	687
Total non-current other assets	**1,416**	**1,149**
Current		
Advances other than capital advance		
Payment to vendors for supply of goods	183	131
Others		
Prepaid expenses [1]	1,174	874
Unbilled revenues[2]	5,365	3,904
Deferred contract cost[3]		
Cost of obtaining a contract	350	27
Cost of fulfillment	40	13
Withholding taxes and others	1,589	1,832
Other receivables	234	3
Total current other assets	**8,935**	**6,784**
Total other assets	**10,351**	**7,933**
[1] Includes dues from subsidiaries	204	237

[2] Classified as non financial asset as the contractual right to consideration is dependent on completion of contractual milestones.

[3] Includes technology assets taken over by the Company from a customer as a part of transformation project which is not considered as distinct goods or services and the control related to the assets is not transferred to the Company in accordance with Ind AS 115 - Revenue from contract with customers. Accordingly, the same has been considered as a reduction to the total contract value and accounted as Deferred contract cost. Further as at March 31, 2022 the Company has entered into a financing arrangement with a third party for these assets which has been considered as financial liability. (Refer to note 2.13)

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

2.11 FINANCIAL INSTRUMENTS

Accounting Policy

2.11.1 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.

2.11.2 Subsequent measurement

a. Non-derivative financial instruments

(i) Financial assets carried at amortized cost

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

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

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. The Company has made an irrevocable election for its investments which are classified as equity instruments to present the subsequent changes in fair value in other comprehensive income based on its business model.

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

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

(iv) Financial liabilities

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

(v) Investment in subsidiaries

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

b. Derivative financial instruments

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

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

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

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

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

(ii) Cash flow hedge

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

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

2.11.3 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.

2.11.4 Fair value of financial instruments

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

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

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

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, 2022 are as follows:

(In ₹ crore)

Particulars	Amortized cost	Financial assets/ liabilities at fair value through profit or loss		Financial assets/liabilities at fair value through OCI		Total carrying value	Total fair value
		Designated upon initial recognition	Mandatory	Equity instruments designated upon initial recognition	Mandatory		
Assets:							
Cash and cash equivalents (Refer Note no. 2.9)	12,270	-	-	-	-	12,270	12,270
Investments (Refer note no.2.5)							
Preference securities, Equity instruments and others	-	-	76	194	-	270	270
Compulsorily convertible debentures	-	-	7	-	-	7	7
Tax free bonds and government bonds	2,114	-	-	-	-	2,114	2,438 [2]
Liquid mutual fund units	-	-	1,337	-	-	1,337	1,337
Certificates of deposit	-	-	-	-	3,141	3,141	3,141
Redeemable, non-convertible debentures [1]	-	-	-	-	3,873	3,873	3,873
Government Securities	-	-	-	-	7,215	7,215	7,215
Trade receivables (Refer Note no. 2.8)	18,966	-	-	-	-	18,966	18,966
Loans (Refer note no. 2.6)	253	-	-	-	-	253	253
Other financial assets (Refer Note no. 2.7) [4]	7,176	-	111	-	20	7,307	7,216 [3]
Total	**40,779**	**-**	**1,531**	**194**	**14,249**	**56,753**	**56,986**
Liabilities:							
Trade payables (Refer Note no. 2.14)	2,669	-	-	-	-	2,669	2,669
Lease liabilities (Refer Note no. 2.3)	3,786	-	-	-	-	3,786	3,786
Other financial liabilities (Refer Note no. 2.13)	10,084	-	8	-	3	10,095	10,095
Total	**16,539**	**-**	**8**	**-**	**3**	**16,550**	**16,550**

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

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

[3] *Excludes interest accrued on tax free bonds and government bonds carried at amortized cost of ₹91 crore*

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

The carrying value and fair value of financial instruments by categories as at March 31, 2021 were as follows:

(In ₹ crore)

Particulars	Amortized cost	Financial assets/ liabilities at fair value through profit or loss		Financial assets/liabilities at fair value through OCI		Total carrying value	Total fair value
		Designated upon initial recognition	Mandatory	Equity instruments designated upon initial recognition	Mandatory		
Assets:							
Cash and cash equivalents (Refer Note no. 2.9)	17,612	-	-	-	-	17,612	17,612
Investments (Refer Note no. 2.5)							
Preference securities, Equity instruments and others	-	-	42	167	-	209	209
Compulsorily convertible debentures	-	-	7	-	-	7	7
Tax free bonds and government bonds	2,144	-	-	-	-	2,144	2,527 [2]
Liquid mutual fund units	-	-	1,326	-	-	1,326	1,326
Redeemable, non-convertible debentures [1]	536	-	-	-	-	536	536
Certificates of deposit	-	-	-	-	-	-	-
Non convertible debentures	-	-	-	-	4,380	4,380	4,380
Government Securities	-	-	-	-	5,302	5,302	5,302
Trade receivables (Refer Note no. 2.8)	16,394	-	-	-	-	16,394	16,394
Loans (Refer note no. 2.6)	259	-	-	-	-	259	259
Other financial assets (Refer Note no. 2.7) [4]	5,661	-	153	-	25	5,839	5,747 [3]
Total	**42,606**	**-**	**1,528**	**167**	**9,707**	**54,008**	**54,299**
Liabilities:							
Trade payables (Refer note no. 2.14)	1,562	-	-	-	-	1,562	1,562
Lease Liabilities (Refer note no. 2.3)	3,854	-	-	-	-	3,854	3,854
Other financial liabilities (Refer Note no. 2.13)	6,873	-	14	-	-	6,887	6,887
Total	**12,289**	**-**	**14**	**-**	**-**	**12,303**	**12,303**

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

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

[3] *Excludes interest accrued on tax free bonds and government bonds carried at amortized cost of ₹92 crore*

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

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, 2022 is as follows:

(In ₹ crore)

Particulars	March 31, 2022	Fair value measurement at end of the year using		
		Level 1	Level 2	Level 3
Assets				
Investments in tax free bonds (Refer note no. 2.5)	2,425	1,238	1,187	-
Investments in government bonds (Refer note no. 2.5)	13	13	-	-
Investments in liquid mutual fund units (Refer note no. 2.5)	1,337	1,337	-	-
Investments in certificates of deposit (Refer note no. 2.4)	3,141	-	3,141	-
Investments in non convertible debentures (Refer note no. 2.5)	3,873	3,472	401	-
Investments in government securities (Refer note no. 2.5)	7,215	7,177	38	-
Investments in equity instruments (Refer note no. 2.5)	2	-	-	2
Investments in preference securities (Refer note no. 2.5)	192	-	-	192
Investments in Compulsorily convertible debentures (Refer note no. 2.5)	7	-	-	7
Other investments (Refer note no. 2.5)	76	-	-	76
Derivative financial instruments - gain on outstanding foreign exchange forward and option contracts (Refer note no. 2.7)	131	-	131	-
Liabilities				
Derivative financial instruments - loss on outstanding foreign exchange forward and option contracts (Refer note no. 2.13)	11	-	11	-

During the year ended March 31, 2022, tax free bonds and non-convertible debentures of ₹576 crore were transferred from Level 2 to Level 1 of fair value hierarchy since these were valued based on quoted price. Further tax free bonds and non-convertible debentures of ₹890 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, 2021 was as follows:

(In ₹ crore)

Particulars	March 31, 2021	Fair value measurement at end of the year using		
		Level 1	Level 2	Level 3
Assets				
Investments in tax free bonds (Refer Note no. 2.5)	2,513	1,352	1,161	-
Investments in government bonds (Refer Note no. 2.5)	14	14	-	-
Investments in liquid mutual fund units (Refer Note no. 2.5)	1,326	1,326	-	-
Investments in non convertible debentures (Refer Note no. 2.5)	4,380	4,085	295	-
Investments in government securities (Refer Note no. 2.5)	5,302	5,302	-	-
Investments in equity instruments (Refer Note no. 2.5)	2	-	-	2
Investments in preference securities (Refer Note no. 2.5)	165	-	-	165
Investments in Compulsorily convertible debentures (Refer note no. 2.5)	7	-	-	7
Other investments (Refer Note no. 2.5)	42	-	-	42
Derivative financial instruments - gain on outstanding foreign exchange forward and option contracts (Refer Note no. 2.7)	178	-	178	-
Liabilities				
Derivative financial instruments - loss on outstanding foreign exchange forward and option contracts (Refer note 2.13)	9	-	9	-
Liability towards contingent consideration (Refer note no. 2.13)	5	-	-	5

During the year ended March 31, 2021, tax free bonds and non-convertible debentures of ₹107 crore were transferred from Level 2 to Level 1 of fair value hierarchy since these were valued based on quoted price. Further tax free bonds and non-convertible debentures of ₹1,177 crore were transferred from Level 1 to Level 2 of fair value hierarchy, since these were valued based on market observable inputs.

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

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

Financial risk management

Financial risk factors

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

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

Market risk

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

The following table analyses the foreign currency risk from financial assets and liabilities as at March 31, 2022:

(In ₹ crore)

Particulars	U.S. dollars	Euro	United Kingdom Pound Sterling	Australian dollars	Other currencies	Total
Net financial assets	16,185	4,148	1,290	1,314	1,670	24,607
Net financial liabilities	(8,202)	(1,689)	(678)	(956)	(875)	(12,400)
Total	**7,983**	**2,459**	**612**	**358**	**795**	**12,207**

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

(In ₹ crore)

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

Sensitivity analysis between Indian Rupee and USD

Particulars	Year ended March 31,	
	2022	**2021**
Impact on the Company's incremental Operating Margins	0.48%	0.47%

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

Derivative financial instruments

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

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

Particulars	As at March 31, 2022		As at March 31, 2021	
	In million	**In ₹ crore**	**In million**	**In ₹ crore**
Derivatives designated as cash flow hedges				
Forward contracts				
In Euro	8	67	-	-
Option Contracts				
In Australian dollars	185	1,050	92	512
In Euro	280	2,358	165	1,415
In United Kingdom Pound Sterling	32	318	35	353
Other derivatives				
Forward contracts				
In Canadian dollars	34	205	33	194
In Chinese Yuan	-	-	66	73
In Euro	266	2,240	151	1,295
In New Zealand dollars	20	105	16	82
In Norwegian Krone	80	70	25	21
In Singapore dollars	6	34	21	116
In Swedish Krona	-	-	-	-
In Swiss Franc	14	115	26	204
In Phillipine Peso	-	-	800	121
In U.S. dollars	1,004	7,622	1,012	7,392
In United Kingdom Pound Sterling	44	438	15	151
In South African rand	45	24	-	-
Option Contracts				
In Euro	81	682	65	557
In U.S. dollars	677	5,131	403	2,946
Total forwards and option contracts		**20,459**		**15,432**

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

(In ₹ crore)

Particulars	As at March 31, 2022	As at March 31, 2021
Not later than one month	5,323	5,028
Later than one month and not later than three months	11,973	6,698
Later than three months and not later than one year	3,163	3,706
	20,459	**15,432**

During the year ended March 31, 2022 and March 31, 2021 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, 2022 are expected to occur and reclassified to statement of profit and loss within 3 months.

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

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

The following table provides the reconciliation of cash flow hedge reserve for the year ended March 31, 2022 and March 31, 2021:

(In ₹ crore)

Particulars	Year ended March 31, 2022	2021
Gain / (Loss)		
Balance at the beginning of the year	10	(15)
Gain / (Loss) recognized in other comprehensive income during the year	102	(126)
Amount reclassified to profit and loss during the year	(113)	160
Tax impact on above	3	(9)
Balance at the end of the year	**2**	**10**

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

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

(In ₹ crore)

Particulars	As at March 31, 2022		As at March 31, 2021	
	Derivative financial asset	Derivative financial liability	Derivative financial asset	Derivative financial liability
Gross amount of recognized financial asset / liability	167	(47)	190	(21)
Amount set off	(36)	36	(12)	12
Net amount presented in Balance Sheet	**131**	**(11)**	**178**	**(9)**

Credit risk

Credit risk refers to the risk of default on its obligation by the counterparty resulting in a financial loss. The maximum exposure to the credit risk at the reporting date is primarily from trade receivables amounting to ₹18,966 crore and ₹16,394 crore as at March 31, 2022 and March 31, 2021, respectively and unbilled revenue amounting to ₹9,279 crore and ₹6,229 crore as at March 31, 2022 and March 31, 2021, respectively. Trade receivables and unbilled revenue are typically unsecured and are derived from revenue from customers primarily located in the United States of Americas. Credit risk has always been managed by the Company through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of the customers to which the Company grants credit terms in the normal course of business. The Company uses the expected credit loss model to assess any required allowances; and uses a provision matrix to compute the expected credit loss allowance for trade receivables and unbilled revenues. This matrix takes into account credit reports and other related credit information to the extent available.

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

The details in respect of percentage of revenues generated from top 5 customers and top 10 customers are as follows:

(In %)

Particulars	Year ended March 31, 2022	2021
Revenue from top 5 customers	11.9	12.0
Revenue from top 10 customers	20.5	19.6

Credit risk exposure

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

The allowance for lifetime expected credit loss on customer balances for the year ended March 31, 2022 and March 31, 2021 is ₹93 crore and ₹146 crore, respectively.

Movement in credit loss allowance:

(In ₹ crore)

Particulars	Year ended March 31, 2022	2021
Balance at the beginning	615	580
Impairment loss recognized/ (reversed)	93	146
Amounts written off	(49)	(106)
Translation differences	14	(5)
Balance at the end	**673**	**615**

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

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

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

Liquidity risk

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

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

As at March 31, 2022, the Company had a working capital of ₹27,460 crore including cash and cash equivalents of ₹12,270 crore and current investments of ₹5,467 crore. As at March 31, 2021, the Company had a working capital of ₹30,660 crore including cash and cash equivalents of ₹17,612 crore and current investments of ₹2,037 crore.

As at March 31, 2022 and March 31, 2021, the outstanding compensated absences were ₹1,850 crore and ₹1,731 crore, respectively, which have been substantially funded. Accordingly, no liquidity risk is perceived.

The details regarding the contractual maturities of significant financial liabilities as at March 31, 2022 are as follows:

(In ₹ crore)

Particulars	Less than 1 year	1-2 years	2-4 years	4-7 years	Total
Trade payables	2,669	-	-	-	2,669
Other financial liabilities (excluding liability towards contingent consideration) on an undiscounted basis (Refer to note 2.13)	9,500	377	202	10	10,089
Liability towards contingent consideration on an undiscounted basis (Refer to note 2.13)	-	-	-	-	-

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

(In ₹ crore)

Particulars	Less than 1 year	1-2 years	2-4 years	4-7 years	Total
Trade payables	1,562	-	-	-	1,562
Other financial liabilities (excluding liability towards contingent consideration) (Refer to note 2.13)	6,705	98	52	18	6,873
Liability towards contingent consideration on an undiscounted basis (Refer to note 2.13)	5	-	-	-	5

2.12 EQUITY

Accounting policy

Ordinary Shares

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

Description of reserves

Capital redemption reserve

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

Retained earnings

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

Securities premium

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

Share options outstanding account

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

Special Economic Zone Re-investment reserve

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

Other components of equity

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

Cash flow hedge reserve

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

2.12.1 EQUITY SHARE CAPITAL

(In ₹ crore, except as otherwise stated)

Particulars	**As at**	
	March 31, 2022	**March 31, 2021**
Authorized		
Equity shares, ₹5/- par value		
480,00,00,000 (480,00,00,000) equity shares	2,400	2,400
Issued, Subscribed and Paid-Up		
Equity shares, ₹5/- par value [(1)]	2,103	2,130
4,20,67,38,641 (426,06,60,846) equity shares fully paid-up		
	2,103	**2,130**

[(1)] *Refer to note 2.22 for details of basic and diluted shares*

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

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

In the event of liquidation of the company, the holders of equity shares will be entitled to receive any of the remaining assets of the company in proportion to the number of equity shares held by the shareholders, after distribution of all preferential amounts. However, no such preferential amounts exist currently. For details of shares reserved for issue under the employee stock option plan of the Company, refer to the note below.

In the period of five years immediately preceding March 31, 2022:

The Company has allotted 2,18,41,91,490 fully paid-up shares of face value ₹5/- each during the quarter ended September 30, 2018 pursuant to bonus issue approved by the shareholders through postal ballot. The bonus shares were issued by capitalization of profits transferred from general reserve. Bonus share of one equity share for every equity share held, and a bonus issue, viz., a stock dividend of one American Depositary Share (ADS) for every ADS held, respectively, has been allotted. Consequently, the ratio of equity shares underlying the ADSs held by an American Depositary Receipt holder remains unchanged.

The bonus shares once allotted shall rank pari passu in all respects and carry the same rights as the existing equity shareholders and shall be entitled to participate in full, in any dividend and other corporate action, recommended and declared after the new equity shares are allotted.

Capital allocation policy and buyback

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

Update on buyback announced in April 2021:

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

The shareholders approved the proposal of buyback of Equity Shares recommended by its Board of Directors in the Annual General meeting held on June 19, 2021.

The buyback was offered to all eligible equity shareholders of the Company (other than the Promoters, the Promoter Group and Persons in Control of the Company) under the open market route through the stock exchange. The buyback of equity shares through the stock exchange commenced on June 25, 2021 and was completed on September 8, 2021. During this buyback period the Company had purchased and extinguished a total of 55,807,337 equity shares from the stock exchange at a volume weighted average buyback price of ₹1,648.53/- per equity share comprising 1.31% of the pre buyback paid up equity share capital of the Company. The buyback resulted in a cash outflow of ₹9,200 crore (excluding transaction costs and tax on buyback). The Company funded the buyback from its free reserves including Securities Premium as explained in Section 68 of the Companies Act, 2013.

In accordance with section 69 of the Companies Act, 2013, as at March 31, 2022 the Company has created 'Capital Redemption Reserve' of ₹28 crore equal to the nominal value of the above shares bought back as an appropriation from general reserve.

The Company's objective when managing capital is to safeguard its ability to continue as a going concern and to maintain an optimal capital structure so as to maximize shareholder value. In order to maintain or achieve an optimal capital structure, the Company may adjust the amount of dividend payment, return capital to shareholders, issue new shares or buy back issued shares. As of March 31, 2022, the Company has only one class of equity shares and has no debt. Consequent to the above capital structure there are no externally imposed capital requirements.

2.12.2 Shareholding of promoter

Shares held by promoters at March 31, 2022:

Promoter name	No. of shares	% of total shares	% Change during the year
Sudha Gopalakrishnan	9,53,57,000	2.27%	-
Rohan Murty	6,08,12,892	1.45%	-
S Gopalakrishnan	4,18,53,808	0.99%	-
Nandan M Nilekani	4,07,83,162	0.97%	-
Akshata Murty	3,89,57,096	0.93%	-
Asha Dinesh	3,85,79,304	0.92%	-
Sudha N Murty	3,45,50,626	0.82%	-
Rohini Nilekani	3,43,35,092	0.82%	-
Dinesh Krishnaswamy	3,24,79,590	0.77%	-
Shreyas Shibulal	2,37,04,350	0.56%	-0.71%
N R Narayana Murthy	1,66,45,638	0.40%	-
Nihar Nilekani	1,26,77,752	0.30%	-
Janhavi Nilekani	85,89,721	0.20%	-27.74%
Kumari Shibulal	52,48,965	0.12%	-41.00%
Deeksha Dinesh	76,46,684	0.18%	-
Divya Dinesh	76,46,684	0.18%	-
Meghana Gopalakrishnan	48,34,928	0.11%	-
Shruti Shibulal	27,37,538	0.07%	-
S D Shibulal	58,14,733	0.14%	168.36%
Promoters Group			
Gaurav Manchanda	1,37,36,226	0.33%	-
Milan Shibulal Manchanda	69,67,934	0.17%	-50.00%
Nikita Shibulal Manchanda	69,67,934	0.17%	-
Bhairavi Madhusudhan Shibulal	66,79,240	0.16%	2.61%
Shray Chandra	7,19,424	0.02%	-
Tanush Nilekani Chandra	33,56,017	0.08%	331.59%

2.12.3 DIVIDEND

The final dividend on shares is recorded as a liability on the date of approval by the shareholders and interim dividends are recorded as a liability on the date of declaration by the Company's Board of Directors. Income tax consequences of dividends on financial instruments classified as equity will be recognized according to where the entity originally recognized those past transactions or events that generated distributable profits.

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

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

(in ₹)

Particulars	Year ended March 31,	
	2022	2021
Interim Dividend for fiscal 2022	15.00	-
Final dividend for fiscal 2021	15.00	-
Interim Dividend for fiscal 2021	-	12.00
Final dividend for fiscal 2020	-	9.50

During the year ended March 31, 2022, on account of the final dividend for fiscal 2021 and interim dividend for fiscal 2022 the Company has incurred a net cash outflow of ₹ 12,700 crore.

The Board of Directors in their meeting on April 13, 2022 recommended a final dividend of ₹16/- per equity share for the financial year ended March 31, 2022. This payment is subject to the approval of shareholders in the Annual General Meeting (AGM) of the Company to be held on June 25, 2022 and if approved would result in a net cash outflow of approximately ₹6,731 crore.

The details of shareholder holding more than 5% shares as at March 31, 2022 and March 31, 2021 are set out below:

Name of the shareholder	As at March 31, 2022		As at March 31, 2021	
	Number of shares	% held	Number of shares	% held
Deutsche Bank Trust Company Americas (Depository of ADR's - legal ownership)	66,63,70,669	15.84	73,24,89,890	17.19
Life Insurance Corporation of India	24,33,47,641	5.78	25,00,63,497	5.87

The reconciliation of the number of shares outstanding and the amount of share capital as at March 31, 2022 and March 31, 2021 is set out below:

(in ₹ crore, except as stated otherwise)

Particulars	As at March 31, 2022		As at March 31, 2021	
	Number of shares	Amount	Number of shares	Amount
As at the beginning of the period	4,26,06,60,846	2,130	4,25,89,92,566	2,129
Add: Shares issued on exercise of employee stock options	18,85,132.00	1	16,68,280	1
Less: Shares bought back	5,58,07,337	28	-	-
As at the end of the period	**4,20,67,38,641**	**2,103**	**4,26,06,60,846**	**2,130**

2.12.4 Employee Stock Option Plan (ESOP):

Accounting Policy

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

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

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

2015 Stock Incentive Compensation Plan (the 2015 Plan) :

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

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

Controlled trust holds 1,37,25,712 and 1,55,14,732 shares as at March 31, 2022 and March 31, 2021, respectively under the 2015 plan. Out of these shares, 2,00,000 equity shares each have been earmarked for welfare activities of the employees as at March 31, 2022 and March 31, 2021.

The following is the summary of grants during the year ended March 31, 2022 and March 31, 2021:

Particulars	2019 Plan		2015 Plan	
	Year ended March 31,		Year ended March 31,	
	2022	2021	2022	2021
Equity settled RSU				
KMPs	148,762	313,808	284,543	457,151
Employees other than KMPs	2,701,867	1,282,600	1,305,880	2,203,460
	2,850,629	**1,596,408**	**1,590,423**	**2,660,611**
Cash settled RSU				
KMPs	-	-	-	-
Employees other than KMPs	-	-	49,960	115,250
	-	**-**	**49,960**	**115,250**
Total Grants	**2,850,629**	**1,596,408**	**1,640,383**	**2,775,861**

Notes on grants to KMP:

CEO & MD

Under the 2015 Plan:

In accordance with the employee agreement which has been approved by the shareholders, the CEO is eligible to receive an annual grant of RSUs of fair value ₹3.25 crore which will vest overtime in three equal annual installments upon the completion of each year of service from the respective grant date. Accordingly, annual time-based grant of 18,340 RSUs was made effective February 1, 2022 for fiscal 2022.

The Board, on April 14, 2021, based on the recommendations of the nomination and remuneration committee, in accordance with the terms of his employment agreement, approved the grant of performance-based RSUs of fair value of ₹13 crore for fiscal 2022 under the 2015 Plan. These RSUs will vest in line with the employment agreement based on achievement of certain performance targets. Accordingly, 96,150 performance based RSU's were granted effective May 2, 2021.

Under the 2019 Plan:

The Board, on April 14, 2021, based on the recommendations of the Nomination and Remuneration Committee, approved performance-based grant of RSUs amounting to ₹10 crore for fiscal 2022 under the 2019 Plan. These RSUs will vest in line with the employment agreement based on achievement of certain performance targets. Accordingly, 73,962 performance based RSU's were granted effective May 2, 2021.

Other KMPs

Under the 2015 Plan:

On April 14, 2021, based on the recommendations of the Nomination and Remuneration Committee, in accordance with employment agreement, the Board, approved performance-based grant of 5,547 RSUs to a KMP under the 2015 Plan. The grants were made effective May 2, 2021. The performance based RSUs will vest over three years based on certain performance targets.

On January 12, 2022, based on the recommendations of the Nomination and Remuneration Committee, the Board, approved time based grant of 9,876 RSUs to a KMP under the 2015 Plan. The grants were made effective February 1, 2022. These RSUs will vest over four years.

On March 31, 2022, based on the recommendations of the Nomination and Remuneration Committee, the Board, approved time based grant of 154,630 RSUs to other KMPs under the 2015 Plan. The grants were made effective March 31, 2022. These RSUs will vest over four years.

Under the 2019 plan:

On March 31, 2022, based on the recommendations of the Nomination and Remuneration Committee, the Board, approved performance based grant of 74,800 RSUs to other KMPs under the 2019 Plan. The grants were made effective March 31, 2022. These RSUs will vest over three years based on achievement of certain performance targets.

Break-up of employee stock compensation expense

(in ₹ crore)

Particulars	Year ended March 31,	
	2022	2021
Granted to:		
KMP	65	76
Employees other than KMP	307	221
Total [(1)]	**372**	**297**
[(1)] *Cash settled stock compensation expense included in the above*	13	71

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

During the year ended March 31, 2021, the company issued ADS settled RSU and ESOP awards as replacement for outstanding stock appreciation rights awards. The replacement was pursuant to SEBI Circular 'Framework for issue of Depository Receipts - Clarifications' dated December 18, 2020 which allows Non resident Indians to hold depository reciepts. The awards were granted after necessary approvals from the NARC. All other terms and conditions of the replaced awards remain the same as the original award.

The replacement awards was accounted as a modification and the fair value on the date of modification of ₹85 crore is recognized as equity with a corresponding adjustment to financial liability.

The activity in the 2015 and 2019 Plan for equity-settled share based payment transactions during the year ended March 31, 2022 and March 31, 2021 is set out as follows:

Particulars	Year ended March 31, 2022		Year ended March 31, 2021	
	Shares arising out of options	Weighted average exercise price (₹)	Shares arising out of options	Weighted average exercise price (₹)
2015 Plan: RSU				
Outstanding at the beginning	80,47,240	4.52	87,80,898	3.96
Granted	1,590,423	5.00	26,60,611	5.00
Exercised	2,569,983	4.07	37,83,462	3.55
Modification to equity settled awards	-	-	871,900	-
Modification to cash settled awards	-	-	-	-
Forfeited and expired	834,705	4.63	4,82,707	4.13
Outstanding at the end	**62,32,975**	**4.80**	**80,47,240**	**4.52**
Exercisable at the end	653,946	4.51	151,685	3.36
2015 Plan: Employee Stock Options (ESOPs)				
Outstanding at the beginning	1,049,456	535	11,00,330	539
Granted	-	-	-	-
Exercised	348,612	529	239,272	534
Modification to equity settled awards	-	-	203,026	-
Modification to cash settled awards	-	-	-	-
Forfeited and expired	-	-	14,628	566
Outstanding at the end	**700,844**	**557**	**1,049,456**	**535**
Exercisable at the end	700,844	557	1,002,130	536
2019 Plan: RSU				
Outstanding at the beginning	3,050,573	5.00	2,091,293	5.00
Granted	2,850,629	5.00	1,596,408	5.00
Exercised	755,557	5.00	370,170	5.00
Forfeited and expired	186,707	5.00	266,958	5.00
Outstanding at the end	**4,958,938**	**5.00**	**3,050,573**	**5.00**
Exercisable at the end	4,958,938	5.00	233,050	5.00

During the year ended March 31, 2022 and March 31, 2021 the weighted average share price of options exercised under the 2015 Plan on the date of exercise was ₹1,705 and ₹1,097 respectively.

During the year ended March 31, 2022 and March 31, 2021 the weighted average share price of options exercised under the 2019 Plan on the date of exercise was ₹1,560 and 1,166 respectively.

The summary of information about equity settled RSUs and ESOPs outstanding as at March 31, 2022 is as follows:

Range of exercise prices per share (₹)	2019 plan - Options outstanding			2015 plan - Options outstanding		
	No. of shares arising out of options	Weighted average remaining contractual life	Weighted average exercise price (₹)	No. of shares arising out of options	Weighted average remaining contractual life	Weighted average exercise price (₹)
0 - 5 (RSU)	4,958,938	1.43	5.00	6,232,975	1.47	4.82
450 - 600 (ESOP)	-	-	-	700,844	0.65	557
	4,958,938	**1.43**	**5.00**	**6,933,819**	**1.39**	**61**

The summary of information about equity settled RSUs and ESOPs outstanding as at March 31, 2021 was as follows:

Range of exercise prices per share (₹)	2019 plan - Options outstanding			2015 plan - Options outstanding		
	No. of shares arising out of options	Weighted average remaining contractual life	Weighted average exercise price (₹)	No. of shares arising out of options	Weighted average remaining contractual life	Weighted average exercise price (₹)
0 - 5 (RSU)	3,050,573	1.48	5.00	8,047,240	1.67	4.52
450 - 600 (ESOP)	-	-	-	1,049,456	1.83	535.00
	3,050,573	**1.48**	**5.00**	**9,096,696**	**1.69**	**66**

As at March 31, 2022 and March 31, 2021, 2,58,601 and 3,87,088 cash settled options were outstanding respectively. The carrying value of liability towards cash settled share based payments was ₹12 crore and ₹7 crore as at March 31, 2022 and March 31, 2021 respectively.

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

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

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

Particulars	For options granted in			
	Fiscal 2022-Equity Shares-RSU	Fiscal 2022-ADS-RSU	Fiscal 2021-Equity Shares-RSU	Fiscal 2021-ADS-RSU
Weighted average share price (₹) / ($ ADS)	1,791	24.45	1,253	18.46
Exercise price (₹)/ ($ADS)	5.00	0.07	5.00	0.07
Expected volatility (%)	21-31	26-34	30-35	30-36
Expected life of the option (years)	1-4	1-4	1-4	1-4
Expected dividends (%)	2-3	2-3	2-3	2-3
Risk-free interest rate (%)	4-6	1-2	4-5	0.1-0.3
Weighted average fair value as on grant date (₹) / ($ADS)	1,661	22.88	1,124	16.19

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

2.13 OTHER FINANCIAL LIABILITIES

(In ₹ crore)

Particulars	As at March 31, 2022	As at March 31, 2021
Non-current		
Others		
Compensated absences	86	91
Accrued compensation to employees (1)	8	-
Accrued expenses (1)(4)	503	163
Other payables (1)(6)	79	5
Total non-current other financial liabilities	**676**	**259**
Current		
Unpaid dividends (1)	36	33
Others		
Accrued compensation to employees (1)	2,999	2,915
Accrued expenses (1)(4)	4,603	2,944
Retention monies (1)	12	13
Payable for acquisition of business - Contingent consideration (2)	-	5
Capital creditors (1)	395	340
Compensated absences	1,764	1,640
Other payables (1)(5)(6)	1,449	460
Foreign currency forward and options contracts (2)(3)	11	9
Total current other financial liabilities	**11,269**	**8,359**
Total other financial liabilities	**11,945**	**8,618**
(1) *Financial liability carried at amortized cost*	10,084	6,873
(2) *Financial liability carried at fair value through profit or loss*	8	14
(3) *Financial liability carried at fair value through other comprehensive income*	3	-
(4) *Includes dues to subsidiaries*	7	74
(5) *Includes dues to subsidiaries*	316	174
Contingent consideration on undiscounted basis	-	5

(6) Deferred contract cost in note 2.10 includes technology assets taken over by the Company from a customer as a part of transformation project which is not considered as distinct goods or services and the control related to the assets is not transferred to the Company in accordance with Ind AS 115 - Revenue from contract with customers. Accordingly, the same has been considered as a reduction to the total contract value and accounted as Deferred contract cost. Further as at March 31, 2022 the Company has entered into a financing arrangement with a third party for these assets which has been considered as financial liability.

2.14 TRADE PAYABLES

(In ₹ crore)

Particulars	As at March 31, 2022	As at March 31, 2021
Outstanding dues of micro enterprises and small enterprises	3	-
Outstanding dues of creditors other than micro enterprises and small enterprises (1)	2,666	1,562
Total trade payables	**2,669**	**1,562**
(1) *Includes dues to subsidiaries*	*613*	*400*

There is no interest due or outstanding on the dues to Micro, Small and Medium Enterprises. During the year ended March 31, 2022 and March 31, 2021, an amount of ₹70 crore and ₹13 crore was paid beyond the appointed day as defined in the Micro, Small and Medium Enterprises Development Act 2006.

Trade payables ageing schedule for the year ended as on March 31, 2022 and March 31, 2021:

(In ₹ crore)

Particulars	Not Due	Outstanding for following periods from due date of payment: Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Outstanding dues to MSME	3	-	-	-	-	3
	-	-	-	-	-	-
Others	2,131	535	-	-	-	2,666
	1,318	*236*	*1*	*4*	*3*	*1,562*
Total trade payables	2,134	535	-	-	-	2,669
	1,318	***236***	***1***	***4***	***3***	***1,562***

Relationship with struckoff companies

(In ₹ crore)

Name of Struck off Company	Nature of transactions	Transactions during the year March 31, 2022	Balance outstanding at the end of the year as at March 31, 2022	Relationship with the Struck off company, if any, to bedisclosed
Compulease NetworksPrivate Limited	Payables	-*	-	Vendor

**Less than ₹ 1 crore*

Name of Struck off Company	Nature of transactions	Transactions during the year March 31, 2021	Balance outstanding at the end of the year as at March 31, 2021	Relationship with the Struck off company, if any, to bedisclosed
Mysodet Private Limited	Payables	1	-	Vendor
Compulease NetworksPrivate Limited	Payables	-*	-	Vendor

**Less than ₹ 1 crore*

2.15 OTHER LIABILITIES

(In ₹ crore)

Particulars	As at March 31, 2022	As at March 31, 2021
Non current		
Accrued defined benefit plan liability (Refer to note 2.21)	332	274
Others		
Deferred income	9	16
Deferred income - government grants	19	14
Withholding taxes and others	-	345
Total non - current other liabilities	**360**	**649**
Current		
Accrued defined benefit plan liability	2	3
Unearned revenue	5,179	3,145
Others		
Withholding taxes and others	2,190	1,666
Deferred income - government grants	10	2
Total current other liabilities	**7,381**	**4,816**
Total other liabilities	**7,741**	**5,465**

2.16 PROVISIONS

Accounting Policy

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

a. Post sales client support

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

b. Onerous contracts

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

Provision for post-sales client support and other provisions

(In ₹ crore)

Particulars	**As at**	
	March 31, 2022	**March 31, 2021**
Current		
Others		
Post-sales client support and others	920	661
Total provisions	**920**	**661**

The movement in the provision for post-sales client support is as follows : *(In ₹ crore)*

Particulars	**Year ended March 31, 2022**
Balance at the beginning	**661**
Provision recognized/(reversed)	343
Provision utilized	(152)
Exchange difference	28
Balance at the end	**880**

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

2.17 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 equity or other comprehensive income. Current income tax for current and prior periods is recognized at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date. Deferred income tax assets and liabilities are recognized for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. 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 equity.

Income tax expense in the statement of profit and loss comprises: *(In ₹ crore)*

Particulars	Year ended March 31,	
	2022	2021
Current taxes	6,960	6,013
Deferred taxes	300	416
Income tax expense	**7,260**	**6,429**

Income tax expense for the year ended March 31, 2022 and March 31, 2021 includes reversal (net of provisions) of ₹250 crore and ₹298 crore, respectively. These reversals pertains to prior periods on account of adjudication of certain disputed matters in favor of the Company and upon filing of return across various jurisdictions.

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

(In ₹ crore)

Particulars	Year ended March 31,	
	2022	2021
Profit before income taxes	28,495	24,477
Enacted tax rates in India	34.94%	34.94%
Computed expected tax expense	9,957	8,553
Tax effect due to non-taxable income for Indian tax purposes	(2,849)	(2,468)
Overseas taxes	958	688
Tax provision (reversals)	(250)	(298)
Effect of exempt non-operating income	(478)	(166)
Effect of non-deductible expenses	122	127
Impact of change in tax rate	(104)	-
Others	(96)	(7)
Income tax expense	**7,260**	**6,429**

The applicable Indian corporate statutory tax rate for the year ended March 31, 2022 and March 31, 2021 is 34.94% each..

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

Entire deferred income tax for the year ended March 31, 2022 and March 31, 2021, relates to origination and reversal of temporary differences.

Infosys is subject to a 15% Branch Profit Tax (BPT) in the U.S. to the extent its U.S. branch's net profit during the year is greater than the increase in the net assets of the U.S. branch during the year, computed in accordance with the Internal Revenue Code. As at March 31, 2022, Infosys' U.S. branch net assets amounted to approximately ₹6,332 crore. As at March 31, 2022, the Company has a deferred tax liability for branch profit tax of ₹158 crore (net of credits), as the Company estimates that these branch profits are expected to be distributed in the foreseeable future.

Deferred income tax liabilities have not been recognized on temporary differences amounting to ₹9,618 crore and ₹9,670 crore as at March 31, 2022 and March 31, 2021, respectively, associated with investments in subsidiaries and branches as it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred income tax assets have not been recognized on accumulated losses of ₹1,345 crore and ₹1,014 crore as at March 31, 2022 and March 31, 2021, respectively as it is probable that future taxable profit will be not be available against which the unused tax losses can be utilized in the foreseeable future. Majority of the accumulated losses as at March 31, 2022 will expire between financial years 2028 to 2030.

The details of income tax assets and income tax liabilities as at March 31, 2022 and March 31, 2021:

(In ₹ crore)

Particulars	As at	
	March 31, 2022	March 31, 2021
Income tax assets	5,585	5,287
Current income tax liabilities	2,179	1,737
Net current income tax asset/ (liability) at the end	**3,406**	**3,550**

The gross movement in the current income tax asset/ (liability) for the year ended March 31, 2022 and March 31, 2021 is as follows:

(In ₹ crore)

Particulars	As at	
	March 31, 2022	March 31, 2021
Net current income tax asset/ (liability) at the beginning	3,550	3,471
Income tax paid	6,736	6,061
Current income tax expense	(6,960)	(6,013)
Income tax benefit arising on exercise of stock options	63	45
Income tax on other comprehensive income	12	1
Tax impact on buyback expenses	8	-
Tax liability taken over from Kallidus	-	(15)
Translation differences	(3)	-
Net current income tax asset/ (liability) at the end	**3,406**	**3,550**

The movement in gross deferred income tax assets and liabilities (before set off) for the year ended March 31, 2022 is as follows:

(In ₹ crore)

Particulars	Carrying value as of April 1, 2021	Changes through profit and loss	Additions through business transfer	Changes through OCI	Translation difference	Carrying value as of March 31, 2022
Property, plant and equipment	315	(126)	-	-	-	189
Lease liabilities	149	14	-	-	-	163
Trade receivables	194	(25)	-	-	-	169
Compensated absences	437	29	-	-	-	466
Post sales client support	115	3	-	-	-	118
Derivative financial instruments	(54)	27	-	3	-	(24)
Credits related to branch profits	355	308	-	-	13	676
Intangibles through business transfer	(10)	6	-	-	-	(4)
Branch profit tax	(500)	(316)	-	-	(18)	(834)
SEZ reinvestment reserve	(613)	(217)	-	-	-	(830)
Others	56	(3)	-	(13)	-	40
Total Deferred income tax assets and liabilities	**444**	**(300)**	**-**	**(10)**	**(5)**	**129**

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

(In ₹ crore)

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

The 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, 2022	March 31, 2021
Deferred income tax assets after set off	970	955
Deferred income tax liabilities after set off	(841)	(511)

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.

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

2.18 REVENUE FROM OPERATIONS

Accounting Policy

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

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

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

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

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

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

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

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

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

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

The incremental costs of obtaining a contract (i.e., costs that would not have been incurred if the contract had not been obtained) are recognized as an asset if the Company expects to recover them. Certain eligible, nonrecurring costs (e.g. set-up or transition or transformation costs) that do not represent a separate performance obligation are recognized as an asset when such costs (a) relate directly to the contract; (b) generate or enhance resources of the Company that will be used in satisfying the performance obligation in the future; and (c) are expected to be recovered. Such capitalized contract costs are amortized over the respective contract life on a systematic basis consistent with the transfer of goods or services to customer to which the asset relates.

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

Revenue from operations for the year ended March 31, 2022 and March 31, 2021 is as follows:

(In ₹ crore)

Particulars	Year ended March 31,	
	2022	2021
Revenue from software services	103,615	85,669
Revenue from products and platforms	325	243
Total revenue from operations	**103,940**	**85,912**

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

Disaggregated revenue information

The table below presents disaggregated revenues from contracts with customers by offerings for the year ended March 31, 2022 and March 31, 2021 respectively. The Company believes that this disaggregation best depicts how the nature, amount, timing and uncertainty of our revenues and cash flows are affected by industry, market and other economic factors.

(In ₹ crore)

Particulars	Year ended March 31,	
	2022	2021
Revenue by offerings		
Core	43,410	43,810
Digital	60,530	42,102
Total	**103,940**	**85,912**

Digital Services

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

Core Services

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

Products & platforms

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

The percentage of revenue from fixed-price contracts for each of the year ended March 31, 2022 and March 31, 2021 is approximately 53%.

Trade receivables and Contract Balances

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

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

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

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

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

During the year ended March 31, 2022 and March 31, 2021 , the company recognized revenue of ₹2,831 crore and ₹1,861 crore arising from opening unearned revenue as of April 1, 2021 and April 1, 2020 respectively.

During the year ended March 31, 2022 and March 31, 2021, ₹3,711 crore and ₹3,401 crore of unbilled revenue pertaining to other fixed price and fixed time frame contracts as of April 1, 2021 and April 1, 2020, respectively has been reclassified to Trade receivables upon billing to customers on completion of milestones.

Remaining performance obligation disclosure

The remaining performance obligation disclosure provides the aggregate amount of the transaction price yet to be recognized as at the end of the reporting period and an explanation as to when the Company expects to recognize these amounts in revenue. Applying the practical expedient as given in Ind AS 115, the Company has not disclosed the remaining performance obligation related disclosures for contracts where the revenue recognized corresponds directly with the value to the customer of the entity's performance completed to date, typically those contracts where invoicing is on time and material including unit of work based contracts. Remaining performance obligation estimates are subject to change and are affected by several factors, including terminations, changes in the scope of contracts, periodic revalidations, adjustment for revenue that has not materialized and adjustments for currency fluctuations.

The aggregate value of performance obligations that are completely or partially unsatisfied as at March 31, 2022, other than those meeting the exclusion criteria mentioned above, is ₹65,748 crore. Out of this, the Company expects to recognize revenue of around 55% within the next one year and the remaining thereafter. The aggregate value of performance obligations that are completely or partially unsatisfied as at March 31, 2021 is ₹62,114 crore. The contracts can generally be terminated by the customers and typically includes an enforceable termination penalty payable by them. Generally, customers have not terminated contracts without cause.

2.19 OTHER INCOME, NET

2.19.1 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.

2.19.2 Foreign currency - Accounting Policy

Functional currency

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

Transactions and translations

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

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

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

Government grant

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

Other income for the year ended March 31, 2022 and March 31, 2021 is as follows:

(In ₹ crore)

Particulars	Year ended March 31,	
	2022	2021
Interest income on financial assets carried at amortized cost		
Tax free bonds and government bonds	151	143
Deposit with Bank and others	668	951
Interest income on financial assets fair valued through other comprehensive income		
Non-convertible debentures, commercial paper, certificates of deposit and government securities	580	372
Income on investments carried at fair value through other comprehensive income	1	80
Income on investments carried at fair value through profit or loss		
Dividend income on liquid mutual funds	-	8
Gain / (loss) on liquid mutual funds and other investments	127	70
Dividend received from subsidiary [(1)]	1,218	321
Interest income on income tax refund	-	-
Exchange gains/(losses) on foreign currency forward and options contracts	189	558
Exchange gains/(losses) on translation of assets and liabilities	105	(279)
Miscellaneous income, net	185	243
Total other income	**3,224**	**2,467**

[(1)] The Company received dividend from its wholly owned subsidiaries - Infosys BPM Limited and Brilliant Basics Holdings Limited

2.20 EXPENSES

(In ₹ crore)

Particulars	Year ended March 31,	
	2022	**2021**
Employee benefit expenses		
Salaries including bonus	49,575	43,605
Contribution to provident and other funds	1,417	1,146
Share based payments to employees (Refer to note 2.12)	372	297
Staff welfare	300	131
	51,664	**45,179**
Cost of software packages and others		
For own use	1,062	942
Third party items bought for service delivery to clients	1,923	1,116
	2,985	**2,058**
Other expenses		
Power and fuel	93	99
Brand and Marketing	444	288
Short-term leases	12	24
Rates and taxes	205	192
Repairs and Maintenance	824	1,050
Consumables	29	22
Insurance	135	108
Provision for post-sales client support and others	77	47
Commission to non-whole time directors	11	6
Impairment loss recognized / (reversed) under expected credit loss model	117	152
Auditor's remuneration		
Statutory audit fees	5	5
Tax matters	-	-
Other services	-	1
Contributions towards Corporate Social Responsibility (CSR) (Refer to note 2.25)		
Towards CSR*	397	412
Proposed transfer of CSR assets	-	283
Others	141	54
	2,490	**2,743**

* Figures for the year ended March 31, 2021 includes ₹37 crore which the Company intends to spend in the future relating to and in addition to the amounts spent in the prior years

2.21 EMPLOYEE BENEFITS

Accounting Policy

2.21.1 Gratuity and Pensions

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

The Company operates defined benefit pension plan in certain overseas jurisdictions, in accordance with the local laws. These plans are managed by third party fund managers. The plans provide for periodic payouts after retirement or for a lumpsum payment as set out in rules of each fund and includes death and disability benefits.

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

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

2.21.2 Provident fund

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

2.21.3 Superannuation

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

2.21.4 Compensated absences

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

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

a. Gratuity and Pension

The following tables set out the funded status majorly of the Indian gratuity plans and the amounts recognized in the Company's financial statements as at March 31, 2022 and March 31, 2021:

(In ₹ crore)

Particulars	As at March 31, 2022	As at March 31, 2021
Change in benefit obligations		
Benefit obligations at the beginning	1,382	1,195
Service cost	193	181
Interest expense	77	72
Transfer of obligation	3	3
Remeasurements - Actuarial (gains)/ losses	69	14
Benefits paid	(257)	(83)
Benefit obligations at the end	**1,467**	**1,382**
Change in plan assets		
Fair value of plan assets at the beginning	1,391	1,338
Interest income	84	80
Transfer of assets	3	-
Remeasurements- Return on plan assets excluding amounts included in interest income	21	10
Contributions	235	45
Benefits paid	(257)	(82)
Fair value of plan assets at the end	**1,477**	**1,391**
Funded status	**10**	**9**

The amount for the year ended March 31, 2022 and March 31, 2021 recognized in the Statement of Profit and Loss under employee benefit expense are as follows:

(In ₹ crore)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Service cost	193	181
Net interest on the net defined benefit	(7)	(8)
Net gratuity cost	**186**	**173**

The amount for the year ended March 31, 2022 and March 31, 2021 recognized in the statement of other comprehensive income are as follows:

(In ₹ crore)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Remeasurements of the net defined benefit liability/ (asset)		
Actuarial (gains) / losses	69	14
(Return) / loss on plan assets excluding amounts included in the net interest on the net defined benefit liability/(asset)	(21)	(10)
	48	**4**

(In ₹ crore)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
(Gain)/loss from change in demographic assumptions	-	-
(Gain)/loss from change in financial assumptions	(33)	8
(Gain) / loss from change in experience assumptions	102	6
	69	**14**

The weighted-average assumptions used to determine benefit obligations as at March 31, 2022 and March 31, 2021 are set out below:

Particulars	As at March 31, 2022	As at March 31, 2021
Discount Rate [(1)]	6.5%	6.1%
Weighted average rate of increase in compensation levels [(2)]	6.0%	6.0%
Weighted average duration of defined benefit obligation [(3)]	5.9 years	5.9 years

The weighted-average assumptions used to determine net periodic benefit cost for the year ended March 31, 2022 and March 31, 2021 are set out below:

Particulars	Year ended March 31,	
	2022	2021
Discount rate	6.1%	6.2%
Weighted average rate of increase in compensation levels	6.0%	6.0%

Assumptions regarding future mortality experience are set in accordance with the published statistics by the Life Insurance Corporation of India.

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

(2) The average rate of increase in compensation levels is determined by the Company, considering factors such as, the Company's past compensation revision trends and management's estimate of future salary increases.

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

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

(in ₹ crore)

Impact from percentage point increase / decrease in	As at March 31,	
	2022	2021
Discount Rate	81	78
Weighted average rate of increase in compensation level	73	70

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

The Company contributes all ascertained liabilities towards gratuity to the Infosys Limited Employees' Gratuity Fund Trust. Trustees administer contributions made to the trust. As at March 31, 2022 and March 31, 2021, the plan assets have been primarily invested in insurer managed funds.

Actual return on assets for the year ended March 31, 2022 and March 31, 2021 were ₹105 crore and ₹90 crore respectively.

The Company expects to contribute ₹200 crore to the gratuity trusts during the fiscal 2022.

Maturity profile of defined benefit obligation:

(In ₹ crore)

Within 1 year	204
1-2 year	214
2-3 year	231
3-4 year	242
4-5 year	284
5-10 years	1,559

The Company operates defined benefit pension plan in certain overseas jurisdictions, in accordance with local laws. As on March 31, 2022 and March 31, 2021, the defined benefit obligation (DBO) is ₹610 crore and ₹541 crore, fair value of plan assets is ₹534 crore and ₹434 crore, resulting in recognition of a net DBO of ₹76 crore and ₹107 crore.

b. Superannuation

The Company contributed ₹342 crore and ₹242 crore to the Superannuation trust during the year ended March 31, 2022 and March 31, 2021 respectively and the same has been recognized in the Statement of Profit and Loss account under the head employee benefit expense.

c. Provident fund

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

The following tables set out the funded status of the defined benefit provident fund plan of Infosys limited and the amounts recognized in the Company's financial statements as at March 31, 2022 and March 31, 2021:

(In ₹ crore)

Particulars	As at March 31,	
	2022	2021
Change in benefit obligations		
Benefit obligations at the beginning	8,287	7,366
Service cost - employer contribution	656	423
Employee contribution	1,153	816
Interest expense	516	606
Actuarial (gains) / loss	118	(26)
Benefits paid	(1,426)	(898)
Benefit obligations at the end	**9,304**	**8,287**
Change in plan assets		
Fair value of plan assets at the beginning	8,140	7,117
Interest income	507	596
Remeasurements- Return on plan assets excluding amounts included in interest income	66	125
Contributions	1,771	1,200
Benefits paid	(1,426)	(898)
Fair value of plan assets at the end	**9,058**	**8,140**
Net liability	(246)	(147)

Amount for the year ended March 31, 2022 and March 31, 2021 recognized in the statement of other comprehensive income:

(In ₹ crore)

Particulars	Year ended March 31,	
	2022	2021
Remeasurements of the net defined benefit liability/ (asset)		
Actuarial (gains) / losses	118	(26)
(Return) / loss on plan assets excluding amounts included in the net interest on the net defined benefit liability/(asset)	(66)	(125)
	52	**(151)**

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

Particulars	As at March 31,	
	2022	2021
Government of India (GOI) bond yield [(1)]	6.50%	6.10%
Expected rate of return on plan assets	7.70%	8.00%
Remaining term to maturity of portfolio	6 years	6 years
Expected guaranteed interest rate	8.10%	8.50%

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

The breakup of the plan assets into various categories as at March 31, 2022 and March 31, 2021 is as follows:

Particulars	As at March 31,	
	2022	2021
Central and State government bonds	57%	54%
Public sector undertakings and Private sector bonds	37%	40%
Others	6%	6%

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

As at March 31, 2022 the defined benefit obligation would be affected by approximately ₹88 crore and ₹114 crore on account of a 0.25% increase / decrease in the expected rate of return on plan assets.

The Company contributed ₹768 crore and ₹568 crore to the provident fund during the year ended March 31, 2022 and March 31, 2021, respectively. The same has been recognized in the net profit in the statement of profit and loss under the head employee benefit expense.

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

Employee benefits cost include:

(In ₹ crore)

Particulars	Year ended March 31,	
	2022	2021
Salaries and bonus[(1)]	50,341	44,078
Defined contribution plans	342	242
Defined benefit plans	981	859
	51,664	**45,179**

(1) Includes employee stock compensation expense of ₹372 crore and ₹297 crore for the year ended March 31, 2022 and March 31, 2021, respectively (Refer to note 2.12).

2.22 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,	
	2022	**2021**
Basic earnings per equity share - weighted average number of equity shares outstanding	4,22,43,39,562	4,25,94,38,950
Effect of dilutive common equivalent shares - share options outstanding	52,06,766	36,53,564
Diluted earnings per equity share - weighted average number of equity shares and common equivalent shares outstanding	**4,22,95,46,328**	**4,26,30,92,514**

For the year ended March 31, 2022 and March 31, 2021 no number of options to purchase equity shares had an anti-dilutive effect.

2.23 CONTINGENT LIABILITIES AND COMMITMENTS

Accounting Policy

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

(In ₹ crore)

Particulars	As at	
	March 31, 2022	**March 31, 2021**
Contingent liabilities :		
Claims against the Company, not acknowledged as debts[(1)]	4,245	3,753
[Amount paid to statutory authorities ₹5,617 crore *(₹5,827 crore)*]		
Commitments :		
Estimated amount of contracts remaining to be executed on capital contracts and not provided for (net of advances and deposits)[(2)]	1,092	609
Other Commitments*	11	10

** Uncalled capital pertaining to investments*

[(1)] As at March 31, 2022, claims against the Company not acknowledged as debts in respect of income tax matters amounted to ₹3,898 crore. As at March 31, 2021, claims against the Company not acknowledged as debts in respect of income tax matters amounted to ₹3,424 crore.

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

Amount paid to statutory authorities against the tax claims amounted to ₹5,607 crore and ₹5,817 crore as at March 31, 2022 and March 31, 2021, respectively.

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

Legal Proceedings

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

2.24 RELATED PARTY TRANSACTIONS

List of related parties

Name of subsidiaries	Country	Holdings as at March 31, 2022	Holdings as at March 31, 2021
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 Nova Holdings LLC. (Infosys Nova)	U.S.	100%	100%
EdgeVerve Systems Limited (EdgeVerve)	India	100%	100%
Infosys Austria GmbH	Austria	100%	100%
Skava Systems Private Limited (Skava Systems)(41)	India	100%	100%
Kallidus Inc, (Kallidus)(42)	U.S.	-	-
Infosys Chile SpA	Chile	100%	100%
Infosys Arabia Limited(2)	Saudi Arabia	70%	70%
Infosys Consulting Ltda.(1)	Brazil	100%	100%
Infosys CIS LLC(1)(15)	Russia	-	-
Infosys Luxembourg S.a.r.l	Luxembourg	100%	100%
Infosys Americas Inc., (Infosys Americas)	U.S.	100%	100%
Infosys Public Services, Inc. USA (Infosys Public Services)	U.S.	100%	100%
Infosys Canada Public Services Inc(20)(53)	Canada	-	-
Infosys BPM Limited(61)	India	100%	99.99%
Infosys (Czech Republic) Limited s.r.o.(3)	Czech Republic	100%	99.99%
Infosys Poland Sp z.o.o(3)	Poland	100%	99.99%
Infosys McCamish Systems LLC(3)	U.S.	100%	99.99%
Portland Group Pty Ltd(3)	Australia	100%	99.99%
Infosys BPO Americas LLC.(3)	U.S.	100%	99.99%
Infosys Consulting Holding AG (Infosys Lodestone)	Switzerland	100%	100%
Infosys Management Consulting Pty Limited(4)	Australia	100%	100%
Infosys Consulting AG(4)	Switzerland	100%	100%
Infosys Consulting GmbH(4)	Germany	100%	100%
Infosys Consulting S.R.L.	Romania	100%	100%
Infosys Consulting SAS(4)	France	100%	100%
Infosys Consulting s.r.o. v likvidaci (formerly Infosys Consulting s.r.o.)(4)(52)	Czech Republic	-	100%
Infosys Consulting (Shanghai) Co., Ltd.(4)(48)	China	-	100%
Infy Consulting Company Ltd(4)	U.K.	100%	100%
Infy Consulting B.V.(4)	The Netherlands	100%	100%
Infosys Consulting Sp. z.o.o(29)	Poland	-	-
Lodestone Management Consultants Portugal, Unipessoal, Lda.(4)(34)	Portugal	-	-
Infosys Consulting S.R.L.(4)	Argentina	100%	100%
Infosys Consulting (Belgium) NV(5)	Belgium	99.90%	99.90%
Panaya Inc. (Panaya)	U.S.	100%	100%
Panaya Ltd.(6)	Israel	100%	100%
Panaya GmbH(6)	Germany	100%	100%
Brilliant Basics Holdings Limited (Brilliant Basics)(41)	U.K.	100%	100%
Brilliant Basics Limited(7)(41)	U.K.	100%	100%
Brilliant Basics (MENA) DMCC(7)(21)	Dubai	-	-
Infosys Consulting Pte. Ltd. (Infosys Singapore)	Singapore	100%	100%
Infosys Middle East FZ LLC(8)	Dubai	100%	100%
Fluido Oy(8)	Finland	100%	100%
Fluido Sweden AB (Extero)(11)	Sweden	100%	100%
Fluido Norway A/S(11)	Norway	100%	100%
Fluido Denmark A/S(11)	Denmark	100%	100%
Fluido Slovakia s.r.o(11)	Slovakia	100%	100%
Fluido Newco AB(11)(36)	Sweden	-	-
Infosys Compaz Pte. Ltd(9)	Singapore	60%	60%
Infosys South Africa (Pty) Ltd(8)	South Africa	100%	100%
WongDoody Holding Company Inc. (WongDoody)(1)(54)	U.S.	-	100%
WDW Communications, Inc(10)(55)	U.S.	-	100%
WongDoody, Inc(10)(56)	U.S.	100%	100%
HIPUS Co., Ltd(9)	Japan	81%	81%
Stater N.V.(9)	The Netherlands	75%	75%
Stater Nederland B.V.(12)	The Netherlands	75%	75%

Stater Duitsland B.V.[12][38]	The Netherlands	-	-
Stater XXL B.V.[12]	The Netherlands	75%	75%
HypoCasso B.V.[12]	The Netherlands	75%	75%
Stater Participations B.V.[12]	The Netherlands	75%	75%
Stater Deutschland Verwaltungs-GmbH[13][37]	Germany	-	-
Stater Deutschland GmbH & Co. KG[13][37]	Germany	-	-
Stater Belgium N.V./S.A.[14][39]	Belgium	75%	75%
Stater Gmbh[12][46]	Germany	75%	-
Outbox systems Inc. dba Simplus (US)[16]	U.S.	100%	100%
Simplus North America Inc.[17][45]	Canada	-	100%
Simplus ANZ Pty Ltd.[17]	Australia	100%	100%
Simplus Australia Pty Ltd[18]	Australia	100%	100%
Sqware Peg Digital Pty Ltd[19][49]	Australia	-	100%
Simplus Philippines, Inc.[17]	Philippines	100%	100%
Simplus Europe, Ltd.[17][47]	U.K.	-	100%
Infosys Fluido UK, Ltd. (formerly Simplus U.K., Ltd)[22]	U.K.	100%	100%
Infosys Fluido Ireland, Ltd.(formerly Simplus Ireland, Ltd)[23]	Ireland	100%	100%
Infosys Limited Bulgaria EOOD[1][24]	Bulgaria	100%	100%
Kaleidoscope Animations, Inc.[27]	U.S.	100%	100%
Kaleidoscope Prototyping LLC[28]	U.S.	100%	100%
GuideVision s.r.o.[25]	Czech Republic	100%	100%
GuideVision Deutschland GmbH[26]	Germany	100%	100%
GuideVision Suomi Oy[26]	Finland	100%	100%
GuideVision Magyarország Kft[26]	Hungary	100%	100%
GuideVision Polska SP.Z.O.O[26]	Poland	100%	100%
GuideVision UK Ltd[26]	U.K.	100%	100%
Blue Acorn iCi Inc (formerly Beringer Commerce Inc)[30]	U.S.	100%	100%
Beringer Capital Digital Group Inc[30][59]	U.S.	-	100%
Mediotype LLC[31][59]	U.S.	-	100%
Beringer Commerce Holdings LLC[31][59]	U.S.	-	100%
SureSource LLC[32][57]	U.S.	-	100%
Blue Acorn LLC[32][57]	U.S.	-	100%
Simply Commerce LLC[32][57]	U.S.	-	100%
iCiDIGITAL LLC[33][58]	U.S.	-	100%
Infosys BPM UK Limited[3][35]	U.K.	-	-
Infosys Turkey Bilgi Teknolojikeri Limited Sirketi[1][40]	Turkey	100%	-
Infosys Germany Holding Gmbh[1][43]	Germany	100%	100%
Infosys Automotive and Mobility GmbH & Co. KG[1][44]	Germany	100%	-
Infosys Green Forum[1][50]	India	100%	-
Infosys (Malaysia) SDN. BHD. (formerly Global Enterprise International (Malaysia) Sdn. Bhd.)[51]	Malaysia	100%	-
Infosys Business Solutions LLC[1][60]	Quatar	-	-
Infosys Germany GmbH (formerly Kristall 247. GmbH ("Kristall"))[62]	Germany	100%	-

[1] Wholly-owned subsidiary of Infosys Limited
[2] Majority owned and controlled subsidiary of Infosys Limited
[3] Wholly-owned subsidiary of Infosys BPM Limited
[4] Wholly-owned subsidiary of Infosys Consulting Holding AG
[5] Majority owned and controlled subsidiary of Infosys Consulting Holding AG
[6] Wholly-owned subsidiary of Panaya Inc.
[7] Wholly-owned subsidiary of Brilliant Basics Holding Limited.
[8] Wholly-owned subsidiary of Infosys Consulting Pte. Ltd.
[9]Majority owned and controlled subsidiary of Infosys Consulting Pte. Ltd.
[10] Wholly-owned subsidiary of WongDoody Holding Company Inc. (WongDoody)
[11]Wholly-owned subsidiary of Fluido Oy
[12]Wholly-owned subsidiary of Stater N.V
[13]Wholly-owned subsidiary of Stater Duitsland B.V.
[14]Majority owned and controlled subsidiary of Stater Participations B.V.
[15]Liquidated effective January 28, 2021.
[16] Wholly-owned subsidiary of Infosys Nova Holdings LLC
[17] Wholly-owned subsidiary of Outbox Systems Inc.
[18] Wholly-owned subsidiary of Simplus ANZ Pty Ltd
[19]Wholly-owned subsidiary of Simplus Australia Pty Ltd
[20]Wholly-owned subsidiary of Infosys Public Services, Inc.
[21] Liquidated effective July 17, 2020
[22] On June 1, 2020, Fluido Oy, acquired 100% of the voting interests in Infosys Fluido UK, Ltd. (formerly Simplus U.K., Ltd)
[23]Wholly-owned subsidiary of Infosys Fluido UK, Ltd. (formerly Simplus U.K., Ltd)
[24] Incorporated effective September 11, 2020.
[25] On October 1, 2020, Infy Consulting Company Limited acquired 100% of voting interests in GuideVision s.r.o
[26]Wholly-owned subsidiary of GuideVision s.r.o.
[27] On October 9, 2020, Infosys Nova Holdings LLC, acquired 100% voting interest in Kaleidoscope Animations, Inc.
[28] Wholly-owned subsidiary of Kaleidoscope Animations, Inc.
[29] Merged with Infosys Poland Sp. z.o.o, effective October 21, 2020
[30]On October 27, 2020, Infosys Nova Holding LLC, a wholly-owned subsidiary of Infosys Limited, acquired 100% voting interest in Blue Acorn iCi Inc (formerly Beringer Commerce Inc) and Beringer Capital Digital Group Inc
[31]Wholly-owned subsidiary of Blue Acorn iCi Inc
[32]Wholly-owned subsidiary of Beringer Commerce Holdings LLC
[33]Wholly-owned subsidiary of Beringer Capital Digital Group Inc.
[34] Liquidated effective November 19,2020
[35] Incorporated, effective December 9, 2020
[36] Merged into Fluido Sweden AB (Extero), effective December 18, 2020
[37] Merged into Stater Duitsland B.V., effective December 18, 2020
[38] Merged with Stater N.V., effective December 23, 2020
[39] On December 29, 2020, Stater Participation B.V acquired non-controlling interest of 28.01% of the voting interests in Stater Belgium NV/SA
[40] Incorporated on December 30, 2020.
[41] Under liquidation
[42] Liquidated effective March 9,2021
[43] Incorporated on March 23, 2021
[44] On March 28, 2021 Infosys Limited and Infosys Germany Holding Gmbh registered Infosys Automotive and Mobility GmbH & Co. KG, a partnership firm.
[45] Liquidated effective April 27,2021
[46] Incorporated on August 4, 2021
[47] Liquidated effective July 20, 2021
[48] Liquidated effective September 1, 2021
[49] Liquidated effective September 2, 2021
[50] Incorporated on August 31, 2021
[51] On December 14, 2021, Infosys Consulting Pte. Ltd., a wholly-owned subsidiary of Infosys Limited acquired 100% of voting interests in Infosys (Malaysia) SDN. BHD. (formerly Global Enterprise International (Malaysia) Sdn. Bhd.)
[52] Liquidated effective December 16, 2021
[53] Liquidated effective November 23, 2021
[54] Wholly-owned subsidiary of Infosys Limited, merged with WongDoody Inc, effective December 31, 2021
[55] Wholly-owned subsidiary of WongDoody Holding Company Inc. (WongDoody), merged with WongDoody Inc, effective December 31, 2021
[56] Wholly-owned subsidiary of Infosys Limited, effective December 31, 2021
[57] Merged with Beringer Commerce Holdings LLC, effective January 1, 2022
[58] Merged with Beringer Capital Digital Group Inc, effective January 1, 2022
[59] Merged with Blue Acorn iCi Inc, effective January 1, 2022
[60] Incorporated on February 20, 2022
[61] On March 17, 2022, Infosys Limited acquired non-controlling interest of 0.01% of the voting interests in Infosys BPM Limited.
[62] On March 22, 2022, Infosys Consulting Pte. Ltd., a wholly-owned subsidiary of Infosys Limited acquired 100% of voting interests in Infosys Germany GmbH (formerly Kristall 247. GmbH ("Kristall"))

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

List of other related party

Particulars	**Country**	**Nature of relationship**
Infosys Limited Employees' Gratuity Fund Trust	India	Post-employment benefit plan of Infosys
Infosys Limited Employees' Provident Fund Trust	India	Post-employment benefit plan of Infosys
Infosys Limited Employees' Superannuation Fund Trust	India	Post-employment benefit plan of Infosys
Infosys Employees Welfare Trust	India	Controlled trust
Infosys Employee Benefits Trust	India	Controlled trust
Infosys Science Foundation	India	Controlled trust
Infosys Expanded Stock Ownership Trust*	India	Controlled trust
Infosys Foundation**	India	Trust jointly controlled by KMPs

** Registered on May 15, 2019*

*** Effective January 1, 2022*

The Company's material related party transactions during the year ended March 31, 2022 and March 31, 2021 and outstanding balances as at March 31, 2022 and March 31, 2021 are with its subsidiaries with whom the Company generally enters into transactions which are at arms length and in the ordinary course of business.

Refer to note 2.21 for information on transactions with post-employment benefit plans mentioned above.

List of key management personnel

Whole-time directors

Salil Parekh , Chief Executive Officer and Managing Director

U.B. Pravin Rao (retired as a Chief Operating Officer and Whole-time director effective December 12, 2021)

Non-whole-time directors

Nandan M. Nilekani

Micheal Gibbs

Kiran Mazumdar-Shaw

D. Sundaram

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

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

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

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

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

Executive Officers

Nilanjan Roy, Chief Financial Officer

Mohit Joshi, President

Ravi Kumar S, President

Krishnamurthy Shankar, Group Head - Human Resources

Inderpreet Sawhney, Group General Counsel and Chief Compliance Officer

Company Secretary

A. G. S. Manikantha

The details of amounts due to or due from related parties as at March 31, 2022 and March 31, 2021 are as follows:

(In ₹ crore)

Particulars	As at	
	March 31, 2022	March 31, 2021
Investment in debentures		
EdgeVerve[(1)]	-	536
	-	**536**
Trade receivables		
Brilliant Basics Limited	-	1
Infosys China	6	11
Infosys Mexico	1	2
Infosys BPM	7	9
Infosys BPO Americas	12	7
Infy Consulting Company Ltd.	3	3
Infosys Public Services	95	54
Infosys Shanghai	1	1
Infosys Sweden	16	7
Infosys Fluido Oy	1	2
Infosys Consulting Ltda.	-	1
Infosys McCamish Systems LLC	76	46
Panaya Ltd	1	1
Infosys Compaz Pte. Ltd	8	12
Stater Nederland B.V.	-	1
Outbox System,Inc. dba Simplus	-	3
Infosys Luxembourg S.à.r.l	28	24
Infosys Chile SPA	2	-
Infosys Middle East FZ-LLC	11	18
	268	**203**
Loans		
Infosys China [(2)]	-	21
Infosys Shanghai[(2)]	-	75
	-	**96**
Prepaid expense and other assets		
Panaya Ltd.	203	236
GuideVision, s.r.o.	1	1
	204	**237**
Other financial assets		
Infosys BPM	7	145
Infosys Consulting GmbH	3	2
Infosys China	12	9
Infosys Shanghai	3	2
Infy Consulting Company Ltd.	7	5
Infosys Management Consulting Pty Limited	1	1
Infosys Consulting AG	2	1
Infosys Consulting Ltda.	-	1
Infy Consulting B.V.	2	2
Brilliant Basics Limited	-	4
Infosy Fluido Oy	-	1
Panaya Ltd	1	-
McCamish Systems LLC	6	4
Infosys Consulting Pte Limited	1	-
Infosys Automotive and Mobility	156	-
Infosys Poland sp. z o o	2	1
Fluido Denmark A/S	1	1
Infosys Luxembourg S.à.r.l	1	-
Infosys Consulting S.R.L.	1	-
Infosys Green Forum	2	-
Infosys Consulting (Belgium) NV	3	-
WongDoody, Inc.	3	-
Infosys Tecnologia DO Brasil LTDA	1	-
Infosys Public Services	4	-
Simplus Philippines, Inc.	1	-
Edgeverve	-	3
	220	**182**

Unbilled revenues		
EdgeVerve	64	77
Infosys Consulting Ltda	4	-
Beringer Commerce Inc.	1	-
Portland Group Pty Ltd	2	-
Infosys Automotive and Mobility	201	-
Infosys Austria GmbH	2	-
Infosys (Czech Republic) Limited s.r.o.	2	-
Infy Consulting Company Ltd	4	-
Infosys Consulting S.R.L.	1	-
Infosys Technologies (Sweden) AB.	1	-
Infosys China	9	-
Infosys Turkey	2	-
Infosys Consulting Pte Limited	5	-
McCamish Systems LLC	115	-
Infosys Mexico	2	-
Stater Nederland B.V.	4	5
	419	**82**
Trade payables		
Infosys China	28	6
Infosys BPM	152	121
Infosys (Czech Republic) Limited s.r.o.	18	12
Infosys Mexico	-	8
Infosys Sweden	69	39
Infosys Shanghai	23	8
Infosys Management Consulting Pty Limited	14	11
Infosys Consulting Pte Ltd.	7	3
Infy Consulting Company Ltd.	118	46
Infosys consulting Ltda	-	6
Panaya Ltd.	13	37
Infosys Public Services	1	3
Portland Group Pty Ltd	1	1
Infosys Chile SpA	8	1
Infosys Compaz Pte. Ltd	3	1
Infosys Middle East FZ-LLC	4	12
Infosys Poland Sp Z.o.o	14	10
Infosys Consulting S.R.L.	17	20
Infosys Fluido Oy	12	20
McCamish Systems LLC	-	2
Fluido Sweden AB	14	10
Edgeverve	6	1
WongDoody, Inc.	2	6
Fluido Denmark	7	-
Simplus U.K. Ltd	3	-
Infosys Automotive and Mobility	57	-
Infosys Limited Bulgaria	1	-
Infosys Technologies, Mexico.	16	-
Infosys Consulting Ltda	5	-
WDW Communications, Inc.	-	16
	613	**400**
Other financial liabilities		
Infosys BPM	33	127
Brilliant Basics Limited	-	23
Infosys Mexico	1	1
Infosys China	4	3
Infosys Shanghai	2	1
HIPUS Co., Ltd	-	1
Outbox System,Inc. dba Simplus	17	9
GuideVision, s.r.o.	5	2
Simplus Australia Pty Ltd	5	2
Simplus Philippines, Inc.	3	1
GuideVision Polska SP. Z O.O.	1	1
Kaleidoscope Animations INC	3	-
WongDoody ,Inc.	53	-
Infosys Public Services	5	-
GuideVision Magyarország Kft.	1	-
Infosys Austria GmbH	1	-
Infosys Consulting Pte Limited	1	-
Infosys Consulting GmbH	1	-
Infosys Automotive and Mobilit	105	-
McCamish Systems LLC	16	-
Infosys Green Forum	6	-
Infosys Consulting (Belgium)	3	-
BERINGER COMMERCE INC.	48	-
GuideVision Deutschland GmbH	1	-
Infosys Poland sp. z o o	1	-
IciDigital LLC	-	3
	316	**174**
Accrued expenses		
Infosys BPM	7	74
	7	**74**

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

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

(In ₹ crore)

Particulars	Maximum amount outstanding during the Year ended March 31,	
	2022	2021
Loans and advances in the nature of loans given to Subsidiaries:		
Infosys China	21	471
Infosys Shanghai	76	79
Infosys Consulting S.R.L. Romania	-	2

The details of the related parties transactions entered into by the Company for the year ended March 31, 2022 and March 31, 2022 are as follows:

(In ₹ crore)

Particulars	Year ended March 31,	
	2022	2021
Capital transactions:		
Financing transactions		
Equity		
Infosys Consulting Brazil	-	154
Wongdoody Holding Company Inc	-	21
Infosys Nova Holdings LLC	-	1,302
Infosys Luxembourg S.a r.l.	-	13
Infosys Limited Bulgaria	-	2
Infosys Germany Holdings Gmbh	-	2
Infosys Green Forum	1	-
Infosys Automotive and Mobility GmbH	15	-
Infosys China	-	36
Infosys Shanghai	110	-
Infosys BPM	2	-
Kallidus[(3)]	-	(151)
	128	**1,379**
Debentures (net of repayment)		
Edgeverve	-	(623)
	-	**(623)**
Loans (net of repayment)		
Infosys China	(21)	(74)
Infosys Shanghai	(76)	76
Infosys Consulting Pte Ltd.	-	(277)
Infosys Consulting S.R.L.	-	(9)
	(97)	**(284)**
Revenue transactions:		
Purchase of services		
Infosys China	125	63
Infosys Management Consulting Pty Limited	187	129
Infy Consulting Company Limited	1,251	965
Infosys Consulting Pte. Ltd.	73	25
Portland Group Pty Ltd	21	33
Infosys (Czech Republic) Limited s.r.o.	165	122
Infosys BPM	2,001	1,321
Infosys Sweden	49	47
Infosys Shanghai	116	87
Infosys Mexico	149	72
Infosys Public Services	11	32
Panaya Ltd.	140	131
Infosys Poland Sp Z.o.o	124	66
Infosys Consulting S.R.L. Romania	234	182
Infosys Compaz Pte. Ltd	20	3
Infosys Consulting Ltda.	60	41
Kallidus	-	22
Kaleidoscope Animations	16	-
Brilliant Basics Limited	30	53
Infosys Chile SpA	17	15
Infosys Middle East FZ-LLC	51	61
Fluido Oy	42	30
Fluido Sweden AB (Extero)	52	31
Fluido Denmark	15	-
McCamish Systems LLC	3	7
GuideVision, s.r.o.	28	2

GuideVision Polska SP.Z.O.O	6	1
HIPUS	2	1
Simplus Australia Pty Ltd	28	1
Simplus Philippines, Inc.	11	1
Outbox System,Inc. dba Simplus	177	27
Simplus U.K. Ltd	17	-
WDW Communications, Inc.	24	108
iCiDIGITAL LLC	52	3
Blue Acorn LLC	19	-
Beringer Commerce Inc	47	-
Mediotype LLC	2	-
Infosys Automotive and Mobilit	57	-
GuideVision Deutschland GmbH	1	-
GuideVision Suomi Oy	3	-
GuideVision Magyarország Kft	5	-
Infosys Austria GmbH	1	-
Infosys Limited Bulgaria	5	-
WongDoody, Inc.	265	9
	5,702	**3,691**
Purchase of shared services including facilities and personnel		
Brilliant Basics Limited	1	3
Infosys BPM	3	3
WongDoody, Inc.	24	6
Infosys Green Forum	4	-
Infosys Public Services	-	3
Panaya Ltd.	-	1
Infosys Mexico	7	6
WDW Communications, Inc.	23	14
	62	**36**
Interest income		
Infosys China	-	3
Infosys Shanghai	1	4
Infosys Consulting Pte Ltd.	-	3
EdgeVerve	2	61
	3	**71**
Guarantee income		
Infosys Consulting Pte Ltd.	1	1
	1	**1**
Dividend income		
Brilliant Basics Holdings Ltd	68	-
Infosys BPM	1,150	321
	1,218	**321**
Sale of services		
Infosys China	33	25
Infosys Mexico	21	26
Infosys Austria GmbH	2	-
Infy Consulting Company Limited	28	22
Infosys BPO Americas	18	22
Infosys BPM	95	110
Fluido Oy	1	2
Infosys Luxembourg S.à.r.l	89	24
Infosys Middle East FZ-LLC	24	24
McCamish Systems LLC	493	160
Infosys Sweden	61	41

Infosys Shanghai	4	2
EdgeVerve	668	668
Infosys Public Services	615	682
Outbox System,Inc. dba Simplus	2	3
Infosys Compaz Pte Ltd	81	72
Infosys Consulting Ltda.	6	9
Panaya Ltd.	-	1
Infosys Chile	2	-
Infosys Turkey	2	-
Blue Acorn LLC	1	-
Infosys (Czech Republic) Ltd	2	-
Infosys Automotive and Mobility	201	-
Beringer Commerce INC.	1	-
Mediotype LLC	1	-
Portland Group Pty Ltd	3	-
Infosys Consulting S.R.L.	1	-
ICI DIGITAL LLC	1	-
Infosys Consulting Pte. Limited	5	-
Stater Nederland B.V.	47	54
	2,508	**1,947**
Sale of shared services including facilities and personnel		
EdgeVerve	28	29
Panaya Ltd.	3	3
Infosys Luxembourg S.à.r.l	3	-
Infosys Green Forum	1	-
Infosys BPM	24	24
Brilliant Basics Limited	-	1
	59	**57**

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

[(2)] *Represents funds received on liquidation of entity*

Transactions with key management personnel

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

(In ₹ crore)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Salaries and other employee benefits to whole-time directors and executive officers [(1)(2)]	134	144
Commission and other benefits to non-executive / independent directors	11	6
Total	**145**	**150**

(1) Total employee stock compensation expense for the year ended March 31, 2022 and March 31, 2021, includes a charge of ₹65 crore and ₹76 crore respectively, towards key

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

2.25 CORPORATE SOCIAL RESPONSIBILITY (CSR)

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

(In ₹ crore)

Particulars		**As at**	
		March 31, 2022	**March 31, 2021**
i)	Amount required to be spent by the company during the year	397	372
ii)	Amount of expenditure incurred	345	325
iii)	Shortfall at the end of the year	52	50
iv)	Total of previous years shortfall	22	-
v)	Reason for shortfall	Pertains to ongoing projects	Pertains to ongoing projects
vi)	Nature of CSR activities	Eradication of hunger and malnutrition, promoting education, art and culture, healthcare, destitute care and rehabilitation, environment sustainability, disaster relief, COVID-19 relief and rural development projects	
vii)	Details of related party transactions, e.g.,contribution to a trust controlled by the company in relation to CSR expenditure as per relevant Accounting Standard(1)	12	20
viii)	Where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the	NA	NA

(1) Represents contribution to Infosys Science foundation a controlled trust to support the Infosys Prize program towards contemporary research in the various branches of science.

Consequent to the Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021 (“the Rules”), the Company was required to transfer its CSR capital assets created prior to January 2021. Towards this the Company had incorporated a controlled subsidiary , 'Infosys Green Forum' under Section 8 of the Companies Act, 2013. During the year ended March 31, 2022 the Company has completed the transfer of assets upon obtaining the required approvals from regulatory authorities, as applicable.

The carrying amount of the capital asset amounting to ₹283 crore has been impaired and included as CSR expense in the standalone financial statements for the year ending March 31, 2021 as the Company will not be able to recover the carrying amount of the asset from its Subsidiary on account of prohibition on payment of dividend by this Subsidiary.

2.26 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 Ratios

The following are analytical ratios for the year ended March 31, 2022 and *March 31, 2021*

Particulars	Numerator	Denominator	31st March 2022	31st March 2021	Variance
Current Ratio	Current assets	Current liabilities	2.1	2.7	-23.4%
Debt – Equity Ratio	Total Debt (represents lease liabilities) [1]	Shareholder's Equity	0.1	0.1	0.1%
Debt Service Coverage Ratio	Earnings available for debt service[2]	Debt Service[3]	38.2	38.8	-1.6%
Return on Equity (ROE)	Net Profits after taxes	Average Shareholder's Equity	30.2%	27.0%	3.2%
Trade receivables turnover ratio	Revenue	Average Trade Receivable	5.9	5.4	9.0%
Trade payables turnover ratio	Purchases of services and other expenses	Average Trade Payables	11.3	9.9	13.3%
Net capital turnover ratio	Revenue	Working Capital	3.8	2.8	35.1% *
Net profit ratio	Net Profit	Revenue	20.4%	21.0%	-0.6%
Return on capital employed (ROCE)	Earning before interest and taxes	Capital Employed[4]	38.8%	32.5%	6.3%
Return on Investment(ROI)					
Unquoted	Income generated from investments	Time weighted average investments	8.7%	7.9%	0.9%
Quoted	Income generated from investments	Time weighted average investments	5.9%	6.2%	-0.3%

[1] Debt represents only lease liabilities
[2] Net Profit after taxes + Non-cash operating expenses + Interest + other adjustments like loss on sale of Fixed assets etc.
[3] Lease payments for the current year
[4] Tangible net worth + deferred tax liabilities + Lease Liabilities

* Revenue growth along with higher efficiency on working capital improvement has resulted in an improvement in the ratio.

2.28 FUNCTION-WISE CLASSIFICATION OF STATEMENT OF PROFIT AND LOSS

(In ₹ crore)

Particulars	Note No.	Year ended March 31, 2022	Year ended March 31, 2021
Revenue from operations	2.18	103,940	85,912
Cost of sales		69,629	55,541
Gross Profit		**34,311**	**30,371**
Operating expenses			
Selling and marketing expenses		4,125	3,676
General and administration expenses		4,787	4,559
Total operating expenses		8,912	8,235
Operating profit		**25,399**	**22,136**
Interest expense		128	126
Other income, net	2.19	3,224	2,467
Profit before tax		**28,495**	**24,477**
Tax expense:			
Current tax	2.17	6,960	6,013
Deferred tax	2.17	300	416
Profit for the year		**21,235**	**18,048**
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss			
Remeasurement of the net defined benefit liability/asset, net		(98)	148
Equity instruments through other comprehensive income, net		97	120
Items that will be reclassified subsequently to profit or loss			
Fair value changes on derivatives designated as cash flow hedge, net		(8)	25
Fair value changes on investments, net	2.5	(39)	(102)
Total other comprehensive income/(loss), net of tax		**(48)**	**191**
Total comprehensive income for the year		**21,187**	**18,239**

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

Nandan M. Nilekani
Chairman

Salil Parekh
Chief Executive Officer and Managing Director

D. Sundaram
Director

Nilanjan Roy
Chief Financial Officer

Jayesh Sanghrajka
Executive Vice President and Deputy Chief Financial Officer

A.G.S. Manikantha
Company Secretary

Bengaluru
April 13, 2022

Deloitte Haskins & Sells LLP

Chartered Accountants
Prestige Trade Tower, Level 19
46, Palace Road, High
Grounds, Bengaluru – 560 001
Karnataka, India

Tel: +91 (80) 6188 6000
Fax: +91 (80) 6188 6011

INDEPENDENT AUDITOR'S REPORT

TO THE BOARD OF DIRECTORS OF INFOSYS LIMITED

Report on the Audit of the Interim Condensed Standalone Financial Statements

Opinion

We have audited the accompanying interim condensed standalone financial statements of **INFOSYS LIMITED** (the "Company"), which comprise the Condensed Balance Sheet as at March 31, 2022, the interim Condensed Statement of Profit and Loss (including Other Comprehensive Income) for the three months and year ended on that date, the Condensed Statement of Changes in Equity and the Condensed Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as the "interim condensed standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid interim condensed standalone financial statements give a true and fair view in conformity with Indian Accounting Standard 34 - "Interim Financial Reporting" ("Ind AS 34') prescribed under section 133 of the Companies Act, 2013 (the "Act"), read with relevant rules issued thereunder and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, and its profit, total comprehensive income for the three months and year ended on that date, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the interim condensed standalone financial statements in accordance with the Standards on Auditing ("SA"s) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Interim Condensed Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the interim condensed standalone financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the interim condensed standalone financial statements.

Management Responsibilities for the Interim Condensed Standalone Financial Statements

The Company's Board of Directors is responsible for the preparation and presentation of these interim condensed standalone financial statements that give a true and fair view of the financial position, financial performance, including total comprehensive income, changes in equity and cash flows of the Company in accordance with Ind AS 34 and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the interim condensed standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the interim condensed standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Interim Condensed Standalone Financial Statements

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

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

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

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

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

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

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

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

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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

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

Place: Bengaluru

Date: April 13, 2022

INFOSYS LIMITED

Condensed Standalone Financial Statements
under Indian Accounting Standards (Ind AS)
for the three months and year ended March 31, 2022

INFOSYS LIMITED

(In ₹ crore)

Condensed Balance Sheet as at	Note No.	March 31, 2022	March 31, 2021
ASSETS			
Non-current assets			
Property, plant and equipment	2.1	11,384	10,930
Right-of-use assets	2.3	3,311	3,435
Capital work-in-progress		411	906
Goodwill	2.2	211	167
Other intangible assets		32	67
Financial assets			
Investments	2.4	22,869	22,118
Loans	2.5	34	30
Other financial assets	2.6	727	613
Deferred tax assets (net)		970	955
Income tax assets (net)		5,585	5,287
Other non-current assets	2.9	1,416	1,149
Total non - current assets		**46,950**	**45,657**
Current assets			
Financial assets			
Investments	2.4	5,467	2,037
Trade receivables	2.7	18,966	16,394
Cash and cash equivalents	2.8	12,270	17,612
Loans	2.5	219	229
Other financial assets	2.6	6,580	5,226
Other current assets	2.9	8,935	6,784
Total current assets		**52,437**	**48,282**
Total assets		**99,387**	**93,939**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	2.11	2,103	2,130
Other equity		67,203	69,401
Total equity		**69,306**	**71,531**
LIABILITIES			
Non-current liabilities			
Financial liabilities			
Lease liabilities	2.3	3,228	3,367
Other financial liabilities	2.12	676	259
Deferred tax liabilities (net)		841	511
Other non-current liabilities	2.14	360	649
Total non - current liabilities		**5,105**	**4,786**
Current liabilities			
Financial liabilities			
Lease liabilities	2.3	558	487
Trade payables	2.13		
Total outstanding dues of micro enterprises and small enterprises		3	-
Total outstanding dues of creditors other than micro enterprises and small enterprises		2,666	1,562
Other financial liabilities	2.12	11,269	8,359
Other current liabilities	2.14	7,381	4,816
Provisions	2.15	920	661
Income tax liabilities (net)		2,179	1,737
Total current liabilities		**24,976**	**17,622**
Total equity and liabilities		**99,387**	**93,939**

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

As per our report of even date attached

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

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

Sanjiv V. Pilgaonkar
Partner
Membership No. 039826

Nandan M. Nilekani
Chairman

Salil Parekh
Chief Executive Officer and Managing Director

D. Sundaram
Director

Bengaluru
April 13, 2022

Nilanjan Roy
Chief Financial Officer

Jayesh Sanghrajka
Executive Vice President and Deputy Chief Financial Officer

A.G.S. Manikantha
Company Secretary

INFOSYS LIMITED

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

Condensed Statement of Profit and Loss for the	**Note No.**	**Three months ended March 31,**		**Year ended March 31,**	
		2022	**2021**	**2022**	**2021**
Revenue from operations	2.17	27,426	22,497	103,940	85,912
Other income, net	2.18	590	504	3,224	2,467
Total income		**28,016**	**23,001**	**107,164**	**88,379**
Expenses					
Employee benefit expenses	2.19	13,464	11,532	51,664	45,179
Cost of technical sub-contractors		4,641	2,792	16,298	9,528
Travel expenses		278	144	731	484
Cost of software packages and others	2.19	865	550	2,985	2,058
Communication expenses		121	106	433	464
Consultancy and professional charges		424	338	1,511	999
Depreciation and amortization expense		620	578	2,429	2,321
Finance cost		31	33	128	126
Other expenses	2.19	664	888	2,490	2,743
Total expenses		**21,108**	**16,961**	**78,669**	**63,902**
Profit before tax		**6,908**	**6,040**	**28,495**	**24,477**
Tax expense:					
Current tax	2.16	1,606	1,512	6,960	6,013
Deferred tax	2.16	125	69	300	416
Profit for the period		**5,177**	**4,459**	**21,235**	**18,048**
Other comprehensive income					
Items that will not be reclassified subsequently to profit or loss					
Remeasurement of the net defined benefit liability/asset, net		(24)	(144)	(98)	148
Equity instruments through other comprehensive income, net		56	8	97	120
Items that will be reclassified subsequently to profit or loss					
Fair value changes on derivatives designated as cash flow hedge, net		(12)	26	(8)	25
Fair value changes on investments, net	2.4	(61)	(133)	(39)	(102)
Total other comprehensive income/ (loss), net of tax		**(41)**	**(243)**	**(48)**	**191**
Total comprehensive income for the period		**5,136**	**4,216**	**21,187**	**18,239**
Earnings per equity share					
Equity shares of par value ₹5/- each					
Basic (₹)		12.31	10.47	50.27	42.37
Diluted (₹)		12.30	10.46	50.21	42.33
Weighted average equity shares used in computing earnings per equity share					
Basic	2.20	4,205,927,830	4,259,889,731	4,224,339,562	4,259,438,950
Diluted	2.20	4,210,940,293	4,263,734,560	4,229,546,328	4,263,092,514

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

As per our report of even date attached

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

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

Sanjiv V. Pilgaonkar
Partner
Membership No. 039826

Nandan M. Nilekani
Chairman

Salil Parekh
Chief Executive Officer and Managing Director

D. Sundaram
Director

Bengaluru
April 13, 2022

Nilanjan Roy
Chief Financial Officer

Jayesh Sanghrajka
Executive Vice President and Deputy Chief Financial Officer

A.G.S. Manikantha
Company Secretary

INFOSYS LIMITED

Condensed Statement of Changes in Equity

(In ₹ crore)

Particulars	Equity Share Capital	Other Equity											Total equity attributable to equity holders of the Company
		Reserves & Surplus								Other comprehensive income			
		Capital reserve		Capital redemption reserve	Securities Premium	Retained earnings	General reserve	Share Options Outstanding Account	Special Economic Zone Re-investment reserve (1)	Equity Instruments through other comprehensive income	Effective portion of Cash flow hedges	Other items of other comprehensive income / (loss)	
		Capital reserve	Other reserves(2)										
Balance as at April 1, 2020	**2,129**	**54**	**3,082**	**111**	**268**	**52,419**	**106**	**297**	**3,907**	**49**	**(15)**	**(173)**	**62,234**
Changes in equity for the year ended March 31, 2021													
Profit for the period	-	-	-	-	-	18,048	-	-	-	-	-	-	18,048
Remeasurement of the net defined benefit liability/asset, net*	-	-	-	-	-	-	-	-	-	-	-	148	148
Equity instruments through other comprehensive income, net*	-	-	-	-	-	-	-	-	-	120	-	-	120
Fair value changes on derivatives designated as cash flow hedge, net*	-	-	-	-	-	-	-	-	-	-	25	-	25
Fair value changes on investments, net*	-	-	-	-	-	-	-	-	-	-	-	(102)	(102)
Total comprehensive income for the period	**-**	**-**	**-**	**-**	**-**	**18,048**	**-**	**-**	**-**	**120**	**25**	**46**	**18,239**
Transfer to general reserve	-	-	-	-	-	(1,554)	1,554	-	-	-	-	-	-
Transferred to Special Economic Zone Re-investment reserve	-	-	-	-	-	(3,204)	-	-	3,204	-	-	-	-
Transferred from Special Economic Zone Re-investment reserve on utilization	-	-	-	-	-	967	-	-	(967)	-	-	-	-
Transfer on account of exercise of stock options (Refer to note 2.11)	-	-	-	-	260	-	-	(260)	-	-	-	-	-
Transfer on account of options not exercised	-	-	-	-	-	-	3	(3)	-	-	-	-	-
Shares issued on exercise of employee stock options(Refer to note 2.11)	1	-	-	-	8	-	-	-	-	-	-	-	9
Effect of modification of share based payment award	-	-	-	-	-	-	-	85	-	-	-	-	85
Employee stock compensation expense (Refer to note 2.11)	-	-	-	-	-	-	-	253	-	-	-	-	253
Income tax benefit arising on exercise of stock options	-	-	-	-	45	-	-	-	-	-	-	-	45
Reserves on common controlled transactions	-	-	(176)	-	-	-	-	-	-	-	-	-	(176)
Dividends	-	-	-	-	-	(9,158)	-	-	-	-	-	-	(9,158)
Balance as at March 31, 2021	**2,130**	**54**	**2,906**	**111**	**581**	**57,518**	**1,663**	**372**	**6,144**	**169**	**10**	**(127)**	**71,531**

INFOSYS LIMITED

Condensed Statement of Changes in Equity

(In ₹ crore)

Particulars	Equity Share Capital	Other Equity											Total equity attributable to equity holders of the Company
		Reserves & Surplus								Other comprehensive income			
		Capital reserve		Capital redemption reserve	Securities Premium	Retained earnings	General reserve	Share Options Outstanding Account	Special Economic Zone Re-investment reserve (1)	Equity Instruments through other comprehensive income	Effective portion of Cash flow hedges	Other items of other comprehensive income / (loss)	
		Capital reserve	Other reserves (2)										
Balance as at April 1, 2021	**2,130**	**54**	**2,906**	**111**	**581**	**57,518**	**1,663**	**372**	**6,144**	**169**	**10**	**(127)**	**71,531**
Changes in equity for the year ended March 31, 2022													
Profit for the period	-	-	-	-	-	21,235	-	-	-	-	-	-	21,235
Remeasurement of the net defined benefit liability/asset, net*	-	-	-	-	-	-	-	-	-	-	-	(98)	(98)
Equity instruments through other comprehensive income, net*	-	-	-	-	-	-	-	-	-	97	-	-	97
Fair value changes on derivatives designated as cash flow hedge, net*	-	-	-	-	-	-	-	-	-	-	(8)	-	(8)
Fair value changes on investments, net*	-	-	-	-	-	-	-	-	-	-	-	(39)	(39)
Total comprehensive income for the period	**-**	**-**	**-**	**-**	**-**	**21,235**	**-**	**-**	**-**	**97**	**(8)**	**(137)**	**21,187**
Buyback of equity shares (Refer to Note 2.11) **	(28)	-	-	-	(640)	(8,822)	(1,603)	-	-	-	-	-	(11,093)
Transaction cost relating to buyback*	-	-	-	-	-	-	(24)	-	-	-	-	-	(24)
Amount transferred to capital redemption reserve upon buyback	-	-	-	28	-	-	(28)	-	-	-	-	-	-
Transferred to Special Economic Zone Re-investment reserve	-	-	-	-	-	(2,794)	-	-	2,794	-	-	-	-
Transferred from Special Economic Zone Re-investment reserve on utilization	-	-	-	-	-	1,012	-	-	(1,012)	-	-	-	-
Transfer on account of exercise of stock options (Refer to note 2.11)	-	-	-	-	218	-	-	(218)	-	-	-	-	-
Transfer on account of options not exercised	-	-	-	-	-	-	1	(1)	-	-	-	-	-
Shares issued on exercise of employee stock options (Refer to note 2.11)	1	-	-	-	10	-	-	-	-	-	-	-	11
Employee stock compensation expense (Refer to note 2.11)	-	-	-	-	-	-	-	393	-	-	-	-	393
Income tax benefit arising on exercise of stock options	-	-	-	-	3	-	-	60	-	-	-	-	63
Reserves recorded upon business transfer under common control (3)	-	-	(62)	-	-	-	-	-	-	-	-	-	(62)
Dividends	-	-	-	-	-	(12,700)	-	-	-	-	-	-	(12,700)
Balance as at March 31, 2022	**2,103**	**54**	**2,844**	**139**	**172**	**55,449**	**9**	**606**	**7,926**	**266**	**2**	**(264)**	**69,306**

** net of tax*

*** Including tax on buyback of ₹1,893 crore*

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

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

(3) Arising on transfer of the business of Brilliant Basics Limited to Infosys Limited

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

As per our report of even date attached

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

Sanjiv V. Pilgaonkar
Partner
Membership No. 039826

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

Nandan M. Nilekani
Chairman

Salil Parekh
Chief Executive Officer and Managing Director

D. Sundaram
Director

Nilanjan Roy
Chief Financial Officer

Jayesh Sanghrajka
Executive Vice President and Deputy Chief Financial Officer

A.G.S. Manikantha
Company Secretary

Bengaluru
April 13, 2022

INFOSYS LIMITED

Condensed Statement of Cash Flows

Accounting Policy

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

(In ₹ crore)

Particulars	Note No.	Year ended March 31,	
		2022	2021
Cash flow from operating activities:			
Profit for the period		21,235	18,048
Adjustments to reconcile net profit to net cash provided by operating activities:			
Depreciation and amortization	2.1 & 2.2 & 2.3	2,429	2,604
Income tax expense	2.16	7,260	6,429
Impairment loss recognized / (reversed) under expected credit loss model		117	152
Finance cost		128	126
Interest and dividend income		(2,617)	(1,795)
Stock compensation expense		372	297
Other adjustments		72	(47)
Exchange differences on translation of assets and liabilities, net		87	(32)
Changes in assets and liabilities			
Trade receivables and unbilled revenue		(5,725)	(1,414)
Loans, other financial assets and other assets		(1,125)	(684)
Trade payables		1,112	(5)
Other financial liabilities, other liabilities and provisions		5,487	2,284
Cash generated from operations		**28,832**	**25,963**
Income taxes paid		(6,736)	(6,061)
Net cash generated by operating activities		**22,096**	**19,902**
Cash flow from investing activities:			
Expenditure on property, plant and equipment		(1,787)	(1,720)
Deposits placed with corporation		(745)	(588)
Proceeds from redemption of Deposits with corporations		607	405
Loan given to subsidiaries		-	(76)
Loan repaid by subsidiaries		73	328
Proceeds from redemption of debentures		536	623
Investment in subsidiaries		(127)	(1,530)
Payment towards business transfer		(109)	(237)
Proceeds from liquidation of a subsidiary		-	173
Payment of contingent consideration pertaining to acquisition		-	(125)
Escrow and other deposits pertaining to Buyback		(420)	-
Redemption of escrow and other deposits pertaining to Buyback		420	-
Other receipts		47	49
Payments to acquire investments			
Preference, equity securities and others		(5)	-
Liquid mutual fund units and fixed maturity plan securities		(48,139)	(31,814)
Tax free bonds and Government bonds		-	(318)
Non Convertible debentures		(1,456)	(3,398)
Government Securities		(3,450)	(7,346)
Certificates of deposit		(3,897)	-
Others		(5)	(13)
Proceeds on sale of investments			
Preference and equity securities		9	73
Liquid mutual fund units and fixed maturity plan securities		48,219	32,996
Non-convertible debentures		1,939	944
Certificates of deposit		787	900
Government Securities		1,452	2,704
Tax free bonds and Government bonds		20	-
Commercial paper		-	-
Others		5	-
Interest received		1,658	1,340
Dividend received from subsidiary		1,218	321
Net cash (used in) / from investing activities		**(3,150)**	**(6,309)**

Cash flow from financing activities:			
Payment of lease liabilities	2.3	(598)	(420)
Shares issued on exercise of employee stock options		11	9
Buyback of equity shares including transaction costs and tax on buyback		(11,125)	-
Other receipts		134	-
Payment of dividends		(12,697)	(9,155)
Net cash used in financing activities		**(24,275)**	**(9,566)**
Effect of exchange differences on translation of foreign currency cash and cash equivalents		(13)	23
Net increase / (decrease) in cash and cash equivalents		(5,329)	4,027
Cash and cash equivalents at the beginning of the year	2.8	17,612	13,562
Cash and cash equivalents at the end of the year		**12,270**	**17,612**
Supplementary information:			
Restricted cash balance	2.8	60	154

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

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

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

Sanjiv V. Pilgaonkar
Partner
Membership No. 039826

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Executive Vice President and Deputy Chief Financial Officer

A.G.S. Manikantha
Company Secretary

Bengaluru
April 13, 2022

INFOSYS LIMITED

Overview and Notes to the Interim Condensed Standalone Financial Statements

1. Overview

1.1 Company overview

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

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

The interim condensed standalone financial statements are approved for issue by the Company's Board of Directors on April 13, 2022.

1.2 Basis of preparation of financial statements

These interim condensed standalone financial statements are prepared in accordance with Indian Accounting Standard (Ind AS) 34 Interim Financial Reporting, under the historical cost convention on accrual basis except for certain financial instruments which are measured at fair values, the provisions of the Companies Act, 2013 ('the Act') and guidelines issued by the Securities and Exchange Board of India (SEBI). Accordingly, these interim condensed standalone financial statements do not include all the information required for a complete set of financial statements. These interim condensed standalone financial statements should be read in conjunction with the standalone financial statements and related notes included in the Company's Annual Report for the year ended March 31, 2022. 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 to date 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 to date figures reported in this statement.

1.3 Use of estimates and judgments

The preparation of the interim condensed standalone financial statements in conformity with Ind AS requires the management to make estimates, judgments and assumptions. These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the interim condensed standalone 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 interim condensed standalone financial statements.

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

The Company has considered the possible effects that may result from COVID-19 pandemic in the preparation of these interim condensed standalone financial statements including the recoverability of carrying amounts of financial and non financial assets. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of the COVID-19 pandemic, the Company has, at the date of approval of these condensed financial statements, used internal and external sources of information including credit reports and related information and economic forecasts and expects that the carrying amount of these assets will be recovered. The impact of COVID-19 on the Company's financial statements may differ from that estimated as at the date of approval of these interim condensed standalone financial statements.

1.4 Critical accounting estimates and judgments

a. Revenue recognition

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

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

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

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

b. Income taxes

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

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

In assessing the realizability of deferred income tax assets, management considers whether some portion or all of the deferred income tax assets will not be realized. The ultimate realization of deferred income tax assets is dependent upon the generation of future taxable income during the periods in which the temporary differences become deductible. Management considers the scheduled reversals of deferred income tax liabilities, projected future taxable income and tax planning strategies in making this assessment. Based on the level of historical taxable income and projections for future taxable income over the periods in which the deferred income tax assets are deductible, management believes that the 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.(Refer to note 2.16 and note 2.21)

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 to note 2.1

1.5 Recent accounting pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 23, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, as below.

Ind AS 16 – Property Plant and equipment - The amendment clarifies that excess of net sale proceeds of items produced over the cost of testing, if any, shall not be recognised in the profit or loss but deducted from the directly attributable costs considered as part of cost of an item of property, plant, and equipment. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2022. The Company has evaluated the amendment and there is no impact on its consolidated financial statements.

Ind AS 37 – Provisions, Contingent Liabilities and Contingent Assets – The amendment specifies that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract). The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2022, although early adoption is permitted. The Company has evaluated the amendment and the impact is not expected to be material.

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 charge in respect of periodic depreciation is derived at after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The Company depreciates property, plant and equipment over their estimated useful lives using the straight-line method. The estimated useful lives of assets are as follows:

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

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

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

Depreciation methods, useful lives and residual values are reviewed periodically, including at each financial year end. The useful lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology.

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

Impairment

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

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

The changes in the carrying value of property, plant and equipment for the three months ended March 31, 2022 are as follows:

(In ₹ crore)

Particulars	Land-Freehold[(1)]	Buildings[(1)(2)]	Plant and machinery[(2)]	Office Equipment[(2)]	Computer equipment[(2)]	Furniture and fixtures[(2)]	Leasehold Improvements	Vehicles	Total
Gross carrying value as at January 1, 2022	**1,428**	**10,060**	**3,307**	**1,238**	**6,802**	**2,050**	**796**	**44**	**25,725**
Additions	1	55	50	14	492	22	21	-	655
Deletions*	-	-	(303)	(2)	(55)	(2)	-	-	(362)
Gross carrying value as at March 31, 2022	**1,429**	**10,115**	**3,054**	**1,250**	**7,239**	**2,070**	**817**	**44**	**26,018**
Accumulated depreciation as at January 1, 2022	**-**	**(3,740)**	**(2,738)**	**(969)**	**(4,993)**	**(1,569)**	**(464)**	**(36)**	**(14,509)**
Depreciation	-	(94)	(58)	(26)	(224)	(47)	(35)	(1)	(485)
Accumulated depreciation on deletions*	-	-	302	2	54	2	-	-	360
Accumulated depreciation as at March 31, 2022	**-**	**(3,834)**	**(2,494)**	**(993)**	**(5,163)**	**(1,614)**	**(499)**	**(37)**	**(14,634)**
Carrying value as at January 1, 2022	**1,428**	**6,320**	**569**	**269**	**1,809**	**481**	**332**	**8**	**11,216**
Carrying value as at March 31, 2022	**1,429**	**6,281**	**560**	**257**	**2,076**	**456**	**318**	**7**	**11,384**

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

(In ₹ crore)

Particulars	Land- Freehold	Buildings[(1)(2)]	Plant and machinery[(2)]	Office Equipment[(2)]	Computer equipment[(2)]	Furniture and fixtures[(2)]	Leasehold Improvements	Vehicles	Total
Gross carrying value as at January 1, 2021	**1,390**	**9,305**	**3,085**	**1,133**	**6,326**	**1,910**	**740**	**43**	**23,932**
Additions	8	241	59	63	251	46	48	1	717
Deletions	(1)	-	(3)	(1)	(47)	(4)	-	-	(56)
Gross carrying value as at March 31, 2021	**1,397**	**9,546**	**3,141**	**1,195**	**6,530**	**1,952**	**788**	**44**	**24,593**
Accumulated depreciation as at January 1, 2021	**-**	**(3,372)**	**(2,258)**	**(864)**	**(4,710)**	**(1,389)**	**(335)**	**(31)**	**(12,959)**
Depreciation	-	(88)	(62)	(27)	(199)	(49)	(41)	(1)	(467)
Provision for impairment (Refer to note 2.22)	-	-	(283)	-	-	-	-	-	(283)
Accumulated depreciation on deletions	-	-	3	-	39	4	-	-	46
Accumulated depreciation as at March 31, 2021	**-**	**(3,460)**	**(2,600)**	**(891)**	**(4,870)**	**(1,434)**	**(376)**	**(32)**	**(13,663)**
Carrying value as at January 1, 2021	**1,390**	**5,933**	**827**	**269**	**1,616**	**521**	**405**	**12**	**10,973**
Carrying value as at March 31, 2021	**1,397**	**6,086**	**541**	**304**	**1,660**	**518**	**412**	**12**	**10,930**

The changes in the carrying value of property, plant and equipment for the year ended March 31, 2022 are as follows:

(In ₹ crore)

Particulars	Land-Freehold	Buildings[(1)(2)]	Plant and machinery[(2)]	Office Equipment[(2)]	Computer equipment[(2)]	Furniture and fixtures[(2)]	Leasehold Improvements	Vehicles	Total
Gross carrying value as at April 1, 2021	**1,397**	**9,546**	**3,141**	**1,195**	**6,530**	**1,952**	**788**	**44**	**24,593**
Additions	32	569	244	62	1,281	130	63	-	2,381
Deletions*	-	-	(331)	(7)	(572)	(12)	(34)	-	(956)
Gross carrying value as at March 31, 2022	**1,429**	**10,115**	**3,054**	**1,250**	**7,239**	**2,070**	**817**	**44**	**26,018**
Accumulated depreciation as at April 1, 2021	**-**	**(3,460)**	**(2,600)**	**(891)**	**(4,870)**	**(1,434)**	**(376)**	**(32)**	**(13,663)**
Depreciation	-	(374)	(224)	(108)	(864)	(191)	(148)	(5)	(1,914)
Accumulated depreciation on deletions*	-	-	330	6	571	11	25	-	943
Accumulated depreciation as at March 31, 2022	**-**	**(3,834)**	**(2,494)**	**(993)**	**(5,163)**	**(1,614)**	**(499)**	**(37)**	**(14,634)**
Carrying value as at April 1, 2021	**1,397**	**6,086**	**541**	**304**	**1,660**	**518**	**412**	**12**	**10,930**
Carrying value as at March 31, 2022	**1,429**	**6,281**	**560**	**257**	**2,076**	**456**	**318**	**7**	**11,384**

* During the three months ended and year ended March 31, 2022, certain assets which were old and not in use having gross book value of NIL (net book value: Nil) and ₹ 291 crore (net book value: Nil) respectively, were retired.

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

(In ₹ crore)

Particulars	Land-Freehold	Buildings[(1)(2)]	Plant and machinery[(2)]	Office Equipment[(2)]	Computer equipment[(2)]	Furniture and fixtures[(2)]	Leasehold Improvements	Vehicles	Total
Gross carrying value as at April 1, 2020	**1,316**	**9,038**	**3,038**	**1,094**	**5,690**	**1,875**	**669**	**43**	**22,763**
Additions	82	508	113	110	975	92	134	1	2,015
Additions through Business transfer	-	-	-	-	6	-	2	-	8
Deletions	(1)	-	(10)	(9)	(141)	(15)	(17)	-	(193)
Gross carrying value as at March 31, 2021	**1,397**	**9,546**	**3,141**	**1,195**	**6,530**	**1,952**	**788**	**44**	**24,593**
Accumulated depreciation as at April 1, 2020	**-**	**(3,114)**	**(2,053)**	**(787)**	**(4,197)**	**(1,246)**	**(248)**	**(26)**	**(11,671)**
Depreciation	-	(346)	(273)	(112)	(804)	(202)	(145)	(6)	(1,888)
Provision for Impairment (Refer to note 2.19)	-	-	(283)	-	-	-	-	-	(283)
Accumulated depreciation on deletions	-	-	9	8	131	14	17	-	179
Accumulated depreciation as at March 31, 2021	**-**	**(3,460)**	**(2,600)**	**(891)**	**(4,870)**	**(1,434)**	**(376)**	**(32)**	**(13,663)**
Carrying value as at April 1, 2020	**1,316**	**5,924**	**985**	**307**	**1,493**	**629**	**421**	**17**	**11,092**
Carrying value as at March 31, 2021	**1,397**	**6,086**	**541**	**304**	**1,660**	**518**	**412**	**12**	**10,930**

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

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

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

2.2 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, 2022	**March 31, 2021**
Carrying value at the beginning	167	29
Goodwill on business transfer[(1)]	44	138
Carrying value at the end	**211**	**167**

[(1)] *Arising on transfer of the business of Brilliant Basics Limited to Infosys Limited*

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.

2.3 LEASES

Accounting Policy

The Company as a lessee

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

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

As a lessee, the Company determines the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Company makes an assessment on the expected lease term on a lease-by-lease basis and thereby assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. In evaluating the lease term, the Company considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of the lease and the importance of the underlying asset to Infosys's operations taking into account the location of the underlying asset and the availability of suitable alternatives. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances.

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

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

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

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

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

The Company as a lessor

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

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

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

Following are the changes in the carrying value of right of use assets for the three months ended March 31, 2022:

(In ₹ crore)

Particulars	Category of ROU asset			Total
	Land	Buildings	Computers	
Balance as at January 1, 2022	553	2,686	124	3,363
Additions*	-	58	25	83
Deletion	-	(10)	-	(10)
Depreciation	(1)	(113)	(11)	(125)
Balance as at March 31, 2022	**552**	**2,621**	**138**	**3,311**

** Net of adjustments on account of modifications*

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

(In ₹ crore)

Particulars	Category of ROU asset			Total
	Land	Buildings	Computers	
Balance as at January 1, 2021	558	2,571	109	3,238
Additions	-	288	11	299
Deletion	-	-	-	-
Depreciation	(2)	(93)	(7)	(102)
Balance as at March 31, 2021	**556**	**2,766**	**113**	**3,435**

** Net of adjustments on account of modifications*

Following are the changes in the carrying value of right of use assets for the year ended March 31, 2022:

(In ₹ crore)

Particulars	Category of ROU asset			Total
	Land	Buildings	Computers	
Balance as at April 1, 2021	556	2,766	113	3,435
Additions*	-	306	67	373
Deletion	-	(18)	-	(18)
Depreciation	(4)	(433)	(42)	(479)
Balance as at March 31, 2022	**552**	**2,621**	**138**	**3,311**

** Net of adjustments on account of modifications*

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

(In ₹ crore)

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

** Net of adjustments on account of modifications*

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

The following is the break-up of current and non-current lease liabilities as at March 31, 2022 and March 31, 2021:

(In ₹ crore)

Particulars	As at	
	March 31, 2022	March 31, 2021
Current lease liabilities	558	487
Non-current lease liabilities	3,228	3,367
Total	**3,786**	**3,854**

2.4 INVESTMENTS

(In ₹ crore)

Particulars	As at March 31, 2022	As at March 31, 2021
Non-current investments		
Equity instruments of subsidiaries	9,061	8,933
Debentures of subsidiary	-	536
Redeemable Preference shares of subsidiary	1,318	1,318
Preference securities and equity instruments	194	167
Compulsorily convertible debentures	7	7
Others	76	42
Tax free bonds	1,901	2,131
Government bonds	-	13
Non-convertible debentures	3,459	3,669
Government Securities	6,853	5,302
Total non-current investments	**22,869**	**22,118**
Current investments		
Liquid mutual fund units	1,337	1,326
Certificates of deposit	3,141	-
Tax free bonds	200	-
Government bonds	13	-
Government Securities	362	-
Non-convertible debentures	414	711
Total current investments	**5,467**	**2,037**
Total carrying value	**28,336**	**24,155**

(In ₹ crore, except as otherwise stated)

Particulars	As at March 31, 2022	As at March 31, 2021
Non-current investments		
Unquoted		
Investment carried at cost		
Investments in equity instruments of subsidiaries		
Infosys BPM Limited[(1)]	662	660
33,828 (3,38,23,444) equity shares of ₹10,000/- (₹10/-) each, fully paid up		
Infosys Technologies (China) Co. Limited	369	369
Infosys Technologies, S. de R.L. de C.V., Mexico	65	65
17,49,99,990 (17,49,99,990) equity shares of MXN 1 par value, fully paid up		
Infosys Technologies (Sweden) AB	76	76
1,000 (1,000) equity shares of SEK 100 par value, fully paid		
Infosys Technologies (Shanghai) Company Limited	1,010	900
Infosys Public Services, Inc.	99	99
3,50,00,000 (3,50,00,000) shares of USD 0.50 par value, fully paid		
Infosys Consulting Holding AG	1,323	1,323
23,350 (23,350) - Class A shares of CHF 1,000 each and		
26,460 (26,460) - Class B Shares of CHF 100 each, fully paid up		
Infosys Americas Inc.	1	1
10,000 (10,000) shares of USD 10 per share, fully paid up		
EdgeVerve Systems Limited	1,312	1,312
1,31,18,40,000 (1,31,18,40,000) equity shares of ₹10/- each, fully paid up		
Infosys Nova Holdings LLC[#]	2,637	2,637
Infosys Consulting Pte Ltd	10	10
1,09,90,000 (1,09,90,000) shares of SGD 1.00 par value, fully paid		
Brilliant Basics Holding Limited	59	59
1,346 (1,346) shares of GBP 0.005 each, fully paid up		
Infosys Arabia Limited	2	2
70 (70) shares		
Skava Systems Private Limited	59	59
25,000 (25,000) shares of ₹10/- each, fully paid up		
Panaya Inc.	582	582
2 (2) shares of USD 0.01 per share, fully paid up		
Infosys Chile SpA	7	7
100 (100) shares		
WongDoody Holding Company Inc	380	380
2,000 (2,000) shares		
Infosys Luxembourg S.a r.l.	17	17
20,000 (20,000) shares		
Infosys Austria GmBH (formerly known as Lodestone Management Consultants GmbH)	-	-
80,000 (80,000) shares of EUR 1 par value, fully paid up		
Infosys Consulting Brazil	337	337
27,50,71,070 (27,50,71,070) shares of BRL 1 per share, fully paid up		
Infosys Romania	34	34
99,183 (99,183) shares of RON 100 per share, fully paid up		
Infosys Bulgaria	2	2
4,58,000 (4,58,000) shares of BGN 1 per share, fully paid up		
Infosys Germany Holdings GmbH	2	2
25,000 (25,000) shares EUR 1 per share, fully paid up		
Infosys Green Forum	1	-
10,00,000 (NIL) shares ₹10 per share, fully paid up		
Infosys Automotive and Mobility GmbH	15	-
Infosys Germany GmbH		
25,000 (Nil) shares EUR 1 per share, fully paid up	-	-
Infosys Turkey Bilgi Tekn		
1 (Nil) share Turkish Liras 10,000 per share, fully paid up	-	-
Investment in Redeemable Preference shares of subsidiary		
Infosys Consulting Pte Ltd	1,318	1,318
24,92,00,000 (24,92,00,000) shares of SGD 1 per share, fully paid up		
	10,379	**10,251**

Investment carried at amortized cost		
Investment in debentures of subsidiary		
EdgeVerve Systems Limited		
Nil (5,36,00,000) Unsecured redeemable, non-convertible debentures of ₹ 100/- each fully paid up	-	536
	-	**536**
Investments carried at fair value through profit or loss		
Compulsorily convertible debentures	7	7
Others [3]	76	42
	83	**49**
Investment carried at fair value through other comprehensive income		
Preference securities	192	165
Equity instruments	2	2
	194	**167**
Quoted		
Investments carried at amortized cost		
Tax free bonds	1,901	2,131
Government bonds	-	13
	1,901	**2,144**
Investments carried at fair value through other comprehensive income		
Non-convertible debentures	3,459	3,669
Government Securities	6,853	5,302
	10,312	**8,971**
Total non-current investments	**22,869**	**22,118**
Current investments		
Unquoted		
Investments carried at fair value through profit or loss		
Liquid mutual fund units	1,337	1,326
	1,337	**1,326**
Investments carried at fair value through other comprehensive income		
Certificate of deposits	3,141	-
	3,141	**-**
Quoted		
Investments carried at amortized cost		
Tax free bonds	200	-
Government bonds	13	-
	213	**-**
Investments carried at fair value through other comprehensive income		
Government Securities	362	-
Non-convertible debentures	414	711
	776	**711**
Total current investments	**5,467**	**2,037**
Total investments	**28,336**	**24,155**
Aggregate amount of quoted investments	13,202	11,826
Market value of quoted investments (including interest accrued), current	1,003	713
Market value of quoted investments (including interest accrued), non current	12,551	11,507
Aggregate amount of unquoted investments	15,134	12,329
# Aggregate amount of impairment in value of investments	94	94
Reduction in the fair value of assets held for sale	854	854
Investments carried at cost	10,379	10,251
Investments carried at amortized cost	2,114	2,680
Investments carried at fair value through other comprehensive income	14,423	9,849
Investments carried at fair value through profit or loss	1,420	1,375

[1] *On March 17, 2022, Infosys Limited acquired non-controlling interest of 0.01% of the voting interests in Infosys BPM Limited.*

[2] *Uncalled capital commitments outstanding as of March 31, 2022 and March 31, 2021 was ₹11 crore and ₹10 crore, respectively.*

Refer to note 2.10 for accounting policies on financial instruments.

Method of fair valuation:

(In ₹ crore)

Class of investment	**Method**	**Fair value as at**	
		March 31, 2022	**March 31, 2021**
Liquid mutual fund units	Quoted price	1,337	1,326
Tax free bonds and government bonds	Quoted price and market observable inputs	2,438	2,527
Non-convertible debentures	Quoted price and market observable inputs	3,873	4,380
Government Securities	Quoted price and market observable inputs	7,215	5,302
Certificate of deposit	Market observable inputs	3,141	-
Unquoted equity and preference securities	Discounted cash flows method, Market multiples method, Option pricing model	194	167
Compulsorily convertible debentures	Discounted cash flows method	7	7
Others	Discounted cash flows method, Market multiples method, Option pricing model	76	42

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

2.5 LOANS

(In ₹ crore)

Particulars	As at March 31, 2022	As at March 31, 2021
Non- Current		
Loans considered good - Unsecured		
Other Loans		
Loans to employees	34	30
	34	**30**
Loans credit impaired - Unsecured		
Other Loans		
Loans to employees	-	23
Less: Allowance for credit impairment	-	23
	-	-
Total non - current loans	**34**	**30**
Current		
Loans considered good - Unsecured		
Loans to subsidiaries	-	96
Other Loans		
Loans to employees	219	133
Total current loans	**219**	**229**
Total Loans	**253**	**259**

2.6 OTHER FINANCIAL ASSETS

(In ₹ crore)

Particulars	As at March 31, 2022	As at March 31, 2021
Non-current		
Security deposits [(1)]	43	45
Net investment in Sublease of right of use asset [(1)]	320	348
Rental deposits [(1)]	134	164
Unbilled revenues [(1)(5)#]	215	11
Others [(1)]	15	45
Total non-current other financial assets	**727**	**613**
Current		
Security deposits [(1)]	1	1
Rental deposits [(1)]	36	10
Restricted deposits [(1)*]	1,965	1,826
Unbilled revenues [(1)(5)#]	3,543	2,139
Interest accrued but not due [(1)]	323	553
Foreign currency forward and options contracts [(2)(3)]	131	178
Net investment in Sublease of right of use asset [(1)]	45	37
Others [(1)(4)]	536	482
Total current other financial assets	**6,580**	**5,226**
Total other financial assets	**7,307**	**5,839**
[(1)] Financial assets carried at amortized cost	7,176	5,661
[(2)] Financial assets carried at fair value through other comprehensive income	20	25
[(3)] Financial assets carried at fair value through Profit or Loss	111	153
[(4)] *Includes dues from subsidiaries*	220	182
[(5)] *Includes dues from subsidiaries*	419	82

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

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

2.7 TRADE RECEIVABLES

(In ₹ crore)

Particulars	As at March 31, 2022	As at March 31, 2021
Current		
Trace Receivable considered good - Unsecured [(2)]	19,454	16,817
Less: Allowance for expected credit loss	488	423
Trace Receivable considered good - Unsecured	18,966	16,394
Trace Receivable - credit impaired - Unsecured	85	120
Less: Allowance for credit impairment	85	120
Trace Receivable - credit impaired - Unsecured	-	-
Total trade receivables[(1)]	**18,966**	**16,394**
[(1)] *Includes dues from companies where directors are interested*	1	-
[(2)] *Includes dues from subsidiaries*	268	203

2.8 CASH AND CASH EQUIVALENTS

(In ₹ crore)

Particulars	As at March 31, 2022	As at March 31, 2021
Balances with banks		
In current and deposit accounts	9,375	13,792
Cash on hand		-
Others		
Deposits with financial institutions	2,895	3,820
Total Cash and cash equivalents	**12,270**	**17,612**
Balances with banks in unpaid dividend accounts	36	33
Deposit with more than 12 months maturity	1,471	11,948
Balances with banks held as margin money deposits against guarantees	1	71

Cash and cash equivalents as at March 31, 2022 and March 31, 2021 include restricted cash and bank balances of ₹ 60 crore and ₹154 crore, respectively. The restrictions are primarily on account of bank balances held as margin money deposits against guarantees.

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

2.9 OTHER ASSETS

(In ₹ crore)

Particulars	As at March 31, 2022	As at March 31, 2021
Non-current		
Capital advances	87	141
Advances other than capital advance		
Others		
Prepaid expenses	82	64
Defined benefit assets	10	9
Deferred contract cost[(3)]		
Cost of obtaining a contract	151	57
Cost of fulfillment	273	16
Unbilled revenues[(2)]	156	175
Withholding taxes and others	657	687
Total non-current other assets	**1,416**	**1,149**
Current		
Advances other than capital advance		
Payment to vendors for supply of goods	183	131
Others		
Prepaid expenses [(1)]	1,174	874
Unbilled revenues[(2)]	5,365	3,904
Deferred contract cost[(3)]		
Cost of obtaining a contract	350	27
Cost of fulfillment	40	13
Withholding taxes and others	1,589	1,832
Other receivables	234	3
Total current other assets	**8,935**	**6,784**
Total other assets	**10,351**	**7,933**
[(1)] *Includes dues from subsidiaries*	204	237

[(2)] *Classified as non financial asset as the contractual right to consideration is dependent on completion of contractual milestones.*

[(3)] *Includes technology assets taken over by the Company from a customer as a part of transformation project which is not considered as distinct goods or services and the control related to the assets is not transferred to the Company in accordance with Ind AS 115 - Revenue from contract with customers. Accordingly, the same has been considered as a reduction to the total contract value and accounted as Deferred contract cost. Further as at March 31, 2022 the Company has entered into a financing arrangement with a third party for these assets which has been considered as financial liability. (Refer to note 2.12)*

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

2.10 FINANCIAL INSTRUMENTS

Accounting Policy

2.10.1 Initial recognition

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

2.10.2 Subsequent measurement

a. Non-derivative financial instruments

(i) Financial assets carried at amortized cost

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

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

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. The Company has made an irrevocable election for its investments which are classified as equity instruments to present the subsequent changes in fair value in other comprehensive income based on its business model.

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

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

(iv) Financial liabilities

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

(v) Investment in subsidiaries

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

b. Derivative financial instruments

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

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

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

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

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

(ii) Cash flow hedge

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

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

2.10.3 Derecognition of financial instruments

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

2.10.4 Fair value of financial instruments

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

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

2.10.5 Impairment

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

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

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 recorded 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, 2022 are as follows:

(In ₹ crore)

Particulars	Amortized cost	Financial assets/ liabilities at fair value through profit or loss		Financial assets/liabilities at fair value through OCI		Total carrying value	Total fair value
		Designated upon initial recognition	Mandatory	Equity instruments designated upon initial recognition	Mandatory		
Assets:							
Cash and cash equivalents (Refer to note 2.8)	12,270	-	-	-	-	12,270	12,270
Investments (Refer to note2.4)							
Preference securities, Equity instruments and others	-	-	76	194	-	270	270
Compulsorily convertible debentures	-	-	7	-	-	7	7
Tax free bonds and government bonds	2,114	-	-	-	-	2,114	2,438 [1]
Liquid mutual fund units	-	-	1,337	-	-	1,337	1,337
Certificates of deposits	-	-	-	-	3,141	3,141	3,141
Non convertible debentures	-	-	-	-	3,873	3,873	3,873
Government Securities	-	-	-	-	7,215	7,215	7,215
Trade receivables (Refer to note 2.7)	18,966	-	-	-	-	18,966	18,966
Loans (Refer to note 2.5)	253	-	-	-	-	253	253
Other financial assets (Refer to note 2.6) [3]	7,176	-	111	-	20	7,307	7,216 [2]
Total	**40,779**	**-**	**1,531**	**194**	**14,249**	**56,753**	**56,986**
Liabilities:							
Trade payables (Refer to note 2.13)	2,669	-	-	-	-	2,669	2,669
Lease liabilities (Refer to note 2.3)	3,786	-	-	-	-	3,786	3,786
Other financial liabilities (Refer to note 2.12)	10,084	-	8	-	3	10,095	10,095
Total	**16,539**	**-**	**8**	**-**	**3**	**16,550**	**16,550**

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

[2] *Excludes interest accrued on tax free bonds and government bonds carried at amortized cost of ₹91 crore*

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

The carrying value and fair value of financial instruments by categories as at March 31, 2021 were as follows:

(In ₹ crore)

Particulars	Amortized cost	Financial assets/ liabilities at fair value through profit or loss		Financial assets/liabilities at fair value through OCI		Total carrying value	Total fair value
		Designated upon initial recognition	Mandatory	Equity instruments designated upon initial recognition	Mandatory		
Assets:							
Cash and cash equivalents (Refer to note 2.8)	17,612	-	-	-	-	17,612	17,612
Investments (Refer to note 2.4)							
Preference securities, Equity instruments and others	-	-	42	167	-	209	209
Compulsorily convertible debentures	-	-	7	-	-	7	7
Tax free bonds and government bonds	2,144	-	-	-	-	2,144	2,527 [2]
Liquid mutual fund units	-	-	1,326	-	-	1,326	1,326
Redeemable, non-convertible debentures [1]	536	-	-	-	-	536	536
Non convertible debentures	-	-	-	-	4,380	4,380	4,380
Government Securities	-	-	-	-	5,302	5,302	5,302
Trade receivables (Refer to note 2.7)	16,394	-	-	-	-	16,394	16,394
Loans (Refer to note 2.5)	259	-	-	-	-	259	259
Other financial assets (Refer to note 2.6)[4]	5,661	-	153	-	25	5,839	5,747 [3]
Total	**42,606**	**-**	**1,528**	**167**	**9,707**	**54,008**	**54,299**
Liabilities:							
Trade payables (Refer to note 2.13)	1,562	-	-	-	-	1,562	1,562
Lease Liabilities (Refer to note 2.3)	3,854	-	-	-	-	3,854	3,854
Other financial liabilities (Refer to note 2.12)	6,873	-	14	-	-	6,887	6,887
Total	**12,289**	**-**	**14**	**-**	**-**	**12,303**	**12,303**

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

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

[3] *Excludes interest accrued on tax free bonds and government bonds carried at amortized cost of ₹92 crore*

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

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

Fair value hierarchy

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.
Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

The fair value hierarchy of assets and liabilities as at March 31, 2022 is as follows:

(In ₹ crore)

Particulars	As at March 31, 2022	Fair value measurement at end of the reporting period using		
		Level 1	Level 2	Level 3
Assets				
Investments in tax free bonds (Refer to note 2.4)	2,425	1,238	1,187	-
Investments in government bonds (Refer to note 2.4)	13	13	-	-
Investments in liquid mutual fund units (Refer to note 2.4)	1,337	1,337	-	-
Investments in certificates of deposit (Refer to note 2.4)	3,141	-	3,141	-
Investments in non convertible debentures (Refer to note 2.4)	3,873	3,472	401	-
Investments in government securities (Refer to note 2.4)	7,215	7,177	38	-
Investments in equity instruments (Refer to note 2.4)	2	-	-	2
Investments in preference securities (Refer to note 2.4)	192	-	-	192
Investments in compulsorily convertible debentures (Refer to note 2.4)	7	-	-	7
Other investments (Refer to note 2.4)	76	-	-	76
Derivative financial instruments - gain on outstanding foreign exchange forward and option contracts (Refer to note 2.6)	131	-	131	-
Liabilities				
Derivative financial instruments - loss on outstanding foreign exchange forward and option contracts (Refer to note 2.12)	11	-	11	-

During the year ended March 31, 2022, tax free bonds and non-convertible debentures of ₹576 crore were transferred from Level 2 to Level 1 of fair value hierarchy since these were valued based on quoted price. Further tax free bonds and non-convertible debentures of ₹890 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, 2021 was as follows:

(In ₹ crore)

Particulars	As at March 31, 2021	Fair value measurement at end of the reporting period using		
		Level 1	Level 2	Level 3
Assets				
Investments in tax free bonds (Refer to note 2.4)	2,513	1,352	1,161	-
Investments in government bonds (Refer to note 2.4)	14	14	-	-
Investments in liquid mutual fund units (Refer to note 2.4)	1,326	1,326	-	-
Investments in non convertible debentures (Refer to note 2.4)	4,380	4,085	295	-
Investments in government securities (Refer to note 2.4)	5,302	5,302	-	-
Investments in equity instruments (Refer to note 2.4)	2	-	-	2
Investments in preference securities (Refer to note 2.4)	165	-	-	165
Investments in compulsorily convertible debentures (Refer to note 2.4)	7	-	-	7
Other investments (Refer to note 2.4)	42	-	-	42
Derivative financial instruments - gain on outstanding foreign exchange forward and option contracts (Refer to note 2.6)	178	-	178	-
Liabilities				
Derivative financial instruments - loss on outstanding foreign exchange forward and option contracts (Refer note 2.12)	9	-	9	-
Liability towards contingent consideration (Refer to note 2.12)	5	-	-	5

During the year ended March 31, 2021, tax free bonds and non-convertible debentures of ₹107 crore were transferred from Level 2 to Level 1 of fair value hierarchy, since these were valued based on quoted price. Further tax free bonds and non-convertible debentures of ₹1,177 crore were transferred from Level 1 to Level 2 of fair value hierarchy, since these were valued based on market observable inputs.

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

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

2.11 EQUITY

Accounting policy

Ordinary Shares

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

Description of reserves

Capital redemption reserve

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

Retained earnings

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

Securities premium

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

Share options outstanding account

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

Special Economic Zone Re-investment reserve

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

Other components of equity

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

Cash flow hedge reserve

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

2.11.1 EQUITY SHARE CAPITAL

(In ₹ crore, except as otherwise stated)

Particulars	As at March 31, 2022	As at March 31, 2021
Authorized		
Equity shares, ₹5/- par value		
480,00,00,000 (480,00,00,000) equity shares	2,400	2,400
Issued, Subscribed and Paid-Up		
Equity shares, ₹5/- par value [(1)]	2,103	2,130
4,206,738,641(4,260,660,846) equity shares fully paid-up		
	2,103	**2,130**

(1) Refer to note 2.20 for details of basic and diluted shares

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

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

In the event of liquidation of the company, the holders of equity shares will be entitled to receive any of the remaining assets of the company in proportion to the number of equity shares held by the shareholders, after distribution of all preferential amounts. However, no such preferential amounts exist currently.

For details of shares reserved for issue under the employee stock option plan of the Company, refer to the note below.

The reconciliation of the number of shares outstanding and the amount of share capital as at March 31, 2022 and March 31, 2021 is set out below:

(in ₹ crore, except as stated otherwise)

Particulars	As at March 31, 2022		As at March 31, 2021	
	Number of shares	Amount	Number of shares	Amount
As at the beginning of the period	4,26,06,60,846	2,130	4,25,89,92,566	2,129
Add: Shares issued on exercise of employee stock options	18,85,132	1	1,668,280	1
Less: Shares bought back	5,58,07,337	28	-	-
As at the end of the period	**4,20,67,38,641**	**2,103**	**4,260,660,846**	**2,130**

Capital allocation policy

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

Update on buyback announced in April 2021:

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

The shareholders approved the proposal of buyback of Equity Shares recommended by its Board of Directors in the Annual General meeting held on June 19, 2021.

The buyback was offered to all eligible equity shareholders of the Company (other than the Promoters, the Promoter Group and Persons in Control of the Company) under the open market route through the stock exchange. The buyback of equity shares through the stock exchange commenced on June 25, 2021 and was completed on September 8, 2021. During this buyback period the Company had purchased and extinguished a total of 55,807,337 equity shares from the stock exchange at a volume weighted average buyback price of ₹1,648.53/- per equity share comprising 1.31% of the pre buyback paid up equity share capital of the Company. The buyback resulted in a cash outflow of ₹9,200 crore (excluding transaction costs and tax on buyback). The Company funded the buyback from its free reserves including Securities Premium as explained in Section 68 of the Companies Act, 2013.

In accordance with section 69 of the Companies Act, 2013, as at March 31, 2022, the Company has created 'Capital Redemption Reserve' of ₹28 crore equal to the nominal value of the shares bought back as an appropriation from general reserve.

The Company's objective when managing capital is to safeguard its ability to continue as a going concern and to maintain an optimal capital structure so as to maximize shareholder value. In order to maintain or achieve an optimal capital structure, the Company may adjust the amount of dividend payment, return capital to shareholders, issue new shares or buy back issued shares. As at March 31, 2022, the Company has only one class of equity shares and has no debt. Consequent to the above capital structure there are no externally imposed capital requirements.

2.11.2 DIVIDEND

The final dividend on shares is recorded as a liability on the date of approval by the shareholders and interim dividends are recorded as a liability on the date of declaration by the Company's Board of Directors. Income tax consequences of dividends on financial instruments classified as equity will be recognized according to where the entity originally recognized those past transactions or events that generated distributable profits.

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

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

Particulars	Three months ended March 31,		Year ended March 31,	
	2022	2021	2022	2021
Interim dividend for fiscal 2022	-	-	15.00	-
Final dividend for fiscal 2021	-	-	15.00	-
Interim dividend for fiscal 2021	-	-	-	12.00
Final dividend for fiscal 2020	-	-	-	9.50

During the year ended March 31, 2022 on account of the final dividend for fiscal 2021, and interim dividend for fiscal 2022 the Company has incurred a net cash outflow of ₹12,700 crore.

The Board of Directors in their meeting on April 13, 2022 recommended a final dividend of ₹16/- per equity share for the financial year ended March 31, 2022. This payment is subject to the approval of shareholders in the Annual General Meeting (AGM) of the Company to be held on June 25, 2022 and if approved would result in a net cash outflow of approximately ₹6,731 crore.

During the year ended March 31, 2022, the Company received dividend from its majority owned subsidiary amounting to ₹558 crore and ₹1,150 crore, respectively.

2.11.3 Employee Stock Option Plan (ESOP):

Accounting Policy

The Company recognizes compensation expense relating to share-based payments in net profit based on estimated fair-values of the awards on the grant date. The estimated fair value of awards is recognized as an expense in the statement of profit and loss on a straight-line basis over the requisite service period for each separately vesting portion of the award as if the award was in-substance, multiple awards with a corresponding increase to share options outstanding account.

Infosys Expanded Stock Ownership Program 2019 (the 2019 Plan) :

On June 22, 2019 pursuant to approval by the shareholders in the Annual General Meeting, the Board has been authorized to introduce, offer, issue and provide share-based incentives to eligible employees of the Company and its subsidiaries under the 2019 Plan. The maximum number of shares under the 2019 plan shall not exceed 5,00,00,000 equity shares. To implement the 2019 Plan , up to 4,50,00,000 equity shares may be issued by way of secondary acquisition of shares by Infosys Expanded Stock Ownership Trust. The restricted stock units (RSUs) granted under the 2019 plan shall vest based on the achievement of defined annual performance parameters as determined by the administrator (Nomination and remuneration committee). The performance parameters will be based on a combination of relative total shareholders return (TSR) against selected industry peers and certain broader market domestic and global indices and operating performance metrics of the company as decided by administrator. Each of the above performance parameters will be distinct for the purposes of calculation of quantity of shares to vest based on performance. These instruments will generally vest between a minimum of 1 to maximum of 3 years from the grant date.

2015 Stock Incentive Compensation Plan (the 2015 Plan) :

On March 31, 2016, pursuant to the approval by the shareholders through postal ballot, the Board was authorized to introduce, offer, issue and allot share-based incentives to eligible employees of the Company and its subsidiaries under the 2015 Stock Incentive Compensation Plan (the 2015 Plan). The maximum number of shares under the 2015 plan shall not exceed 2,40,38,883 equity shares (this includes 1,12,23,576 equity shares which are held by the trust towards the 2011 Plan as at March 31, 2016). The Company expects to grant the instruments under the 2015 Plan over the period of 4 to 7 years. The plan numbers mentioned above would further be adjusted for the September 2018 bonus issue.

The equity settled and cash settled RSUs and stock options would vest generally over a period of 4 years and shall be exercisable within the period as approved by the Nomination and Remuneration Committee (NARC). The exercise price of the RSUs will be equal to the par value of the shares and the exercise price of the stock options would be the market price as on the date of grant.

Controlled trust holds 13,725,712 and 15,514,732 shares as at March 31, 2022 and March 31, 2021, respectively under the 2015 plan. Out of these shares, 2,00,000 equity shares each have been earmarked for welfare activities of the employees as at March 31, 2022 and March 31, 2021.

The following is the summary of grants during the three months and year ended March 31, 2022 and March 31, 2021 :

Particulars	2019 plan				2015 plan			
	Three months ended March 31,		Year ended March 31,		Three months ended March 31,		Year ended March 31,	
	2022	2021	2022	2021	2022	2021	2022	2021
Equity settled RSU								
KMPs	74,800	106,000	148,762	313,808	182,846	253,054	284,543	457,151
Employees other than KMPs	2,701,867	1,282,600	2,701,867	1,282,600	1,280,610	2,144,960	1,305,880	2,203,460
Total Grants	**2,776,667**	**1,388,600**	**2,850,629**	**1,596,408**	**1,463,456**	**2,398,014**	**1,590,423**	**2,660,611**
Cash settled RSU								
KMPs	-	-	-	-	-	-	-	-
Employees other than KMPs	-	-	-	-	49,960	**115,250**	49,960	**115,250**
	-	**-**	**-**	**-**	**49,960**	**115,250**	**49,960**	**115,250**
Total Grants	**2,776,667**	**1,388,600**	**2,850,629**	**1,596,408**	**1,513,416**	**2,513,264**	**1,640,383**	**2,775,861**

Notes on grants to KMP:

CEO & MD

Under the 2015 plan:

In accordance with the employee agreement which has been approved by the shareholders, the CEO is eligible to receive an annual grant of RSUs of fair value ₹3.25 crore which will vest overtime in three equal annual installments upon the completion of each year of service from the respective grant date. Accordingly, annual time-based grant of 18,340 RSUs was made effective February 1, 2022 for fiscal 2022.

The Board, on April 14, 2021, based on the recommendations of the nomination and remuneration committee, in accordance with the terms of his employment agreement, approved the grant of performance-based RSUs of fair value of ₹13 crore for fiscal 2022 under the 2015 Plan. These RSUs will vest in line with the employment agreement based on achievement of certain performance targets. Accordingly, 96,150 performance based RSU's were granted effective May 2, 2021.

Under the 2019 plan:

The Board, on April 14, 2021, based on the recommendations of the Nomination and Remuneration Committee, approved performance-based grant of RSUs amounting to ₹10 crore for fiscal 2022 under the 2019 Plan. These RSUs will vest in line with the employment agreement based on achievement of certain performance targets. Accordingly, 73,962 performance based RSU's were granted effective May 2, 2021.

Other KMPs

Under the 2015 plan:

On April 14, 2021, based on the recommendations of the Nomination and Remuneration Committee, in accordance with employment agreement, the Board, approved performance-based grant of 5,547 RSUs to a KMP under the 2015 Plan. The grants were made effective May 2, 2021. The performance based RSUs will vest over three years based on certain performance targets.

On January 12, 2022, based on the recommendations of the Nomination and Remuneration Committee, the Board, approved time based grant of 9,876 RSUs to a KMP under the 2015 Plan. The grants were made effective February 1, 2022. These RSUs will vest over four years.

On March 31, 2022, based on the recommendations of the Nomination and Remuneration Committee, the Board, approved time based grant of 154,630 RSUs to other KMPs under the 2015 Plan. The grants were made effective March 31, 2022. These RSUs will vest over four years.

Under the 2019 plan:

On March 31, 2022, based on the recommendations of the Nomination and Remuneration Committee, the Board, approved performance based grant of 74,800 RSUs to other KMPs under the 2019 Plan. The grants were made effective March 31, 2022. These RSUs will vest over three years based on achievement of certain performance targets.

Break-up of employee stock compensation expense

(in ₹ crore)

Particulars	Three months ended March 31,		Year ended March 31,	
	2022	2021	2022	2021
Granted to:				
KMP	14	20	65	76
Employees other than KMP	88	47	307	221
Total [(1)]	**102**	**67**	**372**	**297**
[(1)] *Cash settled stock compensation expense included in the above*	2	18	13	71

The fair value of the awards are estimated using the Black-Scholes Model for time and non-market performance based options and Monte Carlo simulation model is used for TSR based options.

The inputs to the model include the share price at date of grant, exercise price, expected volatility, expected dividends, expected term and the risk free rate of interest. Expected volatility during the expected term of the options is based on historical volatility of the observed market prices of the Company's publicly traded equity shares during a period equivalent to the expected term of the options. Expected volatility of the comparative company have been modelled based on historical movements in the market prices of their publicly traded equity shares during a period equivalent to the expected term of the options. Correlation coefficient is calculated between each peer entity and the indices as a whole or between each entity in the peer group.

The fair value of each equity settled award is estimated on the date of grant with the following assumptions:

Particulars	For options granted in			
	Fiscal 2022-Equity Shares-RSU	Fiscal 2022-ADS-RSU	Fiscal 2021-Equity Shares-RSU	Fiscal 2021-ADS-RSU
Weighted average share price (₹) / ($ ADS)	1,791	24.45	1,253	18.46
Exercise price (₹) / ($ ADS)	5.00	0.07	5.00	0.07
Expected volatility (%)	21-31	26-34	30-35	30-36
Expected life of the option (years)	1-4	1-4	1-4	1-4
Expected dividends (%)	2-3	2-3	2-3	2-3
Risk-free interest rate (%)	4-6	1-2	4-5	0.1-0.3
Weighted average fair value as on grant date (₹) / ($ ADS)	1,661	22.88	1,124	16.19

The expected life of the RSU/ESOP is estimated based on the vesting term and contractual term of the RSU/ESOP, as well as expected exercise behavior of the employee who receives the RSU/ESOP.

2.12 OTHER FINANCIAL LIABILITIES

(In ₹ crore)

Particulars	As at	
	March 31, 2022	March 31, 2021
Non-current		
Others		
Compensated absences	86	91
Accrued compensation to employees [1]	8	-
Accrued expenses [1][4]	503	163
Other payables [1][6]	79	5
Total non-current other financial liabilities	**676**	**259**
Current		
Unpaid dividends [1]	36	33
Others		
Accrued compensation to employees [1]	2,999	2,915
Accrued expenses [1][4]	4,603	2,944
Retention monies [1]	12	13
Payable for acquisition of business - Contingent consideration [2]	-	5
Capital creditors [1]	395	340
Compensated absences	1,764	1,640
Other payables [1][5][6]	1,449	460
Foreign currency forward and options contracts [2][3]	11	9
Total current other financial liabilities	**11,269**	**8,359**
Total other financial liabilities	**11,945**	**8,618**
[1] *Financial liability carried at amortized cost*	10,084	6,873
[2] *Financial liability carried at fair value through profit or loss*	8	14
[3] *Financial liability carried at fair value through other comprehensive income*	3	-
[4] *Includes dues to subsidiaries*	7	74
[5] *Includes dues to subsidiaries*	316	174
Contingent consideration on undiscounted basis	-	5

[6] Deferred contract cost in note 2.9 includes technology assets taken over by the Company from a customer as a part of transformation project which is not considered as distinct goods or services and the control related to the assets is not transferred to the Company in accordance with Ind AS 115 - Revenue from contract with customers. Accordingly, the same has been considered as a reduction to the total contract value and accounted as Deferred contract cost. Further as at March 31, 2022 the Company has entered into a financing arrangement with a third party for these assets which has been considered as financial liability.

2.13 TRADE PAYABLES

(In ₹ crore)

Particulars	As at	
	March 31, 2022	March 31, 2021
Outstanding dues of micro enterprises and small enterprises	3	-
Outstanding dues of creditors other than micro enterprises and small enterprises[1]	2,666	1,562
Total trade payables	**2,669**	**1,562**
[1] *Includes dues to subsidiaries*	*613*	*400*

2.14 OTHER LIABILITIES

(In ₹ crore)

Particulars	As at	
	March 31, 2022	March 31, 2021
Non current		
Accrued defined benefit plan liability	332	274
Others		
Deferred income	9	16
Deferred income - government grants	19	14
Withholding taxes and others	-	345
Total non - current other liabilities	**360**	**649**
Current		
Accrued defined benefit plan liability	2	3
Unearned revenue	5,179	3,145
Others		
Deferred income - government grants	10	2
Withholding taxes and others	2,190	1,666
Total current other liabilities	**7,381**	**4,816**
Total other liabilities	**7,741**	**5,465**

2.15 PROVISIONS

Accounting Policy

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that is reasonably estimable, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

a. Post sales client support

The Company provides its clients with a fixed-period post sales support on its fixed-price, fixed-timeframe contracts. Costs associated with such support services are accrued at the time related revenues are recorded in the Statement of Profit and Loss. The Company estimates such costs based on historical experience and estimates are reviewed on a periodic basis for any material changes in assumptions and likelihood of occurrence.

b. Onerous contracts

Provisions for onerous contracts are recognized when the expected benefits to be derived by the Company from a contract are lower than the unavoidable costs of meeting the future obligations under the contract. Provisions for estimated losses, if any, on incomplete contracts are recorded in the period in which such losses become probable based on the estimated efforts or costs to complete the contract. The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the Company recognizes any impairment loss on the assets associated with that contract.

Provision for post-sales client support and other provisions

(In ₹ crore)

Particulars	As at	
	March 31, 2022	March 31, 2021
Current		
Others		
Post-sales client support and others	920	661
Total provisions	**920**	**661**

Provision for post sales client support represents cost associated with providing post sales support services which are accrued at the time of recognition of revenues and are expected to be utilized over a period of 1 year.

2.16 INCOME TAXES

Accounting Policy

Income tax expense comprises current and deferred income tax. Income tax expense is recognized in net profit in the Statement of Profit and Loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity or other comprehensive income. Current income tax for current and prior periods is recognized at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date. Deferred income tax assets and liabilities are recognized for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Deferred income tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect of changes in tax rates on deferred income tax assets and liabilities is recognized as income or expense in the period that includes the enactment or the substantive enactment date. A deferred income tax asset is recognized to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilized. Deferred income taxes are not provided on the undistributed earnings of subsidiaries and branches where it is expected that the earnings of the subsidiary or branch will not be distributed in the foreseeable future.

The Company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously. The income tax provision for the interim period is made based on the best estimate of the annual average tax rate expected to be applicable for the full financial year. Tax benefits of deductions earned on exercise of employee share options in excess of compensation charged to income are credited to equity.

Income tax expense in the statement of profit and loss comprises:

(In ₹ crore)

Particulars	Three months ended March 31,		Year ended March 31,	
	2022	2021	2022	2021
Current taxes	1,606	1,512	6,960	6,013
Deferred taxes	125	69	300	416
Income tax expense	**1,731**	**1,581**	**7,260**	**6,429**

Income tax expense for the three months ended March 31, 2022 and March 31, 2021 includes reversal (net of provisions) of ₹221 crore and ₹59 crore, respectively. Income tax expense for the year ended March 31, 2022 and March 31, 2021 includes reversal (net of provisions) of ₹250 crore and ₹298 crore, respectively. These reversals pertains to prior periods on account of adjudication of certain disputed matters in favor of the Company and upon filing of return across various jurisdictions.

Deferred income tax for the three months and year ended March 31, 2022 and March 31, 2021, substantially relates to origination and reversal of temporary differences.

The Company's Advanced Pricing Arrangement (APA) with the Internal Revenue Service (IRS) for US branch income tax expired in March 2021. The Company has applied for renewal of APA and currently the US taxable income is based on the Company's best estimate determined based on the expected value method.

2.17 REVENUE FROM OPERATIONS

Accounting Policy

The Company derives revenues primarily from IT services comprising software development and related services, cloud and infrastructure services, maintenance, consulting and package implementation, licensing of software products and platforms across the Company's core and digital offerings (together called as "software related services"). Contracts with customers are either on a time-and-material, unit of work, fixed-price or on a fixed-timeframe basis.

Revenues from customer contracts are considered for recognition and measurement when the contract has been approved by the parties, in writing, to the contract, the parties to contract are committed to perform their respective obligations under the contract, and the contract is legally enforceable. Revenue is recognized upon transfer of control of promised products or services ("performance obligations") to customers in an amount that reflects the consideration the Company has received or expects to receive in exchange for these products or services ("transaction price"). When there is uncertainty as to collectability, revenue recognition is postponed until such uncertainty is resolved.

The Company assesses the services promised in a contract and identifies distinct performance obligations in the contract. The Company allocates the transaction price to each distinct performance obligation based on the relative standalone selling price. The price that is regularly charged for an item when sold separately is the best evidence of its standalone selling price. In the absence of such evidence, the primary method used to estimate standalone selling price is the expected cost plus a margin, under which the Company estimates the cost of satisfying the performance obligation and then adds an appropriate margin based on similar services

The Company's contracts may include variable consideration including rebates, volume discounts and penalties. The Company includes variable consideration as part of transaction price when there is a basis to reasonably estimate the amount of the variable consideration and when it is probable that a significant reversal of cumulative revenue recognized will not occur when the uncertainty associated with the variable consideration is resolved.

Revenue on time-and-material and unit of work based contracts, are recognized as the related services are performed. Fixed price maintenance revenue is recognized ratably either on a straight-line basis when services are performed through an indefinite number of repetitive acts over a specified period or ratably using a percentage of completion method when the pattern of benefits from the services rendered to the customer and Company's costs to fulfil the contract is not even through the period of contract because the services are generally discrete in nature and not repetitive. Revenue from other fixed-price, fixed-timeframe contracts, where the performance obligations are satisfied over time is recognized using the percentage-of-completion method. Efforts or costs expended are used to determine progress towards completion as there is a direct relationship between input and productivity. Progress towards completion is measured as the ratio of costs or efforts incurred to date (representing work performed) to the estimated total costs or efforts. Estimates of transaction price and total costs or efforts are continuously monitored over the term of the contracts and are recognized in net profit in the period when these estimates change or when the estimates are revised. Revenues and the estimated total costs or efforts are subject to revision as the contract progresses. Provisions for estimated losses, if any, on incomplete contracts are recorded in the period in which such losses become probable based on the estimated efforts or costs to complete the contract.

The billing schedules agreed with customers include periodic performance based billing and / or milestone based progress billings. Revenues in excess of billing are classified as unbilled revenue while billing in excess of revenues are classified as contract liabilities (which we refer to as unearned revenues).

In arrangements for software development and related services and maintenance services, by applying the revenue recognition criteria for each distinct performance obligation, the arrangements with customers generally meet the criteria for considering software development and related services as distinct performance obligations. For allocating the transaction price, the Company measures the revenue in respect of each performance obligation of a contract at its relative standalone selling price. The price that is regularly charged for an item when sold separately is the best evidence of its standalone selling price. In cases where the Company is unable to determine the standalone selling price, the Company uses the expected cost plus margin approach in estimating the standalone selling price. For software development and related services, the performance obligations are satisfied as and when the services are rendered since the customer generally obtains control of the work as it progresses.

Certain cloud and infrastructure services contracts include multiple elements which may be subject to other specific accounting guidance, such as leasing guidance. These contracts are accounted in accordance with such specific accounting guidance. In such arrangements where the Company is able to determine that hardware and services are distinct performance obligations, it allocates the consideration to these performance obligations on a relative standalone selling price basis. In the absence of standalone selling price, the Company uses the expected cost-plus margin approach in estimating the standalone selling price. When such arrangements are considered as a single performance obligation, revenue is recognized over the period and measure of progress is determined based on promise in the contract

Revenue from licenses where the customer obtains a "right to use" the licenses is recognized at the time the license is made available to the customer. Revenue from licenses where the customer obtains a "right to access" is recognized over the access period.

Arrangements to deliver software products generally have three elements: license, implementation and Annual Technical Services (ATS). When implementation services are provided in conjunction with the licensing arrangement and the license and implementation have been identified as two distinct separate performance obligations, the transaction price for such contracts are allocated to each performance obligation of the contract based on their relative standalone selling prices. In the absence of standalone selling price for implementation, the Company uses the expected cost plus margin approach in estimating the standalone selling price. Where the license is required to be substantially customized as part of the implementation service the entire arrangement fee for license and implementation is considered to be a single performance obligation and the revenue is recognized using the percentage-of-completion method as the implementation is performed. Revenue from client training, support and other services arising due to the sale of software products is recognized as the performance obligations are satisfied. ATS revenue is recognized ratably on a straight line basis over the period in which the services are rendered.

Contracts with customers includes subcontractor services or third-party vendor equipment or software in certain integrated services arrangements. In these types of arrangements, revenue from sales of third-party vendor products or services is recorded net of costs when the Company is acting as an agent between the customer and the vendor, and gross when the Company is the principal for the transaction. In doing so, the Company first evaluates whether it controls the good or service before it is transferred to the customer. The Company considers whether it has the primary obligation to fulfil the contract, inventory risk, pricing discretion and other factors to determine whether it controls the goods or service and therefore is acting as a principal or an agent.

The incremental costs of obtaining a contract (i.e., costs that would not have been incurred if the contract had not been obtained) are recognized as an asset if the Company expects to recover them.

Certain eligible, nonrecurring costs (e.g. set-up or transition or transformation costs) that do not represent a separate performance obligation are recognized as an asset when such costs (a) relate directly to the contract; (b) generate or enhance resources of the Company that will be used in satisfying the performance obligation in the future; and (c) are expected to be recovered.

Such Capitalized contract costs relating to upfront payments to customers are amortized to revenue and other capitalized costs are amortized to expenses over the respective contract life on a systematic basis consistent with the transfer of goods or services to customer to which the asset relates. Capitalized costs are monitored regularly for impairment. Impairment losses are recorded when present value of projected remaining operating cash flows is not sufficient to recover the carrying amount of the capitalized costs.

The Company presents revenues net of indirect taxes in its statement of profit and loss.

Revenue from operations for the three months and year ended March 31, 2022 and March 31, 2021 is as follows:

(In ₹ crore)

Particulars	Three months ended March 31,		Year ended March 31,	
	2022	2021	2022	2021
Revenue from software services	27,353	22,443	103,615	85,669
Revenue from products and platforms	73	54	325	243
Total revenue from operations	**27,426**	**22,497**	**103,940**	**85,912**

The Company has evaluated the impact of COVID – 19 pandemic on (i) the possibility of constraints in our ability to render services which may require revision of estimations of costs to complete the contract because of additional efforts; (ii) onerous obligations; (iii) penalties relating to breaches of service level agreements, and (iv) termination or deferment of contracts by customers. The company has concluded that the impact of COVID – 19 pandemic is not significant based on these estimates. Due to the nature of the COVID – 19 pandemic, the company will continue to monitor developments to identify significant uncertainties relating to revenue in future periods.

Disaggregated revenue information

The table below presents disaggregated revenues from contracts with customers by offerings for the three months and year ended March 31, 2022 and March 31, 2021 respectively. The Company believes that this disaggregation best depicts how the nature, amount, timing and uncertainty of our revenues and cash flows are affected by industry, market and other economic factors.

(In ₹ crore)

Particulars	Three months ended March 31,		Year ended March 31,	
	2022	2021	2022	2021
Revenue by offerings				
Core	10,754	10,655	43,410	43,810
Digital	16,672	11,842	60,530	42,102
Total	**27,426**	**22,497**	**103,940**	**85,912**

Digital Services

Digital Services comprise of service and solution offerings of the company that enable our clients to transform their businesses. These include offerings that enhance customer experience, leverage AI-based analytics and big data, engineer digital products and IoT, modernize legacy technology systems, migrate to cloud applications and implement advanced cyber security systems.

Core Services

Core Services comprise traditional offerings of the company that have scaled and industrialized over a number of years. These primarily include application management services, proprietary application development services, independent validation solutions, product engineering and management, infrastructure management services, traditional enterprise application implementation, support and integration services.

Products & platforms

The Company also derives revenues from the sale of products and platforms including Infosys Nia - Artificial Intelligence (AI) platform which applies next-generation AI and machine learning.

Trade receivables and Contract Balances

The timing of revenue recognition, billings and cash collections results in receivables, unbilled revenue, and unearned revenue on the Company's Balance Sheet. Amounts are billed as work progresses in accordance with agreed-upon contractual terms, either at periodic intervals (e.g., monthly or quarterly) or upon achievement of contractual milestones.

The Company's receivables are rights to consideration that are unconditional. Unbilled revenues comprising revenues in excess of billings from time and material contracts and fixed price maintenance contracts are classified as financial asset when the right to consideration is unconditional and is due only after a passage of time.

Invoicing to the clients for other fixed price contracts is based on milestones as defined in the contract and therefore the timing of revenue recognition is different from the timing of invoicing to the customers. Therefore unbilled revenues for other fixed price contracts (contract asset) are classified as non-financial asset because the right to consideration is dependent on completion of contractual milestones.

Invoicing in excess of earnings are classified as unearned revenue.

Trade receivables and unbilled revenues are presented net of impairment in the Balance Sheet.

2.18 OTHER INCOME, NET

2.18.1 Other income - Accounting Policy

Other income is comprised primarily of interest income, dividend income, gain / loss on investments and exchange gain/loss on forward and options contracts and on translation of foreign currency assets and liabilities. Interest income is recognized using the effective interest method. Dividend income is recognized when the right to receive payment is established.

2.18.2 Foreign currency - Accounting Policy

Functional currency

The functional currency of the Company is the Indian rupee. These financial statements are presented in Indian rupees (rounded off to crore; one crore equals ten million).

Transactions and translations

Foreign-currency denominated monetary assets and liabilities are translated into the relevant functional currency at exchange rates in effect at the Balance Sheet date. The gains or losses resulting from such translations are recognized in the Statement of Profit and Loss and reported within exchange gains/(losses) on translation of assets and liabilities, net, except when deferred in Other Comprehensive Income as qualifying cash flow hedges. Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at fair value are translated at the exchange rate prevalent at the date when the fair value was determined. Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of the transaction. The related revenue and expense are recognized using the same exchange rate.

Transaction gains or losses realized upon settlement of foreign currency transactions are included in determining net profit for the period in which the transaction is settled. Revenue, expense and cash-flow items denominated in foreign currencies are translated into the relevant functional currencies using the exchange rate in effect on the date of the transaction.

Other Comprehensive Income, net of taxes includes translation differences on non-monetary financial assets measured at fair value at the reporting date, such as equities classified as financial instruments and measured at fair value through other comprehensive income (FVOCI).

Government grant

The Company recognizes government grants only when there is reasonable assurance that the conditions attached to them will be complied with, and the grants will be received. Government grants related to assets are treated as deferred income and are recognized in the net profit in the Statement of Profit and Loss on a systematic and rational basis over the useful life of the asset. Government grants related to revenue are recognized on a systematic basis in the net profit in the Statement of Profit and Loss over the periods necessary to match them with the related costs which they are intended to compensate.

Other income for the three months and year ended March 31, 2022 and March 31, 2021 is as follows: *(In ₹ crore)*

Particulars	Three months ended March 31,		Year ended March 31,	
	2022	2021	2022	2021
Interest income on financial assets carried at amortized cost				
Tax free bonds and government bonds	37	37	151	143
Deposit with Bank and others	146	220	668	951
Interest income on financial assets fair valued through other comprehensive income				
Non-convertible debentures, certificates of deposit and government securities	170	121	580	372
Income on investments carried at fair value through other comprehensive income	-	2	1	80
Income on investments carried at fair value through profit or loss				
Dividend income on liquid mutual funds	-	-	-	8
Gain / (loss) on liquid mutual funds and other investments	45	7	127	70
Dividend received from subsidiary [(1)]	68	-	1,218	321
Exchange gains/(losses) on foreign currency forward and options contracts	(35)	153	189	558
Exchange gains/(losses) on translation of assets and liabilities	149	(80)	105	(279)
Miscellaneous income, net	10	44	185	243
Total other income	**590**	**504**	**3,224**	**2,467**

[(1)] *The Company received dividend from its wholly owned subsidiary - Infosys BPM Limited and Brilliant Basics Holdings Limited*

2.19 EXPENSES
Accounting Policy

2.19.1 Gratuity and Pension

The Company provides for gratuity, a defined benefit retirement plan ('the Gratuity Plan') covering eligible Indian employees of Infosys. The Gratuity Plan provides a lump-sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment with the Company. The Company contributes Gratuity liabilities to the Infosys Limited Employees' Gratuity Fund Trust (the Trust). Trustees administer contributions made to the Trusts and contributions are invested in a scheme with the Life Insurance Corporation of India as permitted by Indian law.

The Company operates defined benefit pension plan in certain overseas jurisdictions, in accordance with the local laws. These plans are managed by third party fund managers. The plans provide for periodic payouts after retirement or for a lumpsum payment as set out in rules of each fund and includes death and disability benefits.

Liabilities with regard to these defined benefit plans are determined by actuarial valuation, performed by an independent actuary, at each Balance Sheet date using the projected unit credit method. These defined benefit plans expose the Company to actuarial risks, such as longevity risk, currency risk, interest rate risk and market risk.

The Company recognizes the net obligation of a defined benefit plan in its Balance Sheet as an asset or liability. Gains and losses through re-measurements of the net defined benefit liability/(asset) are recognized in other comprehensive income and are not reclassified to profit or loss in subsequent periods. The actual return of the portfolio of plan assets, in excess of the yields computed by applying the discount rate used to measure the defined benefit obligation is recognized in other comprehensive income. The effect of any plan amendments is recognized in net profit in the Statement of Profit and Loss.

2.19.2 Provident fund

Eligible employees of Infosys receive benefits from a provident fund, which is a defined benefit plan. Both the eligible employee and the Company make monthly contributions to the provident fund plan equal to a specified percentage of the covered employee's salary. The Company contributes a portion to the Infosys Limited Employees' Provident Fund Trust. The trust invests in specific designated instruments as permitted by Indian law. The remaining portion is contributed to the government administered pension fund. The rate at which the annual interest is payable to the beneficiaries by the trust is being administered by the Government. The Company has an obligation to make good the shortfall, if any, between the return from the investments of the Trust and the notified interest rate.

Infosys has an obligation to fund any shortfall on the yield of the trust's investments over the administered interest rates on an annual basis. These administered rates are determined annually predominantly considering the social rather than economic factors. The actuary has provided a valuation for provident fund liabilities on the basis of guidance issued by Actuarial Society of India.

2.19.3 Superannuation

Certain employees of Infosys are participants in a defined contribution plan. The Company has no further obligations to the Plan beyond its monthly contributions which are periodically contributed to a trust fund, the corpus of which is invested with the Life Insurance Corporation of India.

2.19.4 Compensated absences

The Company has a policy on compensated absences which are both accumulating and non-accumulating in nature. The expected cost of accumulating compensated absences is determined by actuarial valuation performed by an independent actuary at each Balance Sheet date using projected unit credit method on the additional amount expected to be paid/availed as a result of the unused entitlement that has accumulated at the Balance Sheet date. Expense on non-accumulating compensated absences is recognized in the period in which the absences occur.

The Code on Social Security,2020 ('Code') relating to employee benefits during employment and post employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified. The Company will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.

(In ₹ crore)

Particulars	Three months ended March 31,		Year ended March 31,	
	2022	2021	2022	2021
Employee benefit expenses				
Salaries including bonus	12,887	11,154	49,575	43,605
Contribution to provident and other funds	400	253	1,417	1,146
Share based payments to employees (Refer to note 2.11)	102	67	372	297
Staff welfare	75	58	300	131
	13,464	**11,532**	**51,664**	**45,179**
Cost of software packages and others				
For own use	307	238	1,062	942
Third party items bought for service delivery to clients	558	312	1,923	1,116
	865	**550**	**2,985**	**2,058**
Other expenses				
Power and fuel	26	22	93	99
Brand and Marketing	167	84	444	288
Short-term leases	3	4	12	24
Rates and taxes	61	63	205	192
Repairs and Maintenance	204	266	824	1,050
Consumables	6	8	29	22
Insurance	35	26	135	108
Provision for post-sales client support and others	3	2	77	47
Commission to non-whole time directors	4	1	11	6
Impairment loss recognized / (reversed) under expected credit loss model	7	3	117	152
Auditor's remuneration				
Statutory audit fees	2	1	5	5
Tax matters	-	-	-	-
Other services	-	-	-	1
Contributions towards Corporate Social Responsibility				
Towards CSR*	75	102	397	412
Proposed transfer of CSR assets	-	283	-	283
Others	71	23	141	54
	664	**888**	**2,490**	**2,743**

*Figures for the year ended March 31, 2021, includes ₹ 37 crore which the Company intends to spend in the future relating to and in addition to the amounts spent in the prior years.

Consequent to the Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021 ("the Rules"), the Company was required to transfer its CSR capital assets created prior to January 2021. Towards this the Company had incorporated a controlled subsidiary 'Infosys Green Forum' under Section 8 of the Companies Act, 2013. During the year ended March 31, 2022 the Company has completed the transfer of assets upon obtaining the required approvals from regulatory authorities, as applicable.

2.20 BASIC AND DILUTED SHARES USED IN COMPUTING EARNINGS PER EQUITY SHARE

Accounting Policy

Basic earnings per equity share is computed by dividing the net profit attributable to the equity holders of the Company by the weighted average number of equity shares outstanding during the period. Diluted earnings per equity share is computed by dividing the net profit attributable to the equity holders of the Company by the weighted average number of equity shares considered for deriving basic earnings per equity share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. The dilutive potential equity shares are adjusted for the proceeds receivable had the equity shares been actually issued at fair value (i.e. the average market value of the outstanding equity shares). Dilutive potential equity shares are deemed converted as at the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented.

The number of equity shares and potentially dilutive equity shares are adjusted retrospectively for all periods presented for any share splits and bonus shares issues including for changes effected prior to the approval of the financial statements by the Board of Directors.

2.21 CONTINGENT LIABILITIES AND COMMITMENTS

Accounting Policy

Contingent liability is a possible obligation arising from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity or a present obligation that arises from past events but is not recognized because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability.

(In ₹ crore)

Particulars	As at	
	March 31, 2022	**March 31, 2021**
Contingent liabilities :		
Claims against the Company, not acknowledged as debts[(1)]	4,245	3,753
[Amount paid to statutory authorities ₹5,617 crore *(₹5,827 crore)*]		
Commitments :		
Estimated amount of contracts remaining to be executed on capital contracts and not provided for (net of advances and deposits)[(2)]	1,092	609
Other Commitments*	11	10

**Uncalled capital pertaining to investments*

[(1)] As at March 31, 2022, claims against the Company not acknowledged as debts in respect of income tax matters amounted to ₹3,898 crore. As at March 31, 2021, claims against the Company not acknowledged as debts in respect of income tax matters amounted to ₹3,424 crore.

The claims against the Company primarily represent demands arising on completion of assessment proceedings under the Income Tax Act, 1961. These claims are on account of multiple issues of disallowances such as disallowance of profits earned from STP Units and SEZ Units, disallowance of deductions in respect of employment of new employees under section 80JJAA, disallowance of expenditure towards software being held as capital in nature, payments made to Associated Enterprises held as liable for withholding of taxes. These matters are pending before various Appellate Authorities and the management including its tax advisors expect that its position will likely be upheld on ultimate resolution and will not have a material adverse effect on the Company's financial position and results of operations.

Amount paid to statutory authorities against the tax claims amounted to ₹5,607 crore and ₹5,817 crore as at March 31, 2022 and March 31, 2021, respectively.

[(2)] Capital contracts primarily comprises of commitments for infrastructure facilities and computer equipments.

Legal Proceedings

The Company is subject to legal proceedings and claims, which have arisen in the ordinary course of business. The Company’s management reasonably expects that these legal actions, when ultimately concluded and determined, will not have a material and adverse effect on the Company’s results of operations or financial condition.

2.22 RELATED PARTY TRANSACTIONS
Refer to the Company's Annual Report for the year ended March 31, 2021 for the full names and other details of the Company's subsidiaries and controlled trusts.

Changes in Subsidiaries
During the year ended March 31, 2022, the following are the changes in the subsidiaries:

- Simplus North America Inc., a wholly-owned subsidiary of Outbox Systems Inc., has been liquidated effective April 27, 2021.
- Simplus Europe, Ltd., a wholly-owned subsidiary of Outbox Systems Inc., has been liquidated effective July 20, 2021.
- Stater GmbH, a wholly-owned subsidiary of Stater N.V., was incorporated on August 4, 2021.
- Infosys Green Forum, a wholly-owned subsidiary of Infosys Limited, was incorporated on August 31, 2021.
- Infosys Consulting (Shanghai) Co., Ltd., a wholly-owned subsidiary of Infosys Consulting Holding AG, has been liquidated effective September 01, 2021.
- Sqware Peg Digital Pty Ltd, a wholly-owned subsidiary of Simplus Australia Pty Ltd, has been liquidated effective September 02, 2021.
- Beringer Commerce Inc. renamed as Blue Acorn iCi Inc.
- Infosys Canada Public Services, Inc., a wholly-owned subsidiary of Infosys Public Services, Inc. has been liquidated effective November 23, 2021.
- On December 14, 2021, Infosys Consulting Pte. Ltd., a wholly-owned subsidiary of Infosys Limited acquired 100% of voting interests in Global Enterprise International (Malaysia) Sdn. Bhd., renamed as Infosys (Malaysia) SDN. BHD.
- Infosys Consulting s.r.o. v likvidaci (formerly Infosys Consulting s.r.o.), a wholly-owned subsidiary of Infosys Consulting Holding AG, has been liquidated effective December 16, 2021.
- WongDoody Holding Company Inc. (WongDoody) merged into WongDoody, Inc effective December 31, 2021.
- WDW Communications, Inc merged into WongDoody, Inc effective December 31, 2021.
- SureSource LLC , Blue Acorn LLC and Simply Commerce LLC , merged into Beringer Commerce Holdings LLC effective January 1, 2022.
- iCiDIGITAL LLC, merged into Beringer Capital Digital Group Inc effective January 1, 2022.
- Beringer Capital Digital Group Inc, Mediotype LLC and Beringer Commerce Holdings LLC, merged into Blue Acorn iCi Inc effective January 1, 2022.
- Infosys Business Solutions LLC, a wholly-owned subsidiary of Infosys Limited, was incorporated on February 20, 2022.
- On March 17, 2022, Infosys Limited acquired non-controlling interest of 0.01% of the voting interests in Infosys BPM Limited.
- On March 22, 2022, Infosys Consulting Pte. Ltd., a wholly-owned subsidiary of Infosys Limited acquired 100% of voting interests in Infosys Germany GmbH (formerly Kristall 247. GmbH (“Kristall”))
- Brilliant Basics Holdings Limited (Brilliant Basics), a wholly-owned subsidiary of Infosys Limited, is under liquidation.
- Brilliant Basics Limited, a wholly-owned subsidiary of Brilliant Basics Holdings Limited (Brilliant Basics), is under liquidation.
- Infosys Foundation , a trust jointly controlled by KMPs effective January 1, 2022

The Company’s material related party transactions during the three months and year ended March 31, 2022 and March 31, 2021 and outstanding balances as at March 31, 2022 and March 31, 2021 are with its subsidiaries with whom the Company generally enters into transactions which are at arms length and in the ordinary course of business.

Change in key management personnel

The following are the changes in the Key management personnel:

- U.B. Pravin Rao (retired as a Chief Operating Officer and Whole-time director effective December 12, 2021).

Transactions with key management personnel
The table below describes the compensation to key managerial personnel which comprise directors and executive officers:

(In ₹ crore)

Particulars	Three months ended March 31,		Year ended March 31,	
	2022	2021	2022	2021
Salaries and other employee benefits to whole-time directors and executive officers [(1)(2)]	29	37	134	144
Commission and other benefits to non-executive / independent directors	4	1	11	6
Total	**33**	**38**	**145**	**150**

(1)Total employee stock compensation expense for the three months ended March 31, 2022 and March 31, 2021 includes a charge of ₹14 crore and ₹20 crore, respectively, towards key managerial personnel.
For the year ended March 31, 2022 and March 31, 2021, includes a charge of ₹65 crore and ₹76 crore respectively, towards key managerial personnel. (Refer to note 2.11)

[(2)] Does not include post-employment benefit based on actuarial valuation as this is done for the Company as a whole.

2.23 SEGMENT REPORTING

The Company publishes this financial statement along with the interim condensed consolidated financial statements. In accordance with Ind AS 108, Operating Segments, the Company has disclosed the segment information in the interim condensed consolidated financial statements.

for and on behalf of the Board of Directors of Infosys Limited

Nandan M. Nilekani *Chairman*	Salil Parekh *Chief Executive Officer and Managing Director*	D. Sundaram *Director*
Nilanjan Roy *Chief Financial Officer*	Jayesh Sanghrajka *Executive Vice President and Deputy Chief Financial Officer*	A.G.S. Manikantha *Company Secretary*

Bengaluru
April 13, 2022

Deloitte Haskins & Sells LLP

Chartered Accountants
Prestige Trade Tower, Level 19
46, Palace Road, High
Grounds, Bengaluru – 560 001
Karnataka, India

Tel: +91 (80) 6188 6000
Fax: +91 (80) 6188 6011

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF INFOSYS LIMITED

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of **INFOSYS LIMITED** (the "Company") and its subsidiaries (the Company and its subsidiaries together referred to as the "Group") which comprise the Consolidated Balance Sheet as at March 31, 2022, and the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as the "consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements, give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS") and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2022 and their consolidated profit, their consolidated total comprehensive income, their consolidated changes in equity and their consolidated cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing ("SA"s) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Sr. No.	Key Audit Matter	Auditor's Response
1	**Revenue recognition** The Group's contracts with customers include contracts with multiple products and services. The group derives revenues from IT services comprising software development and related services, maintenance, consulting and package implementation, licensing of software products and platforms across the Group's core and digital offerings and business process management services. The Group assesses the services promised in a contract and identifies distinct performance obligations in the contract. Identification of distinct performance obligations to determine the deliverables and the ability of the customer to benefit independently from such deliverables involves significant judgement. In certain integrated services arrangements, contracts with customers include subcontractor services or third-party vendor equipment or software. In these types of arrangements, revenue from sales of third-party vendor products or services is recorded net of costs when the Group is acting as an agent between the customer and the vendor, and gross when the Group is the principal for the transaction. In doing so, the Group first evaluates whether it controls the products or service before it is transferred to the customer. The Group considers whether it has the primary obligation to fulfil the contract, inventory risk, pricing discretion and other factors to determine whether it controls the products or service and therefore, is acting as a principal or an agent.	Principal Audit Procedures Performed Our audit procedures related to the (1) identification of distinct performance obligations, (2) determination of whether the Group is acting as a principal or agent and (3) whether fixed price maintenance revenue is recognized on a straight-line basis or using the percentage of completion method included the following, among others: • We tested the effectiveness of controls relating to the (a) identification of distinct performance obligations, (b) determination of whether the Group is acting as a principal or an agent and (c) determination of whether fixed price maintenance revenue for certain contracts is recognized on a straight-line basis or using the percentage of completion method. • We selected a sample of contracts with customers and performed the following procedures: − Obtained and read contract documents for each selection, including master service agreements, and other documents that were part of the agreement. − Identified significant terms and deliverables in the contract to assess management's conclusions regarding the (i) identification of distinct performance obligations (ii) whether the Group is acting as a principal or an agent and (iii) whether fixed price maintenance revenue is recognized on a straight-line basis or using the percentage of completion method

Sr. No.	Key Audit Matter	Auditor's Response
	Fixed price maintenance revenue is recognized ratably either on (1) a straight-line basis when services are performed through an indefinite number of repetitive acts over a specified period or (2) using a percentage of completion method when the pattern of benefits from the services rendered to the customer and the Group's costs to fulfil the contract is not even through the period of contract because the services are generally discrete in nature and not repetitive. The use of method to recognize the maintenance revenues requires judgment and is based on the promises in the contract and nature of the deliverables. As certain contracts with customers involve management's judgment in (1) identifying distinct performance obligations, (2) determining whether the Group is acting as a principal or an agent and (3) whether fixed price maintenance revenue is recognized on a straight-line basis or using the percentage of completion method, revenue recognition from these judgments were identified as a key audit matter and required a higher extent of audit effort. Refer Notes 1.5 and 2.18 to the consolidated financial statements.	
2	**Revenue recognition - Fixed price contracts using the percentage of completion method** Fixed price maintenance revenue is recognized ratably either (1) on a straight-line basis when services are performed through an indefinite number of repetitive acts over a specified period or (2) using a percentage of completion method when the pattern of benefits from services rendered to the customer and	Principal Audit Procedures Performed Our audit procedures related to estimates of total expected costs or efforts to complete for fixed-price contracts included the following, among others: • We tested the effectiveness of controls relating to (1) recording of efforts or costs incurred and estimation of efforts or costs required to complete the remaining contract

Sr. No.	Key Audit Matter	Auditor’s Response
	the Group’s costs to fulfil the contract is not even through the period of contract because the services are generally discrete in nature and not repetitive. Revenue from other fixed-price, fixed-timeframe contracts, where the performance obligations are satisfied over time is recognized using the percentage-of-completion method. Use of the percentage-of-completion method requires the Group to determine the actual efforts or costs expended to date as a proportion of the estimated total efforts or costs to be incurred. Efforts or costs expended have been used to measure progress towards completion as there is a direct relationship between input and productivity. The estimation of total efforts or costs involves significant judgement and is assessed throughout the period of the contract to reflect any changes based on the latest available information. Provisions for estimated losses, if any, on uncompleted contracts are recorded in the period in which such losses become probable based on the estimated efforts or costs to complete the contract. We identified the estimate of total efforts or costs to complete fixed price contracts measured using the percentage of completion method as a key audit matter as the estimation of total efforts or costs involves significant judgement and is assessed throughout the period of the contract to reflect any changes based on the latest available information. This estimate has a high inherent uncertainty and requires consideration of progress of the contract, efforts or costs incurred to-date and estimates of efforts or costs	performance obligations and (2) access and application controls pertaining to time recording, allocation and budgeting systems which prevents unauthorised changes to recording of efforts incurred. • We selected a sample of fixed price contracts with customers measured the using percentage-of-completion method and performed the following: – Evaluated management’s ability to reasonably estimate the progress towards satisfying the performance obligation by comparing actual efforts or costs incurred to prior year estimates of efforts or costs budgeted for performance obligations that have been fulfilled. – Compared efforts or costs incurred with Group’s estimate of efforts or costs incurred to date to identify significant variations and evaluate whether those variations have been considered appropriately in estimating the remaining costs or efforts to complete the contract. – Tested the estimate for consistency with the status of delivery of milestones and customer acceptances and sign off from customers to identify possible delays in achieving milestones, which require changes in estimated costs or efforts to complete the remaining performance obligations.

Sr. No.	Key Audit Matter	Auditor's Response
	required to complete the remaining contract performance obligations over the term of the contracts. This required a high degree of auditor judgment in evaluating the audit evidence and a higher extent of audit effort to evaluate the reasonableness of the total estimated amount of revenue recognized on fixed-price contracts. Refer Notes 1.5 and 2.18 to the consolidated financial statements.	

Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the consolidated financial statements, standalone financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibilities for the Consolidated Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation and presentation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated changes in equity and consolidated cash flows of the Group in accordance with the Ind AS and other accounting principles generally accepted in India. The respective Boards of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Company, as aforesaid.

In preparing the consolidated financial statements, the respective Boards of Directors of the companies included in the Group are responsible for assessing the ability of the respective entities to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Boards of Directors either intend to liquidate their respective entities or to cease operations, or have no realistic alternative but to do so.

The respective Boards of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of the Group.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company and its subsidiary companies which are companies incorporated in India, has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities within the Group to express an opinion on the consolidated financial statements.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the consolidated financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the consolidated financial statements.

We communicate with those charged with governance of the Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit we report that:

   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

   b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books.

   c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

   d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under section 133 of the Act.

   e) On the basis of the written representations received from the directors of the Company as on March 31, 2022 taken on record by the Board of Directors of the Company and the reports of the statutory auditors of its subsidiary companies incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164 (2) of the Act.

f) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our separate Report in "Annexure A" which is based on the auditors' reports of the Company and its subsidiary companies incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of internal financial controls over financial reporting of those companies.

g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

   In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

   i) The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group.

   ii) Provision has been made in the consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts;

   iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company and its subsidiary companies incorporated in India.

   iv) (a) The respective Managements of the Company and its subsidiaries which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us that, to the best of their knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company or any of such subsidiaries to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company or any of such subsidiaries ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

   (b) The respective Managements of the Company and its subsidiaries which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us that, to the best of their knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company or any of such subsidiaries from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company or any of such subsidiaries shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us on the Company and its subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

v) As stated in Note 2.12.3 to the consolidated financial statements

a. The final dividend proposed in the previous year, declared and paid by the Company during the year is in accordance with Section 123 of the Act, as applicable.

b. The interim dividend declared and paid by the Company during the year and until the date of this report is in compliance with Section 123 of the Act.

c. The Board of Directors of the Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The amount of dividend proposed is in accordance with section 123 of the Act, as applicable.

2. With respect to the matters specified in paragraphs 3(xxi) and 4 of the Companies (Auditor's Report) Order, 2020 (the "Order"/ "CARO") issued by the Central Government in terms of Section 143(11) of the Act, to be included in the Auditor's report, according to the information and explanations given to us, and based on the CARO reports issued by us for the Company and its subsidiaries included in the consolidated financial statements of the Company, to which reporting under CARO is applicable, we report that there are no qualifications or adverse remarks in these CARO reports.

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Sanjiv V. Pilgaonkar
Partner
(Membership No.039826)
UDIN:

Place: Bengaluru

Date: April 13, 2022

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Infosys Limited of even date)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of sub-section 3 of Section 143 of the Companies Act, 2013 (the "Act")

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2022, we have audited the internal financial controls over financial reporting of **Infosys Limited** (hereinafter referred to as the "Company") and its subsidiary companies, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Boards of Directors of the Company and its subsidiary companies, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the respective Companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Company and its subsidiary companies, which are companies incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India ("ICAI") and the Standards on Auditing, prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Company and its subsidiary companies, which are companies incorporated in India.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the Company and its subsidiary companies, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2022, based on the criteria for internal financial control over financial reporting established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Sanjiv V. Pilgaonkar
Partner
(Membership No.039826)
UDIN:

Place: Bengaluru
Date: April 13, 2022

INFOSYS LIMITED AND SUBSIDIARIES

Consolidated Financial Statements under Indian Accounting Standards (Ind AS) for the year ended March 31, 2022

Index	**Page No.**

INFOSYS LIMITED AND SUBSIDIARIES

(In ₹ crore)

Consolidated Balance Sheet as at	Note No.	March 31, 2022	March 31, 2021
ASSETS			
Non-current assets			
Property, plant and equipment	2.2	13,075	12,560
Right-of-use assets	2.21	4,823	4,794
Capital work-in-progress	2.3	416	922
Goodwill	2.4.1 and 2.1	6,195	6,079
Other intangible assets	2.4.2	1,707	2,072
Financial assets:			
Investments	2.5	13,651	11,863
Loans	2.6	34	32
Other financial assets	2.7	1,460	1,141
Deferred tax assets (net)	2.17	1,212	1,098
Income tax assets (net)	2.17	6,098	5,811
Other non-current assets	2.10	2,029	1,281
Total non-current assets		**50,700**	**47,653**
Current assets			
Financial assets:			
Investments	2.5	6,673	2,342
Trade receivables	2.8	22,698	19,294
Cash and cash equivalents	2.9	17,472	24,714
Loans	2.6	248	159
Other financial assets	2.7	8,727	6,410
Income tax assets (net)	2.17	54	-
Other Current assets	2.10'	11,313	7,814
Total current assets		**67,185**	**60,733**
Total assets		**117,885**	**108,386**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	2.12	2,098	2,124
Other equity		73,252	74,227
Total equity attributable to equity holders of the Company		75,350	76,351
Non-controlling interests		386	431
Total equity		**75,736**	**76,782**
Liabilities			
Non-current liabilities			
Financial Liabilities			
Lease liabilities	2.21	4,602	4,587
Other financial liabilities	2.13	2,337	1,514
Deferred tax liabilities (net)	2.17	1,156	875
Other non-current liabilities	2.16	451	763
Total non-current liabilities		**8,546**	**7,739**
Current liabilities			
Financial Liabilities			
Lease liabilities	2.21	872	738
Trade payables	2.14	4,134	2,645
Other financial liabilities	2.13	15,837	11,390
Other current liabilities	2.15	9,178	6,233
Provisions	2.16	975	713
Income tax liabilities (net)	2.17	2,607	2,146
Total current liabilities		**33,603**	**23,865**
Total equity and liabilities		**117,885**	**108,386**

The accompanying notes form an integral part of the Consolidated financial statements

As per our report of even date attached

for Deloitte Haskins & Sells LLP
Chartered Accountants
Firm's Registration No :
117366W/ W-100018

for and on behalf of the Board of Directors of Infosys Limited

Sanjiv V. Pilgaonkar
Partner
Membership No. 039826

Nandan M. Nilekani
Chairman

Salil Parekh
Chief Executive Officer and Managing Director

D. Sundaram
Director

Nilanjan Roy
Chief Financial Officer

Jayesh Sanghrajka
Executive Vice President and Deputy Chief Financial Officer

A.G.S. Manikantha
Company Secretary

Bengaluru
April 13, 2022

INFOSYS LIMITED AND SUBSIDIARIES

(in ₹ crore, except equity share and per equity share data)

Consolidated Statement of Profit and Loss	Note No.	Year ended March 31,	
		2022	2021
Revenue from operations	2.18	121,641	100,472
Other income, net	2.19	2,295	2,201
Total income		**123,936**	**102,673**
Expenses			
Employee benefit expenses	2.22	63,986	55,541
Cost of technical sub-contractors		12,606	7,084
Travel expenses		827	554
Cost of software packages and others	2.20	6,811	4,223
Communication expenses		611	634
Consultancy and professional charges		1,885	1,261
Depreciation and amortisation expenses	2.2, 2.4.2 and 2.21	3,476	3,267
Finance cost		200	195
Other expenses	2.20	3,424	3,286
Total expenses		**93,826**	**76,045**
Profit before tax		**30,110**	**26,628**
Tax expense:			
Current tax	2.17	7,811	6,672
Deferred tax	2.17	153	533
Profit for the period		**22,146**	**19,423**
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss			
Remeasurement of the net defined benefit liability/asset. net	2.22	(85)	134
Equity instruments through other comprehensive income, net	2.5	96	119
		11	**253**
Items that will be reclassified subsequently to profit or loss			
Fair value changes on derivatives designated as cash flow hedge, net	2.11	(8)	25
Exchange differences on translation of foreign operations		228	130
Fair value changes on investments, net	2.5	(49)	(102)
		171	**53**
Total other comprehensive income /(loss), net of tax		**182**	**306**
Total comprehensive income for the period		**22,328**	**19,729**
Profit attributable to:			
Owners of the Company		22,110	19,351
Non-controlling interests		36	72
		22,146	**19,423**
Total comprehensive income attributable to:			
Owners of the Company		22,293	19,651
Non-controlling interests		35	78
		22,328	**19,729**
Earnings per Equity share			
Equity shares of par value ₹5/- each			
Basic (₹)		52.52	45.61
Diluted (₹)		52.41	45.52
Weighted average equity shares used in computing earnings per equity share	2.23		
Basic		4,209,546,724	424,24,16,665
Diluted		4,218,525,134	425,07,32,467

The accompanying notes form an integral part of the Consolidated financial statements

As per our report of even date attached

for Deloitte Haskins & Sells LLP
Chartered Accountants
Firm's Registration No :
117366W/ W-100018

for and on behalf of the Board of Directors of Infosys Limited

Sanjiv V. Pilgaonkar
Partner
Membership No. 039826

Nandan M. Nilekani
Chairman

Salil Parekh
Chief Executive Officer and Managing Director

D. Sundaram
Director

Bengaluru
April 13, 2022

Nilanjan Roy
Chief Financial Officer

Jayesh Sanghrajka
Executive Vice President and Deputy Chief Financial Officer

A.G.S. Manikantha
Company Secretary

INFOSYS LIMITED AND SUBSIDIARIES

Consolidated Statement of Changes in Equity

(In ₹ crore)

Particulars	Equity	OTHER EQUITY												Total equity	controlling int	Total equity
		RESERVES & SURPLUS								Other comprehensive income						
		Capital reserve	Capital redemption reserve	Securities Premium	Retained earnings	General reserve	Share Options Outstanding Account	Special Economic Zone Re-investment reserve (2)	Other reserves(3)	Equity instruments through other comprehensive income	Exchange differences on translating the financial statements of a foreign operation	Effective portion of Cash Flow Hedges	Other items of other comprehensive income / (loss)			
Balance as at April 1, 2020	**2,122**	**54**	**111**	**282**	**56,309**	**1,158**	**297**	**4,070**	**6**	**39**	**1207**	**(15)**	**(190)**	**65,450**	**394**	**65,844**
Changes in equity for the year ended March 31, 2021																
Profit for the period	-	-	-	-	19,351	-	-	-	-	-	-	-	-	19,351	72	19,423
Remeasurement of the net defined benefit liability/asset net* *(Refer to Note 2.22)*	-	-	-	-	-	-	-	-	-	-	-	-	134	134	-	134
Equity instruments through other comprehensive income net* *(Refer to Notes 2.5 and 2.17)*	-	-	-	-	-	-	-	-	-	119	-	-	-	119	-	119
Fair value changes on derivatives designated as cash flow hedge net* *(Refer to Note 2.11)*	-	-	-	-	-	-	-	-	-	-	-	25	-	25	-	25
Exchange differences on translation of foreign operations	-	-	-	-	-	-	-	-	-	-	124	-	-	124	6	130
Fair value changes on investments* *(Refer to Notes 2.5 and 2.17)*	-	-	-	-	-	-	-	-	-	-	-	-	(102)	(102)	-	(102)
Total Comprehensive income for the period	**-**	**-**	**-**	**-**	**19,351**	**-**	**-**	**-**	**-**	**119**	**124**	**25**	**32**	**19,651**	**78**	**19,729**
Shares issued on exercise of employee stock options *(Refer to Note 2.12)*	2	-	-	13	-	-	-	-	-	-	-	-	-	15	-	15
Employee stock compensation expense *(Refer to Note 2.12)*	-	-	-	-	-	-	253	-	-	-	-	-	-	253	-	253
Transfer on account of exercise of stock options *(Refer to Note 2.12)*	-	-	-	260	-	-	(260)	-	-	-	-	-	-	-	-	-
Transfer on account of options not exercise	-	-	-	-	-	3	(3)	-	-	-	-	-	-	-	-	-
Effect of modification of share based payment awards*(Refer to Note 2.12)*	-	-	-	-	-	-	85	-	-	-	-	-	-	85	-	85
Income tax benefit arising on exercise of stock options	-	-	-	45	-	-	-	-	-	-	-	-	-	45	-	45
Dividends paid to non controlling interest of subsidiary	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(20)	(20)
Payment towards acquisition of minority interest	-	-	-	-	(28)	-	-	-	-	-	-	-	-	(28)	(21)	(49)
Transfer on account of options not exercised	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Dividends	-	-	-	-	(9,120)	-	-	-	-	-	-	-	-	(9,120)	-	(9,120)
Transfer to general reserve	-	-	-	-	(1,554)	1,554	-	-	-	-	-	-	-	-	-	-
Transferred to Special Economic Zone Re-investment reserve	-	-	-	-	(3,354)	-	-	3,354	-	-	-	-	-	-	-	-
Transferred from Special Economic Zone Re-investment reserve on utilization	-	-	-	-	1,039	-	-	(1,039)	-	-	-	-	-	-	-	-
Balance as at March 31, 2021	**2,124**	**54**	**111**	**600**	**62,643**	**2,715**	**372**	**6,385**	**6**	**158**	**1,331**	**10**	**(158)**	**76,351**	**431**	**76,782**

Consolidated Statement of Changes in Equity (contd.)

(In ₹ crore)

Particulars	Equity Share capital [(1)]	OTHER EQUITY: RESERVES & SURPLUS: Capital reserve	Capital redemption reserve	Securities Premium	Retained earnings	General reserve	Share Options Outstanding Account	Special Economic Zone Re-investment reserve [(2)]	Other reserves[(3)]	Other comprehensive income: Equity instruments through Other comprehensive income	Exchange differences on translating the financial statements of a foreign operation	Effective portion of Cash Flow Hedges	Other items of other comprehensive income / (loss)	Total equity attributable	Non-controlling	Total equity
Balance as at April 1, 2021	**2,124**	**54**	**111**	**600**	**62,643**	**2,715**	**372**	**6,385**	**6**	**158**	**1331**	**10**	**(158)**	**76,351**	**431**	**76,782**
Changes in equity for the year ended March 31, 2022																
Profit for the period	-	-	-	-	22,110	-	-	-	-	-	-	-	-	22,110	36	22,146
Remeasurement of the net defined benefit liability/asset* *(Refer to Note 2.22)*	-	-	-	-	-	-	-	-	-	-	-	-	(85)	(85)	-	(85)
Equity instruments through other comprehensive income* *(Refer to Notes 2.5 and 2.17)*	-	-	-	-	-	-	-	-	-	96	-	-	-	96	-	96
Fair value changes on derivatives designated as cash flow hedge* *(Refer to Note 2.11)*	-	-	-	-	-	-	-	-	-	-	-	(8)	-	(8)	-	(8)
Exchange differences on translation of foreign operations	-	-	-	-	-	-	-	-	-	-	229			229	(1)	228
Fair value changes on investments* *(Refer to Notes 2.5 and 2.17)*	-	-	-	-	-	-	-	-	-	-	-	-	(49)	(49)	-	(49)
Total Comprehensive income for the period	**-**	**-**	**-**	**-**	**22,110**	**-**	**-**	**-**	**-**	**96**	**229**	**(8)**	**(134)**	**22,293**	**35**	**22,328**
Shares issued on exercise of employee stock options *(Refer to note 2.12)*	2	-	-	19	-	-	-	-	-	-	-	-	-	21	-	21
Employee stock compensation expense *(Refer to Note 2.12)*	-	-	-	-	-	-	393	-	-	-	-	-	-	393	-	393
Buyback of equity shares (Refer to Note 2.12)**	(28)	-	-	(640)	(8,822)	(1,603)	-	-	-	-	-	-	-	(11,093)	-	(11,093)
Transaction costs relating to buyback*						(24)								(24)		(24)
Amount transferred to capital redemption reserve upon buyback	-	-	28	-	-	(28)	-	-	-	-	-	-	-	-	-	-
Transfer on account of options not exercised (Refer to Note 2.12)	-	-	-	-	-	1	(1)	-	-	-	-	-	-	-	-	-
Transfer on account of exercise of stock options	-	-	-	218	-	-	(218)	-	-	-	-	-	-	-	-	-
Income tax benefit arising on exercise of stock options	-	-	-	3			60	-	-	-	-	-	-	63	-	63
Changes in the controlling stake of the subsidiary	-	-	-	-	1	-	-	-	-	-	-	-	-	1	(1)	-
Dividends paid to non controlling interest of subsidiary	-	-	-	-										-	(79)	(79)
Dividends	-	-	-	-	(12,655)	-	-	-	-	-	-	-	-	(12,655)	-	(12,655)
Transfer to general reserve	-	-	-	-	(10)	-	-	-	10	-	-	-	-	-	-	-
Transferred to Special Economic Zone Re-investment reserve	-	-	-	-	(3,054)	-	-	3,054	-	-	-	-	-	-	-	-
Transferred from Special Economic Zone Re-investment reserve on utilization	-	-	-	-	1,100	-	-	(1,100)	-	-	-	-	-	-	-	-
Balance as at March 31, 2022	**2,098**	**54**	**139**	**200**	**61,313**	**1,061**	**606**	**8,339**	**16**	**254**	**1,560**	**2**	**(292)**	**75,350**	**386**	**75,736**

* *Net of tax*

** *Including tax on buyback of ₹ 1,893 crore*

[(1)] *Net of treasury shares 1,37,25,712*

[(2)] *The Special Economic Zone Re-investment Reserve has been created out of the profit of eligible SEZ units in terms of the provisions of Sec 10AA(1)(ii) of Income Tax Act,1961. The reserve should be utilized by the Group for acquiring new plant and machinery for the purpose of its business in the terms of the Sec 10AA(2) of the Income Tax Act, 1961.*

[(3)] *Under the Swiss Code of Obligation, few subsidiaries of Infosys Lodestone are required to appropriate a certain percentage of the annual profit to legal reserve which may be used only to cover losses or for measures designed to sustain the Company through difficult times, to prevent unemployment or to mitigate its consequences.*

The accompanying notes form an integral part of the Consolidated financial statements.

As per our report of even date attached

for Deloitte Haskins & Sells LLP
Chartered Accountants
Firm's Registration No :
117366W/ W-100018

for and on behalf of the Board of Directors of Infosys Limited

Sanjiv V. Pilgaonkar
Partner
Membership No. 039826

Nandan M. Nilekani
Chairman

Salil Parekh
Chief Executive Officer and Managing Director

D. Sundaram
Director

Bengaluru
April 13, 2022

Nilanjan Roy
Chief Financial Officer

Jayesh Sanghrajka
Executive Vice President and Deputy Chief Financial Officer

A.G.S. Manikantha
Company Secretary

INFOSYS LIMITED AND SUBSIDIARIES

Consolidated Statement of Cash Flows

Accounting policy

Cash flows are reported using the indirect method, whereby profit for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Group are segregated. The Group considers all highly liquid investments that are readily convertible to known amounts of cash to be cash equivalents.

(In ₹ crore)

Particulars	Note No.	Year ended March 31, 2022	2021
Cash flow from operating activities			
Profit for the period		22,146	19,423
Adjustments to reconcile net profit to net cash provided by operating activities:			
Income tax expense	2.17	7,964	7,205
Depreciation and amortization	2.2, 2.4.2 and 2.21	3,476	3,267
Interest and dividend income	2.19	(1,645)	(1,615)
Finance cost		200	195
Impairment loss recognized / (reversed) under expected credit loss model		170	190
Exchange differences on translation of assets and liabilities, net		119	(62)
Stock compensation expense	2.12	415	333
Other adjustments		76	(91)
Changes in assets and liabilities			
Trade receivables and unbilled revenue		(7,937)	(1,835)
Loans, other financial assets and other assets		(1,914)	(534)
Trade payables		1,489	(245)
Other financial liabilities, other liabilities and provisions		6,938	3,382
Cash generated from operations		**31,497**	**29,613**
Income taxes paid		(7,612)	(6,389)
Net cash generated by operating activities		**23,885**	**23,224**
Cash flows from investing activities			
Expenditure on property, plant and equipment and intangibles		(2,161)	(2,107)
Deposits placed with corporation		(906)	(725)
Redemption of deposits placed with Corporation		753	518
Interest and dividend received		1,898	1,418
Payment towards acquisition of business, net of cash acquired		-	(1,221)
Payment of contingent consideration pertaining to acquisition of business		(53)	(158)
Escrow and other deposits pertaining to Buyback		(420)	-
Redemption of escrow and other deposits pertaining to Buyback		420	-
Other receipts		67	49
Other payments		(22)	(45)
Payments to acquire Investments			
Tax free bonds and government bonds		-	(318)
Liquid mutual funds and fixed maturity plan securities		(54,064)	(35,196)
Non convertible debentures		(1,609)	(3,689)
Certificates of deposit		(4,184)	-
Government securities		(4,254)	(7,510)
Others		(24)	(25)
Proceeds on sale of Investments			
Tax free bonds and government bonds		20	-
Non-convertible debentures		2,201	1,251
Government securities		1,457	2,704
Certificates of deposit		787	1,149
Liquid mutual funds and fixed maturity plan securities		53,669	36,353
Preference and equity securities		-	73
Others		9	23
Net cash (used in) / from investing activities		**(6,416)**	**(7,456)**

Cash flows from financing activities:			
Payment of lease liabilities		(915)	(698)
Payment of dividends		(12,652)	(9,117)
Payment of dividend to non-controlling interest of subsidiary		(79)	(20)
Shares issued on exercise of employee stock options		21	15
Payment towards purchase of non-controlling interest		(2)	(49)
Other receipts		236	83
Other payments		(126)	-
Buyback of equity shares including transaction cost and tax on buyback		(11,125)	-
Net cash used in financing activities		**(24,642)**	**(9,786)**
Net increase / (decrease) in cash and cash equivalents		(7,173)	5,982
Cash and cash equivalents at the beginning of the period	2.9	24,714	18,649
Effect of exchange rate changes on cash and cash equivalents		(69)	83
Cash and cash equivalents at the end of the period	2.9	**17,472**	**24,714**
Supplementary information:			
Restricted cash balance	2.9	471	504

The accompanying notes form an integral part of the consolidated financial statements

As per our report of even date attached
for Deloitte Haskins & Sells LLP
Chartered Accountants
Firm's Registration No :
117366W/ W-100018

for and on behalf of the Board of Directors of Infosys Limited

Sanjiv V. Pilgaonkar
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Nandan M. Nilekani
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Chief Executive Officer and Managing Director

D. Sundaram
Director and Whole-time Director

Bengaluru
April 13, 2022

Nilanjan Roy
Chief Financial Officer

Jayesh Sanghrajka
Executive Vice President and Deputy Chief Financial Officer

A.G.S. Manikantha
Company Secretary

Notes to the Consolidated financial statements

1. Overview

1.1 Company overview

Infosys Limited ('the Company' or Infosys) provides consulting, technology, outsourcing and next-generation digital services, to enable clients to execute strategies for their digital transformation. Infosys strategic objective is to build a sustainable organization that remains relevant to the agenda of clients, while creating growth opportunities for employees and generating profitable returns for investors. Infosys strategy is to be a navigator for our clients as they ideate, plan and execute on their journey to a digital future.

Infosys together with its subsidiaries and controlled trusts is hereinafter referred to as 'the Group'.

The Company is a public limited company incorporated and domiciled in India and has its registered office at Electronics city, Hosur Road, Bengaluru 560100, Karnataka, India. The Company has its primary listings on the BSE Limited and National Stock Exchange of India Limited. The Company's American Depositary Shares (ADS) representing equity shares are listed on the New York Stock Exchange (NYSE)

The Group's Consolidated financial statements are approved for issue by the Company's Board of Directors on April 13, 2022

1.2 Basis of preparation of financial statements

These Consolidated financial statements are prepared in accordance with Indian Accounting Standards (Ind AS), under the historical cost convention on the accrual basis
except for certain financial instruments which are measured at fair values, the provisions of the Companies Act, 2013 ("the Act") (to the extent notified) and guidelines issued by the Securities and Exchange Board of India (SEBI). The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued thereafter.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

As the year-end figures are taken from the source and rounded to the nearest digits, the figures reported for the previous quarters might not always add up to the year-end figures reported in this statement.

1.3 Basis of consolidation

Infosys consolidates entities which it owns or controls. The Consolidated financial statements comprise the financial statements of the Company, its controlled trusts and its subsidiaries, *as disclosed in Note 2.25* . Control exists when the parent has power over the entity, is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns by using its power over the entity. Power is demonstrated through existing rights that give the ability to direct relevant activities, those which significantly affect the entity's returns. Subsidiaries are consolidated from the date control commences until the date control ceases.

The financial statements of the Group Companies are consolidated on a line-by-line basis and intra-group balances and transactions including unrealized gain / loss from such transactions are eliminated upon consolidation. These financial statements are prepared by applying uniform accounting policies in use at the Group. Non-controlling interests which represent part of the net profit or loss and net assets of subsidiaries that are not, directly or indirectly, owned or controlled by the Company, are excluded.

1.4 Use of estimates and judgements

The preparation of the financial statements in conformity with Ind AS requires the Management to make estimates, judgements and assumptions. These estimates, judgements and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the period. Application of accounting policies that require critical accounting estimates involving complex and subjective judgements and the use of assumptions in these financial statements have been disclosed in *Note no. 1.5* . Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as the Management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to

Estimation of uncertainties relating to the global health pandemic from COVID-19 (COVID-19):

The Group has considered the possible effects that may result from the pandemic relating to COVID-19 pandemic in the preparation of these Consolidated financial statements including the recoverability of carrying amounts of financial and non financial assets. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of the COVID-19 pandemic, the Group has, at the date of approval of these financial statements, used internal and external sources of information including credit reports and related information and economic forecasts and expects that the carrying amount of these assets will be recovered. The impact of COVID-19 pandemic on the Group's financial statements may differ from that estimated as at the date of

1.5 Critical accounting estimates and judgments

a. Revenue recognition

The Group's contracts with customers include promises to transfer multiple products and services to a customer. Revenues from customer contracts are considered for recognition and measurement when the contract has been approved, in writing, by the parties to the contract, the parties to contract are committed to perform their respective obligations under the contract, and the contract is legally enforceable. The Group assesses the services promised in a contract and identifies distinct performance obligations in the contract. Identification of distinct performance obligations to determine the deliverables and the ability of the customer to benefit independently from such deliverables, and allocation of transaction price to these distinct performance obligations involves significant judgement.

Fixed price maintenance revenue is recognized ratably on a straight-line basis when services are performed through an indefinite number of repetitive acts over a specified period. Revenue from fixed price maintenance contract is recognized ratably using a percentage of completion method when the pattern of benefits from the services rendered to the customer and the Group's costs to fulfil the contract is not even through the period of the contract because the services are generally discrete in nature and not repetitive. The use of a method to recognize the maintenance revenues requires judgement and is based on the promises in the contract and nature of

The Group uses the percentage-of-completion method in accounting for other fixed-price contracts. Use of the percentage-of-completion method requires the Group to determine the actual efforts or costs expended to date as a proportion of the estimated total efforts or costs to be incurred. Efforts or costs expended have been used to measure progress towards completion as there is a direct relationship between input and productivity. The estimation of total efforts or costs involves significant judgement and is assessed throughout the period of the contract to reflect any changes based on the latest available information.

Provisions for estimated losses, if any, on incomplete contracts are recorded in the period in which such losses become probable based on the estimated efforts or costs to complete the contract.

b. Income taxes

The Company's two major tax jurisdictions are India and the U.S., though the Company also files tax returns in other overseas jurisdictions.

Significant judgements are involved in determining the provision for income taxes, including amount expected to be paid/recovered for uncertain tax positions.
In assessing the realizability of deferred income tax assets, the Management considers whether some portion or all of the deferred income tax assets will not be realized. The ultimate realization of deferred income tax assets is dependent upon the generation of future taxable income during the periods in which the temporary differences become deductible. Management considers the scheduled reversals of deferred income tax liabilities, projected future taxable income and tax planning strategies in making this assessment. Based on the level of historical taxable income and projections for future taxable income over the periods in which the deferred income tax assets are deductible, the Management believes that the Group will realize the benefits of those deductible differences. The amount of the deferred income tax assets considered realizable, however could be reduced in the near term if estimates of future taxable income during the carry forward period are reduced. *(Refer to Note 2.17 and 2.24)*

c. Business combinations and intangible assets

Business combinations are accounted for using Ind AS 103, Business Combinations. Ind AS 103 requires the identifiable intangible assets and contingent consideration to be fair valued in order to ascertain the net fair value of identifiable assets, liabilities and contingent liabilities of the acquiree. Estimates are required to be made in determining the value of contingent consideration, value of option arrangements and intangible assets. These valuations are conducted by external valuation experts. These measurements are based on information available at the acquisition date and are based on expectations and assumptions that have been deemed reasonable by the Management. *(Refer to Notes 2.1 and 2.4.2)*

d. Property, plant and equipment

Property, plant and equipment represent a significant proportion of the asset base of the Group. The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of Group's assets are determined by the Management at the time the asset is acquired and reviewed periodically, including at each financial year end. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology *(Refer to Note 2.2).*

e. Impairment of Goodwill

Goodwill is tested for impairment on an annual basis and whenever there is an indication that the recoverable amount of a cash generating unit (CGUs) is less than its carrying amount. For the impairment test, goodwill is allocated to the CGU or groups of CGUs which benefit from the synergies of the acquisition and which represent the lowest level at which goodwill is monitored for internal management purposes.

The recoverable amount of CGUs is determined based on higher of value-in-use and fair value less cost to sell. Key assumptions in the cash flow projections are prepared based on current economic conditions and comprises estimated long term growth rates, weighted

1.6 Recent accounting pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 23, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, as below.

Ind AS 16 – Property Plant and equipment - The amendment clarifies that excess of net sale proceeds of items produced over the cost of testing, if any, shall not be recognised in the profit or loss but deducted from the directly attributable costs considered as part of cost of an item of property, plant, and equipment. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2022. The Group has evaluated the amendment and there is no impact on its consolidated financial statements.

Ind AS 37 – Provisions, Contingent Liabilities and Contingent Assets – The amendment specifies that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract). The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2022, although early adoption is permitted. The Group has evaluated the amendment and the impact is not expected to be material.

2.1 BUSINESS COMBINATIONS

Accounting policy

Business combinations have been accounted for using the acquisition method under the provisions of Ind AS 103, Business Combinations.

The purchase price in an acquisition is measured at the fair value of the assets transferred, equity instruments issued and liabilities incurred or assumed at the date of acquisition, which is the date on which control is transferred to the Group. The purchase price also includes the fair value of any contingent consideration. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair value on the date of acquisition. Contingent consideration is remeasured at fair value at each reporting date and changes in the fair value of the contingent consideration are recognized in the Consolidated Statement of Profit and Loss.

The interest of non-controlling shareholders is initially measured either at fair value or at the non-controlling interests' proportionate share of the acquiree's identifiable net assets. The choice of measurement basis is made on an acquisition-by-acquisition basis. Subsequent to acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity of subsidiaries.

Business combinations between entities under common control is accounted for at carrying value of the assets and liabilities in the Group's Consolidated financial statements.

The payments related to options issued by the Group over the non-controlling interests in its subsidiaries are accounted as financial liabilities and initially recognized at the estimated present value of gross obligations. Such options are subsequently measured at fair value in order to reflect the amount payable under the option at the date at which it becomes exercisable. In the event that the option expires unexercised, the liability is derecognised.

Transaction costs that the Group incurs in connection with a business combination such as finder's fees, legal fees, due diligence fees, and other professional and consulting fees are expensed as incurred.

Proposed acquisition

On March 22, 2022, Infosys Consulting Pte. Ltd (a wholly owned subsidiary of Infosys Limited) entered into a definitive agreement to acquire oddity, a Germany-based digital marketing, experience, and commerce agency, for a total consideration of upto EUR 50 million (approximately ₹420 crore), which includes earn-out and bonuses. This acquisition is expected to strengthen the Group's creative, branding and experience design capabilities. To consummate this transaction, Infosys Consulting Pte. Ltd., has simultaneously acquired Infosys Germany GmBH (formerly Kristall 247. GmBH).

Acquisitions during the year ended March 31, 2021

During the year ended March 31, 2021 the Group, completed three business combinations to complement its digital offerings and end to end customer experience offerings to customers by acquiring 100% voting interests in

(i) Kaleidoscope Animations, Inc. a US based Product Design and Development services focused primarily on medical devices on October 9, 2020

(ii) GuideVision, s.r.o a ServiceNow Elite Partner in Europe on October 1, 2020 and

(iii) Beringer Commerce Inc. and Beringer Capital Digital Group Inc., collectively known as Blue Acorn iCi, an Adobe Platinum partner in the US, and a leader in digital customer experience, commerce and analytics on October 27, 2020

The purchase price is allocated to assets acquired and liabilities assumed based upon determination of fair values at the dates of acquisition as follows:

(in ₹ crore)

Component	Acquiree's carrying amount	Fair value adjustments	Purchase price allocated
Net Assets[(1)]	137	-	137
Intangible Assets-			
Vendor relationships	-	266	266
Customer contracts and relationships	-	179	179
Brand	-	57	57
Software	-	33	33
Deferred tax liabilities on intagible assts	-	(23)	(23)
Total	137	512	649
Goodwill			758
Total purchase price			1,407

[(1)] *Includes cash and cash equivalents acquired of ₹ 80 crore*

The excess of the purchase consideration paid over the fair value of net assets acquired has been attributed to goodwill. Goodwill majorly includes the value expected from increase in revenues from various new streams of business, addition of new customers, and estimated synergies which does not qualify as an intangible asset.

Goodwill amounting to ₹520 crore is not tax deductible. Goodwill pertaining to these business combinations is allocated to all the operating segments as more fully described in Note 2.4.1

The purchase consideration of ₹1,407 crore includes cash of ₹1,307 crore and contingent consideration with an estimated fair value of ₹100 crore as on the date of acquisition.

At the acquisition date, the key inputs used in determination of the fair value of contingent consideration are the probabilities assigned towards achievement of financial targets and discount rates ranging from 12% to 13.5%. The undiscounted value of contingent consideration as of March 31, 2021 was ₹116 crore.

Additionally, these acquisitions have retention payouts payable to the employees of the acquiree over the next two to three years, subject to their continuous employment with the group along with achievement of financial targets for the respective years. Retention bonus is recognized in employee benefit expenses in the statement of Profit and Loss over the

Fair value of trade receivables acquired, is ₹108 crore as of acquisition date and as of March 31, 2022 the amount has been substantially collected.

The transaction costs of ₹11 crore related to the acquisition have been included in the Consolidated Statement of Profit and Loss for the year ended March 31, 2021.

2.2 PROPERTY, PLANT AND EQUIPMENT

Accounting policy

Property, plant and equipment are stated at cost, less accumulated depreciation and impairment, if any. Costs directly attributable to acquisition are capitalized until the property, plant and equipment are ready for use, as intended by the Management. The charge in respect of periodic depreciation is derived at after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The Group depreciates property, plant and equipment over their estimated useful lives using the straight-line method. The estimated useful lives of assets are as follows:

Buildings (1)	22-25 years
Plant and machinery (1)(2)	5 years
Office equipment	5 years
Computer equipment (1)	3-5 years
Furniture and fixtures (1)	5 years
Vehicles(1)	5 years
Leasehold improvements	Lower of useful life of the asset or lease term

(1) Based on technical evaluation, the Management believes that the useful lives as given above best represent the period over which the Management expects to use these assets. Hence, the useful lives for these assets is different from the useful lives as prescribed under Part C of Schedule II of the Companies Act 2013.

(2) Includes Solar plant with a useful life of 20 years

Depreciation methods, useful lives and residual values are reviewed periodically, including at each financial year end. The useful lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology.

Advances paid towards the acquisition of property, plant and equipment outstanding at each Balance Sheet date is classified as capital advances under other non-current assets and the cost of assets not ready to use before such date are disclosed under 'Capital work-in-progress'. Subsequent expenditures relating to property, plant and equipment is capitalized only when it is probable that future economic benefits associated with these will flow to the Group and the cost of the item can be measured reliably. Repairs and maintenance costs are recognized in the Consolidated Statement of Profit and Loss when incurred. The cost and related accumulated depreciation are eliminated from the financial statements upon sale or retirement of the asset and the resultant gains or losses are recognized in the Consolidated Statement of Profit and Loss.

Impairment

Property, plant and equipment are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

If such assets are considered to be impaired, the impairment to be recognized in the Consolidated Statement of Profit and Loss is measured by the amount by which the carrying value of the assets exceeds the estimated recoverable amount of the asset. An impairment loss is reversed in the Consolidated Statement of Profit and Loss if there has been a change in the estimates used to determine the recoverable amount. The carrying amount of the asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated depreciation) had no impairment loss been recognized for the asset in prior years.

The changes in the carrying value of property, plant and equipment for the year ended March 31, 2022 are as follows:

(In ₹ crore)

Particulars	Land - Freehold	Buildings (1)	Plant and machinery	Office Equipment	Computer equipment	Furniture and fixtures	Leasehold Improvements	Vehicles	Total
Gross carrying value as at April 1, 2021	**1,399**	**10,565**	**3,296**	**1,371**	**7,639**	**2,149**	**1,188**	**44**	**27,651**
Additions	31	599	256	67	1,542	141	79	-	2,715
Deletions	-	(1)	(349)	(14)	(672)	(17)	(46)	-	(1,099)
Translation difference	-	61	7	3	18	6	14	-	109
Gross carrying value as at March 31, 2022	**1,430**	**11,224**	**3,210**	**1,427**	**8,527**	**2,279**	**1,235**	**44**	**29,376**
Accumulated depreciation as at April 1, 2021	**-**	**(3,675)**	**(2,425)**	**(1,043)**	**(5,636)**	**(1,580)**	**(700)**	**(32)**	**(15,091)**
Depreciation	-	(417)	(245)	(120)	(1,055)	(210)	(181)	(5)	(2,233)
Accumulated depreciation on deletions	-	-	330	14	671	16	37	-	1,068
Translation difference	-	(8)	(4)	(1)	(14)	(6)	(12)	-	(45)
Accumulated depreciation as at March 31, 2022	**-**	**(4,100)**	**(2,344)**	**(1,150)**	**(6,034)**	**(1,780)**	**(856)**	**(37)**	**(16,301)**
Carrying value as at April 1, 2021	**1,399**	**6,890**	**871**	**328**	**2,003**	**569**	**488**	**12**	**12,560**
Carrying value as at March 31, 2022	**1,430**	**7,124**	**866**	**277**	**2,493**	**499**	**379**	**7**	**13,075**

The changes in the carrying value of property, plant and equipment for the year ended March 31, 2021 are as follows:

(In ₹ crore)

Particulars	Land - Freehold	Buildings (1)	Plant and machinery	Office Equipment	Computer equipment	Furniture and fixtures	Leasehold Improvements	Vehicles	Total
Gross carrying value as at April 1, 2020	**1,318**	**10,016**	**3,185**	**1,265**	**6,676**	**2,073**	**1,063**	**45**	**25,641**
Additions	82	511	117	118	1,159	91	152	1	2,231
Additions - Business Combination *(Refer to Note 2.1)*	-	-	1	2	4	2	1	-	10
Deletions	(1)	-	(10)	(16)	(211)	(19)	(33)	(2)	(292)
Translation difference	-	38	3	2	11	2	5	-	61
Gross carrying value as at March 31, 2021	**1,399**	**10,565**	**3,296**	**1,371**	**7,639**	**2,149**	**1,188**	**44**	**27,651**
Accumulated depreciation as at April 1, 2020	**-**	**(3,284)**	**(2,145)**	**(934)**	**(4,885)**	**(1,380)**	**(550)**	**(28)**	**(13,206)**
Depreciation	-	(386)	(290)	(123)	(954)	(222)	(185)	(6)	(2,166)
Accumulated depreciation on deletions	-	-	10	15	199	18	33	2	277
Translation difference	-	(5)	-	(1)	4	4	2	-	4
Accumulated depreciation as at March 31, 2021	**-**	**(3,675)**	**(2,425)**	**(1,043)**	**(5,636)**	**(1,580)**	**(700)**	**(32)**	**(15,091)**
Carrying value as at April 1, 2020	**1,318**	**6,732**	**1,040**	**331**	**1,791**	**693**	**513**	**17**	**12,435**
Carrying value as at March 31, 2021	**1,399**	**6,890**	**871**	**328**	**2,003**	**569**	**488**	**12**	**12,560**

(1) Buildings include ₹250/- being the value of five shares of ₹50/- each in Mittal Towers Premises Co-operative Society Limited.

The aggregate depreciation has been included under depreciation and amortisation expense in the Consolidated Statement of Profit and Loss.

2.3 CAPITAL WORK-IN-PROGRESS

(In ₹ crore)

Particulars	As at	
	March 31, 2022	March 31, 2021
Capital work-in-progress	416	922
Total Capital work-in-progress	**416**	**922**

Capital wok-in-progress ageing schedule for the year ended March 31, 2022 and March 31, 2021 :

(In ₹ crore)

Particulars	Amount in CWIP for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	272	48	51	45	416
	423	*268*	*37*	*194*	922
Total Capital work-in-progress	**272**	**48**	**51**	**45**	**416**
	423	*268*	*37*	*194*	*922*

For capital-work-in progress, whose completion is overdue or has exceeded its cost compared to its original plan the project wise details of when the project is expected to be completed it given below as of March 31, 2022 and *March 31, 2021* :

(In ₹ crore)

Particulars	To be completed in				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress					
NG-SZ-SDB1	89	-	-	-	89
	-	-	-	-	-
BN-SP-RETRO	30	-	-	-	30
	-	-	-	-	-
KL-SP-SDB1	-	27	-	-	27
	-	-	-	-	-
BH-SZ-MLP	116	-	-	-	116
	-	*67*	-	-	*67*
IN-OS-SDB	-	-	-	-	-
	407				*407*
MY-SZ-SDB8	-	-	-	-	-
	160				*160*
Total Capital work-in-progress*	**235**	**27**	**-**	**-**	**262**
	567	*67*	-	-	*634*

* There are no subsidiaries in the group having more than 10% of the total capital work in progress.

2.4 GOODWILL AND OTHER INTANGIBLE ASSETS

2.4.1 Goodwill

Accounting policy

Goodwill represents the purchase consideration in excess of the Group's interest in the net fair value of identifiable assets, liabilities and contingent liabilities of the acquired entity. When the net fair value of the identifiable assets, liabilities and contingent liabilities acquired exceeds purchase consideration, the fair value of net assets acquired is reassessed and the bargain purchase gain is recognized in capital reserve. Goodwill is measured at cost less accumulated impairment losses.

Impairment

Goodwill is tested for impairment on an annual basis and whenever there is an indication that the recoverable amount of a cash generating unit (CGU) is less than its carrying amount. For the impairment test, goodwill is allocated to the CGU or groups of CGUs which benefit from the synergies of the acquisition and which represents the lowest level at which goodwill is monitored for internal management purposes. A CGU is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or group of assets. Impairment occurs when the carrying amount of a CGU including the goodwill, exceeds the estimated recoverable amount of the CGU. The recoverable amount of a CGU is the higher of its fair value less cost to sell and its value-in-use. Value-in-use is the present value of future cash flows expected to be derived from the CGU. Key assumptions in the cash flow projections are prepared based on current economic conditions and includes estimated long term growth rates, weighted average cost of capital and estimated operating margins.

Total impairment loss of a CGU is allocated first to reduce the carrying amount of goodwill allocated to the CGU and then to the other assets of the CGU pro-rata on the basis of the carrying amount of each asset in the CGU. An impairment loss on goodwill is recognized in the Consolidated Statement of Profit and Loss and is not reversed in the subsequent period.

Following is a summary of changes in the carrying amount of goodwill:

(In ₹ crore)

Particulars	As at	
	March 31, 2022	March 31, 2021
Carrying value at the beginning	**6,079**	**5,286**
Goodwill on acquisitions (*Refer to Note 2.1*)	-	758
Translation differences	116	35
Carrying value at the end	**6,195**	**6,079**

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to the CGU or groups of CGUs, which benefit from the synergies of the acquisition. The Group internally reviews the goodwill for impairment at the operating segment level, after allocation of the goodwill to CGUs or groups of CGUs.

The allocation of goodwill to operating segments as at March 31, 2022 and March 31, 2021 is as follows:

(In ₹ crore)

Segment	As at	
	March 31, 2022	March 31, 2021
Financial services	1,366	1,359
Retail	817	797
Communication	619	605
Energy, Utilities, Resources and Services	1,070	1,046
Manufacturing	499	487
	4,371	**4,294**
Operating segments without significant goodwill	938	925
Total	**5,309**	**5,219**

The goodwill pertaining to Panaya amounting to ₹886 crore and ₹860 crore as at March 31, 2022 and March 31, 2021, respectively is tested for impairment at the entity level.

The recoverable amount of a CGU is the higher of its fair value less cost to sell and its value-in-use. The fair value of a CGU is determined based on the market capitalization. Value-in-use is determined based on discounted future cash flows. The key assumptions used for the calculations are as follows:

(in %)

	As at	
	March 31, 2022	March 31, 2021
Long term growth rate	8-10	8-10
Operating margins	19-21	19-21
Discount rate	12.0	11.7

The above discount rate is based on the Weighted Average Cost of Capital (WACC) of the Company. As at March 31, 2022, the estimated recoverable amount of the CGU exceeded its carrying amount. Reasonable sensitivities in key assumptions is unlikely to cause the carrying amount to exceed the recoverable amount of the cash generating units.

2.4.2 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 Group has an intention and ability to complete and use or sell the software and the costs can be measured reliably. The costs which can be capitalized include the cost of material, direct labour, overhead costs that are directly attributable to preparing the asset for its intended use.

Impairment

Intangible assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the CGU to which the asset belongs.

If such assets are considered to be impaired, the impairment to be recognized in the Consolidated Statement of Profit and Loss is measured by the amount by which the carrying value of the assets exceeds the estimated recoverable amount of the asset. An impairment loss is reversed in the Consolidated Statement of Profit and Loss if there has been a change in the estimates used to determine the recoverable amount. The carrying amount of the asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortization) had no impairment loss been recognized for the asset in prior years.

The changes in the carrying value of acquired intangible assets for the year ended March 31, 2022 are as follows :

(In ₹ crore)

Particulars	Customer related	Software related	Intellectual property rights related	Brand or Trademark Related	Others*	Total
Gross carrying value as at April 1, 2021	**2,064**	**824**	**1**	**293**	**666**	**3,848**
Additions	-	85	-	-	-	**85**
Acquisition through business combination *(Refer to Note 2.1)*	-	-	-	-	-	**-**
Deletions	-	-	-	-	-	**-**
Translation difference	16	6	-	6	20	**48**
Gross carrying value as at March 31, 2022	**2,080**	**915**	**1**	**299**	**686**	**3,981**
Accumulated amortization as at April 1, 2021	**(1,021)**	**(492)**	**(1)**	**(99)**	**(163)**	**(1,776)**
Amortization expense	(238)	(68)	-	(40)	(118)	(464)
Deletions	-	-	-	-	-	-
Translation differences	(20)	(9)	-	(2)	(3)	(34)
Accumulated amortization as at March 31, 2022	**(1,279)**	**(569)**	**(1)**	**(141)**	**(284)**	**(2,274)**
Carrying value as at April 1, 2021	**1,043**	**332**	**-**	**194**	**503**	**2,072**
Carrying value as at March 31, 2022	**801**	**346**	**-**	**158**	**402**	**1,707**
Estimated Useful Life *(in years)*	*1-15*	*3-10*	-	*3-10*	*3-7*	
Estimated Remaining Useful Life *(in years)*	*1-12*	*1-7*	-	*1-8*	*1-6*	

Following are the changes in the carrying value of acquired intangible assets for the year ended March 31, 2021:

(In ₹ crore)

Particulars	Customer related	Software related	Intellectual property rights related	Brand or Trademark Related	Others*	Total
Gross carrying value as at April 1, 2020	**1,878**	**697**	**1**	**241**	**411**	**3,228**
Additions	-	101	-	-	-	101
Acquisition through business combination *(Refer to Note 2.1)*	179	33	-	57	266	535
Deletions	-	-	-	-	-	-
Translation difference	7	(7)	-	(5)	(11)	(16)
Gross carrying value as at March 31, 2020	**2,064**	**824**	**1**	**293**	**666**	**3,848**
Accumulated amortization as at April 1, 2020	**(755)**	**(450)**	**(1)**	**(66)**	**(56)**	**(1,328)**
Amortization expense	(272)	(53)	-	(34)	(107)	(466)
Deletions	-	-	-	-	-	-
Translation differences	6	11	-	1	-	18
Accumulated amortization as at March 31, 2021	**(1,021)**	**(492)**	**(1)**	**(99)**	**(163)**	**(1,776)**
Carrying value as at April 1, 2020	**1,123**	**247**	**-**	**175**	**355**	**1,900**
Carrying value as at March 31, 2021	**1,043**	**332**	**-**	**194**	**503**	**2,072**
Estimated Useful Life *(in years)*	*1-15*	*3-10*	-	*3-10*	*3-7*	
Estimated Remaining Useful Life *(in years)*	*1-13*	*1-8*	-	*1-9*	*1-7*	

** Majorly includes intangibles related to vendor relationships*

The amortization expense has been included under depreciation and amortization expense in the Consolidated Statement of Profit and Loss.

Research and Development Expenditure

Research and development expense recognized in the Consolidated Statement of Profit and Loss for the year ended March 31, 2022 and March 31, 2021 was ₹922 crore and ₹ 945 crore respectively.

2.5 INVESTMENTS

(In ₹ crore)

Particulars	As at March 31, 2022	As at March 31, 2021
Non-current		
Unquoted		
Investments carried at fair value through other comprehensive income *(Refer to Note 2.5.1)*		
Preference securities	192	165
Equity instruments	2	2
	194	**167**
Investments carried at fair value through profit and loss *(Refer to Note 2.5.1)*		
Preference securities	24	11
Compulsorily convertible debentures	7	7
Others [(1)]	152	74
	183	**92**
Quoted		
Investments carried at amortized cost		
Tax free bonds	1,901	2,131
Government bonds	-	21
	1,901	**2,152**
Investments carried at fair value through other comprehensive income		
Non convertible debentures	3,718	3,985
Government securities	7,655	5,467
	11,373	**9,452**
Total non-current investments	**13,651**	**11,863**
Current		
Unquoted		
Investments carried at fair value through profit or loss		
Liquid mutual fund units	2,012	1,500
	2,012	**1,500**
Investments carried at fair value through other comprehensive income		
Certificates of deposit	3,429	-
	3,429	**-**
Quoted		
Investments carried at amortized cost		
Tax free bonds	200	-
Government bonds	21	-
	221	**-**
Investments carried at fair value through other comprehensive income		
Government securities	516	-
Non convertible debentures	495	842
	1,011	**842**
Total current investments	**6,673**	**2,342**
Total investments	**20,324**	**14,205**

	March 31, 2022	March 31, 2021
Aggregate amount of quoted investments	14,506	12,446
Market value of quoted investments (including interest accrued), current	1,247	843
Market value of quoted investments (including interest accrued), non current	13,612	11,997
Aggregate amount of unquoted investments	5,818	1,759
Investments carried at amortized cost	2,122	2,152
Investments carried at fair value through other comprehensive income	16,007	10,461
Investments carried at fair value through profit or loss	2,195	1,592

[(1)] Uncalled capital commitments outstanding as at March 31, 2022 and March 31, 2021 was ₹28 crore and ₹42 crore, respectively.

Refer to Note 2.11 for Accounting policies on Financial Instruments.

Details of amounts recorded in Other comprehensive income :

(In ₹ crore)

	Year ended March 31, 2022			Year ended March 31, 2021		
	Gross	Tax	Net	Gross	Tax	Net
Net Gain/(loss) on						
Non-convertible debentures	(13)	1	(12)	(5)	1	(4)
Certificates of deposit	2	(1)	1	(3)	1	(2)
Government securities	(60)	22	(38)	(114)	18	(96)
Equity and preference securities	119	(23)	96	136	(17)	119

Method of fair valuation:

(In ₹ crore)

Class of investment	Method	Fair value as at March 31, 2022	Fair value as at March 31, 2021
Liquid mutual fund units	Quoted price	2,012	1,500
Tax free bonds and government bonds	Quoted price and market observable inputs	2,447	2,536
Non-convertible debentures	Quoted price and market observable inputs	4,213	4,827
Government securities	Quoted price and market observable inputs	8,171	5,467
Certificate of deposits	Market observable inputs	3,429	-
Unquoted equity and preference securities - carried at fair value through other comprehensive income	Discounted cash flows method, Market multiples method, Option pricing model	194	167
Unquoted equity and preference securities - carried at fair value through profit and loss	Discounted cash flows method, Market multiples method, Option pricing model	24	11
Unquoted compulsorily convertible debentures - carried at fair value through profit and loss	Discounted cash flows method	7	7
Others	Discounted cash flows method, Market multiples method, Option pricing model	152	74
Total		**20,649**	**14,589**

Note: Certain quoted investments are classified as Level 2 in the absence of active market for such investments.

2.5.1 Details of investments

The details of investments in preference, equity and other instruments at March 31, 2022 and March 31, 2021 are as follows:

(In ₹ crore, except otherwise stated)

Particulars	As at March 31, 2022	As at March 31, 2021
Preference securities		
Airviz, Inc.	-	-
2,82,279 (2,82,279) Series A Preferred Stock, fully paid up, par value USD 0.001 each		
Whoop, Inc.	150	94
1,10,59,340 (11,05,934) Series B Preferred Stock, fully paid up, par value USD 0.0001 each		
Nivetti Systems Private Limited	22	20
2,28,501 (2,28,501) Preferred Stock, fully paid up, par value ₹1/- each		
Trifacta Inc.	-	40
Nil (11,80,358) Series C-1 Preferred Stock		
Nil (19,59,823) Series E Preferred Stock		
Tidalscale, Inc.	23	11
36,74,269 (36,74,269) Series B Preferred Stock		
Ideaforge Technology Private Limited	20	11
5,402 (5,402) Series A compulsorily convertible cumulative Preference shares of ₹10/- each, fully paid up		
Total investment in preference securities	**215**	**176**
Equity Instruments		
Merasport Technologies Private Limited	-	-
2,420 (2,420) equity shares at ₹8,052/- each, fully paid up, par value ₹10/- each		
Global Innovation and Technology Alliance	2	2
15,000 (15,000) equity shares at ₹1,000/- each, fully paid up, par value ₹1,000/- each		
Ideaforge Technology Private Limited	-	-
100 (100) equity shares at ₹10/-, fully paid up		
Total investment in equity instruments	**2**	**2**
Compulsorily convertible debentures		
Ideaforge Technology Private Limited	7	7
3,886 (3,886) compulsorily convertible debentures, fully paid up, par value ₹19,300/- each		
Total investment in debentures	**7**	**7**
Others		
Stellaris Venture Partners India	76	42
The House Fund II, L.P.	77	32
Total investment in others	**153**	**74**
Total	**377**	**259**

2.6 LOANS

(In ₹ crore)

Particulars	As at March 31, 2022	As at March 31, 2021
Non Current		
Loans considered good - Unsecured		
Other loans		
Loans to employees	34	32
	34	**32**
Loans credit impaired - Unsecured		
Other loans		
Loans to employees	-	28
Less: Allowance for credit impairment	-	28
	-	-
Total non-current loans	**34**	**32**
Current		
Loans considered good - Unsecured		
Other loans		
Loans to employees	248	159
Total current loans	**248**	**159**
Total loans	**282**	**191**

2.7 OTHER FINANCIAL ASSETS

(In ₹ crore)

Particulars	As at March 31, 2022	As at March 31, 2021
Non Current		
Security deposits [(1)]	47	49
Unbilled revenues [(1)#]	695	399
Rental deposits [(1)]	186	217
Net investment in sublease of right of use asset *(Refer to Note 2.21)* [(1)]	322	350
Restricted deposits[(1)*]	33	42
Others [(1)]	177	84
Total non-current other financial assets	**1,460**	**1,141**
Current		
Security deposits [(1)]	7	6
Rental deposits [(1)]	58	30
Restricted deposits [(1)*]	2,177	2,016
Unbilled revenues [(1)#]	5,659	3,173
Interest accrued but not due [(1)]	362	620
Foreign currency forward and options contracts [(2) (3)]	143	188
Net investment in sublease of right of use asset *(Refer to Note 2.21)* [(1)]	50	38
Others [(1)]	271	339
Total current other financial assets	**8,727**	**6,410**
Total other financial assets	**10,187**	**7,551**
[(1)] Financial assets carried at amortized cost	10,044	7,363
[(2)] Financial assets carried at fair value through other comprehensive income	20	25
[(3)] Financial assets carried at fair value through profit or loss	123	163

* Restricted deposits represent deposits with financial institutions to settle employee-related obligations as and when they arise during the normal course of business.

Classified as financial asset as right to consideration is unconditional and is due only after a passage of time.

2.8 TRADE RECEIVABLES

(In ₹ crore)

Particulars	As at March 31, 2022	As at March 31, 2021
Current		
Trace Receivable considered good - Unsecured	23,252	19,760
Less: Allowance for expected credit loss	554	466
Trace Receivable considered good - Unsecured	22,698	19,294
Trace Receivable - credit impaired - Unsecured	113	153
Less: Allowance for credit impairment	113	153
Trace Receivable - credit impaired - Unsecured	-	-
Total trade receivables[(1)]	**22,698**	**19,294**

Trade receivables ageing schedule for the year ended as on March 31, 2022 and March 31, 2021:

(In ₹ crore)

Particulars		Outstanding for following periods from due date of payment					
	Not Due	Less than 6 months	6 months to 1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed Trade receivables – considered good	17,394	5,561	230	11	35	21	23,252
	15,693	*3,956*	*35*	*33*	*3*	*36*	*19,756*
Undisputed Trade receivables – credit impaired	-	1	3	62	34	4	104
	2	*2*	*94*	*40*	*10*	*1*	*149*
Disputed Trade receivables – considered good	-	-	-	-	-	-	-
	-	*1*	*3*	*-*	*-*	*-*	*4*
Disputed Trade receivables – credit impaired	-	-	-	4	-	5	9
					4		*4*
	17,394	5,562	233	77	69	30	23,365
	15,695	*3,959*	*132*	*73*	*17*	*37*	*19,913*
Less: Allowance for credit loss							667
							619
Total Trade Receivables							22,698
							19,294

2.9 CASH AND CASH EQUIVALENTS

(In ₹ crore)

Particulars	As at March 31, 2022	March 31, 2021
Balances with banks		
In current and deposit accounts	13,942	20,069
Cash on hand	-	-
Others		
Deposits with financial institutions	3,530	4,645
Total cash and cash equivalents	**17,472**	**24,714**
Balances with banks in unpaid dividend accounts	36	33
Deposit with more than 12 months maturity	2,040	13,659
Balances with banks held as margin money deposits against guarantees	1	71

Cash and cash equivalents as at March 31, 2022 and March 31, 2021 include restricted cash and bank balances of ₹471 crore and ₹504 crore, respectively. The restrictions are primarily on account of bank balances held by irrevocable trusts controlled by the company and bank balances held as margin money deposits against guarantees.

The deposits maintained by the Group with banks and financial institutions comprise time deposits, which can be withdrawn by the Group at any point without prior notice or penalty on the principal.

2.10 OTHER ASSETS

(In ₹ crore)

Particulars	As at March 31, 2022	March 31, 2021
Non Current		
Capital advances	88	141
Advances other than capital advances		
Others		
Withholding taxes and others	674	705
Unbilled revenues #	246	195
Defined benefit plan assets *(Refer to Note 2.22)*	20	19
Prepaid expenses	99	78
Deferred Contract Cost*	593	112
Cost of fulfillment	309	31
Other receivables	-	-
Total Non-Current other assets	**2,029**	**1,281**
Current		
Advances other than capital advances		
Payment to vendors for supply of goods	193	141
Others		
Unbilled revenues #	5,909	4,354
Withholding taxes and others	1,941	2,091
Prepaid expenses	1,996	1,160
Deferred Contract Cost*	858	49
Cost of fulfillment	91	16
Other receivables	325	3
Total Current other assets	**11,313**	**7,814**
Total other assets	**13,342**	**9,095**

Classified as non financial asset as the contractual right to consideration is dependent on completion of contractual milestones.

* Includes technology assets taken over by the Company from a customer as a part of transformation project which is not considered as distinct goods or services and the control related to the assets is not transferred to the Company in accordance with Ind AS 115 - Revenue from contract with customers. Accordingly, the same has been considered as a reduction to the total contract value and accounted as Deferred contract cost. Further as at March 31, 2022, the Company has entered into a financing arrangement with a third party for these assets for ₹895 crore which has been considered as financial liability. This includes ₹869 crore settled directly by the third party to the customer on behalf of the Company and accordingly considered as non-cash transaction. *(Refer to Note 2.13)*

Withholding taxes and others primarily consist of input tax credits and Cenvat recoverable from Government of India.

2.11 FINANCIAL INSTRUMENTS

Accounting policy

2.11.1 Initial recognition

The Group recognizes financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are recognized at fair value on initial recognition, except for trade receivables which are initially measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities, that are not at fair value through profit or loss, are added to the fair value on initial recognition. Regular way purchase and sale of financial assets are accounted for at trade date.

2.11.2 Subsequent measurement

a. Non-derivative financial instruments

(i) Financial assets carried at amortized cost

A financial asset is subsequently measured at amortized cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

(ii) Financial assets at fair value through other comprehensive income (FVOCI)

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. The Group has made an irrevocable election for its investments which are classified as equity instruments to present the subsequent changes in fair value in other comprehensive income based on its business model.

(iii) Financial assets at fair value through profit or loss

A financial asset which is not classified in any of the above categories is subsequently fair valued through profit or loss.

(iv) Financial liabilities

Financial liabilities are subsequently carried at amortized cost using the effective interest method, except for contingent consideration and financial liability under option arrangements recognized in a business combination which is subsequently measured at fair value through profit or loss. For trade and other payables maturing within one year from the Balance Sheet date, the carrying amounts approximate the fair value due to the short maturity of these instruments.

b. Derivative financial instruments

The Group holds derivative financial instruments such as foreign exchange forward and option contracts to mitigate the risk of changes in exchange rates on foreign currency exposures. The counterparty for these contracts is generally a bank.

(i) Financial assets or financial liabilities, at fair value through profit or loss.

This category includes derivative financial assets or liabilities which are not designated as hedges.

Although the Group believes that these derivatives constitute hedges from an economic perspective, they may not qualify for hedge accounting under Ind AS 109, Financial Instruments. Any derivative that is either not designated as hedge, or is so designated but is ineffective as per Ind AS 109, is categorized as a financial asset or financial liability, at fair value through profit or loss.

Derivatives not designated as hedges are recognized initially at fair value and attributable transaction costs are recognized in net profit in the Consolidated Statement of Profit and Loss when incurred. Subsequent to initial recognition, these derivatives are measured at fair value through profit or loss and the resulting exchange gains or losses are included in other income. Assets/ liabilities in this category are presented as current assets/current liabilities if they are either held for trading or are expected to be realized within 12 months after the Balance Sheet date.

(ii) Cash flow hedge

The Group designates certain foreign exchange forward and options contracts as cash flow hedges to mitigate the risk of foreign exchange exposure on highly probable forecast cash transactions.

When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative is recognized in other comprehensive income and accumulated in the cash flow hedging reserve. Any ineffective portion of changes in the fair value of the derivative is recognized immediately in the net profit in the Consolidated Statement of Profit and Loss. If the hedging instrument no longer meets the criteria for hedge accounting, then hedge accounting is discontinued prospectively. If the hedging instrument expires or is sold, terminated or exercised, the cumulative gain or loss on the hedging instrument recognized in cash flow hedging reserve till the period the hedge was effective remains in cash flow hedging reserve until the forecasted transaction occurs. The cumulative gain or loss previously recognized in the cash flow hedging reserve is transferred to the net profit in the Consolidated Statement of Profit and Loss upon the occurrence of the related forecasted transaction. If the forecasted transaction is no longer expected to occur, then the amount accumulated in cash flow hedging reserve is reclassified to net profit in the Consolidated Statement of Profit and Loss.

2.11.3 Derecognition of financial instruments

The Group derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition under Ind AS 109. A financial liability (or a part of a financial liability) is derecognized from the Group's Balance Sheet when the obligation specified in the contract is discharged or cancelled or expires.

2.11.4 Fair value of financial instruments

In determining the fair value of its financial instruments, the Group uses a variety of methods and assumptions that are based on market conditions and risks existing at each reporting date. The methods used to determine fair value include discounted cash flow analysis, available quoted market prices and dealer quotes. All methods of assessing fair value result in general approximation of value, and such value may never actually be realized.

Refer to table 'Financial instruments by category' below for the disclosure on carrying value and fair value of financial assets and liabilities. For financial assets and liabilities maturing within one year from the Balance Sheet date and which are not carried at fair value, the carrying amounts approximates fair value due to the short maturity of those instruments.

2.11.5 Impairment

The Group recognizes loss allowances using the expected credit loss (ECL) model for the financial assets and unbilled revenue which are not fair valued through profit or loss. Loss allowance for trade receivables and unbilled revenues with no significant financing component is measured at an amount equal to lifetime ECL. For all other financial assets, ECLs are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL.

The Group determines the allowance for credit losses based on historical loss experience adjusted to reflect current and estimated future economic conditions. The Group considers current and anticipated future economic conditions relating to industries the Group deals with and the countries where it operates.

The amount of ECLs (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recorded is recognized as an

Financial instruments by category

The carrying value and fair value of financial instruments by categories as at March 31, 2022 are as follows:

(In ₹ crore)

Particulars	Amortized cost	Financial assets/ liabilities at fair value through profit or loss		Financial assets/liabilities at fair value through OCI		Total carrying value	Total fair value
		Designated upon initial recognition	Mandatory	Equity instruments designated upon initial recognition	Mandatory		
Assets:							
Cash and cash equivalents *(Refer to Note 2.9)*	17,472	-	-	-	-	17,472	17,472
Investments *(Refer to Note 2.5)*							
Equity and preference securities	-	-	24	194	-	218	218
Compulsorily convertible debentures	-	-	7	-	-	7	7
Tax-free bonds and government bonds	2,122	-	-	-	-	2,122	2,447 (1)
Liquid mutual fund units	-	-	2,012	-	-	2,012	2,012
Non convertible debentures	-	-	-	-	4,213	4,213	4,213
Government securities	-	-	-	-	8,171	8,171	8,171
Other investments	-	-	152	-	-	152	152
Certificate of deposits	-	-	-	-	3,429	3,429	3,429
Trade receivables *(Refer to Note 2.8)*	22,698	-	-	-	-	22,698	22,698
Loans *(Refer to Note 2.6)*	282	-	-	-	-	282	282
Other financials assets *(Refer to Note 2.7)* (3)	10,044	-	123	-	20	10,187	10,096 (2)
Total	**52,618**	**-**	**2,318**	**194**	**15,833**	**70,963**	**71,197**
Liabilities:							
Trade payables	4,134	-	-	-	-	4,134	4,134
Lease liabilities *(Refer to Note 2.21)*	5,474	-	-	-	-	5,474	5,474
Financial Liability under option arrangements	-	-	655	-	-	655	655
Other financial liabilities *(Refer to Note 2.13)*	15,061	-	181	-	3	15,245	15,245
Total	**24,669**	**-**	**836**	**-**	**3**	**25,508**	**25,508**

(1) *On account of fair value changes including interest accrued*

(2) *Excludes interest accrued on tax free bonds and government bonds carried at amortized cost of ₹91 crore*

(3) *Excludes unbilled revenue on contracts where the right to consideration is dependent on completion of contractual milestones*

The carrying value and fair value of financial instruments by categories as at March 31, 2021 were as follows:

(In ₹ crore)

Particulars	Amortised cost	Financial assets/ liabilities at fair value through profit or loss		Financial assets/liabilities at fair value through OCI		Total carrying value	Total fair value
		Designated upon initial recognition	Mandatory	Equity instruments designated upon initial recognition	Mandatory		
Assets:							
Cash and cash equivalents *(Refer to Note 2.9)*	24,714	-	-	-	-	24,714	24,714
Investments *(Refer to Note 2.5)*							
Equity and preference securities	-	-	11	167	-	178	178
Compulsorily convertible debentures	-	-	7	-	-	7	7
Tax-free bonds and government bonds	2,152	-	-	-	-	2,152	2,536 [(1)]
Liquid mutual fund units	-	-	1,500	-	-	1,500	1,500
Non convertible debentures	-	-	-	-	4,827	4,827	4,827
Government securities	-	-	-	-	5,467	5,467	5,467
Other investments	-	-	74	-	-	74	74
Trade receivables *(Refer to Note 2.8)*	19,294	-	-	-	-	19,294	19,294
Loans *(Refer to Note 2.6)*	191	-	-	-	-	191	191
Other financials assets *(Refer to Note 2.7)* [(3)]	7,363	-	163	-	25	7,551	7,459 [(2)]
Total	**53,714**	**-**	**1,755**	**167**	**10,319**	**65,955**	**66,247**
Liabilities:							
Trade payables	2,645	-	-	-	-	2,645	2,645
Lease liabilities *(Refer to Note 2.21)*	5,325	-	-	-	-	5,325	5,325
Financial Liability under option arrangements	-	-	693	-	-	693	693
Other financial liabilities *(Refer to Note 2.13)*	9,877	-	217	-	-	10,094	10,094
Total	**17,847**	**-**	**910**	**-**	**-**	**18,757**	**18,757**

[(1)] *On account of fair value changes including interest accrued*

[(2)] *Excludes interest accrued on tax free bonds and government bonds carried at amortized cost of ₹92 crore*

[(3)] *Excludes unbilled revenue on contracts where the right to consideration is dependent on completion of contractual milestones*

For trade receivables and trade payables and other assets and payables maturing within one year from the Balance Sheet date, the carrying amounts approximate the fair value due to the short maturity of these instruments.

Fair value hierarchy

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

The fair value hierarchy of assets and liabilities measured at fair value on a recurring basis as at March 31, 2022 is as follows :

(In ₹ crore)

Particulars	As at March 31, 2022	Fair value measurement at end of the reporting period using		
		Level 1	Level 2	Level 3
Assets				
Investments in liquid mutual funds *(Refer to Note 2.5)*	2,012	2,012	-	-
Investments in tax-free bonds *(Refer to Note 2.5)*	2,425	1,238	1,187	-
Investments in government bonds *(Refer to Note 2.5)*	22	22	-	-
Investments in non convertible debentures *(Refer to Note 2.5)*	4,213	3,736	477	-
Investments in certificates of deposit *(Refer to Note 2.5)*	3,429	-	3,429	-
Investment in Government securities *(Refer to Note 2.5)*	8,171	8,046	125	-
Investments in equity instruments *(Refer to Note 2.5)*	2	-	-	2
Investments in preference securities *(Refer to Note 2.5)*	216	-	-	216
Investments in compulsorily convertible debentures *(Refer to Note 2.5)*	7	-	-	7
Other investments *(Refer to Note 2.5)*	152	-	-	152
Derivative financial instruments - gain on outstanding foreign exchange forward and option contracts *(Refer to Note 2.7)*	143	-	143	-
Liabilities				
Derivative financial instruments - loss on outstanding foreign exchange forward and option contracts *(Refer to Note 2.13)*	61	-	61	-
Financial liability under option arrangements	655	-	-	655
Liability towards contingent consideration *(Refer to Note 2.13)* [(1)]	123	-	-	123

[(1)] *Discount rate pertaining to contingent consideration ranges from 8% to 14.5%* .

During the year ended March 31, 2022, tax free bonds and non-convertible debentures of ₹ 576 crore were transferred from Level 2 to Level 1 of fair value hierarchy, since these were valued based on quoted price. Further, tax free bonds and non-convertible debentures of ₹ 965 crore was transferred from Level 1 to Level 2 of fair value hierarchy, since these were valued based on market observable inputs.

The fair value hierarchy of assets and liabilities as at March 31, 2021 was as follows:

(In ₹ crore)

Particulars	As at March 31, 2021	Fair value measurement at end of the reporting period using		
		Level 1	Level 2	Level 3
Assets				
Investments in liquid mutual funds *(Refer to Note 2.5)*	1,500	1,500	-	-
Investments in tax free bonds *(Refer to Note 2.5)*	2,513	1,352	1,161	-
Investments in government bonds *(Refer to Note 2.5)*	23	23	-	-
Investments in non convertible debentures *(Refer to Note 2.5)*	4,827	4,532	295	-
Investment in Government securities *(Refer to Note 2.5)*	5,467	5,467	-	-
Investments in equity instruments *(Refer to Note 2.5)*	2	-	-	2
Investments in preference securities *(Refer to Note 2.5)*	176	-	-	176
Investments in compulsorily convertible debentures (Refer to Note 2.5)	7	-	-	7
Other investments *(Refer to Note 2.5)*	74	-	-	74
Derivative financial instruments - gain on outstanding foreign exchange forward and option contracts *(Refer to Note 2.7)*	188	-	188	-
Liabilities				
Derivative financial instruments - loss on outstanding foreign exchange forward and option contracts *(Refer to Note 2.13)*	56	-	56	-
Financial liability under option arrangements	693	-	-	693
Liability towards contingent consideration *(Refer to Note 2.13)* (1)	161	-	-	161

(1) *Discount rate pertaining to contingent consideration ranges from 8% to 14.5%.*

During the year ended March 31, 2021, tax free bonds and non-convertible debentures of ₹107 crore were transferred from Level 2 to Level 1 of fair value hierarchy, since these were valued based on quoted price. Further, tax free bonds and non-convertible debentures of ₹1177 crore was transferred from Level 1 to Level 2 of fair value hierarchy, since these were valued based on market observable inputs.

A one percentage point change in the unobservable inputs used in the fair valuation of Level 3 assets and liabilities does not have a significant impact in its value.

Majority of investments of the Group are fair valued based on Level 1 or Level 2 inputs. These investments primarily include investment in liquid mutual fund units, fixed maturity plan securities, certificates of deposit, commercial papers, quoted bonds issued by government and quasi-government organizations and non convertible debentures.The Group invests after considering counterparty risks based on multiple criteria including Tier I capital, Capital Adequacy Ratio, Credit Rating, Profitability, NPA levels and Deposit base of banks and financial institutions. These risks are monitored regularly as per its risk management program

Financial risk management

Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk. The Group's primary focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance. The primary market risk to the Group is foreign exchange risk. The Group uses derivative financial instruments to mitigate foreign exchange related risk exposures. The Group's exposure to credit risk is influenced mainly by the individual characteristic of each customer and the concentration of risk from the top few customers.

Market risk

The Group operates internationally and a major portion of the business is transacted in several currencies and consequently the Group is exposed to foreign exchange risk through its sales and services in the United States and elsewhere, and purchases from overseas suppliers in various foreign currencies. The Group holds derivative financial instruments such as foreign exchange forward and option contracts to mitigate the risk of changes in exchange rates on foreign currency exposures. The Group is also exposed to foreign exchange risk arising on intercompany transaction in foreign currencies. The exchange rate between the Indian rupee and foreign currencies has changed substantially in recent years and may fluctuate substantially in the future. Consequently, the results of the Group’s operations are adversely affected as the rupee appreciates/ depreciates against these currencies.

The following table analyses the foreign currency risk from financial assets and liabilities as at March 31, 2022:

(In ₹ crore)

Particulars	U.S. dollars	Euro	United Kingdom Pound Sterling	Australian dollars	Other currencies	Total
Net financial assets	18,224	4,976	1,510	1,350	2,115	28,175
Net financial liabilities	(9,205)	(3,158)	(666)	(975)	(1,806)	(15,810)
Total	**9,019**	**1,818**	**844**	**375**	**309**	**12,365**

The following table analyses the foreign currency risk from financial assets and liabilities as at March 31, 2021:

(In ₹ crore)

Particulars	U.S. dollars	Euro	United Kingdom Pound Sterling	Australian dollars	Other currencies	Total
Net financial assets	15,647	3,407	1,324	1,216	1,696	23,290
Net financial liabilities	(6,997)	(2,570)	(622)	(802)	(1,368)	(12,359)
Total	**8,650**	**837**	**702**	**414**	**328**	**10,931**

Sensitivity analysis between Indian rupee and U.S. Dollar

Particulars	Year ended March 31, 2022	2021
Impact on the Group's incremental operating margins	0.46%	0.47%

Sensitivity analysis is computed based on the changes in the income and expenses in foreign currency upon conversion into functional currency, due to exchange rate fluctuations between the previous reporting period and the current reporting period.

Derivative financial instruments

The Group holds derivative financial instruments such as foreign currency forward and option contracts to mitigate the risk of changes in exchange rates on foreign currency exposures. The counterparty for these contracts is generally a bank. These derivative financial instruments are valued based on quoted prices for similar assets and liabilities in active markets or inputs that are directly or indirectly observable in the marketplace.

The details in respect of outstanding foreign currency forward and option contracts are as follows:

Particulars	As at March 31, 2022		As at March 31, 2021	
	In million	In ₹ crore	In million	In ₹ crore
Derivatives designated as cash flow hedges				
Forward contracts				
In Euro	8	67	-	-
Option Contracts				
In Australian dollars	185	1,050	92	512
In Euro	280	2,358	165	1,415
In United Kingdom Pound Sterling	32	318	35	353
Other derivatives				
Forward contracts				
In Brazilian Real	6	8	-	-
In Canadian dollars	34	205	33	194
In Chinese Yuan	38	45	105	117
In Czech Koruna	296	101	313	103
In Euro	297	2,501	171	1,466
In New Zealand dollars	20	105	16	82
In Norwegian Krone	80	70	25	21
In Poland Zloty	-	-	-	-
In Romanian Leu	-	-	10	17
In Singapore dollars	252	1,366	241	1,419
In Swedish Krona	-	-	-	-
In Swiss Franc	15	123	27	213
In U.S. dollars	1,166	8,853	1,139	8,325
In Philippine Peso	-	-	800	121
In United Kingdom Pound Sterling	65	646	28	282
In South African rand	45	24	-	-
Option Contracts				
In Euro	81	682	65	557
In U.S. dollars	677	5,131	404	2,951
Total forwards and options contracts		**23,653**		**18,148**

The foreign exchange forward and option contracts mature within 12 months. The table below analyses the derivative financial instruments into relevant maturity groupings based on the remaining period as at the Balance Sheet date:

(In ₹ crore)

Particulars	As at March 31, 2022	March 31, 2021
Not later than one month	6,237	6,159
Later than one month and not later than three months	12,444	8,074
Later than three months and not later than one year	4,972	3,915
	23,653	**18,148**

During the year ended March 31, 2022, the Group has designated certain foreign exchange forward and option contracts as cash flow hedges to mitigate the risk of foreign exchange exposure on highly probable forecast cash transactions. The related hedge transactions for balance in cash flow hedges as of March 31, 2022 are expected to occur and will be reclassified to the Consolidated Statement of Profit and Loss within 3 months.

The Group determines the existence of an economic relationship between the hedging instrument and the hedged item based on the currency, amount and timing of its forecasted cash flows. Hedge effectiveness is determined at the inception of the hedge relationship, and through periodic prospective effectiveness assessments to ensure that an economic relationship exists between the hedged item and hedging instrument, including whether the hedging instrument is expected to offset changes in cash flows of hedged items.

If the hedge ratio for risk management purposes is no longer optimal but the risk management objective remains unchanged and the hedge continues to qualify for hedge accounting, the hedge relationship will be rebalanced by adjusting either the volume of the hedging instrument or the volume of the hedged item so that the hedge ratio aligns with the ratio used for risk management purposes. Any hedge ineffectiveness is calculated and accounted for in the Consolidated Statement of Profit and Loss at the time of the hedge relationship rebalancing.

The following table provides reconciliation of cash flow hedge reserve for the year ended March 31, 2022 and March 31, 2021:

(In ₹ crore)

Particulars	Year ended March 31, 2022	2021
Gain/(Loss)		
Balance at the beginning of the period	10	(15)
Gain / (Loss) recognised in other comprehensive income during the period	102	(126)
Amount reclassified to profit or loss during the period	(113)	160
Tax impact on above	3	(9)
Balance at the end of the period	**2**	**10**

The Group offsets a financial asset and a financial liability when it currently has a legally enforceable right to set off the recognized amounts and the Group intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

The quantitative information about offsetting of derivative financial assets and derivative financial liabilities is as follows:

(In ₹ crore)

Particulars	As at March 31, 2022		As at March 31, 2021	
	Derivative financial asset	Derivative financial liability	Derivative financial asset	Derivative financial liability
Gross amount of recognized financial asset/liability	179	(97)	201	(69)
Amount set off	(36)	36	(13)	13
Net amount presented in Balance Sheet	**143**	**(61)**	**188**	**(56)**

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 ₹22,698 crore and ₹19,294 crore as at March 31, 2022 and March 31, 2021, respectively and unbilled revenues amounting to ₹12,510 crore and ₹8,121 crore as at March 31, 2022 and March 31, 2021, respectively. Trade receivables and unbilled revenues are typically unsecured and are derived from revenues from customers primarily located in the United States of America. Credit risk has always been managed by the Group through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Group grants credit terms in the normal course of business. The Group uses the expected credit loss model to assess any required allowances; and uses a provision matrix to compute the expected credit loss allowance for trade receivables and unbilled revenues. This matrix takes into account credit reports and other related credit information to the extent available.

The Group's exposure to credit risk is influenced mainly by the individual characteristic of each customer and the concentration of risk from the top few customers. Exposure to customers is diversified and there is no single customer contributing more than 10% of outstanding trade receivables and unbilled revenues.

The following table gives details in respect of percentage of revenues generated from top five customers and top ten customers:

(In %)

Particulars	Year ended March 31, 2022	2021
Revenue from 5 top customers	11.4	11.0
Revenue from top 10 customers	19.3	18.1

Credit risk exposure

The Group's credit period generally ranges from 30-75 days.

The allowance for lifetime ECL on customer balances for the year ended March 31, 2022 and March 31, 2021 was ₹ 143 crore and ₹184 crore, respectively.

The movement in credit loss allowance on customer balance is as follows:

(In ₹ crore)

Particulars	Year ended March 31, 2022	2021
Balance at the beginning	752	705
Impairment loss recognized	143	184
Write-offs	(62)	(123)
Translation differences	25	(14)
Balance at the end	**858**	**752**

The gross carrying amount of a financial asset is written off (either partially or in full) when there is no realistic prospect of recovery.

Credit exposure

(In ₹crore except otherwise stated)

Particulars	As at March 31, 2022	March 31, 2021
Trade receivables	22,698	19,294
Unbilled revenues	12,509	8,121

Days sales outstanding was 67 days and 71 days as of March 31, 2022 and March 31, 2021, respectively.

Credit risk on cash and cash equivalents is limited as the Group generally invest in deposits with banks and financial institutions with high ratings assigned by international and domestic credit rating agencies. Ratings are monitored periodically and the Group has considered the latest available credit ratings as at the date of approval of these Consolidated financial statements.

Majority of investments of the Group are fair valued based on Level 1 or Level 2 inputs. These investments primarily include investment in liquid mutual fund units, fixed maturity plan securities, certificates of deposit, commercial papers, quoted bonds issued by government and quasi-government organizations and non convertible debentures. The Group invests after considering counterparty risks based on multiple criteria including Tier I Capital, Capital Adequacy Ratio, Credit Rating, Profitability, NPA levels and Deposit base of banks and financial institutions. These risks are monitored regularly as per its risk management program.

Liquidity risk

Liquidity risk is defined as the risk that the Group will not be able to settle or meet its obligations on time.

The Group's principal sources of liquidity are cash and cash equivalents and the cash flow that is generated from operations. The Group has no outstanding borrowings. The Group believes that the working capital is sufficient to meet its current requirements.

As at March 31, 2022, the Group had a working capital of ₹33,583 crore including cash and cash equivalents of ₹17,472 crore and current investments of ₹6,673 crore. As at March 31, 2021, the Group had a working capital of ₹36,868 crore including cash and cash equivalents of ₹24,714 crore and current investments of ₹2,342 crore.

As at March 31, 2022 and March 31, 2021, the outstanding compensated absences were ₹2,274 crore and ₹2,117 crore, respectively, which have been substantially funded. Accordingly no liquidity risk is perceived.

The table below provides details regarding the contractual maturities of significant financial liabilities as at March 31, 2022:

(In ₹ crore)

Particulars	**Less than 1 year**	**1-2 years**	**2-4 years**	**4-7 years**	**Total**
Trade payables	4,134	-	-	-	4,134
Other financial liabilities (excluding liability towards contingent consideration) on an undiscounted basis *(Refer to Note 2.13)*	13,600	1,076	457	10	15,143
Financial liability under option arrangements	-	72	80	503	655
Liability towards contingent consideration on an undiscounted basis *(Refer to Note 2.13)*	68	25	39	-	132

The table below provides details regarding the contractual maturities of significant financial liabilities as at March 31, 2021:

(In ₹ crore)

Particulars	**Less than 1 year**	**1-2 years**	**2-4 years**	**4-7 years**	**Total**
Trade payables	2,645	-	-	-	2,645
Other financial liabilities (excluding liability towards contingent consideration) *(Refer to Note 2.13)*	9,239	411	197	30	9,877
Financial liability under option arrangements	-	615	78	-	693
Liability towards contingent consideration on an undiscounted basis *(Refer to Note 2.13)*	76	67	38	-	181

2.12 EQUITY

Accounting policy

Ordinary Shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of new ordinary shares, share options and buyback are recognized as a deduction from equity, net of any tax effects.

Treasury Shares

When any entity within the Group purchases the company's ordinary shares, the consideration paid including any directly attributable incremental cost is presented as a deduction from total equity, until they are cancelled, sold or reissued. When treasury shares are sold or reissued subsequently, the amount received is recognized as an increase in equity, and the resulting surplus or deficit on the transaction is transferred to/ from the securities premium.

Description of reserves

Capital Redemption Reserve

In accordance with section 69 of the Indian Companies Act, 2013, the Company creates capital redemption reserve equal to the nominal value of the shares bought back as an appropriation from general reserve.

Retained earnings

Retained earnings represent the amount of accumulated earnings of the Group.

Securities premium

The amount received in excess of the par value has been classified as securities premium.

Share options outstanding account

The share options outstanding account is used to record the fair value of equity-settled share based payment transactions with employees. The amounts recorded in share options outstanding account are transferred to securities premium upon exercise of stock options and transferred to general reserve on account of stock options not exercised by employees.

Special Economic Zone Re-investment reserve

The Special Economic Zone Re-investment reserve has been created out of the profit of the eligible SEZ unit in terms of the provisions of Sec 10AA (1)(ii) of Income Tax Act, 1961. The reserve should be utilized by the Company for acquiring new plant and machinery for the purpose of its business in terms of the provisions of the Sec 10AA (2) of the Income Tax Act, 1961.

Other components of equity

Other components of equity include currency translation, remeasurement of net defined benefit liability / asset, equity instruments fair valued through other comprehensive income, changes on fair valuation of investments and changes in fair value of derivatives designated as cash flow hedges, net of taxes.

Currency translation reserve

The exchange differences arising from the translation of financial statements of foreign subsidiaries with functional currency other than the Indian rupees is recognized in other comprehensive income and is presented within equity.

Cash flow hedge reserve

When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative is recognized in other comprehensive income and accumulated in the cash flow hedging reserve. The cumulative gain or loss previously recognized in the cash flow hedging reserve is transferred to the Consolidated Statement of Profit and Loss upon the occurrence of the related forecasted transaction.

2.12.1 EQUITY SHARE CAPITAL

(In ₹ crore, except as otherwise stated)

Particulars	As at	
	March 31, 2022	March 31, 2021
Authorized		
Equity shares, ₹5 par value		
480,00,00,000 (480,00,00,000) equity shares	2,400	2,400
Issued, Subscribed and Paid-Up		
Equity shares, ₹5 par value[(1)]	2,098	2,124
419,30,12,929 (424,51,46,114) equity shares fully paid-up[(2)]		
	2,098	**2,124**

Note: Forfeited shares amounted to ₹1,500 (₹1,500)

[(1)] *Refer to Note 2.23 for details of basic and diluted shares*

[(2)] *Net of treasury shares 1,37,25,712(1,55,14,732)*

The Company has only one class of shares referred to as equity shares having a par value of ₹5. Each holder of equity shares is entitled to one vote per share. The equity shares represented by American Depositary Shares (ADS) carry similar rights to voting and dividends as the other equity shares. Each ADS represents one underlying equity share.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the Company in proportion to the number of equity shares held by the shareholders, after distribution of all preferential amounts. However, no such preferential amounts exist currently, other than the amounts held by irrevocable controlled trusts. For irrevocable controlled trusts, the corpus would be settled in favour of the beneficiaries.

For details of shares reserved for issue under the employee stock option plan of the Company, refer to the note below.

In the period of five years immediately preceding March 31, 2022:

Bonus Issue

The Company has allotted 2,18,41,91,490 and 1,14,84,72,332 fully paid-up shares of face value ₹5/- each during the quarter ended September 30, 2018 and June 30, 2015 respectively pursuant to bonus issue approved by the shareholders through postal ballot. The bonus shares were issued by capitalization of profits transferred from general reserve. Bonus share of one equity share for every equity share held, and a bonus issue, viz., a stock dividend of one American Depositary Share (ADS) for every ADS held, respectively, has been allotted. Consequently, the ratio of equity shares underlying the ADSs held by an American Depositary Receipt holder remains unchanged. Options granted under the stock option plan have been adjusted for bonus shares wherever appropriate.

The bonus shares once allotted shall rank pari passu in all respects and carry the same rights as the existing equity shareholders and shall be entitled to participate in full, in any dividend and other corporate action, recommended and declared after the new equity shares are allotted.

Capital allocation policy and buyback

Effective fiscal 2020, the Company expects to return approximately 85% of the free cash flow cumulatively over a five-year period through a combination of semi-annual dividends and / or share buyback and / or special dividends, subject to applicable laws and requisite approvals, if any. Free cash flow is defined as net cash provided by operating activities less capital expenditure as per the Consolidated Statement of Cash Flows prepared under Ind AS. Dividend and buyback include applicable taxes.

Update on buyback announced in April 2021:

In line with the capital allocation policy, the Board, at its meeting held on April 14, 2021, approved the buyback of equity shares, from the open market route through the Indian stock exchanges, amounting to ₹9,200 crore (Maximum Buyback Size, excluding buyback tax) at a price not exceeding ₹1,750 per share (Maximum Buyback Price), subject to shareholders' approval in the ensuing Annual General Meeting .

The shareholders approved the proposal of buyback of Equity Shares recommended by its Board of Directors in the Annual General meeting held on June 19, 2021

The buyback was offered to all eligible equity shareholders of the Company (other than the Promoters, the Promoter Group and Persons in Control of the Company) under the open market route through the stock exchange. The buyback of equity shares through the stock exchange commenced on June 25, 2021 and was completed on September 8, 2021. During this buyback period the Company had purchased and extinguished a total of 55,807,337 equity shares from the stock exchange at an average buy back price of ₹1648.53/- per equity share comprising 1.31% of the pre buyback paid-up equity share capital of the Company. The buyback resulted in a cash outflow of ₹9,200 crore (excluding transaction costs and tax on buyback). The Company funded the buyback from its free reserves including Securities Premium as explained in Section 68 of the Companies Act, 2013.

In accordance with section 69 of the Companies Act, 2013, as at March 31, 2022 the Company has created 'Capital Redemption Reserve' of ₹ 28 crore equal to the nominal value of the above shares bought back as an appropriation from general reserve.

The Company's objective when managing capital is to safeguard its ability to continue as a going concern and to maintain an optimal capital structure so as to maximize shareholder value. In order to maintain or achieve an optimal capital structure, the Company may adjust the amount of dividend payment, return capital to shareholders, issue new shares or buy back issued shares. As at March 31, 2022, the Company has only one class of equity shares and has no debt. Consequent to the above capital structure there are no externally imposed capital requirements.

2.12.2 Shareholding of promoter

Shares held by promoters at March 31, 2022:

Promoter name	No. of shares	% of total shares	% Change during the year
Sudha Gopalakrishnan	9,53,57,000	2.27%	-
Rohan Murty	6,08,12,892	1.45%	-
S Gopalakrishnan	4,18,53,808	0.99%	-
Nandan M Nilekani	4,07,83,162	0.97%	-
Akshata Murty	3,89,57,096	0.93%	-
Asha Dinesh	3,85,79,304	0.92%	-
Sudha N Murty	3,45,50,626	0.82%	-
Rohini Nilekani	3,43,35,092	0.82%	-
Dinesh Krishnaswamy	3,24,79,590	0.77%	-
Shreyas Shibulal	2,37,04,350	0.56%	-0.71%
N R Narayana Murthy	1,66,45,638	0.40%	-
Nihar Nilekani	1,26,77,752	0.30%	-
Janhavi Nilekani	85,89,721	0.20%	-27.74%
Kumari Shibulal	52,48,965	0.12%	-41.00%
Deeksha Dinesh	76,46,684	0.18%	-
Divya Dinesh	76,46,684	0.18%	-
Meghana Gopalakrishnan	48,34,928	0.11%	-
Shruti Shibulal	27,37,538	0.07%	-
S D Shibulal	58,14,733	0.14%	168.36%
Promoters Group			
Gaurav Manchanda	1,37,36,226	0.33%	-
Milan Shibulal Manchanda	69,67,934	0.17%	-50.00%
Nikita Shibulal Manchanda	69,67,934	0.17%	-
Bhairavi Madhusudhan Shibulal	66,79,240	0.16%	2.61%
Shray Chandra	7,19,424	0.02%	-
Tanush Nilekani Chandra	33,56,017	0.08%	331.59%

The percentage shareholding above has been computed considering the outstanding number of shares of 420,67,38,641 as at March 31, 2022.

2.12.3 Dividend

The final dividend on shares is recorded as a liability on the date of approval by the shareholders and interim dividends are recorded as a liability on the date of declaration by the Company's Board of Directors. Income tax consequences of dividends on financial instruments classified as equity will be recognized according to where the entity originally recognized those past transactions or events that generated distributable profits.

The Company declares and pays dividends in Indian rupees. Companies are required to pay/distribute dividend after deducting applicable withholding income taxes. The remittance of dividends outside India is governed by Indian law on foreign exchange and is also subject to withholding tax at applicable rates.

The amount of per share dividend recognized as distribution to equity shareholders in accordance with Companies Act 2013 is as follows:

(in ₹)

Particulars	Year ended March 31,	
	2022	2021
Final dividend for fiscal 2021	15.00	-
Interim dividend for fiscal 2022	15.00	-
Final dividend for fiscal 2020	-	9.50
Interim dividend for fiscal 2021	-	12.00

During the year ended March 31, 2022, on account of the final dividend for fiscal 2021 and interim dividend for fiscal 2022, the Company has incurred a net cash outflow of ₹12,700 crore (excluding dividend paid on treasury shares).

The Board of Directors in their meeting on April 13, 2022 recommended a final dividend of ₹16/- per equity share for the financial year ended March 31, 2022. This payment is subject to the approval of shareholders in the Annual General Meeting (AGM) of the Company to be held on June 25, 2022 and if approved would result in a net cash outflow of approximately ₹6,709 crore(excluding dividend paid on treasury shares).

The details of shareholder holding more than 5% shares as at March 31, 2022 and March 31, 2021 are as follows:

Name of the shareholder	As at March 31, 2022		As at March 31, 2021	
	Number of shares	% held	Number of shares	% held
Deutsche Bank Trust Company Americas (Depository of ADR's - legal ownership)	66,63,70,669	15.84	73,24,89,890	17.19
Life Insurance Corporation of India	24,33,47,641	5.78	25,00,63,497	5.87

The reconciliation of the number of shares outstanding and the amount of share capital as at March 31, 2022 and March 31, 2021 are as follows:

(In ₹ crore, except as stated otherwise)

Particulars	As at March 31, 2022		As at March 31, 2021	
	Number of shares	Amount	Number of shares	Amount
As at the beginning of the period	**424,51,46,114**	**2,124**	**424,07,53,210**	**2,122**
Add: Shares issued on exercise of employee stock options	36,74,152	2	43,92,904	2
Less: Shares bought back	5,58,07,337	28	-	-
As at the end of the period	**419,30,12,929**	**2,098**	**424,51,46,114**	**2,124**

2.12.4 Employee Stock Option Plan (ESOP):

Accounting policy

The Group recognizes compensation expense relating to share-based payments in net profit based on estimated fair values of the awards on the grant date. The estimated fair value of awards is recognized as an expense in the statement of profit and loss on a straight-line basis over the requisite service period for each separately vesting portion of the award as if the award was in-substance, multiple awards with a corresponding increase to share options outstanding account.

Infosys Expanded Stock Ownership Program 2019 (the 2019 Plan) :

On June 22, 2019 pursuant to the approval by the shareholders in the Annual General Meeting, the Board has been authorized to introduce, offer, issue and provide share-based incentives to eligible employees of the Company and its subsidiaries under the 2019 Plan. The maximum number of shares under the 2019 Plan shall not exceed 5,00,00,000 equity shares. To implement the 2019 Plan, up to 4,50,00,000 equity shares may be issued by way of secondary acquisition of shares by Infosys Expanded Stock Ownership Trust. The Restricted Stock Units (RSUs) granted under the 2019 Plan shall vest based on the achievement of defined annual performance parameters as determined by the administrator (Nomination and Remuneration Committee). The performance parameters will be based on a combination of relative Total Shareholder Return (TSR) against selected industry peers and certain broader market domestic and global indices and operating performance metrics of the company as decided by administrator. Each of the above performance parameters will be distinct for the purposes of calculation of quantity of shares to vest based on performance. These instruments will generally vest between a minimum of 1 to maximum of 3 years from the grant date.

2015 Stock Incentive Compensation Plan (the 2015 Plan) :

On March 31, 2016, pursuant to the approval by the shareholders through postal ballot, the Board was authorized to introduce, offer, issue and allot share-based incentives to eligible employees of the Company and its subsidiaries under the 2015 Stock Incentive Compensation Plan (the 2015 Plan). The maximum number of shares under the 2015 Plan shall not exceed 2,40,38,883 equity shares (this includes 1,12,23,576 equity shares which are held by the trust towards the 2011 Plan as at March 31, 2016). The Company expects to grant the instruments under the 2015 Plan over the period of 4 to 7 years. The plan numbers mentioned above would further be adjusted for the September 2018 bonus issue.

The equity settled and cash settled RSUs and stock options would vest generally over a period of 4 years and shall be exercisable within the period as approved by the Nomination and Remuneration Committee (NARC). The exercise price of the RSUs will be equal to the par value of the shares and the exercise price of the stock options would be the market price as on the date of grant.

Controlled trust holds 1,37,25,712 and 1,55,14,732 shares as at March 31, 2022 and March 31, 2021, respectively under the 2015 plan. Out of these shares 2,00,000 equity shares each have been earmarked for welfare activities of the employees as at March 31, 2022 and March 31, 2021.

The following is the summary of grants during the year ended March 31, 2022 and March 31, 2021:

Particulars	**2019 Plan**		**2015 Plan**	
	Year ended March 31,		**Year ended March 31,**	
	2022	**2021**	**2022**	**2021**
Equity Settled RSU				
KMPs	1,48,762	3,13,808	2,84,543	4,57,151
Employees other than KMP	27,01,867	12,82,600	13,05,880	22,03,460
	28,50,629	**15,96,408**	**15,90,423**	**26,60,611**
Cash settled RSU				
KMPs	-	-	-	-
Employees other than KMP	-	-	49,960	1,15,250
	-	**-**	**49,960**	**1,15,250**
Total Grants	**28,50,629**	**15,96,408**	**16,40,383**	**27,75,861**

Notes on grants to KMP:

CEO & MD

Under the 2015 Plan:

In accordance with the employee agreement which has been approved by the shareholders, the CEO is eligible to receive an annual grant of RSUs of fair value ₹3.25 crore which will vest overtime in three equal annual installments upon the completion of each year of service from the respective grant date. Accordingly, annual time-based grant of 18,340 RSUs was made effective February 1, 2022 for fiscal 2022.

The Board, on April 14, 2021, based on the recommendations of the nomination and remuneration committee, in accordance with the terms of his employment agreement, approved the grant of performance-based RSUs of fair value of ₹13 crore for fiscal 2022 under the 2015 Plan. These RSUs will vest in line with the employment agreement based on achievement of certain performance targets. Accordingly, 96,150 performance based RSU's were granted effective May 2, 2021.

Under the 2019 Plan:

The Board, on April 14, 2021, based on the recommendations of the Nomination and Remuneration Committee, approved performance-based grant of RSUs amounting to ₹10 crore for fiscal 2022 under the 2019 Plan. These RSUs will vest in line with the employment agreement based on achievement of certain performance targets. Accordingly, 73,962 performance based RSU's were granted effective May 2, 2021.

Other KMPs

Under the 2015 Plan:

On April 14, 2021, based on the recommendations of the Nomination and Remuneration Committee, in accordance with employment agreement, the Board, approved performance-based grant of 5,547 RSUs to a KMP under the 2015 Plan. The grants were made effective May 2, 2021. The performance based RSUs will vest over three years based on certain performance targets.
On January 12, 2022, based on the recommendations of the Nomination and Remuneration Committee, the Board, approved time based grant of 9,876 RSUs to a KMP under the 2015 Plan. The grants were made effective February 1, 2022. These RSUs will vest over four years.

On March 31, 2022, based on the recommendations of the Nomination and Remuneration Committee, the Board, approved time based grant of 154,630 RSUs to other KMPs under the 2015 Plan. The grants were made effective March 31, 2022. These RSUs will vest over four years.
Under the 2019 plan:

On March 30, 2022, based on the recommendations of the Nomination and Remuneration Committee, the Board, approved performance based grant of 74,800 RSUs to other KMPs under the 2019 Plan. The grants were made effective March 31, 2022. These RSUs will vest over three years based on achievement of certain performance targets.

Break-up of employee stock compensation expense is as follows:

(in ₹ crore)

Particulars	Year ended March 31, 2022	2021
Granted to:		
KMP	65	76
Employees other than KMP	350	257
Total [(1)]	**415**	**333**
[(1)] *Cash-settled stock compensation expense included above*	22	80

Share based payment arrangements that were modified during the year ended March 31, 2021:

'During the year ended March 31, 2021, the company issued ADS settled RSU and ESOP awards as replacement for outstanding stock appreciation rights awards. The replacement was pursuant to SEBI Circular 'Framework for issue of Depository Receipts - Clarifications' dated December 18, 2020 which allows Non resident Indians to hold depository reciepts. The awards were granted after necessary approvals from the NARC. All other terms and conditions of the replaced awards remain the same as the original award.

The replacement awards was accounted as a modification and the fair value on the date of modification of ₹85 crore is recognized as equity with a corresponding adjustment to financial liability

The activity in the 2015 and 2019 Plan for equity-settled share based payment transactions during the year ended March 31, 2022 and March 31, 2021 is set out as follows:

Particulars	Year ended March 31, 2022		Year ended March 31, 2021	
	Shares arising out of options	Weighted average exercise price (₹)	Shares arising out of options	Weighted average exercise price (₹)
2015 Plan: RSU				
Outstanding at the beginning	80,47,240	4.52	87,80,898	3.96
Granted	15,90,423	5.00	26,60,611	5.00
Exercised	25,69,983	4.07	37,83,462	3.55
Modification to equity settled awards	-	-	8,71,900	-
Modification to cash settled awards	-	-	-	-
Forfeited and expired	8,34,705	4.63	4,82,707	4.13
Outstanding at the end	**62,32,975**	**4.80**	**80,47,240**	**4.52**
Exercisable at the end	6,53,946	4.51	1,51,685	3.36
2015 Plan: Employee Stock Options (ESOPs)				
Outstanding at the beginning	10,49,456	535	11,00,330	539
Granted	,0	-	,0	-
Exercised	3,48,612	529	2,39,272	534
Modification to equity settled options	,0	-	2,03,026	-
Modification to cash settled awards	,0	-	,0	-
Forfeited and expired	,0	-	14,628	566
Outstanding at the end	**7,00,844**	**557**	**10,49,456**	**535**
Exercisable at the end	7,00,844	557	10,02,130	536
2019 Plan: RSU				
Outstanding at the beginning	30,50,573	5.00	20,91,293	5.00
Granted	28,50,629	5.00	15,96,408	5.00
Exercised	7,55,557	5.00	3,70,170	5.00
Forfeited and expired	1,86,707	5.00	2,66,958	5.00
Outstanding at the end	**49,58,938**	**5.00**	**30,50,573**	**5.00**
Exercisable at the end	49,58,938	5.00	2,33,050	5.00

During the year ended March 31, 2022 and March 31, 2021 the weighted average share price of options exercised under the 2015 Plan on the date of exercise was ₹ 1,705 and ₹1,097 respectively.

During the year ended March 31, 2022 and March 31, 2021 the weighted average share price of options exercised under the 2019 Plan on the date of exercise was ₹ 1,560 and 1,166 respectively.

The summary of information about equity settled RSUs and ESOPs outstanding as at March 31, 2022 is as follows:

Range of exercise prices per share (₹)	2019 Plan - Options outstanding			2015 Plan - Options outstanding		
	No. of shares arising out of options	Weighted average remaining contractual life	Weighted average exercise price (₹)	No. of shares arising out of options	Weighted average remaining contractual life	Weighted average exercise price (₹)
0 - 5 (RSU)	49,58,938	1.43	5.00	62,32,975	1.47	4.82
450 - 600 (ESOP)	-	-	-	7,00,844	0.65	557
	49,58,938	**1.43**	**5.00**	**69,33,819**	**1.39**	**61**

The summary of information about equity settled RSUs and ESOPs outstanding as at March 31, 2021 was as follows:

Range of exercise prices per share (₹)	2019 plan - Options outstanding			2015 plan - Options outstanding		
	No. of shares arising out of options	Weighted average remaining contractual life	Weighted average exercise price (₹)	No. of shares arising out of options	Weighted average remaining contractual life	Weighted average exercise price (₹)
0 - 5 (RSU)	30,50,573	1.48	5.00	80,47,240	1.67	4.52
450 - 600 (ESOP)	-	-	-	10,49,456	1.83	535
	30,50,573	**1.48**	**5.00**	**90,96,696**	**1.69**	**66**

As at March 31, 2022 and March 31, 2021, 258,601 and 3,87,088 cash settled options were outstanding respectively. The carrying value of liability towards cash settled share based payments was ₹12 crore and ₹7 crore as at March 31, 2022 and March 31, 2021 respectively.

The fair value of the awards are estimated using the Black-Scholes Model for time and non-market performance based options and Monte Carlo simulation model is used for TSR based options.

The inputs to the model include the share price at date of grant, exercise price, expected volatility, expected dividends, expected term and the risk free rate of interest. Expected volatility during the expected term of the options is based on historical volatility of the observed market prices of the Company's publicly traded equity shares during a period equivalent to the expected term of the options. Expected volatility of the comparative company have been modelled based on historical movements in the market prices of their publicly traded equity shares during a period equivalent to the expected term of the options. Correlation coefficient is calculated between each peer entity and the indices as a whole or between each entity in the peer group.

The fair value of each equity settled award is estimated on the date of grant using the following assumptions:

Particulars	For options granted in			
	Fiscal 2022- Equity Shares-RSU	Fiscal 2022- ADS-RSU	Fiscal 2021- Equity Shares-RSU	Fiscal 2021- ADS-RSU
Weighted average share price (₹) / ($ ADS)	1,791	24.45	1,253	18.46
Exercise price (₹)/ ($ ADS)	5.00	0.07	5.00	0.07
Expected volatility (%)	21-31	26-34	30-35	30-36
Expected life of the option (years)	1-4	1-4	1-4	1-4
Expected dividends (%)	2-3	2-3	2-3	2-3
Risk-free interest rate (%)	4-6	1-2	4-5	0.1-0.3
Weighted average fair value as on grant date (₹) / ($ ADS)	1,661	22.88	1,124	16.19

The expected life of the RSU/ESOP is estimated based on the vesting term and contractual term of the RSU/ESOP, as well as expected exercise behavior of the employee who receives the RSU/ESOP.

2.13 OTHER FINANCIAL LIABILITIES

(In ₹ crore)

Particulars	As at March 31, 2022	As at March 31, 2021
Non-current		
Others		
Accrued compensation to employees [1]	8	-
Accrued expenses [1]	946	569
Compensated absences	92	97
Financial liability under option arrangements [2]	655	693
Payable for acquisition of business - Contingent consideration[2]	56	86
Other Payables [1]	580	69
Total non-current other financial liabilities	**2,337**	**1,514**
Current		
Unpaid dividends [1]	36	33
Others		
Accrued compensation to employees [1]	4,061	4,019
Accrued expenses [1]	7,476	4,475
Retention monies [1]	13	13
Payable for acquisition of business - Contingent consideration [2]	67	75
Payable by controlled trusts [1]	211	199
Compensated absences	2,182	2,020
Foreign currency forward and options contracts [2] [3]	61	56
Capital creditors [1]	431	371
Other payables [1][4]	1,299	129
Total current other financial liabilities	**15,837**	**11,390**
Total other financial liabilities	**18,174**	**12,904**
[1] Financial liability carried at amortized cost	15,061	9,877
[2] Financial liability carried at fair value through profit or loss	836	910
[3] Financial liability carried at fair value through other comprehensive income	3	-
Contingent consideration on undiscounted basis	132	181

[4] Deferred contract cost in Note 2.10 includes technology assets taken over by the Company from a customer as a part of transformation project which is not considered as distinct goods or services and the control related to the assets is not transferred to the Company in accordance with Ind AS 115 - Revenue from contract with customers. Accordingly, the same has been considered as a reduction to the total contract value and accounted as Deferred contract cost. Further as at March 31, 2022, the Company has entered into a financing arrangement with a third party for these assets for ₹895 crore which has been considered as financial liability. This includes ₹869 crore settled directly by the third party to the customer on behalf of the Company and accordingly considered as non-cash transaction.

2.14 TRADE PAYABLES

(In ₹ crore)

Particulars	As at March 31, 2022	As at March 31, 2021
Trade payables	4,134	2,645
Total trade payables	**4,134**	**2,645**

Trade payables ageing schedule for the year ended as on March 31, 2022 and March 31, 2021:

(In ₹ crore)

Particulars	Not Due	Outstanding for following periods from due date of payment: Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Trade payables	3,299	835	-	-	-	4,134
	2,386	*246*	*4*	*4*	*5*	*2,645*
Total trade payables	**3,299**	**835**	**-**	**-**	**-**	**4,134**
	2,386	***246***	***4***	***4***	***5***	***2,645***

Relationship with struckoff companies

(In ₹ crore)

Name of Struck off Company	Nature of transactions	Transactions during the year ended March 31, 2022	Balance outstanding at the end of the year as at March 31, 2022	Relationship with the Struck off company, if any, to bedisclosed
Compulease NetworksPrivate Limited	Payables	-*	-	Vendor
Evineon Technologies Private Limited	Payables	-*	-	Vendor

**Less than ₹ 1 crore*

(In ₹ crore)

Name of Struck off Company	Nature of transactions	Transactions during the year ended March 31, 2021	Balance outstanding at the end of the year as at March 31, 2021	Relationship with the Struck off company, if any, to bedisclosed
Compulease NetworksPrivate Limited	Payables	-*	-	Vendor
Mysodet Private Limited	Payables	*1*	-	Vendor

**Less than ₹ 1 crore*

2.15 OTHER LIABILITIES

(In ₹ crore)

Particulars	As at March 31, 2022	As at March 31, 2021
Non-current		
Others		
Withholding taxes and others	-	364
Deferred income - government grants	64	57
Accrued defined benefit plan liability	367	324
Deferred income	9	17
Others	11	1
Total non-current other liabilities	**451**	**763**
Current		
Unearned revenue	6,324	4,050
Others		
Withholding taxes and others	2,834	2,170
Accrued defined benefit plan liability	5	6
Deferred income - government grants	11	3
Others	4	4
Total current other liabilities	**9,178**	**6,233**
Total other liabilities	**9,629**	**6,996**

2.16 PROVISIONS

Accounting policy

A provision is recognized if, as a result of a past event, the Group has a present legal or constructive obligation that is reasonably estimable, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

a. Post sales client support

The Group provides its clients with a fixed-period post sales support on its fixed-price, fixed-timeframe contracts. Costs associated with such support services are accrued at the time related revenues are recorded and included in Consolidated Statement of Profit and Loss. The Group estimates such costs based on historical experience and estimates are reviewed on a periodic basis for any material changes in assumptions and likelihood of occurrence.

b. Onerous contracts

Provisions for onerous contracts are recognized when the expected benefits to be derived by the Group from a contract are lower than the unavoidable costs of meeting the future obligations under the contract. Provisions for estimated losses, if any, on incomplete contracts are recorded in the period in which such losses become probable based on the estimated efforts or costs to complete the contract. The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established the Group recognizes any impairment loss on the assets associated with that contract.

Provision for post-sales client support and other provisions

(In ₹ crore)

Particulars	As at March 31, 2022	As at March 31, 2021
Current		
Others		
Post-sales client support and other provisions	975	713
Total provisions	**975**	**713**

The movement in the provision for post-sales client support is as follows:

(In ₹ crore)

Particulars	Year ended March 31, 2022
Balance at the beginning	713
Provision recognized / (reversed)	372
Provision utilized	(180)
Exchange difference	30
Balance at the end	**935**

Provision for post sales client support represents cost associated with providing post sales support services which are accrued at the time of recognition of revenues and are expected to be utilized over a period of 1 year.

2.17 INCOME TAXES

Accounting policy

Income tax expense comprises current and deferred income tax. Income tax expense is recognized in net profit in the Consolidated Statement of Profit and Loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity or other comprehensive income. Current income tax for current and prior periods is recognized at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date. Deferred income tax assets and liabilities are recognized for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements except when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Deferred income tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect of changes in tax rates on deferred income tax assets and liabilities is recognized as income or expense in the period that includes the enactment or the substantive enactment date. A deferred income tax asset is recognized to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilized. Deferred income taxes are not provided on the undistributed earnings of subsidiaries and branches where it is expected that the earnings of the subsidiary or branch will not be distributed in the foreseeable future.

The Group offsets current tax assets and current tax liabilities, 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 equity.

Income tax expense in the Consolidated Statement of Profit and Loss comprises:

(In ₹ crore)

Particulars	Year ended March 31,	
	2022	2021
Current taxes	7,811	6,672
Deferred taxes	153	533
Income tax expense	**7,964**	**7,205**

Income tax expense for the year ended March 31, 2022 and March 31, 2021 includes reversal (net of provisions) of ₹268 crore and ₹348 crore, respectively. These reversals pertains to prior periods on account of adjudication of certain disputed matters in favor of the Company and upon filing of return across various jurisdictions.

A reconciliation of the income tax provision to the amount computed by applying the statutory income tax rate to the income before income taxes is summarized below:

(In ₹ crore)

Particulars	Year ended March 31,	
	2022	2021
Profit before income taxes	30,110	26,628
Enacted tax rates in India	34.94%	34.94%
Computed expected tax expense	10,522	9,305
Tax effect due to non-taxable income for Indian tax purposes	(2,949)	(2,569)
Overseas taxes	984	705
Tax provision (reversals)	(268)	(348)
Effect of exempt non-operating income	(52)	(34)
Effect of unrecognized deferred tax assets	72	10
Effect of differential tax rates	(196)	(129)
Effect of non-deductible expenses	162	148
Impact of change in tax rate	(94)	-
Others	(217)	117
Income tax expense	**7,964**	**7,205**

The applicable Indian corporate statutory tax rate for the year ended March 31, 2022 and March 31, 2021 is 34.94% each.

The foreign tax expense is due to income taxes payable overseas principally in the United States. In India, the Group has benefited from certain tax incentives that the Government of India had provided for export of software and services from the units registered under the Special Economic Zones (SEZs) Act, 2005. SEZ units which began the provision of services on or after April 1, 2005 are eligible for a deduction of 100% of profits or gains derived from the export of services for the first five years from the financial year in which the unit commenced the provision of services and 50% of such profits or gains for further five years. Up to 50% of such profits or gains is also available for a further five years subject to creation of a Special Economic Zone re-Investment Reserve out of the profit of the eligible SEZ units and utilization of such reserve by the Group for acquiring new plant and machinery for the purpose of its business as per the provisions of the Income Tax Act, 1961.

Deferred income tax for the year ended March 31, 2022 and March 31, 2021 substantially relates to origination and reversal of temporary differences.

Infosys is subject to a 15% Branch Profit Tax (BPT) in the U.S. to the extent its U.S. branch's net profit during the year is greater than the increase in the net assets of the U.S. branch during the year, computed in accordance with the Internal Revenue Code. As at March 31, 2022, Infosys' U.S. branch net assets amounted to approximately ₹6,332 crore. As at March 31, 2022, the Company has a deferred tax liability for BPT of ₹158 crore (net of credits), as the Company estimates that these branch profits are expected to be distributed in the foreseeable future.

Deferred income tax liabilities have not been recognized on temporary differences amounting to ₹9,618 crore and ₹9,670 crore as at March 31, 2022 and March 31, 2021, 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 ₹4,487 crore and ₹3,726 crore as at March 31, 2022 and March 31, 2021, respectively, as it is probable that future taxable profit will be not available against which the unused tax losses can be utilized in the foreseeable future.

The following table provides details of expiration of unused tax losses as at March 31, 2022:

(In ₹ crore)

Year	As at March 31, 2022
2023	201
2024	154
2025	127
2026	153
2027	52
Thereafter	3,800
Total	**4,487**

The following table provides details of expiration of unused tax losses as at March 31, 2021:

(In ₹ crore)

Year	As at March 31, 2021
2022	68
2023	206
2024	135
2025	112
2026	137
Thereafter	3,068
Total	**3,726**

The following table provides the details of income tax assets and income tax liabilities as at March 31, 2022 and March 31, 2021:

(In ₹ crore)

Particulars	As at	
	March 31, 2022	March 31, 2021
Income tax assets	6,152	5,811
Current income tax liabilities	2,607	2,146
Net current income tax asset / (liability) at the end	**3,545**	**3,665**

The gross movement in the current income tax asset/ (liability) for the year ended March 31, 2022 and March 31, 2021 is as follows:

(In ₹ crore)

Particulars	Year ended March 31,	
	2022	2021
Net current income tax asset / (liability) at the beginning	**3,665**	**3,901**
Translation differences	(7)	1
Income tax paid	7,612	6,389
Current income tax expense	(7,811)	(6,672)
Income tax benefit arising on exercise of stock options	63	45
Additions through business combination	-	(3)
Tax impact on buyback expenses	8	-
Income tax on other comprehensive income	15	4
Net current income tax asset / (liability) at the end	**3,545**	**3,665**

The movement in gross deferred income tax assets / liabilities (before set off) for the year ended March 31, 2022 is as follows:

(In ₹ crore)

Particulars	Carrying value as at April 1, 2021	Changes through profit and loss	Addition through business combination	Changes through OCI	Translation difference	Carrying value as of March 31, 2022
Deferred income tax assets/(liabilities)						
Property, plant and equipment	255	(44)	-	-	-	211
Lease liabilities	166	14	-	-	-	180
Accrued compensation to employees	42	10	-	-	(1)	51
Trade receivables	217	(4)	-	-	-	213
Compensated absences	497	32	-	-	-	529
Post sales client support	121	9	-	-	1	131
Credits related to branch profits	355	308	-	-	13	676
Derivative financial instruments	(57)	29	-	3	-	(25)
Intangible assets	31	17	-	-	1	49
Intangibles arising on business combinations	(368)	62	-	-	(2)	(308)
Branch profit tax	(500)	(316)	-	-	(18)	(834)
SEZ reinvestment reserve	(613)	(239)	-	-	-	(852)
Others	77	(31)	-	(12)	1	35
Total deferred income tax assets/(liabilities)	**223**	**(153)**	**-**	**(9)**	**(5)**	**56**

The movement in gross deferred income tax assets / liabilities (before set off) for the year ended March 31, 2021 is as follows:

(In ₹ crore)

Particulars	Carrying value as at April 1, 2020	Changes through profit and loss	Addition through business combination	Changes through OCI	Translation difference	Carrying value as of March 31, 2021
Deferred income tax assets/(liabilities)						
Property, plant and equipment	244	12	-	-	(1)	255
Lease liabilities	136	30	-	-	-	166
Accrued compensation to employees	52	(10)	-	-	-	42
Trade receivables	197	20	-	-	-	217
Compensated absences	433	62	-	-	2	497
Post sales client support	111	11	-	-	(1)	121
Credits related to branch profits	377	(11)	-	-	(11)	355
Derivative financial instruments	162	(210)	-	(9)	-	(57)
Intangible assets	20	13	-	-	(2)	31
Intangibles arising on business combinations	(426)	78	(23)	-	3	(368)
Branch profit tax	(555)	38	-	-	17	(500)
SEZ reinvestment reserve	(82)	(531)	-	-	-	(613)
Others	107	(35)	2	3	-	77
Total deferred income tax assets/(liabilities)	**776**	**(533)**	**(21)**	**(6)**	**7**	**223**

The deferred income tax assets and liabilities are as follows:

(In ₹ crore)

Particulars	As at	
	March 31, 2022	March 31, 2021
Deferred income tax assets after set off	1,212	1,098
Deferred income tax liabilities after set off	(1,156)	(875)

Deferred tax assets and deferred tax liabilities have been offset wherever the Group has a legally enforceable right to set off current tax assets against current tax liabilities and where the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority.

In assessing the reliability of deferred income tax assets, the management considers whether some portion or all of the deferred income tax assets will not be realized. The ultimate realization of deferred income tax assets is dependent upon the generation of future taxable income during the periods in which the temporary differences become deductible. The management considers the scheduled reversals of deferred income tax liabilities, projected future taxable income, and tax planning strategies in making this assessment. Based on the level of historical taxable income and projections for future taxable income over the periods in which the deferred income tax assets are deductible, the Management believes that the Group will realize the benefits of those deductible differences. The amount of the deferred income tax assets considered realizable, however, could be reduced in the near term if estimates of future taxable income during the carry forward period are reduced.

The Company's Advanced Pricing Arrangement (APA) with the Internal Revenue Service (IRS) for US branch income tax expired in March 2021. The Company has applied for renewal of APA and currently the US taxable income is based on the Company's best estimate determined based on the expected value method.

2.18 REVENUE FROM OPERATIONS

Accounting policy

The Group derives revenues primarily from IT services comprising software development and related services, maintenance, consulting and package implementation, licensing of software products and platforms across the Group's core and digital offerings (together called as "software related services") and business process management services. Contracts with customers are either on a time-and-material, unit of work, fixed-price or on a fixed-timeframe basis.

Revenues from customer contracts are considered for recognition and measurement when the contract has been approved by the parties, in writing, to the contract, the parties to the contract are committed to perform their respective obligations under the contract, and the contract is legally enforceable. Revenue is recognized upon transfer of control of promised products or services ("performance obligations") to customers in an amount that reflects the consideration the Group has received or expects to receive in exchange for these products or services ("transaction price"). When there is uncertainty as to collectability, revenue recognition is postponed until such uncertainty is resolved.

The Group assesses the services promised in a contract and identifies distinct performance obligations in the contract. The Group allocates the transaction price to each distinct performance obligation based on the relative standalone selling price. The price that is regularly charged for an item when sold separately is the best evidence of its standalone selling price. In the absence of such evidence, the primary method used to estimate standalone selling price is the expected cost plus a margin, under which the Group estimates the cost of satisfying the performance obligation and then adds an appropriate margin based on similar services.

The Group's contracts may include variable consideration including rebates, volume discounts and penalties. The Group includes variable consideration as part of transaction price when there is a basis to reasonably estimate the amount of the variable consideration and when it is probable that a significant reversal of cumulative revenue recognized will not occur when the uncertainty associated with the variable consideration is resolved.

Revenue on time-and-material and unit of work based contracts, are recognized as the related services are performed. Fixed price maintenance revenue is recognized ratably either on a straight-line basis when services are performed through an indefinite number of repetitive acts over a specified period or ratably using a percentage of completion method when the pattern of benefits from the services rendered to the customer and the Group's costs to fulfil the contract is not even through the period of contract because the services are generally discrete in nature and not repetitive. Revenue from other fixed-price, fixed-timeframe contracts, where the performance obligations are satisfied over time is recognized using the percentage-of-completion method. Efforts or costs expended are used to determine progress towards completion as there is a direct relationship between input and productivity. Progress towards completion is measured as the ratio of costs or efforts incurred to date (representing work performed) to the estimated total costs or efforts. Estimates of transaction price and total costs or efforts are continuously monitored over the term of the contracts and are recognized in net profit in the period when these estimates change or when the estimates are revised. Revenues and the estimated total costs or efforts are subject to revision as the contract progresses. Provisions for estimated losses, if any, on incomplete contracts are recorded in the period in which such losses become probable based on the estimated efforts or costs to complete the contract.

The billing schedules agreed with customers include periodic performance based billing and / or milestone based progress billings. Revenues in excess of billing are classified as unbilled revenue while billing in excess of revenues are classified as contract liabilities (which we refer to as unearned revenues).

In arrangements for software development and related services and maintenance services, by applying the revenue recognition criteria for each distinct performance obligation, the arrangements with customers generally meet the criteria for considering software development and related services as distinct performance obligations. For allocating the transaction price, the Group measures the revenue in respect of each performance obligation of a contract at its relative standalone selling price. The price that is regularly charged for an item when sold separately is the best evidence of its standalone selling price. In cases where the Group is unable to determine the standalone selling price, the Group uses the expected cost plus margin approach in estimating the standalone selling price. For software development and related services, the performance obligations are satisfied as and when the services are rendered since the customer generally obtains control of the work as it progresses.

Certain cloud and infrastructure services contracts include multiple elements which may be subject to other specific accounting guidance, such as leasing guidance. These contracts are accounted in accordance with such specific accounting guidance. In such arrangements where the Group is able to determine that hardware and services are distinct performance obligations, it allocates the consideration to these performance obligations on a relative standalone selling price basis. In the absence of standalone selling price, the Group uses the expected cost-plus margin approach in estimating the standalone selling price. When such arrangements are considered as a single performance obligation, revenue is recognized over the period and measure of progress is determined based on promise in the contract

Revenue from licenses where the customer obtains a "right to use" the licenses is recognized at the time the license is made available to the customer. Revenue from licenses where the customer obtains a "right to access" is recognized over the access period.

Arrangements to deliver software products generally have three elements: license, implementation and Annual Technical Services (ATS).When implementation services are provided in conjunction with the licensing arrangement and the license and implementation have been identified as two distinct separate performance obligations, the transaction price for such contracts are allocated to each performance obligation of the contract based on their relative standalone selling prices. In the absence of standalone selling price for implementation, the Group uses the expected cost plus margin approach in estimating the standalone selling price. Where the license is required to be substantially customized as part of the implementation service the entire arrangement fee for license and implementation is considered to be a single performance obligation and the revenue is recognized using the percentage-of-completion method as the implementation is performed. Revenue from client training, support and other services arising due to the sale of software products is recognized as the performance obligations are satisfied. ATS revenue is recognized ratably on a straight line basis over the period in which the services are rendered.

Contracts with customers includes subcontractor services or third-party vendor equipment or software in certain integrated services arrangements. In these types of arrangements, revenue from sales of third-party vendor products or services is recorded net of costs when the Group is acting as an agent between the customer and the vendor, and gross when the Group is the principal for the transaction. In doing so, the Group first evaluates whether it controls the good or service before it is transferred to the customer. The Group considers whether it has the primary obligation to fulfil the contract, inventory risk, pricing discretion and other factors to determine whether it controls the goods or service and therefore, is acting as a principal or an agent.

The incremental costs of obtaining a contract (i.e., costs that would not have been incurred if the contract had not been obtained) are recognized as an asset if the Group expects to recover them.

Certain eligible, nonrecurring costs (e.g. set-up or transition or transformation costs) that do not represent a separate performance obligation are recognized as an asset when such costs (a) relate directly to the contract; (b) generate or enhance resources of the Company that will be used in satisfying the performance obligation in the future; and (c) are expected to be recovered.

Capitalized contract costs relating to upfront payments to customers are amortized to revenue and other capitalized costs are amortized to expenses over the respective contract life on a systematic basis consistent with the transfer of goods or services to customer to which the asset relates. Capitalized costs are monitored regularly for impairment. Impairment losses are recorded when present value of projected remaining operating cash flows is not sufficient to recover the carrying amount of the capitalized costs.

The Group presents revenues net of indirect taxes in its Consolidated Statement of Profit and Loss.

Revenue from operation for the year ended March 31, 2022 and March 31, 2021 are as follows:

(In ₹ crore)

Particulars	Year ended March 31,	
	2022	2021
Revenue from software services	113,536	93,387
Revenue from products and platforms	8,105	7,085
Total revenue from operations	**121,641**	**100,472**

The Group has evaluated the impact of COVID – 19 pandemic resulting on (i) the possibility of constraints in our ability to render services which may require revision of estimations of costs to complete the contract because of additional efforts; (ii) onerous obligations; (iii) penalties relating to breaches of service level agreements, and (iv) termination or deferment of contracts by customers. The Group has concluded that the impact of COVID – 19 pandemic is not material based on these estimates. Due to the nature of the COVID-19 pandemic, the Group continues to monitor developments to identify significant uncertainties relating to revenue in future periods.

Disaggregated revenue information

The table below presents disaggregated revenues from contracts with customers by geography and offerings for each of our business segments. The Group believes that this disaggregation best depicts how the nature, amount, timing and uncertainty of our revenues and cash flows are affected by industry, market and other economic factors.

For the year ended March 31, 2022 and *March 31, 2021* :

(In ₹ crore)

Particulars	Financial Services [(1)]	Retail[(2)]	Communication [(3)]	Energy , Utilities, Resources and Services	Manufacturing	Hi-Tech	Life Sciences[(4)]	Others [(5)]	Total
Revenues by Geography*									
North America	24,410	11,989	8,474	7,430	6,303	9,342	6,173	937	75,058
	19,517	*9,722*	*6,791*	*6,935*	*5,126*	*8,052*	*4,728*	*769*	*61,640*
Europe	6,746	4,759	3,598	5,766	6,606	224	2,203	227	30,129
	6,415	*4,165*	*2,893*	*4,481*	*3,962*	*164*	*2,013*	*210*	*24,303*
India	1,933	90	315	153	69	412	27	586	3,585
	1,568	*61*	*229*	*33*	*53*	*294*	*16*	*645*	*2,899*
Rest of the world	5,813	896	2,795	1,135	358	58	114	1,700	12,869
	5,083	*797*	*2,715*	*1,090*	*306*	*50*	*113*	*1,476*	*11,630*
Total	**38,902**	**17,734**	**15,182**	**14,484**	**13,336**	**10,036**	**8,517**	**3,450**	**121,641**
	32,583	***14,745***	***12,628***	***12,539***	***9,447***	***8,560***	***6,870***	***3,100***	***100,472***
Revenue by offerings									
Digital	20,391	10,857	9,310	8,412	8,240	5,817	4,925	1,452	69,404
	15,547	*7,695*	*6,478*	*6,077*	*4,567*	*4,160*	*3,020*	*1,143*	*48,687*
Core	18,511	6,877	5,872	6,072	5,096	4,219	3,592	1,998	52,237
	17,036	*7,050*	*6,150*	*6,462*	*4,880*	*4,400*	*3,850*	*1,957*	*51,785*
Total	**38,902**	**17,734**	**15,182**	**14,484**	**13,336**	**10,036**	**8,517**	**3,450**	**121,641**
	32,583	***14,745***	***12,628***	***12,539***	***9,447***	***8,560***	***6,870***	***3,100***	***100,472***

(1) *Financial Services include enterprises in Financial Services and Insurance*

(2) *Retail includes enterprises in Retail, Consumer Packaged Goods and Logistics*

(3) *Communication includes enterprises in Communication, Telecom OEM and Media*

(4) *Life Sciences includes enterprises in Life sciences and Health care*

(5) *Others include operating segments of businesses in India, Japan, China, Infosys Public Services & other enterprises in Public Services*

* *Geographical revenues is based on the domicile of customer*

Digital Services
Digital Services comprise of service and solution offerings of the Group that enable our clients to transform their businesses. These include offerings that enhance customer experience, leverage AI-based analytics and big data, engineer digital products and IoT, modernize legacy technology systems, migrate to cloud applications and implement advanced cyber security systems.

Core Services
Core Services comprise traditional offerings of the Group that have scaled and industrialized over a number of years. These primarily include application management services, proprietary application development services, independent validation solutions, product engineering and management, infrastructure management services, traditional enterprise application implementation, and support and integration services.

Products & platforms
The Group also derives revenues from the sale of products and platforms including Finacle® – core banking solution, Edge Suite of products, Infosys NIA® - Artificial Intelligence (AI) platform which applies next-generation AI and machine learning, Panaya® platform, Skava® platform, Stater digital platform, and Infosys McCamish – insurance platform.

The percentage of revenue from fixed-price contracts for each of the year ended March 31, 2022 and March 31, 2021 is approximately 53%.

Trade Receivables and Contract Balances
The timing of revenue recognition, billings and cash collections results in receivables, unbilled revenue, and unearned revenue on the Group's Consolidated Balance Sheet. Amounts are billed as work progresses in accordance with agreed-upon contractual terms, either at periodic intervals (e.g., monthly or quarterly) or upon achievement of contractual milestones.

The Group's receivables are rights to consideration that are unconditional. Unbilled revenues comprising revenues in excess of billings from time and material contracts and fixed price maintenance contracts are classified as financial asset when the right to consideration is unconditional and is due only after a passage of time.

Invoicing to the clients for other fixed price contracts is based on milestones as defined in the contract and therefore the timing of revenue recognition is different from the timing of invoicing to the customers. Therefore, unbilled revenues for other fixed price contracts (contract asset) are classified as non-financial asset because the right to consideration is dependent on completion of contractual milestones.

Invoicing in excess of earnings are classified as unearned revenue.

Trade receivables and unbilled revenues are presented net of impairment in the Consolidated Balance Sheet.

During the year ended March 31, 2022 and March 31, 2021, the Company recognized revenue of ₹3,551 crore and ₹2,489 crore arising from opening unearned revenue as of April 1, 2021 and April 1, 2020 respectively.

During the year ended March 31, 2022 and March 31, 2021, ₹4,047 crore and ₹3,822 crore of unbilled revenue pertaining to other fixed price and fixed time frame contracts as of April 1, 2021 and April 1, 2020, respectively has been reclassified to Trade receivables upon billing to customers on completion of milestones.

Performance obligations and remaining performance obligations

The remaining performance obligation disclosure provides the aggregate amount of the transaction price yet to be recognized as at the end of the reporting period and an explanation as to when the Group expects to recognize these amounts in revenue. Applying the practical expedient as given in Ind AS 115, the Group has not disclosed the remaining performance obligation related disclosures for contracts where the revenue recognized corresponds directly with the value to the customer of the entity's performance completed to date, typically those contracts where invoicing is on time and material and unit of work based contracts. Remaining performance obligation estimates are subject to change and are affected by several factors, including terminations, changes in the scope of contracts, periodic revalidations, adjustment for revenue that has not materialized and adjustments for currency fluctuations.

The aggregate value of performance obligations that are completely or partially unsatisfied as at March 31, 2022, other than those meeting the exclusion criteria mentioned above, is ₹74,254 crore. Out of this, the Group expects to recognize revenue of around 55% within the next one year and the remaining thereafter. The aggregate value of performance obligations that are completely or partially unsatisfied as at March 31, 2021 is ₹69,890 crore. The contracts can generally be terminated by the customers and typically includes an enforceable termination penalty payable by them. Generally, customers have not terminated contracts without cause.

2.19 OTHER INCOME, NET

Accounting policy

Other income is comprised primarily of interest income, dividend income, gain / loss on investment and exchange gain / loss on forward and options contracts and on translation of other assets and liabilities. Interest income is recognized using the effective interest method. Dividend income is recognized when the right to receive payment is established.

Foreign currency

Accounting policy

Functional currency

The functional currency of Infosys, Infosys BPM, controlled trusts, EdgeVerve and Skava is the Indian rupee. The functional currencies for other subsidiaries are their respective local currencies. These financial statements are presented in Indian rupees (rounded off to crore; one crore equals ten million).

Transactions and translations

Foreign-currency denominated monetary assets and liabilities are translated into the relevant functional currency at exchange rates in effect at the Balance Sheet date. The gains or losses resulting from such translations are recognized in the Consolidated Statement of Profit and Loss and reported within exchange gains / (losses) on translation of assets and liabilities, net, except when deferred in Other Comprehensive Income as qualifying cash flow hedges. Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at fair value are translated at the exchange rate prevalent at the date when the fair value was determined. Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of transaction. The related revenue and expense are recognized using the same exchange rate.

Transaction gains or losses realized upon settlement of foreign currency transactions are included in determining net profit for the period in which the transaction is settled. Revenue, expense and cash-flow items denominated in foreign currencies are translated into the relevant functional currencies using the exchange rate in effect on the date of the transaction.

The translation of financial statements of the foreign subsidiaries to the presentation currency is performed for assets and liabilities using the exchange rate in effect at the Balance Sheet date and for revenue, expense and cash-flow items using the average exchange rate for the respective periods. The gains or losses resulting from such translation are included in currency translation reserves under other components of equity. When a subsidiary is disposed of, in full, the relevant amount is transferred to net profit in the Consolidated Statement of Profit and Loss. However when a change in the parent's ownership does not result in loss of control of a subsidiary, such changes are recorded through equity.

Other Comprehensive Income, net of taxes, includes translation differences on non-monetary financial assets measured at fair value at the reporting date, such as equities classified as financial instruments and measured at fair value through other comprehensive income (FVOCI).

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the exchange rate in effect at the Balance Sheet date.

Government grant

The Group recognizes government grants only when there is reasonable assurance that the conditions attached to them shall be complied with, and the grants will be received. Government grants related to assets are treated as deferred income and are recognized in net profit in the Consolidated Statement of Profit and Loss on a systematic and rational basis over the useful life of the asset. Government grants related to revenue are recognized on a systematic basis in net profit in the Consolidated Statement of Profit and Loss over the periods necessary to match them with the related costs which they are intended to compensate.

Other income for the year ended March 31, 2022 and March 31, 2021 is as follows:

(In ₹ crore)

Particulars	Year ended March 31,	
	2022	2021
Interest income on financial assets carried at amortized cost:		
Tax free bonds and Government bonds	152	143
Deposit with Bank and others	851	1,052
Interest income on financial assets carried at fair value through other comprehensive income:		
Non-convertible debentures and certificates of deposit, commercial paper and government securities	642	409
Income on investments carried at fair value through profit or loss		
Dividend income on liquid mutual funds	-	11
Gain / (loss) on liquid mutual funds and other investments	177	74
Income on investments carried at fair value through other comprehensive income	1	82
Interest income on income tax refund	-	4
Exchange gains / (losses) on foreign currency forward and options contracts	88	556
Exchange gains / (losses) on translation of assets and liabilities	186	(346)
Miscellaneous income, net	198	216
Total other income	**2,295**	**2,201**

2.20 EXPENSES

(In ₹ crore)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Employee benefit expenses		
Salaries including bonus	61,522	53,616
Contribution to provident and other funds	1,617	1,337
Share based payments to employees *(Refer to Note 2.12)*	415	333
Staff welfare	432	255
	63,986	55,541
Cost of software packages and others		
For own use	1,417	1,221
Third party items bought for service delivery to clients	5,394	3,002
	6,811	4,223
Other expenses		
Repairs and maintenance	1,066	1,300
Power and fuel	132	143
Brand and marketing	553	355
Short-term leases *(Refer to Note 2.21)*	61	82
Rates and taxes	265	256
Consumables	146	111
Insurance	164	134
Provision for post-sales client support and others	78	39
Commission to non-whole time directors	11	6
Impairment loss recognized / (reversed) under expected credit loss model	170	190
Contributions towards Corporate Social responsibility*	426	439
Others	352	231
	3,424	3,286

* Figures for the year ended March 31, 2021 includes ₹37 crore which the Company intends to spend in the future relating to and in addition to the amounts spent in the prior years

Consequent to the Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021 (“the Rules”), the Company was required to transfer its CSR capital assets created prior to January 2021. Towards this the Company had incorporated a controlled subsidiary ‘Infosys Green Forum’ under Section 8 of the Companies Act, 2013. During the year ended March 31, 2022 the Company has completed the transfer of assets upon obtaining the required approvals from regulatory authorities, as applicable.

2.21 LEASES

Accounting Policy

The Group as a lessee

The Group’s lease asset classes primarily consist of leases for land, buildings and computers. The Group assesses whether a contract contains a lease at the inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the group assesses whether : (i) the contract involves the use of an identified asset; (ii) the Group has substantially all of the economic benefits from use of the asset through the period of the lease, and (iii) the Group has the right to direct the use of the asset.

At the date of commencement of the lease, the Group recognizes a right-of-use (ROU) asset and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Group recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

As a lessee, the Group determines the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Group makes an assessment on the expected lease term on a lease-by-lease basis and thereby assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. In evaluating the lease term, the Company considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of the lease and the importance of the underlying asset to Infosys’s operations taking into account the location of the underlying asset and the availability of suitable alternatives. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances.

Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset.

Right-of-use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of the leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Group changes its assessment if whether it will exercise an extension or a termination option.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

The Group as a lessor

Leases for which the Group is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

When the Group is an intermediate lessor, it accounts for its interests in the head lease and the sublease separately. The sublease is classified as a finance or operating lease by reference to the ROU asset arising from the head lease.

For operating leases, rental income is recognized on a straight line basis over the term of the relevant lease.

Following are the changes in the carrying value of right of use assets for the year ended March 31, 2022:

(In ₹ crore)

Particulars	Category of ROU asset				Total
	Land	Buildings	Vehicles	Computers	
Balance as of April 1, 2021	**630**	**3,984**	**19**	**161**	**4,794**
Additions*	-	467	6	459	932
Deletions	-	(106)	-	(47)	(153)
Depreciation	(6)	(657)	(10)	(108)	(781)
Translation difference	4	23	1	3	31
Balance as of March 31, 2022	**628**	**3,711**	**16**	**468**	**4,823**

*Net of adjustments on account of modifications

Following are the changes in the carrying value of right of use assets for the year ended March 31, 2021:

(In ₹ crore)

Particulars	Category of ROU asset				Total
	Land	Buildings	Vehicles	Computers	
Balance as of April 1, 2020	**626**	**3,485**	**15**	**42**	**4,168**
Additions	7	1,234	13	140	1,394
Deletions	-	(147)	-	-	(147)
Depreciation	(7)	(591)	(11)	(26)	(635)
Translation difference	4	3	2	5	14
Balance as of March 31, 2021	**630**	**3,984**	**19**	**161**	**4,794**

The following is the break-up of current and non-current lease liabilities:

(In ₹ crore)

Particulars	As at	
	March 31, 2022	March 31, 2021
Current lease liabilities	872	738
Non-current lease liabilities	4,602	4,587
Total	**5,474**	**5,325**

The following is the movement in lease liabilities:

(In ₹ crore)

Particulars	Year ended March 31,	
	2022	2021
Balance at the beginning	**5,325**	**4,633**
Additions	933	1,494
Deletions	(134)	(168)
Finance cost accrued during the period	175	176
Payment of lease liabilities	(910)	(821)
Translation difference	85	11
Balance at the end	**5,474**	**5,325**

The table below provides the details regarding the contractual maturities of lease liabilities on an undiscounted basis:

(In ₹ crore)

Particulars	As At	
	March 31, 2022	March 31, 2021
Less than one year	991	867
One to five years	3,793	3,011
More than five years	1,423	2,239
Total	**6,207**	**6,117**

The Group does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

Rental expense recorded for short-term leases was ₹61 crore and ₹82 crore for the year ended March 31, 2022 and March 31, 2021, respectively.

The aggregate depreciation on ROU assets has been included under depreciation and amortisation expense in the Consolidated Statement of Profit and Loss.

The following is the movement in the net investment in sublease of ROU assets:

(In ₹ crore)

Particulars	Year ended March 31,	
	2022	2021
Balance at the beginning	**388**	**433**
Additions	5	3
Interest income accrued during the period	13	14
Lease receipts	(48)	(49)
Translation difference	14	(13)
Balance at the end	**372**	**388**

The table below provides details regarding the contractual maturities of net investment in sublease of ROU asset on an undiscounted basis:

(In ₹ crore)

Particulars	As At	
	March 31, 2022	March 31, 2021
Less than one year	55	51
One to five years	297	218
More than five years	64	179
Total	**416**	**448**

2.22 EMPLOYEE BENEFITS

Accounting policy

Gratuity and Pensions

The Group provides for gratuity, a defined benefit retirement plan ('the Gratuity Plan') covering eligible employees majorly of Infosys and its Indian subsidiaries. The Gratuity Plan provides a lump-sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment with the Group. The Company contributes Gratuity liabilities to the Infosys Limited Employees' Gratuity Fund Trust (the Trust). In case of Infosys BPM and EdgeVerve, contributions are made to the Infosys BPM Employees' Gratuity Fund Trust and EdgeVerve Systems Limited Employees' Gratuity Fund Trust, respectively. Trustees administer contributions made to the Trusts and contributions are invested in a scheme with the Life Insurance Corporation of India as permitted by Indian law.

The Group operates defined benefit pension plan in certain overseas jurisdictions, in accordance with the local laws. These plans are managed by third party fund managers. The plans provide for periodic payouts after retirement and/or for a lumpsum payment as set out in rules of each fund and includes death and disability benefits.

Liabilities with regard to these defined benefit plans are determined by actuarial valuation, performed by an external actuary, at each Balance Sheet date using the projected unit credit method. These defined benefit plans expose the Group to actuarial risks, such as longevity risk, currency risk, interest rate risk and market risk.

The Group recognizes the net obligation of a defined benefit plan in its Balance Sheet as an asset or liability. Gains and losses through re-measurements of the net defined benefit liability / (asset) are recognized in other comprehensive income and are not reclassified to profit or loss in subsequent periods. The actual return of the portfolio of plan assets, in excess of the yields computed by applying the discount rate used to measure the defined benefit obligation is recognized in other comprehensive income. The effect of any plan amendments is recognized in net profit in the Consolidated Statement of Profit and Loss.

Provident fund

Eligible employees of Infosys receive benefits from a provident fund, which is a defined benefit plan. Both the eligible employee and the Company make monthly contributions to the provident fund plan equal to a specified percentage of the covered employee's salary. The Company contributes a portion to the Infosys Limited Employees' Provident Fund Trust. The trust invests in specific designated instruments as permitted by Indian law. The remaining portion is contributed to the government administered pension fund. The rate at which the annual interest is payable to the beneficiaries by the trust is being administered by the Government of India. The Company has an obligation to make good the shortfall, if any, between the return from the investments of the trust and the notified interest rate.

In respect of Indian subsidiaries, eligible employees receive benefits from a provident fund, which is a defined contribution plan. Both the eligible employee and the respective companies make monthly contributions to this provident fund plan equal to a specified percentage of the covered employee's salary. Amounts collected under the provident fund plan are deposited in a government administered provident fund. The Companies have no further obligation to the plan beyond its monthly contributions.

Superannuation

Certain employees of Infosys, Infosys BPM and EdgeVerve are participants in a defined contribution plan. The Group has no further obligations to the plan beyond its monthly contributions which are periodically contributed to a trust fund, the corpus of which is invested with the Life Insurance Corporation of India.

Compensated absences

The Group has a policy on compensated absences which are both accumulating and non-accumulating in nature. The expected cost of accumulating compensated absences is determined by actuarial valuation performed by an independent actuary at each Balance Sheet date using projected unit credit method on the additional amount expected to be paid / availed as a result of the unused entitlement that has accumulated at the Balance Sheet date. Expense on non-accumulating compensated absences is recognized in the period in which the absences occur.

The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified. The Company will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.

2.22.1 Gratuity and Pension

The following tables set out the funded status majorly of the Indian gratuity plans and the amounts recognized in the Group's financial statements as at March 31, 2022 and March 31, 2021:

(In ₹ crore)

Particulars	As at March 31, 2022	As at March 31, 2021
Change in benefit obligations		
Benefit obligations at the beginning	1,624	1,402
Service cost	219	207
Interest expense	89	84
Transfer of obligation	-	3
Remeasurements - Actuarial (gains) / losses	81	30
Benefits paid	(274)	(98)
Translation difference	(17)	(4)
Benefit obligations at the end	**1,722**	**1,624**
Change in plan assets		
Fair value of plan assets at the beginning	1,610	1,522
Interest income	96	92
Remeasurements- Return on plan assets excluding amounts included in interest income	24	11
Contributions	267	78
Benefits paid	(286)	(93)
Fair value of plan assets at the end	**1,711**	**1,610**
Funded status	(11)	(14)

Amount for the year ended March 31, 2022 and March 31, 2021 recognized in the Consolidated Statement of Profit and Loss under employee benefit expense:

(In ₹ crore)

Particulars	Year ended March 31,	
	2022	2021
Service cost	219	207
Net interest on the net defined benefit liability / (asset)	(7)	(8)
Net gratuity cost	**212**	**199**

Amount for the year ended March 31, 2021 and March 31, 2020 recognized in the Consolidated Statement of Other Comprehensive Income:

(In ₹ crore)

Particulars	Year ended March 31,	
	2022	2021
Remeasurements of the net defined benefit liability / (asset)		
Actuarial (gains) / losses	81	30
(Return) / loss on plan assets excluding amounts included in the net interest on the net defined benefit liability/(asset)	(24)	(11)
	57	**19**

(In ₹ crore)

Particulars	Year ended March 31,	
	2022	2021
(Gain) / loss from change in demographic assumptions	-	-
(Gain) / loss from change in financial assumptions	(46)	14
(Gain) / loss from experience adjustment	127	16
	81	**30**

The weighted-average assumptions used to determine benefit obligations as at March 31, 2022 and March 31, 2021 are set out below:

Particulars	As at	
	March 31, 2022	March 31, 2021
Discount rate [(1)]	6.5%	6.1%
Weighted average rate of increase in compensation levels [(2)]	6.0%	6.0%
Weighted average duration of defined benefit obligation [(3)]	5.9 years	5.9 years

The weighted-average assumptions used to determine net periodic benefit cost for the year ended March 31, 2022 and March 31, 2021 are set out below:

Particulars	Year ended March 31,	
	2022	2021
Discount rate	6.1%	6.2%
Weighted average rate of increase in compensation levels	6.0%	6.0%

Assumptions regarding future mortality experience are set in accordance with the published statistics by the Life Insurance Corporation of India.

[(1)] In India, the market for high quality corporate bonds being not developed, the yield of government bonds is considered as the discount rate. The tenure has been considered taking into account the past long-term trend of employees' average remaining service life which reflects the average estimated term of the post-employment benefit obligations.

[(2)] The average rate of increase in compensation levels is determined by the Company, considering factors such as, the Company's past compensation revision trends and the Management's estimate of future salary increases.

[(3)] Attrition rate considered is the Management's estimate based on the past long-term trend of employee turnover in the Company.

Sensitivity of significant assumptions used for valuation of defined benefit obligation:

(In ₹ crore)

Impact from percentage point increase / decrease in	As at March 31, 2022
Discount rate	81
Weighted average rate of increase in compensation levels	73

Sensitivity to significant actuarial assumptions is computed by varying one actuarial assumption used for the valuation of the defined benefit obligation by one percentage, keeping all other actuarial assumptions constant. In practice, this is not probable, and changes in some of the assumptions may be correlated.

The Company contributes all ascertained liabilities towards gratuity to the Infosys Limited Employees' Gratuity Fund Trust. In case of Infosys BPM and EdgeVerve, contributions are made to the Infosys BPM Employees' Gratuity Fund Trust and EdgeVerve Systems Limited Employees Gratuity Fund Trust, respectively. Trustees administer contributions made to the trust as at March 31, 2022 and March 31, 2021, the plan assets have been primarily invested in insurer managed funds.

Actual return on assets for the year ended March 31, 2022 and March 31, 2021 were ₹120 crore and ₹103 crore, respectively.

The Group expects to contribute ₹226 crore to the gratuity trusts during fiscal 2023.

The maturity profile of defined benefit obligation is as follows:

(In ₹ crore)

Within 1 year	264
1-2 year	268
2-3 year	280
3-4 year	285
4-5 year	324
5-10 years	1,697

The Group operates defined benefit pension plan in certain overseas jurisdictions, in accordance with local laws. As on March 31, 2022, and March 31, 2021, the defined benefit obligation (DBO) is ₹926 crore and ₹814 crore, fair value of plan assets is ₹846 crore and ₹690 crore resulting in recognition of a net DBO of ₹80 crore and ₹124 crore.

2.22.2 Provident fund

Infosys has an obligation to fund any shortfall on the yield of the trust's investments over the administered interest rates on an annual basis. These administered rates are determined annually predominantly considering the social rather than economic factors. The actuary has provided a valuation for provident fund liabilities on the basis of guidance issued by the Actuarial Society of India.

The following tables set out the funded status of the defined benefit provident fund plan of Infosys Limited and the amounts recognized in the Company's financial statements as at March 31, 2022 and March 31, 2021:

(In ₹ crore)

Particulars	As at	
	March 31, 2022	March 31, 2021
Change in benefit obligations		
Benefit obligations at the beginning	8,287	7,366
Service cost - employer contribution	656	423
Employee contribution	1,153	816
Interest expense	516	606
Actuarial (gains) / loss	118	(26)
Benefits paid	(1,426)	(898)
Benefit obligations at the end	**9,304**	**8,287**
Change in plan assets		
Fair value of plan assets at the beginning	8,140	7,117
Interest income	507	596
Remeasurements- Return on plan assets excluding amounts included in interest income	66	125
Contributions	1,771	1,200
Benefits paid	(1,426)	(898)
Fair value of plan assets at the end	**9,058**	**8,140**
Net liability	(246)	(147)

The amount for the year ended March 31, 2022 and March 31, 2021 recognized in the Consolidated Statement of Other Comprehensive Income:

(In ₹ crore)

Particulars	Year ended March 31,	
	2022	2021
Remeasurements of the net defined benefit liability / (asset)		
Actuarial (gains) / losses	118	(26)
(Return) / loss on plan assets excluding amounts included in the net interest on the net defined benefit liability / (asset)	(66)	(125)
	52	**(151)**

The assumptions used in determining the present value obligation of the defined benefit plan under the Deterministic Approach are as follows:

Particulars	As at	
	March 31, 2022	March 31, 2021
Government of India (GOI) bond yield [(1)]	6.50%	6.10%
Expected rate of return on plan assets	7.70%	8.00%
Remaining term to maturity of portfolio	6 years	6 years
Expected guaranteed interest rate	8.10%	8.50%

[(1)] In India, the market for high quality corporate bonds being not developed, the yield of government bonds is considered as the discount rate. The tenure has been considered taking into account the past long-term trend of employees' average remaining service life which reflects the average estimated term of the post-employment benefit obligations.

The breakup of the plan assets into various categories as at March 31, 2022 and March 31, 2021 are as follows:

Particulars	As at	
	March 31, 2022	March 31, 2021
Central and State government bonds	57%	54%
Public sector undertakings and Private sector bonds	37%	40%
Others	6%	6%

The asset allocation for plan assets is determined based on the investment criteria prescribed under the relevant regulations.

As at March 31, 2021 the defined benefit obligation would be affected by approximately ₹88 crore and ₹114 on account of a 0.25% increase / decrease in the expected rate of return on plan assets.

The Group contributed ₹882 crore and ₹665 crore to the provident fund during the year ended March 31, 2022 and March 31, 2021, respectively. The same has been recognized in the Consolidated Statement of Profit and Loss under the head employee benefit expense.

The provident plans are applicable only to employees drawing a salary in Indian rupees.

2.22.3 Superannuation

The Group contributed ₹364 crore and ₹260 crore during the year ended March 31, 2022 and March 31, 2021, respectively and the same has been recognized in the Consolidated Statement of Profit and Loss under the head employee benefit expense.

2.22.4 Employee benefit costs include:

(In ₹ crore)

Particulars	Year ended March 31,	
	2022	2021
Salaries and bonus[(1)]	62,489	54,274
Defined contribution plans	478	358
Defined benefit plans	1,019	909
	63,986	**55,541**

(1)Includes employee stock compensation expense of ₹415 crore and ₹333 crore for the year ended March 31, 2022 and March 31, 2021 respectively.

2.23 BASIC AND DILUTED SHARES USED IN COMPUTING EARNINGS PER SHARE

Accounting policy

Basic earnings per equity share is computed by dividing the net profit attributable to the equity holders of the Group by the weighted average number of equity shares outstanding during the period. Diluted earnings per equity share is computed by dividing the net profit attributable to the equity holders of the Group by the weighted average number of equity shares considered for deriving basic earnings per equity share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. The dilutive potential equity shares are adjusted for the proceeds receivable had the equity shares been actually issued at fair value (i.e. the average market value of the outstanding equity shares). Dilutive potential equity shares are deemed converted as at the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented.

The number of equity shares and potentially dilutive equity shares are adjusted retrospectively for all periods presented for any share splits and bonus shares issues including for changes effected prior to the approval of the financial statements by the Board of Directors.

The following is a reconciliation of the equity shares used in the computation of basic and diluted earnings per equity share:

Particulars	**Year ended March 31,**	
	2022	**2021**
Basic earnings per equity share - weighted average number of equity shares outstanding [(1)]	4,209,546,724	4,242,416,665
Effect of dilutive common equivalent shares - share options outstanding	8,978,410	8,315,802
Diluted earnings per equity share - weighted average number of equity shares and common equivalent shares outstanding	**4,218,525,134**	**4,250,732,467**

[(1)] *Excludes treasury shares*

For the year ended March 31, 2022 and March 31, 2021, there are no options to purchase equity shares had an anti-dilutive effect, respectively.

2.24 CONTINGENT LIABILITIES AND COMMITMENTS

Accounting policy

Contingent liability is a possible obligation arising from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity or a present obligation that arises from past events but is not recognized because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability.

(In ₹ crore)

Particulars	**As at**	
	March 31, 2022	**March 31, 2021**
Contingent liabilities :		
Claims against the Group, not acknowledged as debts[(1)]	4,641	4,061
[Amount paid to statutory authorities ₹6,006 crore *(₹6,105 crore)*]		
Commitments :		
Estimated amount of contracts remaining to be executed on capital contracts and not provided for (net of advances and deposits)[(2)]	1,245	733
Other commitments*	28	42

** Uncalled capital pertaining to investments*

[(1)] As at March 31, 2022, claims against the Group not acknowledged as debts in respect of income tax matters amounted to ₹ 4,001 crore. As at March 31, 2021, claims against the Group not acknowledged as debts in respect of income tax matters amounted to ₹ 3,462 crore.

The claims against the Group majorly represent demands arising on completion of assessment proceedings under the Income Tax Act, 1961. These claims are on account of multiple issues of disallowances such as disallowance of profits earned from STP Units and SEZ Units, disallowance of deductions in respect of employment of new employees under section 80JJAA, disallowance of expenditure towards software being held as capital in nature, payments made to Associated Enterprises held as liable for withholding of taxes. These matters are pending before various Appellate Authorities and the management including its tax advisors expect that its position will likely be upheld on ultimate resolution and will not have a material adverse effect on the Group's financial position and results of operations.

Amount paid to statutory authorities against the tax claims amounted to ₹5,996 crore and ₹6,095 crore as at March 31, 2022 and March 31, 2021, respectively.
[(2)] Capital contracts primarily comprises of commitments for infrastructure facilities and computer equipments.

Legal Proceedings

The Group is subject to legal proceedings and claims, which have arisen in the ordinary course of business. The Group’s Management reasonably expects based on currently available information, that these legal actions, when ultimately concluded and determined, will not have a material and adverse effect on the Group’s results of operations or financial condition.

2.25 RELATED PARTY TRANSACTIONS

List of related parties:

Name of subsidiaries	Country	Holdings as at	
		March 31, 2022	March 31, 2021
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 Nova Holdings LLC. (Infosys Nova)	U.S.	100%	100%
EdgeVerve Systems Limited (EdgeVerve)	India	100%	100%
Infosys Austria GmbH	Austria	100%	100%
Skava Systems Private Limited (Skava Systems)(41)	India	100%	100%
Kallidus Inc, (Kallidus)(42)	U.S.	-	-
Infosys Chile SpA	Chile	100%	100%
Infosys Arabia Limited(2)	Saudi Arabia	70%	70%
Infosys Consulting Ltda.(1)	Brazil	100%	100%
Infosys CIS LLC(1)(15)	Russia	-	-
Infosys Luxembourg S.a.r.l	Luxembourg	100%	100%
Infosys Americas Inc., (Infosys Americas)	U.S.	100%	100%
Infosys Public Services, Inc. USA (Infosys Public Services)	U.S.	100%	100%
Infosys Canada Public Services Inc(20)(53)	Canada	-	-
Infosys BPM Limited(61)	India	100%	99.99%
Infosys (Czech Republic) Limited s.r.o.(3)	Czech Republic	100%	99.99%
Infosys Poland Sp z.o.o(3)	Poland	100%	99.99%
Infosys McCamish Systems LLC(3)	U.S.	100%	99.99%
Portland Group Pty Ltd(3)	Australia	100%	99.99%
Infosys BPO Americas LLC.(3)	U.S.	100%	99.99%
Infosys Consulting Holding AG (Infosys Lodestone)	Switzerland	100%	100%
Infosys Management Consulting Pty Limited(4)	Australia	100%	100%
Infosys Consulting AG(4)	Switzerland	100%	100%
Infosys Consulting GmbH(4)	Germany	100%	100%
Infosys Consulting S.R.L.	Romania	100%	100%
Infosys Consulting SAS(4)	France	100%	100%
Infosys Consulting s.r.o. v likvidaci (formerly Infosys Consulting s.r.o.)(4)(52)	Czech Republic	-	100%
Infosys Consulting (Shanghai) Co., Ltd.(4)(48)	China	-	100%
Infy Consulting Company Ltd(4)	U.K.	100%	100%
Infy Consulting B.V.(4)	The Netherlands	100%	100%
Infosys Consulting Sp. z.o.o(29)	Poland	-	-
Lodestone Management Consultants Portugal, Unipessoal, Lda.(4)(34)	Portugal	-	-
Infosys Consulting S.R.L.(4)	Argentina	100%	100%
Infosys Consulting (Belgium) NV(5)	Belgium	99.90%	99.90%
Panaya Inc. (Panaya)	U.S.	100%	100%
Panaya Ltd.(6)	Israel	100%	100%
Panaya GmbH(6)	Germany	100%	100%
Brilliant Basics Holdings Limited (Brilliant Basics)(41)	U.K.	100%	100%
Brilliant Basics Limited(7)(41)	U.K.	100%	100%
Brilliant Basics (MENA) DMCC(7)(21)	Dubai	-	-
Infosys Consulting Pte. Ltd. (Infosys Singapore)	Singapore	100%	100%
Infosys Middle East FZ LLC(8)	Dubai	100%	100%
Fluido Oy(8)	Finland	100%	100%
Fluido Sweden AB (Extero)(11)	Sweden	100%	100%
Fluido Norway A/S(11)	Norway	100%	100%
Fluido Denmark A/S(11)	Denmark	100%	100%
Fluido Slovakia s.r.o(11)	Slovakia	100%	100%
Fluido Newco AB(11)(36)	Sweden	-	-
Infosys Compaz Pte. Ltd(9)	Singapore	60%	60%
Infosys South Africa (Pty) Ltd(8)	South Africa	100%	100%
WongDoody Holding Company Inc. (WongDoody)(1)(54)	U.S.	-	100%
WDW Communications, Inc(10)(55)	U.S.	-	100%
WongDoody, Inc(10)(56)	U.S.	100%	100%
HIPUS Co., Ltd(9)	Japan	81%	81%
Stater N.V.(9)	The Netherlands	75%	75%
Stater Nederland B.V.(12)	The Netherlands	75%	75%
Stater Duitsland B.V.(12)(38)	The Netherlands	-	-
Stater XXL B.V.(12)	The Netherlands	75%	75%
HypoCasso B.V.(12)	The Netherlands	75%	75%
Stater Participations B.V.(12)	The Netherlands	75%	75%

Name of subsidiaries	Country	Holdings as at	
		March 31, 2022	March 31, 2021
Stater Deutschland Verwaltungs-GmbH[13][37]	Germany	-	-
Stater Deutschland GmbH & Co. KG[13][37]	Germany	-	-
Stater Belgium N.V./S.A.[14][39]	Belgium	75%	75%
Stater Gmbh[12][46]	Germany	75%	-
Outbox systems Inc. dba Simplus (US)[16]	U.S.	100%	100%
Simplus North America Inc.[17][45]	Canada	-	100%
Simplus ANZ Pty Ltd.[17]	Australia	100%	100%
Simplus Australia Pty Ltd[18]	Australia	100%	100%
Sqware Peg Digital Pty Ltd[19][49]	Australia	-	100%
Simplus Philippines, Inc.[17]	Philippines	100%	100%
Simplus Europe, Ltd.[17][47]	U.K.	-	100%
Infosys Fluido UK, Ltd. (formerly Simplus U.K., Ltd)[22]	U.K.	100%	100%
Infosys Fluido Ireland, Ltd.(formerly Simplus Ireland, Ltd)[23]	Ireland	100%	100%
Infosys Limited Bulgaria EOOD[1][24]	Bulgaria	100%	100%
Kaleidoscope Animations, Inc.[27]	U.S.	100%	100%
Kaleidoscope Prototyping LLC[28]	U.S.	100%	100%
GuideVision s.r.o.[25]	Czech Republic	100%	100%
GuideVision Deutschland GmbH[26]	Germany	100%	100%
GuideVision Suomi Oy[26]	Finland	100%	100%
GuideVision Magyarország Kft[26]	Hungary	100%	100%
GuideVision Polska SP.Z.O.O[26]	Poland	100%	100%
GuideVision UK Ltd[26]	U.K.	100%	100%
Blue Acorn iCi Inc (formerly Beringer Commerce Inc)[30]	U.S.	100%	100%
Beringer Capital Digital Group Inc[30][59]	U.S.	-	100%
Mediotype LLC[31][59]	U.S.	-	100%
Beringer Commerce Holdings LLC[31][59]	U.S.	-	100%
SureSource LLC[32][57]	U.S.	-	100%
Blue Acorn LLC[32][57]	U.S.	-	100%
Simply Commerce LLC[32][57]	U.S.	-	100%
iCiDIGITAL LLC[33][58]	U.S.	-	100%
Infosys BPM UK Limited[3][35]	U.K.	-	-
Infosys Turkey Bilgi Teknolojikeri Limited Sirketi[1][40]	Turkey	100%	-
Infosys Germany Holding Gmbh[1][43]	Germany	100%	100%
Infosys Automotive and Mobility GmbH & Co. KG[1][44]	Germany	100%	-
Infosys Green Forum[1][50]	India	100%	-
Infosys (Malaysia) SDN. BHD. (formerly Global Enterprise International (Malaysia) Sdn. Bhd.)[51]	Malaysia	100%	-
Infosys Business Solutions LLC[1][60]	Quatar	-	-
Infosys Germany GmbH (formerly Kristall 247. GmbH ("Kristall"))[62]	Germany	100%	-

[1] Wholly-owned subsidiary of Infosys Limited
[2] Majority owned and controlled subsidiary of Infosys Limited
[3] Wholly-owned subsidiary of Infosys BPM Limited
[4] Wholly-owned subsidiary of Infosys Consulting Holding AG
[5] Majority owned and controlled subsidiary of Infosys Consulting Holding AG
[6] Wholly-owned subsidiary of Panaya Inc.
[7] Wholly-owned subsidiary of Brilliant Basics Holding Limited.
[8] Wholly-owned subsidiary of Infosys Consulting Pte. Ltd.
[9] Majority owned and controlled subsidiary of Infosys Consulting Pte. Ltd.
[10] Wholly-owned subsidiary of WongDoody Holding Company Inc. (WongDoody)
[11] Wholly-owned subsidiary of Fluido Oy
[12] Wholly-owned subsidiary of Stater N.V
[13] Wholly-owned subsidiary of Stater Duitsland B.V.
[14] Majority owned and controlled subsidiary of Stater Participations B.V.
[15] Liquidated effective January 28, 2021.
[16] Wholly-owned subsidiary of Infosys Nova Holdings LLC
[17] Wholly-owned subsidiary of Outbox Systems Inc.
[18] Wholly-owned subsidiary of Simplus ANZ Pty Ltd
[19] Wholly-owned subsidiary of Simplus Australia Pty Ltd
[20] Wholly-owned subsidiary of Infosys Public Services, Inc.
[21] Liquidated effective July 17, 2020
[22] On June 1, 2020, Fluido Oy, acquired 100% of the voting interests in Infosys Fluido UK, Ltd. (formerly Simplus U.K., Ltd)
[23] Wholly-owned subsidiary of Infosys Fluido UK, Ltd. (formerly Simplus U.K., Ltd)
[24] Incorporated effective September 11, 2020.
[25] On October 1, 2020, Infy Consulting Company Limited acquired 100% of voting interests in GuideVision s.r.o
[26] Wholly-owned subsidiary of GuideVision s.r.o.
[27] On October 9, 2020, Infosys Nova Holdings LLC, acquired 100% voting interest in Kaleidoscope Animations, Inc.
[28] Wholly-owned subsidiary of Kaleidoscope Animations, Inc.
[29] Merged with Infosys Poland Sp. z.o.o, effective October 21, 2020

[30]On October 27, 2020, Infosys Nova Holding LLC, a wholly-owned subsidiary of Infosys Limited, acquired 100% voting interest in Blue Acorn iCi Inc (formerly Beringer Commerce Inc) and Beringer Capital Digital Group Inc

[31]Wholly-owned subsidiary of Blue Acorn iCi Inc

[32]Wholly-owned subsidiary of Beringer Commerce Holdings LLC

[33]Wholly-owned subsidiary of Beringer Capital Digital Group Inc.

[34] Liquidated effective November 19,2020

[35] Incorporated, effective December 9, 2020

[36] Merged into Fluido Sweden AB (Extero), effective December 18, 2020

[37] Merged into Stater Duitsland B.V., effective December 18, 2020

[38] Merged with Stater N.V., effective December 23, 2020

[39] On December 29, 2020, Stater Participation B.V acquired non-controlling interest of 28.01% of the voting interests in Stater Belgium NV/SA

[40] Incorporated on December 30, 2020.

[41] Under liquidation

[42] Liquidated effective March 9,2021

[43] Incorporated on March 23, 2021

[44] On March 28, 2021 Infosys Limited and Infosys Germany Holding Gmbh registered Infosys Automotive and Mobility GmbH & Co. KG, a partnership firm.

[45] Liquidated effective April 27,2021

[46] Incorporated on August 4, 2021

[47] Liquidated effective July 20, 2021

[48] Liquidated effective September 1, 2021

[49] Liquidated effective September 2, 2021

[50] Incorporated on August 31, 2021

[51] On December 14, 2021, Infosys Consulting Pte. Ltd., a wholly-owned subsidiary of Infosys Limited acquired 100% of voting interests in Infosys (Malaysia) SDN. BHD. (formerly Global Enterprise International (Malaysia) Sdn. Bhd.)

[52] Liquidated effective December 16, 2021

[53] Liquidated effective November 23, 2021

[54] Wholly-owned subsidiary of Infosys Limited, merged with WongDoody Inc, effective December 31, 2021

[55] Wholly-owned subsidiary of WongDoody Holding Company Inc. (WongDoody), merged with WongDoody Inc, effective December 31, 2021

[56] Wholly-owned subsidiary of Infosys Limited, effective December 31, 2021

[57] Merged with Beringer Commerce Holdings LLC, effective January 1, 2022

[58] Merged with Beringer Capital Digital Group Inc, effective January 1, 2022

[59] Merged with Blue Acorn iCi Inc, effective January 1, 2022

[60] Incorporated on February 20, 2022

[61] On March 17, 2022, Infosys Limited acquired non-controlling interest of 0.01% of the voting interests in Infosys BPM Limited.

[62] On March 22, 2022, Infosys Consulting Pte. Ltd., a wholly-owned subsidiary of Infosys Limited acquired 100% of voting interests in Infosys Germany GmbH (formerly Kristall 247. GmbH ("Kristall"))

Infosys has provided guarantee for performance of certain contracts entered into by its subsidiaries.

List of other related party

Particulars	Country	Nature of relationship
Infosys Limited Employees' Gratuity Fund Trust	India	Post-employment benefit plan of Infosys
Infosys Limited Employees' Provident Fund Trust	India	Post-employment benefit plan of Infosys
Infosys Limited Employees' Superannuation Fund Trust	India	Post-employment benefit plan of Infosys
Infosys BPM Limited Employees' Superannuation Fund Trust	India	Post-employment benefit plan of Infosys BPM
Infosys BPM Limited Employees' Gratuity Fund Trust	India	Post-employment benefit plan of Infosys BPM
EdgeVerve Systems Limited Employees' Gratuity Fund Trust	India	Post-employment benefit plan of EdgeVerve
EdgeVerve Systems Limited Employees' Superannuation Fund Trust	India	Post-employment benefit plan of EdgeVerve
Infosys Employees Welfare Trust	India	Controlled trust
Infosys Employee Benefits Trust	India	Controlled trust
Infosys Science Foundation	India	Controlled trust
Infosys Expanded Stock Ownership Trust [1]	India	Controlled trust
Infosys Foundation[2][3]	India	Trust jointly controlled by KMPs

Refer to Note 2.20 for information on transactions with post-employment benefit plans mentioned above.

[1] Registered on May 15, 2019

[2] Effective January 1, 2022

[3] During the quarter ended March 31, 2022 the group contributed ₹2 crore towards CSR.

List of key management personnel

Whole-time Directors

Salil Parekh, Chief Executive Officer and Managing Director

U.B. Pravin Rao, Chief Operating Officer (retired as a Chief Operating Officer and Whole-time director effective December 12, 2021)

Non-whole-time Directors

Nandan M. Nilekani

Micheal Gibbs

Kiran Mazumdar-Shaw

Roopa Kudva (retired as member of the Board effective February 3, 2020)

D.N. Prahlad (resigned as a member of the Board effective April 20, 2020)

D. Sundaram

Uri Levine (appointed as an independent director effective April 20, 2020)

Bobby Parikh (appointed as an independent director effective July 15, 2020)

Dr. Punita Kumar-Sinha (retired as member of the Board effective January 13, 2021)

Chitra Nayak (appointed as an independent director effective March 25, 2021)

Executive Officers

Nilanjan Roy, Chief Financial Officer

Mohit Joshi, President

Ravi Kumar S, President

Krishnamurthy Shankar, Group Head - Human Resources

Inderpreet Sawhney, Group General Counsel and Chief Compliance Officer

Company Secretary

A.G.S. Manikantha

Transaction with key management personnel:

The table below describes the compensation to key management personnel which comprise directors and executive officers:

(In ₹ crore)

Particulars	Year ended March 31,	
	2022	2021
Salaries and other employee benefits to whole-time directors and executive officers [(1)(2)]	134	144
Commission and other benefits to non-executive/independent directors	11	6
Total	**145**	**150**

(1) Total employee stock compensation expense for the year ended March 31, 2022 and March 31, 2021 includes a charge of ₹65 crore and ₹76 crore respectively, towards key managerial personnel. (Refer to Note 2.12)

(2) Does not include post-employment benefit based on actuarial valuation as this is done for the Company as a whole.

Additional information pursuant to para 2 of general instructions for the preparation of Consolidated Financial Statements

(In ₹ crore)

Name of entity	Net Assets		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	as %age of consolidated net assets	Amount	as %age of consolidated profit or loss	Amount	as %age of consolidated other comprehensive income	Amount	as %age of consolidated total comprehensive income	Amount
Infosys Ltd.	83.20%	69,306	87.5%	21,235	87.4%	(90)	87.5%	21,145
Indian Subsidiaries								
Infosys BPM Limited	5.8%	4,818	4.0%	960	19.4%	(20)	3.9%	940
EdgeVerve Systems Limited	1.0%	806	3.1%	750	(4.9%)	5	3.1%	755
Skava Systems Pvt. Ltd.	0.1%	76	0.0%	-	0.0%	-	0.0%	-
Foreign Subsidiaries								
Brilliant Basics Holdings Limited	0.1%	62	0.5%	116	0.0%	-	0.5%	116
Brilliant Basics Limited	0.0%	1	0.0%	2	0.0%	-	0.0%	2
iCiDIGITAL LLC	0.0%	-	0.0%	3	0.0%	-	0.0%	3
Blue Acorn LLC	0.0%	-	(0.0%)	(9)	0.0%	-	(0.0%)	(9)
Beringer Commerce Inc	0.1%	123	(0.0%)	(5)	0.0%	-	(0.0%)	(5)
Simply Commerce LLC	0.0%	-	0.0%	-	0.0%	-	0.0%	-
Beringer Capital Digital Group Inc	0.0%	-	0.0%	2	0.0%	-	0.0%	2
Beringer Commerce Holdings LLC	0.0%	-	0.0%	-	0.0%	-	0.0%	-
Mediotype LLC	0.0%	-	0.1%	17	0.0%	-	0.1%	17
SureSource LLC	0.0%	1	0.1%	14	0.0%	-	0.1%	14
Infosys BPO Americas LLC	0.0%	11	(0.3%)	(69)	0.0%	-	(0.3%)	(69)
Portland Group Pty Ltd	0.1%	65	0.1%	15	0.0%	-	0.1%	15
Fluido Denmark A/S	0.0%	5	0.0%	1	0.0%	-	0.0%	1
Fluido Oy	0.1%	115	0.0%	8	0.0%	-	0.0%	8
Fluido Norway A/S	0.0%	26	0.1%	17	0.0%	-	0.1%	17
Fluido Slovakia s.r.o.	0.0%	5	0.0%	1	0.0%	-	0.0%	1
Fluido Sweden AB	0.0%	5	0.0%	11	0.0%	-	0.0%	11
Infosys Fluido Ireland, Ltd.	0.0%	(1)	0.0%	3	0.0%	-	0.0%	3
Infosys Fluido U.K., Ltd.	0.0%	(12)	(0.0%)	(10)	0.0%	-	(0.0%)	(10)
GuideVision s.r.o.	0.1%	50	0.1%	22	0.0%	-	0.1%	22
GuideVision Deutschland GmbH	0.0%	4	(0.0%)	(1)	0.0%	-	(0.0%)	(1)
GuideVision Suomi Oy	0.0%	1	0.0%	1	0.0%	-	0.0%	1
GuideVision Magyarország Kft	0.0%	1	(0.0%)	(4)	0.0%	-	(0.0%)	(4)
GuideVision Polska SP.Z.O.O	0.0%	1	(0.0%)	(3)	0.0%	-	(0.0%)	(3)
GuideVision UK Ltd	0.0%	2	0.0%	2	0.0%	-	0.0%	2
Infosys Germany Holding GmbH	0.0%	2	0.0%	-	0.0%	-	0.0%	-
Infosys Chile SpA	0.0%	15	0.0%	5	0.0%	-	0.0%	5
Infosys Americas Inc.,	0.0%	1	0.0%	-	0.0%	-	0.0%	-
Infosys Austria GmbH	0.0%	4	0.0%	2	0.0%	-	0.0%	2
Infosys (Czech Republic) Limited s.r.o.	0.1%	106	0.1%	19	0.0%	-	0.1%	19
Infosys Limited Bulgaria	0.0%	1	0.0%	-	0.0%	-	0.0%	-
Infosys Technologies (China) Co. Limited	0.4%	334	0.3%	64	0.0%	-	0.3%	64
Infosys Technologies (Shanghai) Company Limited	0.8%	666	(0.3%)	(68)	0.0%	-	(0.3%)	(68)
HIPUS Co., Ltd.	0.1%	89	0.1%	28	0.0%	-	0.1%	28
Infosys Public Services, Inc. USA	0.9%	788	0.5%	117	0.0%	-	0.5%	117
Infosys Consulting S.R.L. (Argentina)	0.0%	(5)	(0.0%)	(8)	0.0%	-	(0.0%)	(8)
Infosys Management Consulting Pty Limited	0.1%	44	0.0%	10	0.0%	-	0.0%	10
Infosys Consulting (Belgium) NV	0.0%	(3)	0.0%	9	0.0%	-	0.0%	9
Infosys Consulting Ltda.	0.1%	104	0.1%	25	0.0%	-	0.1%	25
Infosys Consulting AG	0.1%	81	0.1%	24	0.0%	-	0.1%	24
Infosys Consulting (Shanghai) Co., Ltd.	0.0%	-	0.0%	1	0.0%	-	0.0%	1
Infosys Consulting s.r.o. v likvidaci	0.0%	-	0.0%	-	0.0%	-	0.0%	-
Infosys Consulting GmbH	0.1%	68	0.1%	29	0.0%	-	0.1%	29
Infosys Consulting SAS	0.0%	22	0.0%	10	0.0%	-	0.0%	10
Infy Consulting Company Ltd.	0.2%	190	0.1%	31	0.0%	-	0.1%	31
Infosys Consulting Holding AG	0.5%	423	0.3%	70	0.0%	-	0.3%	70
Infy Consulting B.V.	0.0%	36	0.0%	9	0.0%	-	0.0%	9
Infosys Consulting Sp. z.o.o.	0.0%	-	0.0%	-	0.0%	-	0.0%	-
Infosys Consulting S.R.L. (Romania)	0.1%	56	0.1%	18	0.0%	-	0.1%	18
Infosys Consulting Pte Limited	-0.7%	(590)	0.7%	162	0.0%	-	0.7%	162

Name of entity	Net Assets		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	as %age of consolidated net assets	Amount	as %age of consolidated profit or loss	Amount	as %age of consolidated other comprehensive income	Amount	as %age of consolidated total comprehensive income	Amount
Infosys Luxembourg S.a.r.l.	0.0%	7	0.0%	2	0.0%	-	0.0%	2
Infosys Technologies S. de R. L. de C. V.	0.4%	354	0.3%	62	0.0%	-	0.3%	62
Infosys Nova Holdings LLC	3.3%	2,745	(0.0%)	(12)	0.0%	-	(0.0%)	(12)
Infosys Poland Sp Z.o.o.	0.8%	676	0.4%	108	0.0%	-	0.4%	108
Infosys South Africa (Pty) Ltd	0.0%	-	0.0%	-	0.0%	-	0.0%	-
Infosys Arabia Limited	0.0%	3	0.0%	-	0.0%	-	0.0%	-
Infosys Technologies (Sweden) AB.	0.1%	94	0.2%	39	0.0%	-	0.2%	39
Infosys Compaz Pte. Ltd	0.2%	181	0.3%	62	0.0%	-	0.3%	62
Infosys Middle East FZ LLC	0.0%	(18)	0.0%	1	(1.9%)	2	0.0%	3
WDW Communications, Inc.	0.0%	-	(0.2%)	(38)	0.0%	-	(0.2%)	(38)
WongDoody Holding Company Inc.	0.0%	-	(0.0%)	(3)	0.0%	-	(0.0%)	(3)
WongDoody, Inc.	0.2%	180	0.4%	106	0.0%	-	0.4%	106
Kaleidoscope Animations	0.1%	76	0.1%	26	0.0%	-	0.1%	26
Kaleidoscope Prototyping	0.0%	12	0.0%	6	0.0%	-	0.0%	6
Panaya GmbH	0.0%	(1)	0.0%	-	0.0%	-	0.0%	-
Panaya Inc.	0.2%	142	0.0%	1	0.0%	-	0.0%	1
Panaya Ltd.	-0.8%	(629)	0.1%	36	0.0%	-	0.1%	36
Infosys McCamish Systems LLC	1.0%	843	1.0%	248	0.0%	-	1.0%	248
Simplus Philippines, Inc.	0.0%	9	0.0%	4	0.0%	-	0.0%	4
Simplus Australia Pty Ltd	0.0%	(30)	(0.0%)	(1)	0.0%	-	(0.0%)	(1)
Outbox systems Inc. dba Simplus (US)	0.1%	49	(0.1%)	(31)	0.0%	-	(0.1%)	(31)
Stater Belgium N.V./S.A.	0.1%	80	0.0%	10	0.0%	-	0.0%	10
HypoCasso B.V.	0.0%	24	0.0%	8	0.0%	-	0.0%	8
Stater Nederland B.V.	0.2%	190	0.4%	89	0.0%	-	0.4%	89
Stater N.V.	0.7%	606	0.8%	197	0.0%	-	0.8%	197
Stater Participations B.V.	-0.3%	(244)	0.0%	-	0.0%	-	0.0%	-
Stater XXL B.V.	0.0%	-	0.0%	-	0.0%	-	0.0%	-
Infosys Green Forum	0.3%	288	0.0%	5	0.0%	-	0.0%	5
Infosys Automotive and Mo	-0.3%	(270)	(1.2%)	(297)	0.0%	-	(1.2%)	(297)
Infosys Turkey Bilgi Tekn	0.0%	(1)	(0.0%)	(1)	0.0%	-	(0.0%)	(1)
Infosys (Malaysia) SDN. BHD.	0.0%	33	(0.0%)	(4)	0.0%	-	(0.0%)	(4)
Noah Consulting LLC	0.0%	1	0.0%	-	0.0%	-	0.0%	-
Stater GMBH	0.0%	(3)	(0.0%)	(3)	0.0%	-	(0.0%)	(3)
Subtotal	**100.0%**	**83,300**	**100.0%**	**24,256**	**100.0%**	**(103)**	**100.0%**	**24,153**
Adjustment arising out of consolidation		(8,182)		(2,158)		285		(1,873)
Controlled Trusts		232		48		-		48
		75,350		22,146		182		22,328
Non-controlling Interests		386		(36)		1		(35)
Total		**75,736**		**22,110**		**183**		**22,293**

2.26 SEGMENT REPORTING

Ind AS 108, Operating segments, establishes standards for the way that public business enterprises report information about operating segments and related disclosures about products and services, geographic areas, and major customers. The Group's operations predominantly relate to providing end-to-end business solutions to enable clients to enhance business performance. The Chief Operating Decision Maker evaluates the Group's performance and allocates resources based on an analysis of various performance indicators by business segments. Accordingly, information has been presented along business segments. The accounting principles used in the preparation of the financial statements are consistently applied to record revenue and expenditure in individual segments, and are as set out in the accounting policies.

Business segments of the Group are primarily enterprises in Financial Services and Insurance, enterprises in Manufacturing, enterprises in Retail, Consumer Packaged Goods and Logistics, enterprises in the Energy, Utilities, Resources and Services, enterprises in Communication, Telecom OEM and Media, enterprises in Hi-Tech, enterprises in Life Sciences and Healthcare and all other segments. The Financial services reportable segments has been aggregated to include the Financial Services operating segment and Finacle operating segment because of the similarity of the economic characteristics. All other segments represent the operating segments of businesses in India, Japan, China, Infosys Public Services & other enterprises in Public Services.

Revenue and identifiable operating expenses in relation to segments are categorized based on items that are individually identifiable to that segment. Revenue for 'all other segments' represents revenue generated by Infosys Public services and revenue generated from customers located in India, Japan and China and other enterprises in Public services. Allocated expenses of segments include expenses incurred for rendering services from the Group's offshore software development centers and onsite expenses, which are categorized in relation to the associated efforts of the segment. Certain expenses such as depreciation and amortization, which form a significant component of total expenses, are not specifically allocable to specific segments as the underlying assets are used interchangeably. The management believes that it is not practical to provide segment disclosures relating to those costs and expenses, and accordingly these expenses are separately disclosed as "unallocated" and adjusted against the total income of the Group.

Assets and liabilities used in the Group's business are not identified to any of the reportable segments, as these are used interchangeably between segments. The management believes that it is currently not practicable to provide segment disclosures relating to total assets and liabilities since a meaningful segregation of the available data is onerous.

Business segment revenue information is collated based on individual customers invoiced or in relation to which the revenue is otherwise recognized.

Disclosure of revenue by geographic locations is given in Note 2.18 Revenue from operations.

Business Segments

Year ended March 31, 2022 and *March 31, 2021* :

(In ₹ crore)

Particulars	Financial Services [1]	Retail [2]	Communication [3]	Energy, Utilities, Resources and Services	Manufacturing	Hi-Tech	Life Sciences [4]	All other segments [5]	Total
Revenue from operations	**38,902**	**17,734**	**15,182**	**14,484**	**13,336**	**10,036**	**8,517**	**3,450**	**121,641**
	32,583	*14,745*	*12,628*	*12,539*	*9,447*	*8,560*	*6,870*	*3,100*	*100,472*
Identifiable operating expenses	**22,119**	**8,632**	**9,179**	**7,673**	**8,457**	**5,952**	**4,840**	**2,357**	**69,209**
	17,612	*6,937*	*7,349*	*6,500*	*4,996*	*4,804*	*3,516*	*1,919*	*53,633*
Allocated expenses	**6,469**	**2,972**	**2,631**	**2,586**	**2,471**	**1,589**	**1,297**	**926**	**20,941**
	6,025	*2,691*	*2,484*	*2,487*	*1,888*	*1,302*	*1,198*	*875*	*18,950*
Segmental operating income	**10,314**	**6,130**	**3,372**	**4,225**	**2,408**	**2,495**	**2,380**	**167**	**31,491**
	8,946	*5,117*	*2,795*	*3,552*	*2,563*	*2,454*	*2,156*	*306*	*27,889*
Unallocable expenses									**3,476**
									3,267
Other income, net *(Refer to Note 2.19)*									**2,295**
									2,201
Finance cost									**200**
									195
Profit before tax									**30,110**
									26,628
Income tax expense									**7,964**
									7,205
Net Profit									**22,146**
									19,423
Depreciation and amortization expense									**3,476**
									3,267
Non-cash expenses other than depreciation and amortization									-
									-

[1] *Financial Services include enterprises in Financial Services and Insurance*

[2] *Retail includes enterprises in Retail, Consumer Packaged Goods and Logistics*

[3] *Communication includes enterprises in Communication, Telecom OEM and Media*

[4] *Life Sciences includes enterprises in Life sciences and Health care*

[5] *Others include operating segments of businesses in India, Japan, China, Infosys Public Services & other enterprises in Public Services*

Significant clients

No client individually accounted for more than 10% of the revenues in the year ended March 31, 2022 and March 31, 2021.

2.27 FUNCTION WISE CLASSIFICATION OF CONSOLIDATED STATEMENT OF PROFIT AND LOSS

(In ₹ crore)

Particulars	Note No.	Year ended March 31, 2022	Year ended March 31, 2021
Revenue from operations	2.18	121,641	100,472
Cost of Sales		81,998	65,413
Gross profit		**39,643**	**35,059**
Operating expenses			
Selling and marketing expenses		5,156	4,627
General and administration expenses		6,472	5,810
Total operating expenses		11,628	10,437
Operating profit		**28,015**	**24,622**
Other income, net	2.19	2,295	2,201
Finance cost		200	195
Profit before tax		**30,110**	**26,628**
Tax expense:			
Current tax	2.17	7,811	6,672
Deferred tax	2.17	153	533
Profit for the period		**22,146**	**19,423**
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss			
Remeasurement of the net defined benefit liability/asset	2.22	(85)	134
Equity instruments through other comprehensive income, net	2.5	96	119
		11	**253**
Items that will be reclassified subsequently to profit or loss			
Fair value changes on derivatives designated as cash flow hedge, net	2.11	(8)	25
Exchange differences on translation of foreign operations, net		228	130
Fair value changes on investments, net	2.5	(49)	(102)
		171	**53**
Total other comprehensive income / (loss), net of tax		**182**	**306**
Total comprehensive income for the period		**22,328**	**19,729**
Profit attributable to:			
Owners of the Company		22,110	19,351
Non-controlling interests		36	72
		22,146	**19,423**
Total comprehensive income attributable to:			
Owners of the Company		22,293	19,651
Non-controlling interests		35	78
		22,328	**19,729**

for and on behalf of the Board of Directors of Infosys Limited

Nandan M. Nilekani
Chairman

Salil Parekh
Chief Executive Officer and Managing Director

D. Sundaram
Director

Nilanjan Roy
Chief Financial Officer

Jayesh Sanghrajka
Executive Vice President and Deputy Chief Financial Officer

A.G.S. Manikantha
Company Secretary

Bengaluru
April 13, 2022

Deloitte Haskins & Sells LLP

Chartered Accountants
Prestige Trade Tower, Level 19
46, Palace Road, High Grounds,
Bengaluru – 560 001
Karnataka, India

Tel: +91 (80) 6188 6000
Fax: +91 (80) 6188 6011

INDEPENDENT AUDITOR'S REPORT

TO THE BOARD OF DIRECTORS OF INFOSYS LIMITED

Report on the Audit of the Interim Condensed Consolidated Financial Statements

Opinion

We have audited the accompanying interim condensed consolidated financial statements of **INFOSYS LIMITED** (the "Company") and its subsidiaries (the Company and its subsidiaries together referred to as the "Group"), which comprise the Condensed Consolidated Balance Sheet as at March 31, 2022, the Condensed Consolidated Statement of Profit and Loss (including Other Comprehensive Income) for the three months and year ended on that date, the Condensed Consolidated Statement of Changes in Equity and the Condensed Consolidated Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as the "interim condensed consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid interim condensed consolidated financial statements give a true and fair view in conformity with Indian Accounting Standard 34 Interim Financial Reporting ("Ind AS 34") prescribed under section 133 of the Companies Act, 2013 (the "Act'), read with relevant rules issued thereunder and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2022, and their consolidated profit, their consolidated total comprehensive income for the three months and year ended on that date, consolidated changes in equity and the consolidated cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the interim condensed consolidated financial statements in accordance with the Standards on Auditing ("SA"s) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Interim Condensed Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the interim condensed consolidated financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the Interim Condensed Consolidated Financial Statements.

Management's Responsibilities for the Interim Condensed Consolidated Financial Statements

The Company's Board of Directors is responsible for the preparation and presentation of these interim condensed consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated total comprehensive income, consolidated changes in equity and consolidated cash flows of the Group in accordance with the Ind AS 34 and other accounting principles generally accepted in India. The respective Boards of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the respective interim financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error which have been used for the purpose of preparation of the interim condensed consolidated financial statements by the Directors of the Company, as aforesaid.

In preparing the interim condensed consolidated financial statements, the respective Boards of Directors of the companies included in the Group are responsible for assessing the ability of the respective entities to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Boards of Directors either intends to liquidate their own respective entities or to cease operations, or have no realistic alternative but to do so.

The respective Boards of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of the Group.

Auditor's Responsibilities for the Audit of the Interim Condensed Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the interim condensed consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these interim condensed consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the interim condensed consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the interim condensed consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the interim condensed consolidated financial statements, including the disclosures, and whether the interim condensed consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities within the Group to express an opinion on the interim condensed consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the interim condensed consolidated financial statements of which we are independent auditors.

Materiality is the magnitude of misstatements in the interim condensed consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the interim condensed consolidated financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the interim condensed consolidated financial statements.

We communicate with those charged with governance of the Company and such other entities included in the interim condensed consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Sanjiv V. Pilgaonkar
Partner
(Membership No.039826)
UDIN:

Place: Bengaluru
Date: April 13, 2022

INFOSYS LIMITED AND SUBSIDIARIES

Condensed Consolidated Financial Statements under Indian Accounting Standards (Ind AS) for the three months and year ended ended March 31, 2022

Index **Page No.**

INFOSYS LIMITED AND SUBSIDIARIES

(In ₹ crore)

Condensed Consolidated Balance Sheets as at	Note	March 31, 2022	March 31, 2021
ASSETS			
Non-current assets			
Property, plant and equipment	2.2	13,075	12,560
Right-of-use assets	2.19	4,823	4,794
Capital work-in-progress		416	922
Goodwill	2.3	6,195	6,079
Other intangible assets		1,707	2,072
Financial assets:			
Investments	2.4	13,651	11,863
Loans	2.5	34	32
Other financial assets	2.6	1,460	1,141
Deferred tax assets (net)		1,212	1,098
Income tax assets (net)		6,098	5,811
Other non-current assets	2.9	2,029	1,281
Total non-current assets		**50,700**	**47,653**
Current assets			
Financial assets:			
Investments	2.4	6,673	2,342
Trade receivables	2.7	22,698	19,294
Cash and cash equivalents	2.8	17,472	24,714
Loans	2.5	248	159
Other financial assets	2.6	8,727	6,410
Income tax assets (net)		54	—
Other Current assets	2.9	11,313	7,814
Total current assets		**67,185**	**60,733**
Total assets		**117,885**	**108,386**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	2.11	2,098	2,124
Other equity		73,252	74,227
Total equity attributable to equity holders of the Company		**75,350**	**76,351**
Non-controlling interests		386	431
Total equity		**75,736**	**76,782**
Liabilities			
Non-current liabilities			
Financial Liabilities			
Lease liabilities	2.19	4,602	4,587
Other financial liabilities	2.12	2,337	1,514
Deferred tax liabilities (net)		1,156	875
Other non-current liabilities	2.13	451	763
Total non-current liabilities		**8,546**	**7,739**
Current liabilities			
Financial Liabilities			
Lease liabilities	2.19	872	738
Trade payables		4,134	2,645
Other financial liabilities	2.12	15,837	11,390
Other current liabilities	2.13	9,178	6,233
Provisions	2.14	975	713
Income tax liabilities (net)		2,607	2,146
Total current liabilities		**33,603**	**23,865**
Total equity and liabilities		**117,885**	**108,386**

The accompanying notes form an integral part of the interim condensed consolidated financial statements

As per our report of even date attached

for Deloitte Haskins & Sells LLP
Chartered Accountants
Firm's Registration No :
117366W/ W-100018

for and on behalf of the Board of Directors of Infosys Limited

Sanjiv V. Pilgaonkar
Partner
Membership No. 039826

Nandan M. Nilekani
Chairman

Salil Parekh
Chief Executive Officer and Managing Director

D. Sundaram
Director

Bengaluru
April 13, 2022

Nilanjan Roy
Chief Financial Officer

Jayesh Sanghrajka
Executive Vice President and Deputy Chief Financial Officer

A.G.S. Manikantha
Company Secretary

INFOSYS LIMITED AND SUBSIDIARIES

(In ₹ crore, except equity share and per equity share data)

Condensed Consolidated Statement of Profit and Loss for the	Note No.	Three months ended March 31,		Year ended March 31,	
		2022	2021	2022	2021
Revenue from operations	2.16	32,276	26,311	121,641	100,472
Other income, net	2.17	637	545	2,295	2,201
Total income		**32,913**	**26,856**	**123,936**	**102,673**
Expenses					
Employee benefit expenses	2.18	16,658	14,440	63,986	55,541
Cost of technical sub-contractors		3,588	1,985	12,606	7,084
Travel expenses		309	161	827	554
Cost of software packages and others	2.18	2,268	1,072	6,811	4,223
Communication expenses		170	146	611	634
Consultancy and professional charges		521	395	1,885	1,261
Depreciation and amortization expenses		890	831	3,476	3,267
Finance cost		50	50	200	195
Other expenses	2.18	916	841	3,424	3,286
Total expenses		**25,370**	**19,921**	**93,826**	**76,045**
Profit before tax		**7,543**	**6,935**	**30,110**	**26,628**
Tax expense:					
Current tax	2.15	1,825	1,662	7,811	6,672
Deferred tax	2.15	23	195	153	533
Profit for the period		**5,695**	**5,078**	**22,146**	**19,423**
Other comprehensive income					
Items that will not be reclassified subsequently to profit or loss					
Remeasurement of the net defined benefit liability/asset, net		(13)	(146)	(85)	134
Equity instruments through other comprehensive income, net		55	9	96	119
		42	**(137)**	**11**	**253**
Items that will be reclassified subsequently to profit or loss					
Fair value changes on derivatives designated as cash flow hedge, net		(12)	26	(8)	25
Exchange differences on translation of foreign operations		137	(266)	228	130
Fair value changes on investments, net		(65)	(137)	(49)	(102)
		60	**(377)**	**171**	**53**
Total other comprehensive income /(loss), net of tax		**102**	**(514)**	**182**	**306**
Total comprehensive income for the period		**5,797**	**4,564**	**22,328**	**19,729**
Profit attributable to:					
Owners of the Company		5,686	5,076	22,110	19,351
Non-controlling interests		9	2	36	72
		5,695	**5,078**	**22,146**	**19,423**
Total comprehensive income attributable to:					
Owners of the Company		5,787	4,570	22,293	19,651
Non-controlling interests		10	(6)	35	78
		5,797	**4,564**	**22,328**	**19,729**
Earnings per Equity share					
Equity shares of par value ₹5/- each					
Basic (₹)		13.56	11.96	52.52	45.61
Diluted (₹)		13.54	11.94	52.41	45.52
Weighted average equity shares used in computing earnings per equity share	2.20				
Basic		4,191,743,339	4,243,805,540	4,209,546,724	4,242,416,665
Diluted		4,199,791,086	4,251,783,840	4,218,525,134	4,250,732,467

The accompanying notes form an integral part of the interim condensed consolidated financial statements

As per our report of even date attached

for Deloitte Haskins & Sells LLP
Chartered Accountants
Firm's Registration No :
117366W/ W-100018

for and on behalf of the Board of Directors of Infosys Limited

Sanjiv V. Pilgaonkar
Partner
Membership No. 039826

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Chief Executive Officer and Managing Director

D. Sundaram
Director

Bengaluru
April 13, 2022

Nilanjan Roy
Chief Financial Officer

Jayesh Sanghrajka
Executive Vice President and Deputy Chief Financial Officer

A.G.S. Manikantha
Company Secretary

INFOSYS LIMITED AND SUBSIDIARIES

Condensed Consolidated Statement of Changes in Equity

(In ₹ crore)

Particulars		OTHER EQUITY														
		RESERVES & SURPLUS								Other comprehensive income						
	Equity Share capital [1]	Capital reserve	Capital redemption reserve	Securities Premium	Retained earnings	General reserve	Share Options Outstanding Account	Special Economic Zone Re-investment reserve [2]	Other reserves [3]	Equity instruments through other comprehensive income	Exchange differences on translating the financial statements of a foreign operation	Effective portion of Cash Flow Hedges	Other items of other comprehensive income / (loss)	Total equity attributable to equity holders of the Company	Non-controlling interest	Total equity
Balance as at April 1, 2020	**2,122**	**54**	**111**	**282**	**56,309**	**1,158**	**297**	**4,070**	**6**	**39**	**1,207**	**(15)**	**(190)**	**65,450**	**394**	**65,844**
Changes in equity for the year ended March 31, 2021																
Profit for the period	—	—	—	—	19,351	—	—	—	—	—	—	—	—	19,351	72	19,423
Remeasurement of the net defined benefit liability/asset, net*	—	—	—	—	—	—	—	—	—	—	—	—	134	134	—	134
Equity instruments through other comprehensive income, net*	—	—	—	—	—	—	—	—	—	119	—	—	—	119	—	119
Fair value changes on derivatives designated as cash flow hedge, net*	—	—	—	—	—	—	—	—	—	—	—	25	—	25	—	25
Exchange differences on translation of foreign operations	—	—	—	—	—	—	—	—	—	—	124	—	—	124	6	130
Fair value changes on investments, net*	—	—	—	—	—	—	—	—	—	—	—	—	(102)	(102)	—	(102)
Total Comprehensive income for the period	**—**	**—**	**—**	**—**	**19,351**	**—**	**—**	**—**	**—**	**119**	**124**	**25**	**32**	**19,651**	**78**	**19,729**
Shares issued on exercise of employee stock options *(Refer to Note 2.11)*	2	—	—	13	—	—	—	—	—	—	—	—	—	15	—	15
Employee stock compensation expense *(Refer to Note 2.11)*	—	—	—	—	—	—	253	—	—	—	—	—	—	253	—	253
Transfer on account of exercise of stock options	—	—	—	260	—	—	(260)	—	—	—	—	—	—	—	—	—
Transfer on account of options not exercised	—	—	—	—	—	3	(3)	—	—	—	—	—	—	—	—	—
Effect of modification of share based payment awards	—	—	—	—	—	—	85	—	—	—	—	—	—	85	—	85
Income tax benefit arising on exercise of stock options	—	—	—	45	—	—	—	—	—	—	—	—	—	45	—	45
Dividends paid to non controlling interest of subsidiary	—	—	—	—	—	—	—	—	—	—	—	—	—	—	(20)	(20)
Payment towards acquisition of minority interest	—	—	—	—	(28)	—	—	—	—	—	—	—	—	(28)	(21)	(49)
Dividends [1]	—	—	—	—	(9,120)	—	—	—	—	—	—	—	—	(9,120)	—	(9,120)
Transfer to general reserve	—	—	—	—	(1,554)	1,554	—	—	—	—	—	—	—	—	—	—
Transferred to Special Economic Zone Re-investment reserve	—	—	—	—	(3,354)	—	—	3,354	—	—	—	—	—	—	—	—
Transferred from Special Economic Zone Re-investment reserve on utilization	—	—	—	—	1,039	—	—	(1,039)	—	—	—	—	—	—	—	—
Balance as at March 31, 2021	**2,124**	**54**	**111**	**600**	**62,643**	**2,715**	**372**	**6,385**	**6**	**158**	**1,331**	**10**	**(158)**	**76,351**	**431**	**76,782**

Condensed Consolidated Statement of Changes in Equity (contd.)

(In ₹ crore)

Particulars	Equity Share capital [1]	OTHER EQUITY: RESERVES & SURPLUS: Capital reserve	Capital redemption reserve	Securities Premium	Retained earnings	General reserve	Share Options Outstanding Account	Special Economic Zone Re-investment reserve [2]	Other reserves [3]	Other comprehensive income: Equity instruments through other comprehensive income	Exchange differences on translating the financial statements of a foreign operation	Effective portion of Cash Flow Hedges	Other items of other comprehensive income / (loss)	Total equity attributable to equity holders of the Company	Non-controlling interest	Total equity
Balance as at April 1, 2021	**2,124**	**54**	**111**	**600**	**62,643**	**2,715**	**372**	**6,385**	**6**	**158**	**1,331**	**10**	**(158)**	**76,351**	**431**	**76,782**
Changes in equity for the nine months ended March 31, 2022																
Profit for the period	—	—	—	—	22,110	—	—	—	—	—	—	—	—	22,110	36	22,146
Remeasurement of the net defined benefit liability/asset, net*	—	—	—	—	—	—	—	—	—	—	—	—	(85)	(85)	—	(85)
Equity instruments through other comprehensive income, net*	—	—	—	—	—	—	—	—	—	96	—	—	—	96	—	96
Fair value changes on derivatives designated as cash flow hedge, net*	—	—	—	—	—	—	—	—	—	—	—	(8)	—	(8)	—	(8)
Exchange differences on translation of foreign operations	—	—	—	—	—	—	—	—	—	—	229	—	—	229	(1)	228
Fair value changes on investments, net*	—	—	—	—	—	—	—	—	—	—	—	—	(49)	(49)	—	(49)
Total Comprehensive income for the period	**—**	**—**	**—**	**—**	**22,110**	**—**	**—**	**—**	**—**	**96**	**229**	**(8)**	**(134)**	**22,293**	**35**	**22,328**
Shares issued on exercise of employee stock options *(Refer to Note 2.11)*	2	—	—	19	—	—	—	—	—	—	—	—	—	21	—	21
Employee stock compensation expense *(Refer to Note 2.11)*	—	—	—	—	—	—	393	—	—	—	—	—	—	393	—	393
Buyback of equity shares *(Refer to Note 2.11)* **	(28)	—	—	(640)	(8,822)	(1,603)	—	—	—	—	—	—	—	(11,093)	—	(11,093)
Transaction costs relating to buyback*	—	—	—	—	—	(24)	—	—	—	—	—	—	—	(24)	—	(24)
Amount transferred to capital redemption reserve upon buyback	—	—	28	—	—	(28)	—	—	—	—	—	—	—	—	—	—
Transfer to legal reserve	—	—	—	—	(10)	—	—	—	10	—	—	—	—	—	—	—
Transfer on account of exercise of stock options	—	—	—	218	—	—	(218)	—	—	—	—	—	—	—	—	—
Transfer on account of options not exercised	—	—	—	—	—	1	(1)	—	—	—	—	—	—	—	—	—
Income tax benefit arising on exercise of stock options	—	—	—	3	—	—	60	—	—	—	—	—	—	63	—	63
Changes in the controlling stake of the subsidiary	—	—	—	—	1		—	—	—	—	—	—	—	1	(1)	—
Dividends [1]	—	—	—	—	(12,655)	—	—	—	—	—	—	—	—	(12,655)	—	(12,655)
Dividends paid to non controlling interest of subsidiary	—	—	—	—	—	—	—	—	—	—	—	—	—	—	(79)	(79)
Transferred to Special Economic Zone Re-investment reserve	—	—	—	—	(3,054)	—	—	3,054	—	—	—	—	—	—	—	—
Transferred from Special Economic Zone Re-investment reserve on utilization	—	—	—	—	1,100	—	—	(1,100)	—	—	—	—	—	—	—	—
Balance as at March 31, 2022	**2,098**	**54**	**139**	**200**	**61,313**	**1,061**	**606**	**8,339**	**16**	**254**	**1,560**	**2**	**(292)**	**75,350**	**386**	**75,736**

** Net of tax*

*** Including tax on buyback of ₹ 1,893 crore*

[1] *Net of treasury shares 1,37,25,712*

[2] *The Special Economic Zone Re-investment Reserve has been created out of the profit of eligible SEZ units in terms of the provisions of Sec 10AA(1)(ii) of Income Tax Act, 1961. The reserve should be utilized by the Group for acquiring new plant and machinery for the purpose of its business in the terms of the Sec 10AA(2) of the Income Tax Act, 1961.*

[3] *Under the Swiss Code of Obligation, few subsidiaries of Infosys Lodestone are required to appropriate a certain percentage of the annual profit to legal reserve which may be used only to cover losses or for measures designed to sustain the Company through difficult times, to prevent unemployment or to mitigate its consequences.*

The accompanying notes form an integral part of the interim condensed consolidated financial statements.

As per our report of even date attached
for Deloitte Haskins & Sells LLP
Chartered Accountants
Firm's Registration No :
117366W/ W-100018

for and on behalf of the Board of Directors of Infosys Limited

Sanjiv V. Pilgaonkar
Partner
Membership No. 039826

Nandan M. Nilekani
Chairman

Salil Parekh
Chief Executive Officer and Managing Director

D. Sundaram
Director

Bengaluru
April 13, 2022

Nilanjan Roy
Chief Financial Officer

Jayesh Sanghrajka
Executive Vice President and Deputy Chief Financial Officer

A.G.S. Manikantha
Company Secretary

INFOSYS LIMITED AND SUBSIDIARIES

Condensed Consolidated Statement of Cash Flows

Accounting policy

Cash flows are reported using the indirect method, whereby profit for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Group are segregated. The Group considers all highly liquid investments that are readily convertible to known amounts of cash to be cash equivalents.

(In ₹ crore)

Particulars	**Note No.**	**Year ended March 31,**	
		2022	**2021**
Cash flow from operating activities			
Profit for the period		22,146	19,423
Adjustments to reconcile net profit to net cash provided by operating activities:			
Income tax expense	2.15	7,964	7,205
Depreciation and amortization		3,476	3,267
Interest and dividend income	2.17	(1,645)	(1,615)
Finance cost		200	195
Impairment loss recognized / (reversed) under expected credit loss model		170	190
Exchange differences on translation of assets and liabilities, net		119	(62)
Stock compensation expense	2.11	415	333
Other adjustments		76	(91)
Changes in assets and liabilities			
Trade receivables and unbilled revenue		(7,937)	(1,835)
Loans, other financial assets and other assets		(1,914)	(534)
Trade payables		1,489	(245)
Other financial liabilities, other liabilities and provisions		6,938	3,382
Cash generated from operations		**31,497**	**29,613**
Income taxes paid		(7,612)	(6,389)
Net cash generated by operating activities		**23,885**	**23,224**
Cash flows from investing activities			
Expenditure on property, plant and equipment and intangibles		(2,161)	(2,107)
Deposits placed with corporation		(906)	(725)
Redemption of deposits placed with Corporation		753	518
Interest and dividend received		1,898	1,418
Payment towards acquisition of business, net of cash acquired		—	(1,221)
Payment of contingent consideration pertaining to acquisition of business		(53)	(158)
Escrow and other deposits pertaining to Buyback	2.6	(420)	—
Redemption of escrow and other deposits pertaining to Buyback	2.6	420	—
Other receipts		67	49
Other payments		(22)	(45)
Payments to acquire Investments			
Tax free bonds and government bonds		—	(318)
Liquid mutual funds and fixed maturity plan securities		(54,064)	(35,196)
Non convertible debentures		(1,609)	(3,689)
Certificates of deposit		(4,184)	—
Government securities		(4,254)	(7,510)
Others		(24)	(25)
Proceeds on sale of Investments			
Tax free bonds and government bonds		20	
Non-convertible debentures		2,201	1,251
Government securities		1,457	2,704
Certificates of deposit		787	1,149
Liquid mutual funds and fixed maturity plan securities		53,669	36,353
Preference and equity securities		—	73
Others		9	23
Net cash (used in) / from investing activities		**(6,416)**	**(7,456)**

Cash flows from financing activities:			
Payment of lease liabilities		(915)	(698)
Payment of dividends		(12,652)	(9,117)
Payment of dividend to non-controlling interest of subsidiary		(79)	(20)
Shares issued on exercise of employee stock options		21	15
Payment towards purchase of non-controlling interest		(2)	(49)
Other receipts		236	83
Other payments		(126)	—
Buyback of equity shares including transaction cost and tax on buyback		(11,125)	—
Net cash used in financing activities		**(24,642)**	**(9,786)**
Net increase / (decrease) in cash and cash equivalents		(7,173)	5,982
Cash and cash equivalents at the beginning of the period	2.8	24,714	18,649
Effect of exchange rate changes on cash and cash equivalents		(69)	83
Cash and cash equivalents at the end of the period	2.8	**17,472**	**24,714**
Supplementary information:			
Restricted cash balance	2.8	471	504

The accompanying notes form an integral part of the interim condensed consolidated financial statements

As per our report of even date attached
for Deloitte Haskins & Sells LLP
Chartered Accountants
Firm's Registration No :
117366W/ W-100018

for and on behalf of the Board of Directors of Infosys Limited

Sanjiv V. Pilgaonkar
Partner
Membership No. 039826

Nandan M. Nilekani
Chairman

Salil Parekh
Chief Executive Officer and Managing Director

D. Sundaram
Director

Bengaluru
April 13, 2022

Nilanjan Roy
Chief Financial Officer

Jayesh Sanghrajka
Executive Vice President and Deputy Chief Financial Officer

A.G.S. Manikantha
Company Secretary

INFOSYS LIMITED AND SUBSIDIARIES

Overview and notes to the interim condensed Consolidated financial statements

1. Overview

1.1 Company overview

Infosys Limited ('the Company' or Infosys) provides consulting, technology, outsourcing and next-generation digital services, to enable clients to execute strategies for their digital transformation. Infosys strategic objective is to build a sustainable organization that remains relevant to the agenda of clients, while creating growth opportunities for employees and generating profitable returns for investors. Infosys strategy is to be a navigator for our clients as they ideate, plan and execute on their journey to a digital future.

Infosys together with its subsidiaries and controlled trusts is hereinafter referred to as 'the Group'.

The Company is a public limited company incorporated and domiciled in India and has its registered office at Electronics city, Hosur Road, Bengaluru 560100, Karnataka, India. The Company has its primary listings on the BSE Ltd. and National Stock Exchange of India Limited. The Company's American Depositary Shares (ADS) representing equity shares are listed on the New York Stock Exchange (NYSE).

The Group's interim condensed consolidated financial statements are approved for issue by the Company's Board of Directors on April 13, 2022.

1.2 Basis of preparation of financial statements

These interim condensed consolidated financial statements are prepared in accordance with Indian Accounting Standard (Ind AS) 34 Interim Financial Reporting, under the historical cost convention on accrual basis except for certain financial instruments which are measured at fair values, the provisions of the Companies Act, 2013 ('the Act') and guidelines issued by the Securities and Exchange Board of India (SEBI). Accordingly, these interim condensed consolidated financial statements do not include all the information required for a complete set of financial statements. These interim condensed consolidated financial statements should be read in conjunction with the consolidated financial statements and related notes included in the Company's Annual Report for the year ended March 31, 2021. The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued thereafter.

As the quarter and year-to-date figures are taken from the source and rounded to the nearest digits, the quarter figures in this statement added up to the figures reported for the previous quarters might not always add up to the year-to-date figures reported in this statement.

1.3 Basis of consolidation

Infosys consolidates entities which it owns or controls. The interim condensed consolidated financial statements comprise the financial statements of the Company, its controlled trusts and its subsidiaries. Control exists when the parent has power over the entity, is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns by using its power over the entity. Power is demonstrated through existing rights that give the ability to direct relevant activities, those which significantly affect the

The financial statements of the Group companies are consolidated on a line-by-line basis and intra-group balances and transactions including unrealized gain / loss from such transactions are eliminated upon consolidation. These financial statements are prepared by applying uniform accounting policies in use at the Group. Non-controlling interests which represent part of the net profit or loss and net

1.4 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. Application of accounting policies that require critical accounting estimates involving complex and subjective judgments and the use of assumptions in these financial statements have been disclosed in *Note no. 1.5* . Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as the Management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates and judgments are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the interim condensed consolidated financial statements.

Estimation of uncertainties relating to the global health pandemic from COVID-19 (COVID-19):

The Group has considered the possible effects that may result from COVID-19 pandemic in the preparation of these interim condensed consolidated financial statements including the recoverability of carrying amounts of financial and non financial assets. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of the COVID-19 pandemic, the Group has, at the date of approval of these condensed financial statements, used internal and external sources of information including credit reports and related information and economic forecasts and expects that the carrying amount of these assets will be recovered. The impact of COVID-19 pandemic on the Group's financial statements may differ from that estimated as at the date of approval of these interim condensed consolidated financial statements.

1.5 Critical accounting estimates and judgments

a. Revenue recognition

The Group’s contracts with customers include promises to transfer multiple products and services to a customer. Revenues from customer contracts are considered for recognition and measurement when the contract has been approved, in writing, by the parties to the contract, the parties to contract are committed to perform their respective obligations under the contract, and the contract is legally enforceable. The Group assesses the services promised in a contract and identifies distinct performance obligations in the contract. Identification of distinct performance obligations to determine the deliverables and the ability of the customer to benefit independently from such deliverables, and allocation of transaction price to these distinct performance obligations involves significant judgment.

Fixed price maintenance revenue is recognized ratably on a straight-line basis when services are performed through an indefinite number of repetitive acts over a specified period. Revenue from fixed price maintenance contract is recognized ratably using a percentage of completion method when the pattern of benefits from the services rendered to the customer and the Group’s costs to fulfil the contract is not even through the period of the contract because the services are generally discrete in nature and not repetitive. The use of method to recognize the maintenance revenues requires judgment and is based on the promises in the contract and nature of the deliverables.

The Group uses the percentage-of-completion method in accounting for other fixed-price contracts. Use of the percentage-of-completion method requires the Group to determine the actual efforts or costs expended to date as a proportion of the estimated total efforts or costs to be incurred. Efforts or costs expended have been used to measure progress towards completion as there is a direct relationship between input and productivity. The estimation of total efforts or costs involves significant judgment and is assessed throughout the period of the contract to reflect any changes based on the latest available information.

Provisions for estimated losses, if any, on incomplete contracts are recorded in the period in which such losses become probable based on the estimated efforts or costs to complete the contract.

b. Income taxes

The Group's two major tax jurisdictions are India and the U.S., though the Company also files tax returns in other overseas jurisdictions.

Significant judgments are involved in determining the provision for income taxes, including amount expected to be paid / recovered for uncertain tax positions.

In assessing the realizability of deferred income tax assets, the Management considers whether some portion or all of the deferred income tax assets will not be realized. The ultimate realization of deferred income tax assets is dependent upon the generation of future taxable income during the periods in which the temporary differences become deductible. Management considers the scheduled reversals of deferred income tax liabilities, projected future taxable income and tax planning strategies in making this assessment. Based on the level of historical taxable income and projections for future taxable income over the periods in which the deferred income tax assets are deductible, the Management believes that the Group will realize the benefits of those deductible differences. The amount of the deferred income tax assets considered realizable, however, could be reduced in the near term if estimates of future taxable income during the carry forward period are reduced *(Refer to Notes 2.15 and 2.21)* .

c. Business combinations and intangible assets

Business combinations are accounted for using Ind AS 103, Business Combinations. Ind AS 103 requires the identifiable intangible assets and contingent consideration to be fair valued in order to ascertain the net fair value of identifiable assets, liabilities and contingent liabilities of the acquiree. Estimates are required to be made in determining the value of contingent consideration, value of option arrangements and intangible assets. These valuations are conducted by external valuation experts. These measurements are based on information available at the acquisition date and are based on expectations and assumptions that have been deemed reasonable by the Management.

d. Property, plant and equipment

Property, plant and equipment represent a significant proportion of the asset base of the Group. The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of Group's assets are determined by the Management at the time the asset is acquired and reviewed periodically, including at each financial year end. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology *(Refer to Note 2.2)* .

e. Impairment of Goodwill

Goodwill is tested for impairment on an annual basis and whenever there is an indication that the recoverable amount of a cash generating unit (CGUs) is less than its carrying amount. For the impairment test, goodwill is allocated to the CGU or groups of CGUs which benefit from the synergies of the acquisition and which represent the lowest level at which goodwill is monitored for internal management purposes.

The recoverable amount of CGUs is determined based on higher of value-in-use and fair value less cost to sell. Key assumptions in the cash flow projections are prepared based on current economic conditions and comprises estimated long term growth rates, weighted

1.6 Recent accounting pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 23, 2022, MCA amended the Companies (Indian Accounting

Ind AS 16 – Property Plant and equipment - The amendment clarifies that excess of net sale proceeds of items produced over the cost of testing, if any, shall not be recognised in the profit or loss but deducted from the directly attributable costs considered as part of cost of an item of property, plant, and equipment. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2022. The Group has evaluated the amendment and there is no impact on its consolidated financial statements.

Ind AS 37 – Provisions, Contingent Liabilities and Contingent Assets – The amendment specifies that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract). The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2022, although early

2.1 BUSINESS COMBINATIONS

Accounting policy

Business combinations have been accounted for using the acquisition method under the provisions of Ind AS 103, Business Combinations.

The purchase price in an acquisition is measured at the fair value of the assets transferred, equity instruments issued and liabilities incurred or assumed at the date of acquisition, which is the date on which control is transferred to the Group. The purchase price also includes the fair value of any contingent consideration. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair value on the date of acquisition. Contingent consideration is remeasured at fair value at each reporting date and changes in the fair value of the contingent consideration are recognized in the Consolidated Statement of Profit and Loss.

The interest of non-controlling shareholders is initially measured either at fair value or at the non-controlling interests' proportionate share of the acquiree's identifiable net assets. The choice of measurement basis is made on an acquisition-by-acquisition basis. Subsequent to acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity of subsidiaries.

Business combinations between entities under common control is accounted for at carrying value of the assets acquired and liabilities assumed in the Group's consolidated financial statements.

The payments related to options issued by the Group over the non-controlling interests in its subsidiaries are accounted as financial liabilities and initially recognized at the estimated present value of gross obligations. Such options are subsequently measured at fair value in order to reflect the amount payable under the option at the date at which it becomes exercisable. In the event that the option expires unexercised, the liability is derecognised.

Transaction costs that the Group incurs in connection with a business combination such as finder's fees, legal fees, due diligence fees, and other professional and consulting fees are expensed as incurred.

Proposed acquisition

On March 22, 2022, Infosys Consulting Pte. Ltd (a wholly owned subsidiary of Infosys Limited) entered into a definitive agreement to acquire oddity, a Germany-based digital marketing, experience, and commerce agency, for a total consideration of upto EUR 50 million (approximately ₹420 crore), which includes earn-out and bonuses. This acquisition is expected to strengthen the Group's creative, branding and experience design capabilities. To consummate this transaction, Infosys Consulting Pte. Ltd., has simultaneously acquired Infosys Germany GmBH (formerly Kristall 247. GmBH).

2.2 PROPERTY, PLANT AND EQUIPMENT

Accounting policy

Property, plant and equipment are stated at cost, less accumulated depreciation and impairment, if any. Costs directly attributable to acquisition are capitalized until the property, plant and equipment are ready for use, as intended by the Management. The charge in respect of periodic depreciation is derived at after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The Group depreciates property, plant and equipment over their estimated useful lives using the straight-line method. The estimated useful lives of assets are as follows:

Buildings [(1)]	22-25 years
Plant and machinery [(1)(2)]	5 years
Office equipment	5 years
Computer equipment [(1)]	3-5 years
Furniture and fixtures [(1)]	5 years
Vehicles[(1)]	5 years
Leasehold improvements	Lower of useful life of the asset or lease term

[(1)] *Based on technical evaluation, the Management believes that the useful lives as given above best represent the period over which the Management expects to use these assets. Hence, the useful lives for these assets is different from the useful lives as prescribed under Part C of Schedule II of the Companies Act 2013*

[(2)] *Includes Solar plant with a useful life of 20 years*

Depreciation methods, useful lives and residual values are reviewed periodically, including at each financial year end. The useful lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology.

Advances paid towards the acquisition of property, plant and equipment outstanding at each Balance Sheet date is classified as capital advances under other non-current assets and the cost of assets not ready to use before such date are disclosed under 'Capital work-in-progress'. Subsequent expenditures relating to property, plant and equipment is capitalized only when it is probable that future economic benefits associated with these will flow to the Group and the cost of the item can be measured reliably. Repairs and maintenance costs are recognized in the Consolidated Statement of Profit and Loss when incurred. The cost and related accumulated depreciation are eliminated from the financial statements upon sale or retirement of the asset and the resultant gains or losses are recognized in the Consolidated Statement of Profit and Loss.

Impairment

Property, plant and equipment are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

If such assets are considered to be impaired, the impairment to be recognized in the Consolidated Statement of Profit and Loss is measured by the amount by which the carrying value of the assets exceeds the estimated recoverable amount of the asset. An impairment loss is reversed in the Consolidated Statement of Profit and Loss if there has been a change in the estimates used to determine the recoverable amount. The carrying amount of the asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated depreciation) had no impairment loss been recognized for the asset in prior years.

The changes in the carrying value of property, plant and equipment for the three months ended March 31, 2022 are as follows:

(In ₹ crore)

Particulars	Land - Freehold	Buildings [(1)]	Plant and machinery	Office Equipment	Computer equipment	Furniture and fixtures	Leasehold Improvements	Vehicles	Total
Gross carrying value as at January 1, 2022	**1,430**	**11,123**	**3,450**	**1,414**	**8,033**	**2,252**	**1,205**	**44**	**28,951**
Additions	—	84	59	14	560	29	24	—	770
Deletions	—	(1)	(302)	(2)	(77)	(5)	—	—	(387)
Translation difference	—	18	3	1	11	3	6	—	42
Gross carrying value as at March 31, 2022	**1,430**	**11,224**	**3,210**	**1,427**	**8,527**	**2,279**	**1,235**	**44**	**29,376**
Accumulated depreciation as at January 1, 2022	—	(3,993)	(2,578)	(1,123)	(5,830)	(1,731)	(811)	(36)	(16,102)
Depreciation	—	(106)	(66)	(30)	(273)	(51)	(40)	(1)	**(567)**
Accumulated depreciation on deletions	—	—	302	2	76	5	1	—	386
Translation difference	—	(1)	(2)	1	(7)	(3)	(6)	—	(18)
Accumulated depreciation as at March 31, 2022	—	**(4,100)**	**(2,344)**	**(1,150)**	**(6,034)**	**(1,780)**	**(856)**	**(37)**	**(16,301)**
Carrying value as at January 1, 2022	1,430	7,130	872	291	2,203	521	394	8	12,849
Carrying value as at March 31, 2022	**1,430**	**7,124**	**866**	**277**	**2,493**	**499**	**379**	**7**	**13,075**

The changes in the carrying value of property, plant and equipment for the three months ended March 31, 2021 are as follows:

(In ₹ crore)

Particulars	Land - Freehold	Buildings [(1)]	Plant and machinery	Office Equipment	Computer equipment	Furniture and fixtures	Leasehold Improvements	Vehicles	Total
Gross carrying value as at January 1, 2021	**1,392**	**10,331**	**3,240**	**1,309**	**7,390**	**2,113**	**1,152**	**44**	**26,971**
Additions	8	240	59	67	324	43	49	1	791
Deletions	(1)	—	(3)	(5)	(72)	(6)	(16)	(1)	(104)
Translation difference	—	(6)	—	—	(3)	(1)	3	—	(7)
Gross carrying value as at March 31, 2021	**1,399**	**10,565**	**3,296**	**1,371**	**7,639**	**2,149**	**1,188**	**44**	**27,651**
Accumulated depreciation as at January 1, 2021	**—**	**(3,578)**	**(2,362)**	**(1,018)**	**(5,466)**	**(1,536)**	**(670)**	**(32)**	**(14,662)**
Depreciation	—	(98)	(67)	(30)	(241)	(52)	(49)	(1)	(538)
Accumulated depreciation on deletions	—	—	3	5	63	5	16	1	93
Translation difference	—	1	1	—	8	3	3	—	16
Accumulated depreciation as at March 31, 2021	**—**	**(3,675)**	**(2,425)**	**(1,043)**	**(5,636)**	**(1,580)**	**(700)**	**(32)**	**(15,091)**
Carrying value as at January 1, 2021	**1,392**	**6,753**	**878**	**291**	**1,924**	**577**	**482**	**12**	**12,309**
Carrying value as at March 31, 2021	**1,399**	**6,890**	**871**	**328**	**2,003**	**569**	**488**	**12**	**12,560**

The changes in the carrying value of property, plant and equipment for the year ended March 31, 2022 are as follows:

(In ₹ crore)

Particulars	Land - Freehold	Buildings [1]	Plant and machinery	Office Equipment	Computer equipment	Furniture and fixtures	Leasehold Improvements	Vehicles	Total
Gross carrying value as at April 1, 2021	**1,399**	**10,565**	**3,296**	**1,371**	**7,639**	**2,149**	**1,188**	**44**	**27,651**
Additions	31	599	256	67	1,542	141	79	—	2,715
Deletions*	—	(1)	(349)	(14)	(672)	(17)	(46)	—	(1,099)
Translation difference	—	61	7	3	18	6	14	—	109
Gross carrying value as at March 31, 2022	**1,430**	**11,224**	**3,210**	**1,427**	**8,527**	**2,279**	**1,235**	**44**	**29,376**
Accumulated depreciation as at April 1, 2021	**—**	**(3,675)**	**(2,425)**	**(1,043)**	**(5,636)**	**(1,580)**	**(700)**	**(32)**	**(15,091)**
Depreciation	—	(417)	(245)	(120)	(1,055)	(210)	(181)	(5)	**(2,233)**
Accumulated depreciation on deletions*	—	—	330	14	671	16	37	—	1,068
Translation difference	—	(8)	(4)	(1)	(14)	(6)	(12)	—	(45)
Accumulated depreciation as at March 31, 2022	**—**	**(4,100)**	**(2,344)**	**(1,150)**	**(6,034)**	**(1,780)**	**(856)**	**(37)**	**(16,301)**
Carrying value as at April 1, 2021	**1,399**	**6,890**	**871**	**328**	**2,003**	**569**	**488**	**12**	**12,560**
Carrying value as at March 31, 2022	**1,430**	**7,124**	**866**	**277**	**2,493**	**499**	**379**	**7**	**13,075**

* During year ended March 31, 2022, certain assets which were old and not in use having gross book value of ₹ 316 crore (net book value: Nil) were retired.

The changes in the carrying value of property, plant and equipment for the year ended March 31, 2021 are as follows:

(In ₹ crore)

Particulars	Land - Freehold	Buildings [1]	Plant and machinery	Office Equipment	Computer equipment	Furniture and fixtures	Leasehold Improvements	Vehicles	Total
Gross carrying value as at April 1, 2020	**1,318**	**10,016**	**3,185**	**1,265**	**6,676**	**2,073**	**1,063**	**45**	**25,641**
Additions	82	511	117	118	1,159	91	152	1	2,231
Additions - Business Combination	—	—	1	2	4	2	1	—	10
Deletions	(1)	—	(10)	(16)	(211)	(19)	(33)	(2)	(292)
Translation difference	—	38	3	2	11	2	5	—	61
Gross carrying value as at March 31, 2021	**1,399**	**10,565**	**3,296**	**1,371**	**7,639**	**2,149**	**1,188**	**44**	**27,651**
Accumulated depreciation as at April 1, 2020	**—**	**(3,284)**	**(2,145)**	**(934)**	**(4,885)**	**(1,380)**	**(550)**	**(28)**	**(13,206)**
Depreciation	—	(386)	(290)	(123)	(954)	(222)	(185)	(6)	(2,166)
Accumulated depreciation on deletions	—	—	10	15	199	18	33	2	277
Translation difference	—	(5)	—	(1)	4	4	2	—	4
Accumulated depreciation as at March 31, 2021	**—**	**(3,675)**	**(2,425)**	**(1,043)**	**(5,636)**	**(1,580)**	**(700)**	**(32)**	**(15,091)**
Carrying value as at April 1, 2020	**1,318**	**6,732**	**1,040**	**331**	**1,791**	**693**	**513**	**17**	**12,435**
Carrying value as at March 31, 2021	**1,399**	**6,890**	**871**	**328**	**2,003**	**569**	**488**	**12**	**12,560**

[1] *Buildings include ₹250/- being the value of five shares of ₹50/- each in Mittal Towers Premises Co-operative Society Limited.*

The aggregate depreciation has been included under depreciation and amortization expense in the Consolidated Statement of Profit and Loss.

2.3 GOODWILL AND INTANGIBLE ASSETS

2.3.1 Goodwill

Accounting policy

Goodwill represents the purchase consideration in excess of the Group's interest in the net fair value of identifiable assets, liabilities and contingent liabilities of the acquired entity. When the net fair value of the identifiable assets, liabilities and contingent liabilities acquired exceeds purchase consideration, the fair value of net assets acquired is reassessed and the bargain purchase gain is recognized in capital reserve. Goodwill is measured at cost less accumulated impairment losses.

Impairment

Goodwill is tested for impairment on an annual basis and whenever there is an indication that the recoverable amount of a cash generating unit (CGU) is less than its carrying amount. For the impairment test, goodwill is allocated to the CGU or groups of CGUs which benefit from the synergies of the acquisition and which represents the lowest level at which goodwill is monitored for internal management purposes. A CGU is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or group of assets. Impairment occurs when the carrying amount of a CGU including the goodwill, exceeds the estimated recoverable amount of the CGU. The recoverable amount of a CGU is the higher of its fair value less cost to sell and its value-in-use. Value-in-use is the present value of future cash flows expected to be derived from the CGU. Key assumptions in the cash flow projections are prepared based on current economic conditions and includes estimated long term growth rates, weighted average cost of capital and estimated operating margins.

Total impairment loss of a CGU is allocated first to reduce the carrying amount of goodwill allocated to the CGU and then to the other assets of the CGU pro-rata on the basis of the carrying amount of each asset in the CGU. An impairment loss on goodwill is recognized in the Consolidated Statement of Profit and Loss and is not reversed in the subsequent period.

Following is a summary of changes in the carrying amount of goodwill:

(In ₹ crore)

Particulars	As at	
	March 31, 2022	March 31, 2021
Carrying value at the beginning	**6,079**	**5,286**
Goodwill on acquisitions	—	758
Translation differences	116	35
Carrying value at the end	**6,195**	**6,079**

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to the CGU or groups of CGUs, which benefit from the synergies of the acquisition. The Group internally reviews the goodwill for impairment at the operating segment level, after allocation of the goodwill to CGUs or groups of CGUs.

The allocation of goodwill to operating segments as at March 31, 2022 and March 31, 2021 is as follows:

(In ₹ crore)

Segment	As at	
	March 31, 2022	March 31, 2021
Financial services	1,366	1,359
Retail	817	797
Communication	619	605
Energy, Utilities, Resources and Services	1,070	1,046
Manufacturing	499	487
	4,371	**4,294**
Operating segments without significant goodwill	938	925
Total	**5,309**	**5,219**

The goodwill pertaining to Panaya amounting to ₹886 crore and ₹860 crore as at March 31, 2022 and March 31, 2021, respectively is tested for impairment at the entity level.

The recoverable amount of a CGU is the higher of its fair value less cost to sell and its value-in-use. The fair value of a CGU is determined based on the market capitalization. Value-in-use is determined based on discounted future cash flows. The key assumptions used for the calculations are as follows:

(in %)

	As at	
	March 31, 2022	March 31, 2021
Long term growth rate	8-10	8-10
Operating margins	19-21	19-21
Discount rate	12.0	11.7

The above discount rate is based on the Weighted Average Cost of Capital (WACC) of the Company. As at March 31, 2022, the estimated recoverable amount of the CGU exceeded its carrying amount. Reasonable sensitivities in key assumptions is unlikely to cause the carrying amount to exceed the recoverable amount of the cash generating units.

2.3.2 Other Intangible assets

Accounting policy

Intangible assets are stated at cost less accumulated amortization and impairment. Intangible assets are amortized over their respective individual estimated useful lives on a straight-line basis, from the date that they are available for use. The estimated useful life of an identifiable intangible asset is based on a number of factors including the effects of obsolescence, demand, competition, and other economic factors (such as the stability of the industry, and known technological advances) and the level of maintenance expenditures required to obtain the expected future cash flows from the asset. Amortization methods and useful lives are reviewed periodically including at each financial year end.

Research costs are expensed as incurred. Software product development costs are expensed as incurred unless technical and commercial feasibility of the project is demonstrated, future economic benefits are probable, the Group has an intention and ability to complete and use or sell the software and the costs can be measured reliably. The costs which can be capitalized include the cost of material, direct labour, overhead costs that are directly attributable to preparing the asset for its intended use.

Impairment

Intangible assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the CGU to which the asset belongs.

If such assets are considered to be impaired, the impairment to be recognized in the Consolidated Statement of Profit and Loss is measured by the amount by which the carrying value of the assets exceeds the estimated recoverable amount of the asset. An impairment loss is reversed in the Consolidated Statement of Profit and Loss if there has been a change in the estimates used to determine the recoverable amount. The carrying amount of the asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortization) had no impairment loss been recognized for the asset in prior years.

2.4 INVESTMENTS

(In ₹ crore)

Particulars	As at March 31, 2022	As at March 31, 2021
Non-current		
Unquoted		
Investments carried at fair value through other comprehensive income		
Preference securities	192	165
Equity instruments	2	2
	194	**167**
Investments carried at fair value through profit and loss		
Preference securities	24	11
Compulsorily convertible debentures	7	7
Others [(1)]	152	74
	183	**92**
Quoted		
Investments carried at amortized cost		
Tax free bonds	1,901	2,131
Government bonds	—	21
	1,901	**2,152**
Investments carried at fair value through other comprehensive income		
Non convertible debentures	3,718	3,985
Government securities	7,655	5,467
	11,373	**9,452**
Total non-current investments	**13,651**	**11,863**
Current		
Unquoted		
Investments carried at fair value through profit or loss		
Liquid mutual fund units	2,012	1,500
	2,012	**1,500**
Investments carried at fair value through other comprehensive income		
Certificates of deposit	3,429	—
	3,429	**—**
Quoted		
Investments carried at amortized cost		
Government bonds	21	—
Tax free bonds	200	—
	221	**—**
Investments carried at fair value through other comprehensive income		
Non convertible debentures	495	842
Government securities	516	—
	1,011	**842**
Total current investments	**6,673**	**2,342**
Total investments	**20,324**	**14,205**
Aggregate amount of quoted investments	14,506	12,446
Market value of quoted investments (including interest accrued), current	1,247	843
Market value of quoted investments (including interest accrued), non current	13,612	11,997
Aggregate amount of unquoted investments	5,818	1,759
Investments carried at amortized cost	2,122	2,152
Investments carried at fair value through other comprehensive income	16,007	10,461
Investments carried at fair value through profit or loss	2,195	1,592

[(1)] *Uncalled capital commitments outstanding as at March 31, 2022 and March 31, 2021 was ₹28 crore and ₹42 crore, respectively.*

Refer to Note 2.10 for Accounting policies on Financial Instruments.

Method of fair valuation:

(In ₹ crore)

Class of investment	Method	Fair value as at March 31, 2022	Fair value as at March 31, 2021
Liquid mutual fund units	Quoted price	2,012	1,500
Tax free bonds and government bonds	Quoted price and market observable inputs	2,447	2,536
Non-convertible debentures	Quoted price and market observable inputs	4,213	4,827
Government securities	Quoted price and market observable inputs	8,171	5,467
Certificate of deposits	Market observable inputs	3,429	—
Unquoted equity and preference securities - carried at fair value through other comprehensive income	Discounted cash flows method, Market multiples method, Option pricing model	194	167
Unquoted equity and preference securities - carried at fair value through profit and loss	Discounted cash flows method, Market multiples method, Option pricing model	24	11
Unquoted compulsorily convertible debentures - carried at fair value through profit and loss	Discounted cash flows method	7	7
Others	Discounted cash flows method, Market multiples method, Option pricing model	152	74
Total		**20,649**	**14,589**

Note: Certain quoted investments are classified as Level 2 in the absence of active market for such investments.

2.5 LOANS

(In ₹ crore)

Particulars	As at March 31, 2022	As at March 31, 2021
Non Current		
Loans considered good - Unsecured		
Other loans		
Loans to employees	34	32
	34	**32**
Loans credit impaired - Unsecured		
Other loans		
Loans to employees	—	28
Less: Allowance for credit impairment	—	28
	—	—
Total non-current loans	**34**	**32**
Current		
Loans considered good - Unsecured		
Other loans		
Loans to employees	248	159
Total current loans	**248**	**159**
Total loans	**282**	**191**

2.6 OTHER FINANCIAL ASSETS

(In ₹ crore)

Particulars	As at March 31, 2022	As at March 31, 2021
Non Current		
Security deposits [(1)]	47	49
Rental deposits [(1)]	186	217
Unbilled revenues [(1)#]	695	399
Net investment in sublease of right of use asset [(1)]	322	350
Restricted deposits [(1)*]	33	42
Others [(1)]	177	84
Total non-current other financial assets	**1,460**	**1,141**
Current		
Security deposits [(1)]	7	6
Rental deposits [(1)]	58	30
Restricted deposits [(1)*]	2,177	2,016
Unbilled revenues [(1)#]	5,659	3,173
Interest accrued but not due [(1)]	362	620
Foreign currency forward and options contracts [(2) (3)]	143	188
Net investment in sublease of right of use asset [(1)]	50	38
Others [(1)]	271	339
Total current other financial assets	**8,727**	**6,410**
Total other financial assets	**10,187**	**7,551**
[(1)] Financial assets carried at amortized cost	10,044	7,363
[(2)] Financial assets carried at fair value through other comprehensive income	20	25
[(3)] Financial assets carried at fair value through profit or loss	123	163

* Restricted deposits represent deposits with financial institutions to settle employee-related obligations as and when they arise during the normal course of business.

Classified as financial asset as right to consideration is unconditional and is due only after a passage of time.

2.7 TRADE RECEIVABLES

(In ₹ crore)

Particulars	As at March 31, 2022	As at March 31, 2021
Current		
Trace Receivable considered good - Unsecured	23,252	19,760
Less: Allowance for expected credit loss	554	466
Trace Receivable considered good - Unsecured	22,698	19,294
Trace Receivable - credit impaired - Unsecured	113	153
Less: Allowance for credit impairement	113	153
Trace Receivable - credit impaired - Unsecured	—	—
Total trade receivables[(1)]	**22,698**	**19,294**

2.8 CASH AND CASH EQUIVALENTS

(In ₹ crore)

Particulars	As at March 31, 2022	March 31, 2021
Balances with banks		
In current and deposit accounts	13,942	20,069
Cash on hand	—	—
Others		
Deposits with financial institutions	3,530	4,645
Total cash and cash equivalents	**17,472**	**24,714**
Balances with banks in unpaid dividend accounts	36	33
Deposit with more than 12 months maturity	2,040	13,659
Balances with banks held as margin money deposits against guarantees	1	71

Cash and cash equivalents as at March 31, 2022 and March 31, 2021 include restricted cash and bank balances of ₹471 crore and ₹504 crore, respectively. The restrictions are primarily on account of bank balances held by irrevocable trusts controlled by the company and bank balances held as margin money deposits against guarantees.

The deposits maintained by the Group with banks and financial institutions comprise of time deposits, which can be withdrawn by the Group at any point without prior notice or penalty on the principal.

2.9 OTHER ASSETS

(In ₹ crore)

Particulars	As at March 31, 2022	March 31, 2021
Non Current		
Capital advances	88	141
Advances other than capital advances		
Others		
Withholding taxes and others	674	705
Unbilled revenues #	246	195
Defined benefit plan assets	20	19
Prepaid expenses	99	78
Deferred Contract Cost *		
Cost of obtaining a contract	593	112
Cost of fulfilling a contract	309	31
Total Non-Current other assets	**2,029**	**1,281**
Current		
Advances other than capital advances		
Payment to vendors for supply of goods	193	141
Others		
Unbilled revenues #	5,909	4,354
Withholding taxes and others	1,941	2,091
Prepaid expenses	1,996	1,160
Deferred Contract Cost *		
Cost of obtaining a contract	858	49
Cost of fulfilling a contract	91	16
Other receivables	325	3
Total Current other assets	**11,313**	**7,814**
Total other assets	**13,342**	**9,095**

Classified as non financial asset as the contractual right to consideration is dependent on completion of contractual milestones.

* Includes technology assets taken over by the Company from a customer as a part of transformation project which is not considered as distinct goods or services and the control related to the assets is not transferred to the Company in accordance with Ind AS 115 - Revenue from contract with customers. Accordingly, the same has been considered as a reduction to the total contract value and accounted as Deferred contract cost. Further as at March 31, 2022, the Company has entered into a financing arrangement with a third party for these assets for ₹ 895 crore which has been considered as financial liability. This includes ₹ 869 crore settled directly by the third party to the customer on behalf of the Company and accordingly considered as non-cash transaction. *(Refer to Note 2.12)*

Withholding taxes and others primarily consist of input tax credits and Cenvat recoverable from Government of India.

2.10 FINANCIAL INSTRUMENTS

Accounting policy

2.10.1 Initial recognition

The Group recognizes financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are recognized at fair value on initial recognition, except for trade receivables which are initially measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities, that are not at fair value through profit or loss, are added to the fair value on initial recognition. Regular way purchase and sale of financial assets are accounted for at trade date.

2.10.2 Subsequent measurement

a. Non-derivative financial instruments

(i) Financial assets carried at amortized cost

A financial asset is subsequently measured at amortized cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

(ii) Financial assets at fair value through other comprehensive income (FVOCI)

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. The Group has made an irrevocable election for its investments which are classified as equity instruments to present the subsequent changes in fair value in other comprehensive income based on its business model.

(iii) Financial assets at fair value through profit or loss

A financial asset which is not classified in any of the above categories is subsequently fair valued through profit or loss.

(iv) Financial liabilities

Financial liabilities are subsequently carried at amortized cost using the effective interest method, except for contingent consideration and financial liability under option arrangements recognized in a business combination which is subsequently measured at fair value through profit or loss. For trade and other payables maturing within one year from the Balance Sheet date, the carrying amounts approximate the fair value due to the short maturity of these instruments.

b. Derivative financial instruments

The Group holds derivative financial instruments such as foreign exchange forward and option contracts to mitigate the risk of changes in exchange rates on foreign currency exposures. The counterparty for these contracts is generally a bank.

(i) Financial assets or financial liabilities, at fair value through profit or loss.

This category includes derivative financial assets or liabilities which are not designated as hedges.

Although the Group believes that these derivatives constitute hedges from an economic perspective, they may not qualify for hedge accounting under Ind AS 109, Financial Instruments. Any derivative that is either not designated as hedge, or is so designated but is ineffective as per Ind AS 109, is categorized as a financial asset or financial liability, at fair value through profit or loss.

Derivatives not designated as hedges are recognized initially at fair value and attributable transaction costs are recognized in net profit in the Consolidated Statement of Profit and Loss when incurred. Subsequent to initial recognition, these derivatives are measured at fair value through profit or loss and the resulting exchange gains or losses are included in other income. Assets/ liabilities in this category are presented as current assets/current liabilities if they are either held for trading or are expected to be realized within 12 months after the Balance Sheet date.

(ii) Cash flow hedge

The Group designates certain foreign exchange forward and options contracts as cash flow hedges to mitigate the risk of foreign exchange exposure on highly probable forecast cash transactions.

When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative is recognized in other comprehensive income and accumulated in the cash flow hedging reserve. Any ineffective portion of changes in the fair value of the derivative is recognized immediately in the net profit in the Consolidated Statement of Profit and Loss. If the hedging instrument no longer meets the criteria for hedge accounting, then hedge accounting is discontinued prospectively. If the hedging instrument expires or is sold, terminated or exercised, the cumulative gain or loss on the hedging instrument recognized in cash flow hedging reserve till the period the hedge was effective remains in cash flow hedging reserve until the forecasted transaction occurs. The cumulative gain or loss previously recognized in the cash flow hedging reserve is transferred to the net profit in the Consolidated Statement of Profit and Loss upon the occurrence of the related forecasted transaction. If the forecasted transaction is no longer expected to occur, then the amount accumulated in cash flow hedging reserve is reclassified to net profit in the Consolidated Statement of Profit and Loss.

2.10.3 Derecognition of financial instruments

The Group derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition under Ind AS 109. A financial liability (or a part of a financial liability) is derecognized from the Group's Balance Sheet when the obligation specified in the contract is discharged or cancelled or expires.

2.10.4 Fair value of financial instruments

In determining the fair value of its financial instruments, the Group uses a variety of methods and assumptions that are based on market conditions and risks existing at each reporting date. The methods used to determine fair value include discounted cash flow analysis, available quoted market prices and dealer quotes. All methods of assessing fair value result in general approximation of value, and such value may never actually be realized.

Refer to table 'Financial instruments by category' below for the disclosure on carrying value and fair value of financial assets and liabilities. For financial assets and liabilities maturing within one year from the Balance Sheet date and which are not carried at fair value, the carrying amounts approximates fair value due to the short maturity of these instruments.

2.10.5 Impairment

The Group recognizes loss allowances using the expected credit loss (ECL) model for the financial assets and unbilled revenue which are not fair valued through profit or loss. Loss allowance for trade receivables and unbilled revenues with no significant financing component is measured at an amount equal to lifetime ECL. For all other financial assets, ECLs are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL.

The Group determines the allowance for credit losses based on historical loss experience adjusted to reflect current and estimated future economic conditions. The Group considers current and anticipated future economic conditions relating to industries the Group deals with and the countries where it operates.

The amount of ECLs (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recorded is recognized as an

Financial instruments by category

The carrying value and fair value of financial instruments by categories as at March 31, 2022 are as follows:

(In ₹ crore)

Particulars	Amortized cost	Financial assets/ liabilities at fair value through profit or loss		Financial assets/liabilities at fair value through OCI		Total carrying value	Total fair value
		Designated upon initial recognition	Mandatory	Equity instruments designated upon initial recognition	Mandatory		
Assets:							
Cash and cash equivalents *(Refer to Note 2.8)*	17,472	—	—	—	—	17,472	17,472
Investments *(Refer to Note 2.4)*							
Equity and preference securities	—	—	24	194	—	218	218
Compulsorily convertible debentures	—	—	7	—	—	7	7
Tax-free bonds and government bonds	2,122	—	—	—	—	2,122	2,447 (1)
Liquid mutual fund units	—	—	2,012	—	—	2,012	2,012
Non convertible debentures	—	—	—	—	4,213	4,213	4,213
Government securities	—	—	—	—	8,171	8,171	8,171
Certificate of deposits	—	—	—	—	3,429	3,429	3,429
Other investments	—	—	152	—	—	152	152
Trade receivables *(Refer to Note 2.7)*	22,698	—	—	—	—	22,698	22,698
Loans *(Refer to Note 2.5)*	282	—	—	—	—	282	282
Other financials assets *(Refer to Note 2.6)* (3)	10,044	—	123	—	20	10,187	10,096 (2)
Total	**52,618**	**—**	**2,318**	**194**	**15,833**	**70,963**	**71,197**
Liabilities:							
Trade payables	4,134	—	—	—	—	4,134	4,134
Lease liabilities *(Refer to Note 2.19)*	5,474	—	—	—	—	5,474	5,474
Financial Liability under option arrangements *(Refer to Note 2.12)*	—	—	655	—	—	655	655
Other financial liabilities *(Refer to Note 2.12)*	15,061	—	181	—	3	15,245	15,245
Total	**24,669**	**—**	**836**	**—**	**3**	**25,508**	**25,508**

(1) *On account of fair value changes including interest accrued*

(2) *Excludes interest accrued on tax free bonds and government bonds carried at amortized cost of ₹ 91 crore*

(3) *Excludes unbilled revenue on contracts where the right to consideration is dependent on completion of contractual milestones*

The carrying value and fair value of financial instruments by categories as at March 31, 2021 were as follows:

(In ₹ crore)

Particulars	Amortised cost	Financial assets/ liabilities at fair value through profit or loss		Financial assets/liabilities at fair value through OCI		Total carrying value	Total fair value
		Designated upon initial recognition	Mandatory	Equity instruments designated upon initial recognition	Mandatory		
Assets:							
Cash and cash equivalents *(Refer to Note 2.8)*	24,714	—	—	—	—	24,714	24,714
Investments *(Refer to Note 2.4)*							
Equity and preference securities	—	—	11	167	—	178	178
Compulsorily convertible debentures	—	—	7	—	—	7	7
Tax-free bonds and government bonds	2,152	—	—	—	—	2,152	2,536 [(1)]
Liquid mutual fund units	—	—	1,500	—	—	1,500	1,500
Non convertible debentures	—	—	—	—	4,827	4,827	4,827
Government securities	—	—	—	—	5,467	5,467	5,467
Other investments	—	—	74	—	—	74	74
Trade receivables *(Refer to Note 2.7)*	19,294	—	—	—	—	19,294	19,294
Loans *(Refer to Note 2.5)*	191	—	—	—	—	191	191
Other financials assets *(Refer to Note 2.6)* [(3)]	7,363	—	163	—	25	7,551	7,459 [(2)]
Total	**53,714**	**—**	**1,755**	**167**	**10,319**	**65,955**	**66,247**
Liabilities:							
Trade payables	2,645	—	—	—	—	2,645	2,645
Lease liabilities *(Refer to Note 2.19)*	5,325	—	—	—	—	5,325	5,325
Financial Liability under option arrangements *(Refer to Note 2.12)*	—	—	693	—	—	693	693
Other financial liabilities *(Refer to Note 2.12)*	9,877	—	217	—	—	10,094	10,094
Total	**17,847**	**—**	**910**	**—**	**—**	**18,757**	**18,757**

[(1)] *On account of fair value changes including interest accrued*

[(2)] *Excludes interest accrued on tax free bonds and government bonds carried at amortized cost of ₹92 crore*

[(3)] *Excludes unbilled revenue on contracts where the right to consideration is dependent on completion of contractual milestones*

For trade receivables and trade payables and other assets and payables maturing within one year from the Balance Sheet date, the carrying amounts approximate the fair value due to the short maturity of these instruments.

Fair value hierarchy

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

The following table presents fair value hierarchy of assets and liabilities measured at fair value on a recurring basis as at March 31, 2022:

(In ₹ crore)

Particulars	As at March 31, 2022	Fair value measurement at end of the reporting period using		
		Level 1	Level 2	Level 3
Assets				
Investments in liquid mutual funds *(Refer to Note 2.4)*	2,012	2,012	—	—
Investments in tax-free bonds *(Refer to Note 2.4)*	2,425	1,238	1,187	—
Investments in government bonds *(Refer to Note 2.4)*	22	22	—	—
Investments in non convertible debentures *(Refer to Note 2.4)*	4,213	3,736	477	—
Investment in government securities *(Refer to Note 2.4)*	8,171	8,046	125	—
Investments in equity instruments *(Refer to Note 2.4)*	2	—	—	2
Investments in preference securities *(Refer to Note 2.4)*	216	—	—	216
Investments in certificate of deposits *(Refer to Note 2.4)*	3,429	—	3,429	—
Investments in compulsorily convertible debentures *(Refer to Note 2.4)*	7	—	—	7
Other investments *(Refer to Note 2.4)*	152	—	—	152
Derivative financial instruments - gain on outstanding foreign exchange forward and option contracts *(Refer to Note 2.6)*	143	—	143	—
Liabilities				
Derivative financial instruments - loss on outstanding foreign exchange forward and option contracts *(Refer to Note 2.12)*	61	—	61	—
Financial liability under option arrangements *(Refer to Note 2.12)*	655	—	—	655
Liability towards contingent consideration *(Refer to Note 2.12)* [(1)]	123	—	—	123

[(1)] *Discount rate pertaining to contingent consideration ranges from 8% to 14.5%*

During the year ended March 31, 2022, tax free bonds and non-convertible debentures of ₹576 crore were transferred from Level 2 to Level 1 of fair value hierarchy, since these were valued based on quoted price. Further, tax free bonds and non-convertible debentures of ₹965 crore was transferred from Level 1 to Level 2 of fair value hierarchy, since these were valued based on market observable inputs.

The fair value hierarchy of assets and liabilities as at March 31, 2021 was as follows:

(In ₹ crore)

Particulars	As at March 31, 2021	Fair value measurement at end of the reporting period using		
		Level 1	Level 2	Level 3
Assets				
Investments in liquid mutual funds *(Refer to Note 2.4)*	1,500	1,500	—	—
Investments in tax free bonds *(Refer to Note 2.4)*	2,513	1,352	1,161	—
Investments in government bonds *(Refer to Note 2.4)*	23	23	—	—
Investments in non convertible debentures *(Refer to Note 2.4)*	4,827	4,532	295	—
Investment in government securities *(Refer to Note 2.4)*	5,467	5,467	—	—
Investments in equity instruments *(Refer to Note 2.4)*	2	—	—	2
Investments in preference securities *(Refer to Note 2.4)*	176	—	—	176
Investments in compulsorily convertible debentures *(Refer to Note 2.4)*	7	—	—	7
Other investments *(Refer to Note 2.4)*	74	—	—	74
Derivative financial instruments - gain on outstanding foreign exchange forward and option contracts *(Refer to Note 2.6)*	188	—	188	—
Liabilities				
Derivative financial instruments - loss on outstanding foreign exchange forward and option contracts *(Refer to Note 2.12)*	56	—	56	—
Financial liability under option arrangements *(Refer to Note 2.12)*	693	—	—	693
Liability towards contingent consideration *(Refer to Note 2.12)* (1)	161	—	—	161

(1) *Discount rate pertaining to contingent consideration ranges from 8% to 14.5%*

During the year ended March 31, 2021, tax free bonds and non-convertible debentures of ₹107 crore were transferred from Level 2 to Level 1 of fair value hierarchy, since these were valued based on quoted price. Further, tax free bonds and non-convertible debentures of ₹1,177 crore was transferred from Level 1 to Level 2 of fair value hierarchy, since these were valued based on market observable inputs.

A one percentage point change in the unobservable inputs used in fair valuation of Level 3 assets and liabilities does not have a significant impact in its value.

Majority of investments of the Group are fair valued based on Level 1 or Level 2 inputs. These investments primarily include investment in liquid mutual fund units, fixed maturity plan securities, certificates of deposit, commercial papers, quoted bonds issued by government and quasi-government organizations and non convertible debentures. The Group invests after considering counterparty risks based on multiple criteria including Tier I capital, Capital Adequacy Ratio, Credit Rating, Profitability, NPA levels and Deposit base of banks and financial institutions. These risks are monitored regularly as per its risk management program.

2.11 EQUITY

Accounting policy

Ordinary Shares
Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of new ordinary shares, share options and buyback are recognized as a deduction from equity, net of any tax effects.

Treasury Shares
When any entity within the Group purchases the company's ordinary shares, the consideration paid including any directly attributable incremental cost is presented as a deduction from total equity, until they are cancelled, sold or reissued. When treasury shares are sold or reissued subsequently, the amount received is recognized as an increase in equity, and the resulting surplus or deficit on the transaction is transferred to / from securities premium.

Description of reserves

Capital Redemption Reserve
In accordance with section 69 of the Indian Companies Act, 2013, the Company creates capital redemption reserve equal to the nominal value of the shares bought back as an appropriation from general reserve.

Retained earnings
Retained earnings represent the amount of accumulated earnings of the Group.

Securities premium
The amount received in excess of the par value has been classified as securities premium. Amounts have been utilized for bonus issue and share buyback from share premium account.

Share options outstanding account
The share options outstanding account is used to record the fair value of equity-settled share based payment transactions with employees. The amounts recorded in share options outstanding account are transferred to securities premium upon exercise of stock options and transferred to general reserve on account of stock options not exercised by employees.

Special Economic Zone Re-investment reserve

The Special Economic Zone Re-investment reserve has been created out of the profit of the eligible SEZ unit in terms of the provisions of Sec 10AA (1)(ii) of Income Tax Act, 1961. The reserve should be utilized by the Company for acquiring new plant and machinery for the purpose of its business in terms of the provisions of the Sec 10AA (2) of the Income Tax Act, 1961.

Other components of equity
Other components of equity include currency translation, remeasurement of net defined benefit liability / asset, equity instruments fair valued through other comprehensive income, changes on fair valuation of investments and changes in fair value of derivatives designated as cash flow hedges, net of taxes.

Currency translation reserve
The exchange differences arising from the translation of financial statements of foreign subsidiaries with functional currency other than Indian rupees is recognized in other comprehensive income and is presented within equity.

Cash flow hedge reserve
When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative is recognized in other comprehensive income and accumulated in the cash flow hedging reserve. The cumulative gain or loss previously recognized in the cash flow hedging reserve is transferred to the Consolidated Statement of Profit and Loss upon the occurrence of the related forecasted transaction.

EQUITY SHARE CAPITAL

(In ₹ crore, except as otherwise stated)

Particulars	As at	
	March 31, 2022	March 31, 2021
Authorized		
Equity shares, ₹5 par value		
480,00,00,000 (480,00,00,000) equity shares	2,400	2,400
Issued, Subscribed and Paid-Up		
Equity shares, ₹5 par value[(1)]	2,098	2,124
4,19,30,12,929 (4,24,51,46,114) equity shares fully paid-up[(2)]		
	2,098	**2,124**

Note: Forfeited shares amounted to ₹1,500 (₹1,500)

[(1)] *Refer to Note 2.20 for details of basic and diluted shares*

[(2)] *Net of treasury shares 1,37,25,712 (1,55,14,732)*

The Company has only one class of shares referred to as equity shares having a par value of ₹5/-. Each holder of equity shares is entitled to one vote per share. The equity shares represented by American Depositary Shares (ADS) carry similar rights to voting and dividends as the other equity shares. Each ADS represents one underlying equity share.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the Company in proportion to the number of equity shares held by the shareholders, after distribution of all preferential amounts. However, no such preferential amounts exist currently, other than the amounts held by irrevocable controlled trusts. For irrevocable controlled trusts, the corpus would be settled in favour of the beneficiaries.

For details of shares reserved for issue under the employee stock option plan of the Company refer to the note below.

The reconciliation of the number of shares outstanding and the amount of share capital as at March 31, 2022 and March 31, 2021 are as follows:

(In ₹ crore, except as stated otherwise)

Particulars	As at March 31, 2022		As at March 31, 2021	
	Shares	Amount	Shares	Amount
As at the beginning of the period	**424,51,46,114**	**2,124**	**424,07,53,210**	**2,122**
Add: Shares issued on exercise of employee stock options	36,74,152	2	43,92,904	2
Less: Shares bought back	5,58,07,337	28	—	—
As at the end of the period	**419,30,12,929**	**2,098**	**424,51,46,114**	**2,124**

Capital allocation policy

Effective fiscal 2020, the Company expects to return approximately 85% of the free cash flow cumulatively over a 5-year period through a combination of semi-annual dividends and/or share buyback and/or special dividends, subject to applicable laws and requisite approvals, if any. Free cash flow is defined as net cash provided by operating activities less capital expenditure as per the Consolidated Statement of Cash Flows prepared under IFRS. Dividend and buyback include applicable taxes.

Update on buyback announced in April 2021:

In line with the capital allocation policy, the Board, at its meeting held on April 14, 2021, approved the buyback of equity shares, from the open market route through the Indian stock exchanges, amounting to ₹9,200 crore (Maximum Buyback Size, excluding buyback tax) at a price not exceeding ₹1,750 per share (Maximum Buyback Price), subject to shareholders' approval in the ensuing Annual General Meeting.

The shareholders approved the proposal of buyback of Equity Shares recommended by its Board of Directors in the Annual General meeting held on June 19, 2021.

The buyback was offered to all eligible equity shareholders of the Company (other than the Promoters, the Promoter Group and Persons in Control of the Company) under the open market route through the stock exchange. The buyback of equity shares through the stock exchange commenced on June 25, 2021 and was completed on September 8, 2021. During this buyback period, the Company had purchased and extinguished a total of 5,58,07,337 equity shares from the stock exchange at a volume weighted average buy back price of ₹1,648.53/- per equity share comprising 1.31% of the pre buyback paid-up equity share capital of the Company. The buyback resulted in a cash outflow of ₹9,200 crore (excluding transaction costs and tax on buyback). The Company funded the buyback from its free reserves including Securities Premium as explained in Section 68 of the Companies Act, 2013.

In accordance with section 69 of the Companies Act, 2013, as at December 31, 2021, the Company has created 'Capital Redemption Reserve' of ₹28 crore equal to the nominal value of the shares bought back as an appropriation from general reserve.
The Company's objective when managing capital is to safeguard its ability to continue as a going concern and to maintain an optimal capital structure so as to maximize shareholder value. In order to maintain or achieve an optimal capital structure, the Company may adjust the amount of dividend payment, return capital to shareholders, issue new shares or buy back issued shares. As at March 31, 2022, the Company has only one class of equity shares and has no debt. Consequent to the above capital structure there are no externally imposed capital requirements.

Dividend

The final dividend on shares is recorded as a liability on the date of approval by the shareholders and interim dividends are recorded as a liability on the date of declaration by the Company's Board of Directors. Income tax consequences of dividends on financial instruments classified as equity will be recognized according to where the entity originally recognized those past transactions or events that generated distributable profits.

The Company declares and pays dividends in Indian rupees. Companies are required to pay/distribute dividend after deducting applicable withholding income taxes. The remittance of dividends outside India is governed by Indian law on foreign exchange and is also subject to withholding tax at applicable rates.

The amount of per share dividend recognized as distribution to equity shareholders in accordance with Companies Act 2013 is as follows:

(in ₹)

Particulars	Three months ended March 31,		Year ended March 31,	
	2022	2021	2022	2021
Final dividend for fiscal 2020	—	—	—	9.50
Interim dividend for fiscal 2021	—	—	—	12.00
Final dividend for fiscal 2021	—	—	15.00	—
Interim dividend for fiscal 2022	—	—	15.00	—

During the year ended March 31, 2022, on account of the final dividend for fiscal 2021 and interim dividend for fiscal 2022, the Company has incurred a net cash outflow of ₹12,700 crore (excluding dividend paid on treasury shares).

The Board of Directors in their meeting on April 13, 2022 recommended a final dividend of ₹16/- per equity share for the financial year ended March 31, 2022. This payment is subject to the approval of shareholders in the Annual General Meeting (AGM) of the Company to be held on June 25, 2022 and if approved would result in a net cash outflow of approximately ₹6,709 crore (excluding dividend paid on treasury shares).

Employee Stock Option Plan (ESOP):

Accounting policy

The Group recognizes compensation expense relating to share-based payments in net profit based on estimated fair values of the awards on the grant date. The estimated fair value of awards is recognized as an expense in the statement of profit and loss on a straight-line basis over the requisite service period for each separately vesting portion of the award as if the award was in-substance, multiple awards with a corresponding increase to share options outstanding account.

Infosys Expanded Stock Ownership Program 2019 (the 2019 Plan) :

On June 22, 2019 pursuant to approval by the shareholders in the Annual General Meeting, the Board has been authorized to introduce, offer, issue and provide share-based incentives to eligible employees of the Company and its subsidiaries under the 2019 Plan. The maximum number of shares under the 2019 Plan shall not exceed 5,00,00,000 equity shares. To implement the 2019 Plan, up to 4,50,00,000 equity shares may be issued by way of secondary acquisition of shares by Infosys Expanded Stock Ownership Trust. The Restricted Stock Units (RSUs) granted under the 2019 Plan shall vest based on the achievement of defined annual performance parameters as determined by the administrator (Nomination and Remuneration Committee). The performance parameters will be based on a combination of relative Total Shareholder Return (TSR) against selected industry peers and certain broader market domestic and global indices and operating performance metrics of the Company as decided by administrator. Each of the above performance parameters will be distinct for the purposes of calculation of quantity of shares to vest based on performance. These instruments will generally vest between a minimum of 1 to maximum of 3 years from the grant date.

2015 Stock Incentive Compensation Plan (the 2015 Plan) :

On March 31, 2016, pursuant to the approval by the shareholders through postal ballot, the Board was authorized to introduce, offer, issue and allot share-based incentives to eligible employees of the Company and its subsidiaries under the 2015 Stock Incentive Compensation Plan (the 2015 Plan). The maximum number of shares under the 2015 Plan shall not exceed 2,40,38,883 equity shares (this includes 1,12,23,576 equity shares which are held by the trust towards the 2011 Plan as at March 31, 2016). The Company expects to grant the instruments under the 2015 Plan over the period of 4 to 7 years. The plan numbers mentioned above would further be adjusted for the September 2018 bonus issue.

The equity settled and cash settled RSUs and stock options would vest generally over a period of 4 years and shall be exercisable within the period as approved by the Nomination and Remuneration Committee (NARC). The exercise price of the RSUs will be equal to the par value of the shares and the exercise price of the stock options would be the market price as on the date of grant.

Controlled trust holds 1,37,25,712 and 1,55,14,732 shares as at March 31, 2022 and March 31, 2021, respectively, under the 2015 Plan. Out of these shares, 200,000 equity shares each have been earmarked for welfare activities of the employees as at March 31, 2022 and March 31, 2021.

The following is the summary of grants during the three months and year ended March 31, 2022 and March 31, 2021:

Particulars	2019 Plan				2015 Plan			
	Three months ended March 31,		Year ended March 31,		Three months ended March 31,		Year ended March 31,	
	2022	2021	2022	2021	2022	2021	2022	2021
Equity Settled RSU								
KMPs	74,800	1,06,000	1,48,762	3,13,808	1,82,846	2,53,054	2,84,543	4,57,151
Employees other than KMP	27,01,867	12,82,600	27,01,867	12,82,600	12,80,610	21,44,960	13,05,880	22,03,460
	27,76,667	**13,88,600**	**28,50,629**	**15,96,408**	**14,63,456**	**23,98,014**	**15,90,423**	**26,60,611**
Cash settled RSU								
KMPs	—	—	—	—	—	—	—	—
Employees other than KMPs	—	—	—	—	49,960	1,15,250	49,960	1,15,250
	—	**—**	**—**	**—**	**49,960**	**1,15,250**	**49,960**	**1,15,250**
Total Grants	**27,76,667**	**13,88,600**	**28,50,629**	**15,96,408**	**15,13,416**	**25,13,264**	**16,40,383**	**27,75,861**

Notes on grants to KMP:

CEO & MD
Under the 2015 Plan:

In accordance with the employee agreement which has been approved by the shareholders, the CEO is eligible to receive an annual grant of RSUs of fair value ₹3.25 crore which will vest overtime in three equal annual installments upon the completion of each year of service from the respective grant date. Accordingly, annual time-based grant of 18,340 RSUs was made effective February 1, 2022 for fiscal 2022.

The Board, on April 14, 2021, based on the recommendations of the nomination and remuneration committee, in accordance with the terms of his employment agreement, approved the grant of performance-based RSUs of fair value of ₹13 crore for fiscal 2022 under the 2015 Plan. These RSUs will vest in line with the employment agreement based on achievement of certain performance targets. Accordingly, 96,150 performance based RSU's were granted effective May 2, 2021.

Under the 2019 Plan:

The Board, on April 14, 2021, based on the recommendations of the Nomination and Remuneration Committee, approved performance-based grant of RSUs amounting to ₹10 crore for fiscal 2022 under the 2019 Plan. These RSUs will vest in line with the employment agreement based on achievement of certain performance targets. Accordingly, 73,962 performance based RSU's were granted effective May 2, 2021.

Other KMPs
Under the 2015 Plan:

On April 14, 2021, based on the recommendations of the Nomination and Remuneration Committee, in accordance with employment agreement, the Board, approved performance-based grant of 5,547 RSUs to a KMP under the 2015 Plan. The grants were made effective May 2, 2021. The performance based RSUs will vest over three years based on certain performance targets.

On January 12, 2022, based on the recommendations of the Nomination and Remuneration Committee, the Board, approved time based grant of 9,876 RSUs to a KMP under the 2015 Plan. The grants were made effective February 1, 2022. These RSUs will vest over four years.

On March 31, 2022, based on the recommendations of the Nomination and Remuneration Committee, the Board, approved time based grant of 154,630 RSUs to other KMPs under the 2015 Plan. The grants were made effective March 31, 2022. These RSUs will vest over four years.

Under the 2019 Plan:
On March 31, 2022, based on the recommendations of the Nomination and Remuneration Committee, the Board, approved performance based grant of 74,800 RSUs to other KMPs under the 2019 Plan. The grants were made effective March 31, 2022. These RSUs will vest over three years based on achievement of certain performance targets.

Break-up of employee stock compensation expense:

(in ₹ crore)

Particulars	Three months ended March 31,		Year ended March 31,	
	2022	2021	2022	2021
Granted to:				
KMP	14	20	65	76
Employees other than KMP	99	56	350	257
Total [(1)]	**113**	**76**	**415**	**333**
[(1)] *Cash-settled stock compensation expense included above*	4	20	22	80

Share based payment arrangements that were modified during the year ended March 31, 2021:
During the year ended March 31, 2021, the company issued ADS settled RSU and ESOP awards as replacement for outstanding stock appreciation rights awards. The replacement was pursuant to SEBI Circular 'Framework for issue of Depository Receipts - Clarifications' dated December 18, 2020 which allows Non resident Indians to hold depository receipts. The awards were granted after necessary approvals from the NARC. All other terms and conditions of the replaced awards remain the same as the original award.

The replacement awards was accounted as a modification and the fair value on the date of modification of ₹85 crore is recognized as equity with a corresponding adjustment to financial liability.

The fair value of the awards are estimated using the Black-Scholes Model for time and non-market performance based options and Monte Carlo simulation model is used for TSR based options.

The inputs to the model include the share price at date of grant, exercise price, expected volatility, expected dividends, expected term and the risk free rate of interest. Expected volatility during the expected term of the options is based on historical volatility of the observed market prices of the Company's publicly traded equity shares during a period equivalent to the expected term of the options. Expected volatility of the comparative company have been modelled based on historical movements in the market prices of their publicly traded equity shares during a period equivalent to the expected term of the options. Correlation coefficient is calculated between each peer entity and the indices as a whole or between each entity in the peer group.

The fair value of each equity settled award is estimated on the date of grant using the following assumptions:

Particulars	For options granted in			
	Fiscal 2022-Equity Shares-RSU	Fiscal 2022-ADS-RSU	Fiscal 2021-Equity Shares-RSU	Fiscal 2021-ADS-RSU
Weighted average share price (₹) / ($ ADS)	1,791	24.45	1,253	18.46
Exercise price (₹) / ($ ADS)	5.00	0.07	5.00	0.07
Expected volatility (%)	21-31	26-34	30-35	30-36
Expected life of the option (years)	1-4	1-4	1-4	1-4
Expected dividends (%)	2-3	2-3	2-3	2-3
Risk-free interest rate (%)	4-6	1-2	4-5	0.1-0.3
Weighted average fair value as on grant date (₹) / ($ ADS)	1,661	22.88	1,124	16.19

The expected life of the RSU/ESOP is estimated based on the vesting term and contractual term of the RSU/ESOP, as well as expected exercise behavior of the employee who receives the RSU/ESOP.

2.12 OTHER FINANCIAL LIABILITIES

(In ₹ crore)

Particulars	As at March 31, 2022	As at March 31, 2021
Non-current		
Others		
Accrued compensation to employees [1]	8	—
Accrued expenses [1]	946	569
Compensated absences	92	97
Financial liability under option arrangements [2]	655	693
Payable for acquisition of business - Contingent consideration [2]	56	86
Other Payables [1][4]	580	69
Total non-current other financial liabilities	**2,337**	**1,514**
Current		
Unpaid dividends [1]	36	33
Others		
Accrued compensation to employees [1]	4,061	4,019
Accrued expenses [1]	7,476	4,475
Retention monies [1]	13	13
Payable for acquisition of business - Contingent consideration [2]	67	75
Payable by controlled trusts [1]	211	199
Compensated absences	2,182	2,020
Foreign currency forward and options contracts [2] [3]	61	56
Capital creditors [1]	431	371
Other payables [1][4]	1,299	129
Total current other financial liabilities	**15,837**	**11,390**
Total other financial liabilities	**18,174**	**12,904**
[1] Financial liability carried at amortized cost	15,061	9,877
[2] Financial liability carried at fair value through profit or loss	836	910
[3] Financial liability carried at fair value through other comprehensive income	3	—
Contingent consideration on undiscounted basis	132	181

[4] Deferred contract cost in *Note 2.9* includes technology assets taken over by the Company from a customer as a part of transformation project which is not considered as distinct goods or services and the control related to the assets is not transferred to the Company in accordance with Ind AS 115 - Revenue from contract with customers. Accordingly, the same has been considered as a reduction to the total contract value and accounted as Deferred contract cost. Further as at March 31, 2022, the Company has entered into a financing arrangement with a third party for these assets for ₹895 crore which has been considered as financial liability. This includes ₹869 crore settled directly by the third party to the customer on behalf of the Company and accordingly considered as non-cash transaction.

2.13 OTHER LIABILITIES

(In ₹ crore)

Particulars	As at March 31, 2022	As at March 31, 2021
Non-current		
Others		
Withholding taxes and others	—	364
Deferred income - government grants	64	57
Accrued defined benefit plan liability	367	324
Deferred income	9	17
Others	11	1
Total non-current other liabilities	**451**	**763**
Current		
Unearned revenue	6,324	4,050
Others		
Withholding taxes and others	2,834	2,170
Accrued defined benefit plan liability	5	6
Deferred income - government grants	11	3
Others	4	4
Total current other liabilities	**9,178**	**6,233**
Total other liabilities	**9,629**	**6,996**

2.14 PROVISIONS

Accounting policy

A provision is recognized if, as a result of a past event, the Group has a present legal or constructive obligation that is reasonably estimable, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

a. Post sales client support

The Group provides its clients with a fixed-period post sales support on its fixed-price, fixed-timeframe contracts. Costs associated with such support services are accrued at the time related revenues are recorded and included in Consolidated Statement of Profit and Loss. The Group estimates such costs based on historical experience and estimates are reviewed on a periodic basis for any material changes in assumptions and likelihood of occurrence.

b. Onerous contracts

Provisions for onerous contracts are recognized when the expected benefits to be derived by the Group from a contract are lower than the unavoidable costs of meeting the future obligations under the contract. Provisions for estimated losses, if any, on incomplete contracts are recorded in the period in which such losses become probable based on the estimated efforts or costs to complete the contract. The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established the Group recognizes any impairment loss on the assets associated with that contract.

Provision for post-sales client support and other provisions:

(In ₹ crore)

Particulars	**As at**	
	March 31, 2022	**March 31, 2021**
Current		
Others		
Post-sales client support and other provisions	975	713
Total provisions	**975**	**713**

Provision for post sales client support represents cost associated with providing post sales support services which are accrued at the time of recognition of revenues and are expected to be utilized over a period of 1 year.

2.15 INCOME TAXES

Accounting policy

Income tax expense comprises current and deferred income tax. Income tax expense is recognized in net profit in the Consolidated Statement of Profit and Loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity or other comprehensive income. Current income tax for current and prior periods is recognized at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date. Deferred income tax assets and liabilities are recognized for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements except when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Deferred income tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect of changes in tax rates on deferred income tax assets and liabilities is recognized as income or expense in the period that includes the enactment or the substantive enactment date. A deferred income tax asset is recognized to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilized. Deferred income taxes are not provided on the undistributed earnings of subsidiaries and branches where it is expected that the earnings of the subsidiary or branch will not be distributed in the foreseeable future.

The Group offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously. The income tax provision for the interim period is made based on the best estimate of the annual average tax rate expected to be applicable for the full financial year. Tax benefits of deductions earned on exercise of employee share options in excess of compensation charged to income are credited to equity.

Income tax expense in the Consolidated Statement of Profit and Loss comprises:

(In ₹ crore)

Particulars	**Three months ended March 31,**		**Year ended March 31,**	
	2022	**2021**	**2022**	**2021**
Current taxes	1,825	1,662	7,811	6,672
Deferred taxes	23	195	153	533
Income tax expense	**1,848**	**1,857**	**7,964**	**7,205**

Income tax expense for the three months ended March 31, 2022 and March 31, 2021 includes reversal (net of provisions) of ₹242 crore and ₹62 crore, respectively. Income tax expense for the year ended March 31, 2022 and March 31, 2021 includes reversal (net of provisions) of ₹268 crore and ₹348 crore, respectively. These reversals pertain to prior periods primarily on account of adjudication of certain disputed matters in favor of the Company and upon filing of tax return across various jurisdictions.

Deferred income tax for the three months and year ended March 31, 2022 and March 31, 2021 substantially relates to origination and reversal of temporary differences.

The Company's Advanced Pricing Arrangement (APA) with the Internal Revenue Service (IRS) for US branch income tax expired in March 2021. The Company has applied for renewal of APA and currently the US taxable income is based on the Company's best estimate determined based on the expected value method.

2.16 REVENUE FROM OPERATIONS

Accounting policy

The Group derives revenues primarily from IT services comprising software development and related services, cloud and infrastructure services, maintenance, consulting and package implementation, licensing of software products and platforms across the Group's core and digital offerings (together called as "software related services") and business process management services. Contracts with customers are either on a time-and-material, unit of work, fixed-price or on a fixed-timeframe basis.

Revenues from customer contracts are considered for recognition and measurement when the contract has been approved by the parties, in writing, to the contract, the parties to contract are committed to perform their respective obligations under the contract, and the contract is legally enforceable. Revenue is recognized upon transfer of control of promised products or services ("performance obligations") to customers in an amount that reflects the consideration the Group has received or expects to receive in exchange for these products or services ("transaction price"). When there is uncertainty as to collectability, revenue recognition is postponed until such uncertainty is resolved.

The Group assesses the services promised in a contract and identifies distinct performance obligations in the contract. The Group allocates the transaction price to each distinct performance obligation based on the relative standalone selling price. The price that is regularly charged for an item when sold separately is the best evidence of its standalone selling price. In the absence of such evidence, the primary method used to estimate standalone selling price is the expected cost plus a margin, under which the Group estimates the cost of satisfying the performance obligation and then adds an appropriate margin based on similar services.

The Group's contracts may include variable consideration including rebates, volume discounts and penalties. The Group includes variable consideration as part of transaction price when there is a basis to reasonably estimate the amount of the variable consideration and when it is probable that a significant reversal of cumulative revenue recognized will not occur when the uncertainty associated with the variable consideration is resolved.

Revenue on time-and-material and unit of work based contracts, are recognized as the related services are performed. Fixed price maintenance revenue is recognized ratably either on a straight-line basis when services are performed through an indefinite number of repetitive acts over a specified period or ratably using a percentage of completion method when the pattern of benefits from the services rendered to the customer and the Group's costs to fulfil the contract is not even through the period of contract because the services are generally discrete in nature and not repetitive. Revenue from other fixed-price, fixed-timeframe contracts, where the performance obligations are satisfied over time is recognized using the percentage-of-completion method. Efforts or costs expended are used to determine progress towards completion as there is a direct relationship between input and productivity. Progress towards completion is measured as the ratio of costs or efforts incurred to date (representing work performed) to the estimated total costs or efforts. Estimates of transaction price and total costs or efforts are continuously monitored over the term of the contracts and are recognized in net profit in the period when these estimates change or when the estimates are revised. Revenues and the estimated total costs or efforts are subject to revision as the contract progresses. Provisions for estimated losses, if any, on incomplete contracts are recorded in the period in which such losses become probable based on the estimated efforts or costs to complete the contract.

The billing schedules agreed with customers include periodic performance based billing and / or milestone based progress billings. Revenues in excess of billing are classified as unbilled revenue while billing in excess of revenues are classified as contract liabilities (which we refer to as unearned revenues).

In arrangements for software development and related services and maintenance services, by applying the revenue recognition criteria for each distinct performance obligation, the arrangements with customers generally meet the criteria for considering software development and related services as distinct performance obligations. For allocating the transaction price, the Group measures the revenue in respect of each performance obligation of a contract at its relative standalone selling price. The price that is regularly charged for an item when sold separately is the best evidence of its standalone selling price. In cases where the Group is unable to determine the standalone selling price, the Group uses the expected cost plus margin approach in estimating the standalone selling price. For software development and related services, the performance obligations are satisfied as and when the services are rendered since the customer generally obtains control of the work as it progresses.

Certain cloud and infrastructure services contracts include multiple elements which may be subject to other specific accounting guidance, such as leasing guidance. These contracts are accounted in accordance with such specific accounting guidance. In such arrangements where the Group is able to determine that hardware and services are distinct performance obligations, it allocates the consideration to these performance obligations on a relative standalone selling price basis. In the absence of standalone selling price, the Group uses the expected cost-plus margin approach in estimating the standalone selling price. When such arrangements are considered as a single performance obligation, revenue is recognized over the period and measure of progress is determined based on promise in the contract.

Revenue from licenses where the customer obtains a "right to use" the licenses is recognized at the time the license is made available to the customer. Revenue from licenses where the customer obtains a "right to access" is recognized over the access period.

Arrangements to deliver software products generally have three elements: license, implementation and Annual Technical Services (ATS).When implementation services are provided in conjunction with the licensing arrangement and the license and implementation have been identified as two distinct separate performance obligations, the transaction price for such contracts are allocated to each performance obligation of the contract based on their relative standalone selling prices. In the absence of standalone selling price for implementation, the Group uses the expected cost plus margin approach in estimating the standalone selling price. Where the license is required to be substantially customized as part of the implementation service the entire arrangement fee for license and implementation is considered to be a single performance obligation and the revenue is recognized using the percentage-of-completion method as the implementation is performed. Revenue from client training, support and other services arising due to the sale of software products is recognized as the performance obligations are satisfied. ATS revenue is recognized ratably on a straight line basis over the period in which the services are rendered.

Contracts with customers includes subcontractor services or third-party vendor equipment or software in certain integrated services arrangements. In these types of arrangements, revenue from sales of third-party vendor products or services is recorded net of costs when the Group is acting as an agent between the customer and the vendor, and gross when the Group is the principal for the transaction. In doing so, the group first evaluates whether it controls the good or service before it is transferred to the customer. The Group considers whether it has the primary obligation to fulfil the contract, inventory risk, pricing discretion and other factors to determine whether it controls the goods or service and therefore is acting as a principal or an agent.

The incremental costs of obtaining a contract (i.e., costs that would not have been incurred if the contract had not been obtained) are recognized as an asset if the Group expects to recover them.

Certain eligible, nonrecurring costs (e.g. set-up or transition or transformation costs) that do not represent a separate performance obligation are recognized as an asset when such costs (a) relate directly to the contract; (b) generate or enhance resources of the Company that will be used in satisfying the performance obligation in the future; and (c) are expected to be recovered.

Capitalized contract costs relating to upfront payments to customers are amortized to revenue and other capitalized costs are amortized to expenses over the respective contract life on a systematic basis consistent with the transfer of goods or services to customer to which the asset relates. Capitalized costs are monitored regularly for impairment. Impairment losses are recorded when present value of projected remaining operating cash flows is not sufficient to recover the carrying amount of the capitalized costs.

The Group presents revenues net of indirect taxes in its Consolidated Statement of Profit and Loss.

Revenue from operation for the three months and year ended March 31, 2022 and March 31, 2021 are as follows:

(In ₹ crore)

Particulars	Three months ended March 31,		Year ended March 31,	
	2022	2021	2022	2021
Revenue from software services	30,111	24,555	113,536	93,387
Revenue from products and platforms	2,165	1,756	8,105	7,085
Total revenue from operations	**32,276**	**26,311**	**121,641**	**100,472**

The Group has evaluated the impact of COVID – 19 pandemic on (i) the possibility of constraints in our ability to render services which may require revision of estimations of costs to complete the contract because of additional efforts; (ii) onerous obligations; (iii) penalties relating to breaches of service level agreements; and (iv) termination or deferment of contracts by customers. The Group has concluded that the impact of COVID – 19 pandemic is not significant based on these estimates. Due to the nature of the COVID – 19 pandemic, the Group will continue to monitor developments to identify significant uncertainties relating to revenue in future periods.

Disaggregated revenue information

The table below presents disaggregated revenues from contracts with customers by geography and offerings for each of our business segments. The Group believes that this disaggregation best depicts how the nature, amount, timing and uncertainty of our revenues and cash flows are affected by industry, market and other economic factors.

For the three months ended March 31, 2022 and March 31, 2021:

(In ₹ crore)

Particulars	Financial Services (1)	Retail(2)	Communication (3)	Energy, Utilities, Resources and Services	Manufacturing	Hi-Tech	Life Sciences(4)	Others (5)	Total
Revenues by Geography*									
North America	6,431	3,128	2,395	1,948	1,648	2,458	1,574	243	19,825
	5,383	*2,616*	*1,632*	*1,709*	*1,371*	*1,982*	*1,265*	*247*	*16,205*
Europe	1,696	1,235	932	1,561	2,053	58	532	61	8,128
	1,631	*1,059*	*798*	*1,233*	*1,092*	*52*	*502*	*51*	*6,418*
India	570	17	50	51	17	117	6	212	1,040
	422	*24*	*52*	*20*	*13*	*82*	*2*	*182*	*797*
Rest of the world	1,399	237	755	312	98	16	28	438	3,283
	1,241	*203*	*674*	*271*	*57*	*8*	*27*	*410*	*2,891*
Total	**10,096**	**4,617**	**4,132**	**3,872**	**3,816**	**2,649**	**2,140**	**954**	**32,276**
	8,677	***3,902***	***3,156***	***3,233***	***2,533***	***2,124***	***1,796***	***890***	***26,311***
Revenue by offerings									
Digital	5,330	2,924	2,722	2,317	2,508	1,589	1,268	443	19,101
	4,274	*2,141*	*1,776*	*1,670*	*1,324*	*1,098*	*918*	*344*	*13,545*
Core	4,766	1,693	1,410	1,555	1,308	1,060	872	511	13,175
	4,403	*1,761*	*1,380*	*1,563*	*1,209*	*1,026*	*878*	*546*	*12,766*
Total	**10,096**	**4,617**	**4,132**	**3,872**	**3,816**	**2,649**	**2,140**	**954**	**32,276**
	8,677	***3,902***	***3,156***	***3,233***	***2,533***	***2,124***	***1,796***	***890***	***26,311***

For the year ended March 31, 2022 and March 31, 2021:

(In ₹ crore)

Particulars	Financial Services (1)	Retail(2)	Communication (3)	Energy, Utilities, Resources and Services	Manufacturing	Hi-Tech	Life Sciences(4)	Others (5)	Total
Revenues by Geography*									
North America	24,410	11,989	8,474	7,430	6,303	9,342	6,173	937	75,058
	19,517	*9,722*	*6,791*	*6,935*	*5,126*	*8,052*	*4,728*	*769*	*61,640*
Europe	6,746	4,759	3,598	5,766	6,606	224	2,203	227	30,129
	6,415	*4,165*	*2,893*	*4,481*	*3,962*	*164*	*2,013*	*210*	*24,303*
India	1,933	90	315	153	69	412	27	586	3,585
	1,568	*61*	*229*	*33*	*53*	*294*	*16*	*645*	*2,899*
Rest of the world	5,813	896	2,795	1,135	358	58	114	1,700	12,869
	5,083	*797*	*2,715*	*1,090*	*306*	*50*	*113*	*1,476*	*11,630*
Total	**38,902**	**17,734**	**15,182**	**14,484**	**13,336**	**10,036**	**8,517**	**3,450**	**121,641**
	32,583	***14,745***	***12,628***	***12,539***	***9,447***	***8,560***	***6,870***	***3,100***	***100,472***
Revenue by offerings									
Digital	20,391	10,857	9,310	8,412	8,240	5,817	4,925	1,452	69,404
	15,547	*7,695*	*6,478*	*6,077*	*4,567*	*4,160*	*3,020*	*1,143*	*48,687*
Core	18,511	6,877	5,872	6,072	5,096	4,219	3,592	1,998	52,237
	17,036	*7,050*	*6,150*	*6,462*	*4,880*	*4,400*	*3,850*	*1,957*	*51,785*
Total	**38,902**	**17,734**	**15,182**	**14,484**	**13,336**	**10,036**	**8,517**	**3,450**	**121,641**
	32,583	***14,745***	***12,628***	***12,539***	***9,447***	***8,560***	***6,870***	***3,100***	***100,472***

(1) *Financial Services include enterprises in Financial Services and Insurance*

(2) *Retail includes enterprises in Retail, Consumer Packaged Goods and Logistics*

(3) *Communication includes enterprises in Communication, Telecom OEM and Media*

(4) *Life Sciences includes enterprises in Life sciences and Health care*

(5) *Others include operating segments of businesses in India, Japan, China, Infosys Public Services & other enterprises in Public Services*

* *Geographical revenues is based on the domicile of customer*

Digital Services
Digital Services comprise of service and solution offerings of the Group that enable our clients to transform their businesses. These include offerings that enhance customer experience, leverage AI-based analytics and big data, engineer digital products and IoT, modernize legacy technology systems, migrate to cloud applications and implement advanced cyber security systems.

Core Services
Core Services comprise traditional offerings of the Group that have scaled and industrialized over a number of years. These primarily include application management services, proprietary application development services, independent validation solutions, product engineering and management, infrastructure management services, traditional enterprise application implementation, support and integration services.

Products & platforms

The Group also derives revenues from the sale of products and platforms including Finacle – core banking solution, Edge Suite of products, Infosys Nia - Artificial Intelligence (AI) platform which applies next-generation AI and machine learning, Panaya platform, Skava platform, Stater digital platform and Infosys McCamish- insurance platform.

Trade Receivables and Contract Balances
The timing of revenue recognition, billings and cash collections results in receivables, unbilled revenue, and unearned revenue on the Group's Consolidated Balance Sheet. Amounts are billed as work progresses in accordance with agreed-upon contractual terms, either at periodic intervals (e.g., monthly or quarterly) or upon achievement of contractual milestones.

The Group's receivables are rights to consideration that are unconditional. Unbilled revenues comprising revenues in excess of billings from time and material contracts and fixed price maintenance contracts are classified as financial asset when the right to consideration is unconditional and is due only after a passage of time.

Invoicing to the clients for other fixed price contracts is based on milestones as defined in the contract and therefore the timing of revenue recognition is different from the timing of invoicing to the customers. Therefore unbilled revenues for other fixed price contracts (contract asset) are classified as non-financial asset because the right to consideration is dependent on completion of contractual milestones.

Invoicing in excess of earnings are classified as unearned revenue.

Trade receivables and unbilled revenues are presented net of impairment in the consolidated Balance Sheet.

2.17 OTHER INCOME, NET

Accounting policy

Other income is comprised primarily of interest income, dividend income, gain/loss on investment and exchange gain/loss on forward and options contracts and on translation of foreign currency assets and liabilities. Interest income is recognized using the effective interest method. Dividend income is recognized when the right to receive payment is established.

Foreign currency

Accounting policy

Functional currency

The functional currency of Infosys, Infosys BPM, controlled trusts, EdgeVerve and Skava is the Indian rupee. The functional currencies for foreign subsidiaries are their respective local currencies. These financial statements are presented in Indian rupees (rounded off to crore; one crore equals ten million).

Transactions and translations

Foreign-currency denominated monetary assets and liabilities are translated into the relevant functional currency at exchange rates in effect at the Balance Sheet date. The gains or losses resulting from such translations are recognized in the Consolidated Statement of Profit and Loss and reported within exchange gains/ (losses) on translation of assets and liabilities, net, except when deferred in Other Comprehensive Income as qualifying cash flow hedges. Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at fair value are translated at the exchange rate prevalent at the date when the fair value was determined. Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of transaction. The related revenue and expense are recognized using the same exchange rate.

Transaction gains or losses realized upon settlement of foreign currency transactions are included in determining net profit for the period in which the transaction is settled. Revenue, expense and cash-flow items denominated in foreign currencies are translated into the relevant functional currencies using the exchange rate in effect on the date of the transaction.

The translation of financial statements of the foreign subsidiaries to the presentation currency is performed for assets and liabilities using the exchange rate in effect at the Balance Sheet date and for revenue, expense and cash-flow items using the average exchange rate for the respective periods. The gains or losses resulting from such translation are included in currency translation reserves under other components of equity. When a subsidiary is disposed off, in full, the relevant amount is transferred to net profit in the Consolidated Statement of Profit and Loss. However when a change in the parent's ownership does not result in loss of control of a subsidiary, such changes are recorded through equity.

Other Comprehensive Income, net of taxes includes translation differences on non-monetary financial assets measured at fair value at the reporting date, such as equities classified as financial instruments and measured at fair value through other comprehensive income (FVOCI).

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the exchange rate in effect at the Balance Sheet date.

Government grant

The Group recognizes government grants only when there is reasonable assurance that the conditions attached to them shall be complied with, and the grants will be received. Government grants related to assets are treated as deferred income and are recognized in net profit in the Consolidated Statement of Profit and Loss on a systematic and rational basis over the useful life of the asset. Government grants related to revenue are recognized on a systematic basis in net profit in the interim condensed consolidated Statement of Profit and Loss over the periods necessary to match them with the related costs which they are intended to compensate.

Other income for the three months and year ended March 31, 2022 and March 31, 2021 is as follows:

(In ₹ crore)

Particulars	Three months ended March 31,		Year ended March 31,	
	2022	2021	2022	2021
Interest income on financial assets carried at amortized cost:				
Tax free bonds and Government bonds	37	37	152	143
Deposit with Bank and others	190	252	851	1,052
Interest income on financial assets carried at fair value through other comprehensive income:				
Non-convertible debentures, certificates of deposit, and government securities	189	128	642	409
Income on investments carried at fair value through profit or loss:				
Dividend income on liquid mutual funds	—	—	—	11
Gain / (loss) on liquid mutual funds and other investments	77	7	177	74
Income on investments carried at fair value through other comprehensive income	—	2	1	82
Interest income on income tax refund	—	2	—	4
Exchange gains / (losses) on foreign currency forward and options contracts	(86)	90	88	556
Exchange gains / (losses) on translation of foreign currency assets and liabilities	199	(10)	186	(346)
Miscellaneous income, net	31	37	198	216
Total other income	**637**	**545**	**2,295**	**2,201**

2.18 EXPENSES

Accounting policy

Gratuity and Pensions

The Group provides for gratuity, a defined benefit retirement plan ('the Gratuity Plan') covering eligible employees majorly of Infosys and its Indian subsidiaries. The Gratuity Plan provides a lump-sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment with the Group. The Company contributes Gratuity liabilities to the Infosys Limited Employees' Gratuity Fund Trust (the Trust). In case of Infosys BPM and EdgeVerve, contributions are made to the Infosys BPM Employees' Gratuity Fund Trust and EdgeVerve Systems Limited Employees' Gratuity Fund Trust, respectively. Trustees administer contributions made to the Trusts and contributions are invested in a scheme with the Life Insurance Corporation of India as permitted by Indian law.

The Group operates defined benefit pension plan in certain overseas jurisdictions, in accordance with the local laws. These plans are managed by third party fund managers. The plans provide for periodic payouts after retirement and/or for a lumpsum payment as set out in rules of each fund and includes death and disability benefits.

Liabilities with regard to these defined benefit plans are determined by actuarial valuation, performed by an external actuary, at each Balance Sheet date using the projected unit credit method. These defined benefit plans expose the Group to actuarial risks, such as longevity risk, currency risk, interest rate risk and market risk.

The Group recognizes the net obligation of a defined benefit plan in its Balance Sheet as an asset or liability. Gains and losses through re-measurements of the net defined benefit liability / (asset) are recognized in other comprehensive income and are not reclassified to profit or loss in subsequent periods. The actual return of the portfolio of plan assets, in excess of the yields computed by applying the discount rate used to measure the defined benefit obligation is recognized in other comprehensive income. The effect of any plan amendments is recognized in net profit in the Consolidated Statement of Profit and Loss.

Provident fund

Eligible employees of Infosys receive benefits from a provident fund, which is a defined benefit plan. Both the eligible employee and the Company make monthly contributions to the provident fund plan equal to a specified percentage of the covered employee's salary. The Company contributes a portion to the Infosys Limited Employees' Provident Fund Trust. The trust invests in specific designated instruments as permitted by Indian law. The remaining portion is contributed to the government administered pension fund. The rate at which the annual interest is payable to the beneficiaries by the trust is being administered by the Government of India. The Company has an obligation to make good the shortfall, if any, between the return from the investments of the trust and the notified interest rate.

In respect of Indian subsidiaries, eligible employees receive benefits from a provident fund, which is a defined contribution plan. Both the eligible employee and the respective companies make monthly contributions to this provident fund plan equal to a specified percentage of the covered employee's salary. Amounts collected under the provident fund plan are deposited in a government administered provident fund. The Companies have no further obligation to the plan beyond its monthly contributions.

Superannuation

Certain employees of Infosys, Infosys BPM and EdgeVerve are participants in a defined contribution plan. The Group has no further obligations to the plan beyond its monthly contributions which are periodically contributed to a trust fund, the corpus of which is invested with the Life Insurance Corporation of India.

Compensated absences

The Group has a policy on compensated absences which are both accumulating and non-accumulating in nature. The expected cost of accumulating compensated absences is determined by actuarial valuation performed by an independent actuary at each Balance Sheet date using projected unit credit method on the additional amount expected to be paid/availed as a result of the unused entitlement that has accumulated at the Balance Sheet date. Expense on non-accumulating compensated absences is recognized in the period in which the absences occur.

The Code on Social Security, 2020 (‘Code’), relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified. The Company will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.

(In ₹ crore)

Particulars	**Three months ended March 31,**		**Year ended March 31,**	
	2022	**2021**	**2022**	**2021**
Employee benefit expenses				
Salaries including bonus	15,990	14,052	61,522	53,616
Contribution to provident and other funds	457	238	1,617	1,337
Share based payments to employees *(Refer to Note 2.11)*	113	76	415	333
Staff welfare	98	74	432	255
	16,658	**14,440**	**63,986**	**55,541**
Cost of software packages and others				
For own use	407	320	1,417	1,221
Third party items bought for service delivery to clients	1,861	752	5,394	3,002
	2,268	**1,072**	**6,811**	**4,223**

Other expenses				
Repairs and maintenance	268	325	1,066	1,300
Power and fuel	32	31	132	143
Brand and marketing	190	103	553	355
Short-term leases	15	22	61	82
Rates and taxes	85	74	265	256
Consumables	40	31	146	111
Insurance	44	33	164	134
Provision for post-sales client support and others	3	3	78	39
Commission to non-whole time directors	4	1	11	6
Impairment loss recognized / (reversed) under expected credit loss model	29	7	170	190
Contributions towards Corporate Social responsibility*	78	103	426	439
Others	128	108	352	231
	916	**841**	**3,424**	**3,286**

* Figures for the year ended March 31, 2021 includes ₹37 crore which the Company intends to spend in the future relating to and in addition to the amounts spent in the prior years

Consequent to the Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021 (“the Rules”), the Company was required to transfer its CSR capital assets created prior to January 2021. Towards this the Company had incorporated a controlled subsidiary ‘Infosys Green Forum’ under Section 8 of the Companies Act, 2013. During the year ended March 31, 2022 the Company has completed the transfer of assets upon obtaining the required approvals from regulatory authorities, as applicable.

2.19 Leases

Accounting Policy

The Group as a lessee

The Group’s lease asset classes primarily consist of leases for land, buildings and computers. The group assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the group assesses whether: (1) the contract involves the use of an identified asset (2) the group has substantially all of the economic benefits from use of the asset through the period of the lease and (3) the group has the right to direct the use of the asset.

At the date of commencement of the lease, the Group recognizes a right-of-use asset (“ROU”) and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Group recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

As a lessee, the Group determines the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Group makes an assessment on the expected lease term on a lease-by-lease basis and thereby assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. In evaluating the lease term, the Company considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of the lease and the importance of the underlying asset to Infosys’s operations taking into account the location of the underlying asset and the availability of suitable alternatives. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances.

Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset.

Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Group changes its assessment if whether it will exercise an extension or a termination option.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

The Group as a lessor

Leases for which the Group is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

When the Group is an intermediate lessor, it accounts for its interests in the head lease and the sublease separately. The sublease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease.

For operating leases, rental income is recognized on a straight line basis over the term of the relevant lease.

Following are the changes in the carrying value of right of use assets for the three months ended March 31, 2022:

(In ₹ crore)

Particulars	Category of ROU asset				Total
	Land	Buildings	Vehicles	Computers	
Balance as of January 1, 2022	**629**	**3,742**	**15**	**347**	**4,733**
Additions*	—	165	3	170	338
Deletions	—	(36)	—	(12)	(48)
Depreciation	(1)	(171)	(2)	(41)	(215)
Translation difference	—	11	—	4	15
Balance as of March 31, 2022	**628**	**3,711**	**16**	**468**	**4,823**

** Net of adjustments on account of modification*

Following are the changes in the carrying value of right of use assets for the three months ended March 31, 2021:

(In ₹ crore)

Particulars	Category of ROU asset				Total
	Land	Buildings	Vehicles	Computers	
Balance as of January 1, 2021	**632**	**3,750**	**19**	**110**	**4,511**
Additions	—	433	2	58	493
Deletions	—	(7)	—	—	(7)
Depreciation	(2)	(149)	(2)	(12)	(165)
Translation difference	—	(43)	—	5	(38)
Balance as of March 31, 2021	**630**	**3,984**	**19**	**161**	**4,794**

** Net of adjustments on account of modification*

Following are the changes in the carrying value of right of use assets for the year ended March 31, 2022:

(In ₹ crore)

Particulars	Category of ROU asset				Total
	Land	Buildings	Vehicles	Computers	
Balance as of April 1, 2021	**630**	**3,984**	**19**	**161**	**4,794**
Additions*	—	467	6	459	932
Deletions	—	(106)	—	(47)	(153)
Depreciation	(6)	(657)	(10)	(108)	(781)
Translation difference	4	23	1	3	31
Balance as of March 31, 2022	**628**	**3,711**	**16**	**468**	**4,823**

** Net of adjustments on account of modification*

Following are the changes in the carrying value of right of use assets for the year ended March 31, 2021:

(In ₹ crore)

Particulars	Category of ROU asset				Total
	Land	Buildings	Vehicles	Computers	
Balance as of April 1, 2020	**626**	**3,485**	**15**	**42**	**4,168**
Additions	7	1,234	13	140	1,394
Deletions	—	(147)	—	—	(147)
Depreciation	(7)	(591)	(11)	(26)	(635)
Translation difference	4	3	2	5	14
Balance as of March 31, 2021	**630**	**3,984**	**19**	**161**	**4,794**

** Net of adjustments on account of modification*

The aggregate depreciation expense on ROU assets has been included under depreciation and amortization expense in the Consolidated Statement of Profit and Loss.

The following is the break-up of current and non-current lease liabilities:

(In ₹ crore)

Particulars	As at	
	March 31, 2022	March 31, 2021
Current lease liabilities	872	738
Non-current lease liabilities	4,602	4,587
Total	**5,474**	**5,325**

2.20 BASIC AND DILUTED SHARES USED IN COMPUTING EARNINGS PER EQUITY SHARE

Accounting policy

Basic earnings per equity share is computed by dividing the net profit attributable to the equity holders of the Group by the weighted average number of equity shares outstanding during the period. Diluted earnings per equity share is computed by dividing the net profit attributable to the equity holders of the Group by the weighted average number of equity shares considered for deriving basic earnings per equity share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. The dilutive potential equity shares are adjusted for the proceeds receivable had the equity shares been actually issued at fair value (i.e. the average market value of the outstanding equity shares). Dilutive potential equity shares are deemed converted as at the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented.

The number of equity shares and potentially dilutive equity shares are adjusted retrospectively for all periods presented for any share splits and bonus shares issues including for changes effected prior to the approval of the financial statements by the Board of Directors.

2.21 CONTINGENT LIABILITIES AND COMMITMENTS

Accounting policy

Contingent liability is a possible obligation arising from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity or a present obligation that arises from past events but is not recognized because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability.

(In ₹ crore)

Particulars	As at	
	March 31, 2022	**March 31, 2021**
Contingent liabilities :		
Claims against the Group, not acknowledged as debts[(1)]	4,641	4,061
[Amount paid to statutory authorities ₹6,006 crore *(₹6,105 crore)*]		
Commitments :		
Estimated amount of contracts remaining to be executed on capital contracts and not provided for (net of advances and deposits)[(2)]	1,245	733
Other commitments*	28	42

** Uncalled capital pertaining to investments*

[(1)] As at March 31, 2022, claims against the Group not acknowledged as debts in respect of income tax matters amounted to ₹4,001 crore. As at March 31, 2021, claims against the Group not acknowledged as debts in respect of income tax matters amounted to ₹3,462 crore.

The claims against the Group primarily represent demands arising on completion of assessment proceedings under the Income Tax Act, 1961. These claims are on account of multiple issues of disallowances such as disallowance of profits earned from STP Units and SEZ Units, disallowance of deductions in respect of employment of new employees under section 80JJAA, disallowance of expenditure towards software being held as capital in nature, payments made to Associated Enterprises held as liable for withholding of taxes. These matters are pending before various Appellate Authorities and the Management including its tax advisors expect that its position will likely be upheld on ultimate resolution and will not have a material adverse effect on the Group's financial position and results of operations.

Amount paid to statutory authorities against the tax claims amounted to ₹5,996 crore and ₹6,095 crore as at March 31, 2022 and March 31, 2021, respectively.
[(2)] Capital contracts primarily comprises of commitments for infrastructure facilities and computer equipments.

Legal Proceedings

The Group is subject to legal proceedings and claims, which have arisen in the ordinary course of business. The Group's Management reasonably expects based on currently available information, that these legal actions, when ultimately concluded and determined, will not have a material and adverse effect on the Group's results of operations or financial condition.

2.22 RELATED PARTY TRANSACTIONS

Refer to the Company's Annual Report for the year ended March 31, 2021 for the full names and other details of the Company's subsidiaries and controlled trusts.

Changes in Subsidiaries

During the year ended March 31, 2022, the following are the changes in the subsidiaries:

- Simplus North America Inc., a wholly-owned subsidiary of Outbox Systems Inc., has been liquidated effective April 27, 2021.
- Simplus Europe, Ltd., a wholly-owned subsidiary of Outbox Systems Inc., has been liquidated effective July 20, 2021.
- Stater GmbH, a wholly-owned subsidiary of Stater N.V., was incorporated on August 4, 2021.
- Infosys Green Forum, a wholly-owned subsidiary of Infosys Limited, was incorporated on August 31, 2021.
- Infosys Consulting (Shanghai) Co., Ltd., a wholly-owned subsidiary of Infosys Consulting Holding AG, has been liquidated effective September 01, 2021.
- Sqware Peg Digital Pty Ltd, a wholly-owned subsidiary of Simplus Australia Pty Ltd, has been liquidated effective September 02, 2021.
- Beringer Commerce Inc. renamed as Blue Acorn iCi Inc.
- Infosys Canada Public Services, Inc., a wholly-owned subsidiary of Infosys Public Services, Inc. has been liquidated effective November 23, 2021.
- On December 14, 2021, Infosys Consulting Pte. Ltd., a wholly-owned subsidiary of Infosys Limited acquired 100% of voting interests in Global Enterprise International (Malaysia) Sdn. Bhd., renamed as Infosys (Malaysia) SDN. BHD.
- Infosys Consulting s.r.o. v likvidaci (formerly Infosys Consulting s.r.o.), a wholly-owned subsidiary of Infosys Consulting Holding AG, has been liquidated effective December 16, 2021.
- WongDoody Holding Company Inc. (WongDoody) merged into WongDoody, Inc effective December 31, 2021.
- WDW Communications, Inc merged into WongDoody, Inc effective December 31, 2021.
- SureSource LLC , Blue Acorn LLC and Simply Commerce LLC , merged into Beringer Commerce Holdings LLC effective January 1, 2022.
- iCiDIGITAL LLC, merged into Beringer Capital Digital Group Inc effective January 1, 2022.
- Beringer Capital Digital Group Inc, Mediotype LLC and Beringer Commerce Holdings LLC, merged into Blue Acorn iCi Inc effective January 1, 2022.
- Infosys Business Solutions LLC, a wholly-owned subsidiary of Infosys Limited, was incorporated on February 20, 2022.
- On March 17, 2022, Infosys Limited acquired non-controlling interest of 0.01% of the voting interests in Infosys BPM Limited.
- On March 22, 2022, Infosys Consulting Pte. Ltd., a wholly-owned subsidiary of Infosys Limited acquired 100% of voting interests in Infosys Germany GmbH (formerly Kristall 247. GmbH ("Kristall"))
- Brilliant Basics Holdings Limited (Brilliant Basics), a wholly-owned subsidiary of Infosys Limited, is under liquidation.
- Brilliant Basics Limited, a wholly-owned subsidiary of Brilliant Basics Holdings Limited (Brilliant Basics), is under liquidation.
- Effective January 1, 2022, Infosys Foundation is a trust jointly controlled by KMPs .[#]

  [#] During the quarter ended March 31, 2022 the group contributed ₹2 crore towards CSR.

Change in key management personnel

The following are the changes in the key management personnel:

- U.B. Pravin Rao (retired as a Chief Operating Officer and Whole-time director effective December 12, 2021).

Transaction with key management personnel:

The table below describes the compensation to key management personnel which comprise directors and executive officers:

(In ₹ crore)

Particulars	Three months ended March 31,		Year ended March 31,	
	2022	2021	2022	2021
Salaries and other employee benefits to whole-time directors and executive officers [(1)(2)]	**29**	37	**134**	144
Commission and other benefits to non-executive/independent directors	**4**	1	**11**	6
Total	**33**	**38**	**145**	**150**

(1) For the three months ended March 31, 2022 and March 31, 2021 includes a charge of ₹14 crore and ₹20 crore, respectively, towards employee stock compensation expense. For the year ended March 31, 2022 and March 31, 2021 includes a charge of ₹65 crore and ₹76 crore, respectively, towards employee stock compensation expense. (Refer to Note 2.11)

(2) Does not include post-employment benefit based on actuarial valuation as this is done for the Company as a whole.

2.23 SEGMENT REPORTING

Ind AS 108, Operating segments, establishes standards for the way that public business enterprises report information about operating segments and related disclosures about products and services, geographic areas, and major customers. The Group's operations predominantly relate to providing end-to-end business solutions to enable clients to enhance business performance. The Chief Operating Decision Maker (CODM) evaluates the Group's performance and allocates resources based on an analysis of various performance indicators by business segments. Accordingly, information has been presented along business segments. The accounting principles used in the preparation of the financial statements are consistently applied to record revenue and expenditure in individual segments, and are as set out in the accounting policies.

Business segments of the Group are primarily enterprises in Financial Services and Insurance, enterprises in Manufacturing, enterprises in Retail, Consumer Packaged Goods and Logistics, enterprises in the Energy, Utilities, Resources and Services, enterprises in Communication, Telecom OEM and Media, enterprises in Hi-Tech, enterprises in Life Sciences and Healthcare and all other segments. The Financial services reportable segments has been aggregated to include the Financial Services operating segment and Finacle operating segment because of the similarity of the economic characteristics. All other segments represent the operating segments of businesses in India, Japan, China, Infosys Public Services & other enterprises in Public Services.

Revenue and identifiable operating expenses in relation to segments are categorized based on items that are individually identifiable to that segment. Revenue for 'all other segments' represents revenue generated by Infosys Public services and revenue generated from customers located in India, Japan and China and other enterprises in Public services. Allocated expenses of segments include expenses incurred for rendering services from the Group's offshore software development centers and on-site expenses, which are categorized in relation to the associated efforts of the segment. Certain expenses such as depreciation and amortization, which form a significant component of total expenses, are not specifically allocable to specific segments as the underlying assets are used interchangeably. The Management believes that it is not practical to provide segment disclosures relating to those costs and expenses, and accordingly these expenses are separately disclosed as "unallocated" and adjusted against the total income of the Group.

Assets and liabilities used in the Group's business are not identified to any of the reportable segments, as these are used interchangeably between segments. The Management believes that it is currently not practicable to provide segment disclosures relating to total assets and liabilities since a meaningful segregation of the available data is onerous.

Business segment revenue information is collated based on individual customers invoiced or in relation to which the revenue is otherwise recognized.

Disclosure of revenue by geographic locations is given in note 2.16 Revenue from operations.

Business Segments

Three months ended March 31, 2022 and March 31, 2021:

(In ₹ crore)

Particulars	**Financial Services [(1)]**	**Retail [(2)]**	**Communication [(3)]**	**Energy, Utilities, Resources and Services**	**Manufacturing**	**Hi-Tech**	**Life Sciences [(4)]**	**All other segments [(5)]**	**Total**
Revenue from operations	10,096	4,617	4,132	3,872	3,816	2,649	2,140	954	32,276
	8,677	*3,902*	*3,156*	*3,233*	*2,533*	*2,124*	*1,796*	*890*	*26,311*
Identifiable operating expenses	5,801	2,299	2,532	2,041	2,691	1,543	1,220	642	18,769
	4,891	*1,823*	*1,812*	*1,685*	*1,309*	*1,225*	*942*	*485*	*14,172*
Allocated expenses	1,717	802	716	720	699	434	337	236	5,661
	1,547	*694*	*635*	*616*	*517*	*341*	*307*	*211*	*4,868*
Segment operating income	**2,578**	**1,516**	**884**	**1,111**	**426**	**672**	**583**	**76**	**7,846**
	2,239	*1,385*	*709*	*932*	*707*	*558*	*547*	*194*	*7,271*
Unallocable expenses									890
									831
Other income, net *(Refer to Note 2.17)*									637
									545
Finance cost									50
									50
Profit before tax									**7,543**
									6,935
Income tax expense									1,848
									1,857
Net Profit									**5,695**
									5,078
Depreciation and amortization									890
									831
Non-cash expenses other than depreciation and amortization									—
									—

Year ended March 31, 2022 and March 31, 2021:

(In ₹ crore)

Particulars	**Financial Services** [1]	**Retail** [2]	**Communic ation** [3]	**Energy, Utilities, Resources and**	**Manufactu ring**	**Hi-Tech**	**Life Sciences** [4]	**All other segments** [5]	**Total**
Revenue from operations	38,902	17,734	15,182	14,484	13,336	10,036	8,517	3,450	121,641
	32,583	*14,745*	*12,628*	*12,539*	*9,447*	*8,560*	*6,870*	*3,100*	*100,472*
Identifiable operating expenses	22,119	8,632	9,179	7,673	8,457	5,952	4,840	2,357	69,209
	17,612	*6,937*	*7,349*	*6,500*	*4,996*	*4,804*	*3,516*	*1,919*	*53,633*
Allocated expenses	6,469	2,972	2,631	2,586	2,471	1,589	1,297	926	20,941
	6,025	*2,691*	*2,484*	*2,487*	*1,888*	*1,302*	*1,198*	*875*	*18,950*
Segment operating income	**10,314**	**6,130**	**3,372**	**4,225**	**2,408**	**2,495**	**2,380**	**167**	**31,491**
	8,946	*5,117*	*2,795*	*3,552*	*2,563*	*2,454*	*2,156*	*306*	*27,889*
Unallocable expenses									3,476
									3,267
Other income, net *(Refer to Note 2.17)*									2,295
									2,201
Finance cost									200
									195
Profit before tax									**30,110**
									26,628
Income tax expense									7,964
									7,205
Net Profit									**22,146**
									19,423
Depreciation and amortization expense									3,476
									3,267
Non-cash expenses other than depreciation and amortization									—
									—

[1] *Financial Services include enterprises in Financial Services and Insurance*

[2] *Retail includes enterprises in Retail, Consumer Packaged Goods and Logistics*

[3] *Communication includes enterprises in Communication, Telecom OEM and Media*

[4] *Life Sciences includes enterprises in Life sciences and Health care*

[5] *Others include operating segments of businesses in India, Japan, China, Infosys Public Services & other enterprises in Public Services*

Significant clients

No client individually accounted for more than 10% of the revenues for the three months and year ended March 31, 2022 and March 31, 2021, respectively.

2.24 FUNCTION WISE CLASSIFICATION OF CONDENSED CONSOLIDATED STATEMENT OF PROFIT AND LOSS

(In ₹ crore)

Particulars	Note No.	Three months ended March 31,		Year ended March 31,	
		2022	2021	2022	2021
Revenue from operations	2.16	32,276	26,311	121,641	100,472
Cost of Sales		22,272	17,164	81,998	65,413
Gross profit		**10,004**	**9,147**	**39,643**	**35,059**
Operating expenses					
Selling and marketing expenses		1,347	1,200	5,156	4,627
General and administration expenses		1,701	1,507	6,472	5,810
Total operating expenses		**3,048**	**2,707**	**11,628**	**10,437**
Operating profit		**6,956**	**6,440**	**28,015**	**24,622**
Other income, net	2.17	637	545	2,295	2,201
Finance cost		50	50	200	195
Profit before tax		**7,543**	**6,935**	**30,110**	**26,628**
Tax expense:					
Current tax	2.15	1,825	1,662	7,811	6,672
Deferred tax	2.15	23	195	153	533
Profit for the period		**5,695**	**5,078**	**22,146**	**19,423**
Other comprehensive income					
Items that will not be reclassified subsequently to profit or loss					
Remeasurement of the net defined benefit liability/asset, net		(13)	(146)	(85)	134
Equity instruments through other comprehensive income, net		55	9	96	119
		42	**(137)**	**11**	**253**
Items that will be reclassified subsequently to profit or loss					
Fair value changes on derivatives designated as cash flow hedge, net		(12)	26	(8)	25
Exchange differences on translation of foreign operations, net		137	(266)	228	130
Fair value changes on investments, net		(65)	(137)	(49)	(102)
		60	**(377)**	**171**	**53**
Total other comprehensive income / (loss), net of tax		**102**	**(514)**	**182**	**306**
Total comprehensive income for the period		**5,797**	**4,564**	**22,328**	**19,729**
Profit attributable to:					
Owners of the Company		5,686	5,076	22,110	19,351
Non-controlling interests		9	2	36	72
		5,695	**5,078**	**22,146**	**19,423**
Total comprehensive income attributable to:					
Owners of the Company		5,787	4,570	22,293	19,651
Non-controlling interests		10	(6)	35	78
		5,797	**4,564**	**22,328**	**19,729**

for and on behalf of the Board of Directors of Infosys Limited

Nandan M. Nilekani
Chairman

Salil Parekh
Chief Executive Officer and Managing Director

D. Sundaram
Director

Nilanjan Roy
Chief Financial Officer

Jayesh Sanghrajka
Executive Vice President and Deputy Chief Financial Officer

A.G.S. Manikantha
Company Secretary

Bengaluru
April 13, 2022