<u>**TO ALL STOCK EXCHANGES**</u>

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

April 12, 2019

Dear Sir, Madam,

Sub: Outcome of Board meeting

This has reference to our letter dated March 21, 2019, regarding the captioned subject. The Board, at their meeting held over April 11-12, 2019, approved the following items of business:

Financial Results and Dividend

1. Took on record the audited consolidated financial statements of the Company and its subsidiaries as per Indian Accounting Standards (INDAS) for the quarter and year ending March 31, 2019;

2. Took on record the audited consolidated financial statements of the Company and its subsidiaries as per INDAS for the year ending March 31, 2019;

3. Took on record the audited condensed standalone financial statements of the Company as per INDAS for the quarter and year ending March 31, 2019;

4. Took on record the audited standalone financial statements of the Company as per INDAS for the year ending March 31, 2019;

5. Took on record the audited consolidated financial statements of the Company and its subsidiaries as per International Financial Reporting Standard (IFRS) in INR for the quarter and year ending March 31, 2019;

6. Took on record the audited condensed consolidated financial statements of the Company and its subsidiaries as per IFRS in USD for the year ending March 31, 2019;

7. Recommended a final dividend of ₹10.50/- per equity share for the financial year ended March 31, 2019.

Annual General Meeting and Book Closure

8. The 38th Annual General Meeting of the Members of the Company will be held on Saturday, June 22, 2019 at the Christ University Auditorium, Hosur Road, Bengaluru 560 029, Karnataka.

9. The book closure date for the purposes of the Annual General Meeting and payment of final dividend is June 15, 2019. The dividend will be paid on June 25, 2019.

10. The register of members and share transfer books will remain closed on June 15, 2019.

Others

11. The Board, on April 12, 2019, based on the recommendations of the Nominations and Remuneration Committee approved, the performance based grant of RSUs amounting to ₹ 13 crore for the financial year 2020 to Salil Parekh, CEO and Managing Director under the 2015 Stock Incentive Compensation Plan (2015 plan). This was pursuant to the approval from the shareholders through postal ballot concluded on February 20, 2018. These RSU's will vest in line with the current employment agreement. The RSUs will be granted w.e.f May 2, 2019 and the number of RSU's will be calculated based on the market price at the close of trading on May 2, 2019.

    The Board, on April 12, 2019, under the 2015 plan, based on the recommendations of the Nominations and Remuneration Committee approved:

    a) The grant of annual time based RSU’s of fair value ₹ 1.75 crore to Nilanjan Roy, CFO, in accordance with his employment agreement. These RSU's will vest equally over a period of 4 years from the date of grant. The Committee also approved an annual performance based RSU of fair value ₹ 0.75 crore which will vest equally over a period of 3 years subject to achievement of performance targets. The RSUs will be granted w.e.f May 2, 2019 and the number of RSU's will be calculated based on the market price at the close of trading on May 2, 2019.

    b) Grant of 12,200 RSU's to an eligible employee of the Company under the 2015 plan. These RSUs shall vest equally over a period of 4 years from the date of grant. The RSUs will be granted w.e.f May 2, 2019.

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: 2019.04.12 16:08:46 +05'30'

A.G.S. Manikantha
Company Secretary

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INFOSYS LIMITED AND SUBSIDIARIES

Condensed Consolidated Financial Statements under International Financial Reporting Standards (IFRS) in US Dollars for the year ended March 31, 2019

Index **Page No**

Infosys Limited and Subsidiaries

(Dollars in millions except equity share data)

Condensed Consolidated Balance Sheet as at	Note	March 31, 2019	March 31, 2018
ASSETS			
Current assets			
Cash and cash equivalents	2.1	2,829	3,041
Current investments	2.2	958	982
Trade receivables		2,144	2,016
Unbilled revenue		777	654
Prepayments and other current assets	2.4	827	662
Income tax assets		61	-
Derivative financial instruments	2.3	48	2
		7,644	**7,357**
Assets held for sale	2.9	-	316
Total current assets		**7,644**	**7,673**
Non-current assets			
Property, plant and equipment	2.7	1,931	1,863
Goodwill	2.8	512	339
Intangible assets		100	38
Investment in associate	2.13	-	-
Non-current investments	2.2	670	883
Deferred income tax assets		199	196
Income tax assets		914	931
Other non-current assets	2.4	282	332
Total Non-current assets		**4,608**	**4,582**
Total assets		**12,252**	**12,255**
LIABILITIES AND EQUITY			
Current liabilities			
Trade payables		239	107
Derivative financial instruments	2.3	2	6
Current income tax liabilities		227	314
Client deposits		4	6
Unearned revenue		406	352
Employee benefit obligations		234	218
Provisions	2.6	83	75
Other current liabilities	2.5	1,498	1,036
		2,693	**2,114**
Liabilities directly associated with assets held for sale	2.9	-	50
Total current liabilities		**2,693**	**2,164**
Non-current liabilities			
Deferred income tax liabilities		98	82
Employee benefit obligations		6	7
Other non-current liabilities	2.5	55	42
Total liabilities		**2,852**	**2,295**
Equity			
Share capital - ₹5 ($0.16) par value 4,800,000,000 (2,400,000,000) equity shares authorized, issued and outstanding 4,335,954,462 (2,173,312,301) equity shares fully paid up, net of 20,324,982 (10,801,956) treasury shares as at March 31, 2019 and (March 31, 2018), respectively	2.17 & 2.18	339	190
Share premium		277	247
Retained earnings		11,248	11,587
Cash flow hedge reserve		3	-
Other reserves		384	244
Capital redemption reserve		10	9
Other components of equity		(2,870)	(2,317)
Total equity attributable to equity holders of the company		**9,391**	**9,960**
Non-controlling interests		9	-
Total equity		**9,400**	**9,960**
Total liabilities and equity		**12,252**	**12,255**

The accompanying notes form an integral part of the 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

P. R. Ramesh
Partner
Membership No. 70928

Nandan M. Nilekani
Chairman

Salil Parekh
Chief Executive officer and Managing Director

U. B. Pravin Rao
Chief Operating Officer and Whole-time Director

Bengaluru
April 12, 2019

D. Sundaram
Director

Nilanjan Roy
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 Statements of Comprehensive Income	**Note**	**Year ended March 31,**	
		2019	**2018**
Revenues	2.15	**11,799**	**10,939**
Cost of sales	2.16	7,687	7,001
Gross profit		**4,112**	**3,938**
Operating expenses:			
Selling and marketing expenses	2.16	638	552
Administrative expenses	2.16	778	727
Total operating expenses		1,416	1,279
Operating profit		**2,696**	**2,659**
Other income, net	2.16	411	513
Reduction in the fair value of Disposal Group held for sale	2.9	(39)	(18)
Adjustment in respect of excess of carrying amount over recoverable amount on reclassification from "Held for Sale"	2.9	(65)	-
Share in net profit/(loss) of associate, including impairment		-	(11)
Profit before income taxes		**3,003**	**3,143**
Income tax expense	2.11	803	657
Net profit		**2,200**	**2,486**
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss:			
Re-measurements of the net defined benefit liability/asset, net		(3)	9
Equity instruments through other comprehensive income, net		10	1
		7	10
Items that will be reclassified subsequently to profit or loss:			
Fair valuation of investments, net	2.2	-	-
Fair value changes on derivatives designated as cash flow hedge, net		3	(6)
Foreign currency translation		(560)	18
		(557)	12
Total other comprehensive income/(loss), net of tax		**(550)**	**22**
Total comprehensive income		**1,650**	**2,508**
Profit attributable to:			
Owners of the company		2,199	2,486
Non-controlling interests		1	-
		2,200	**2,486**
Total comprehensive income attributable to:			
Owners of the company		1,649	2,508
Non-controlling interests		1	-
		1,650	**2,508**
Earnings per equity share			
Basic ($)		0.51	0.55
Diluted ($)		0.51	0.55
Weighted average equity shares used in computing earnings per equity share	2.12		
Basic		4,347,130,157	4,510,664,644
Diluted		4,353,420,772	4,515,147,740

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

As per our report of even date attached

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

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Bengaluru
April 12, 2019

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Director

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Chief Financial officer

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Company Secretary

Infosys Limited and Subsidiaries

Condensed Consolidated Statements of Changes in Equity

(Dollars in millions except equity share data)

	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, 2017	**2,285,655,150**	**199**	**587**	**12,190**	**-**	**-**	**6**	**(2,345)**	**10,637**	**-**	**10,637**
Changes in equity for the year ended March 31, 2018											
Net profit	-	-	-	2,486	-	-	-	-	2,486	-	2,486
Fair value changes on investments, net* (Refer to note 2.2)	-	-	-	-	-	-	-	-	-	-	-
Fair value changes on derivatives designated as cash flow hedge* (Refer to note 2.3)	-	-	-	-	-	-	(6)	-	(6)	-	(6)
Equity instruments through other comprehensive income* (Refer to note 2.2)	-	-	-	-	-	-	-	1	1	-	1
Exchange differences on translation of foreign operations	-	-	-	-	-	-	-	18	18	-	18
Total comprehensive income for the period	**-**	**-**	**-**	**2,486**	**-**	**-**	**(6)**	**19**	**2,499**	**-**	**2,499**
Shares issued on exercise of employee stock options (Refer to note 2.10)	700,629	-	1	-	-	-	-	-	1	-	1
Amount paid upon buy back (Refer to note 2.17)	(113,043,478)	(9)	(346)	(1,680)	-	-	-	-	(2,035)	-	(2,035)
Transaction cost related to buyback (Refer to note 2.17)*	-	-	(7)	-	-	-	-	-	(7)	-	(7)
Amount transferred to capital redemption reserve upon buyback (Refer to note 2.17)	-	-	-	(9)	-	9	-	-	-	-	-
Transfer to other reserves	-	-	-	(340)	340	-	-	-	-	-	-
Transfer from other reserves on utilization	-	-	-	96	(96)	-	-	-	-	-	-
Employee stock compensation expense (Refer to note 2.10)	-	-	12	-	-	-	-	-	12	-	12
Remeasurement of the net defined benefit liability/asset*	-	-	-	-	-	-	-	9	9	-	9
Dividends (including dividend distribution tax)	-	-	-	(1,156)	-	-	-	-	(1,156)	-	(1,156)
Balance as at March 31, 2018	**2,173,312,301**	**190**	**247**	**11,587**	**244**	**9**	**-**	**(2,317)**	**9,960**	**-**	**9,960**
Changes in equity for the year ended March 31, 2019											
Net profit	-	-	-	2,199	-	-	-	-	2,199	1	2,200
Remeasurement of the net defined benefit liability/asset*	-	-	-	-	-	-	-	(3)	(3)	-	(3)
Equity instruments through other comprehensive income* (Refer to note 2.2)	-	-	-	-	-	-	-	10	10	-	10
Fair value changes on investments, net* (Refer to note 2.2)	-	-	-	-	-	-	-	-	-	-	-
Fair value changes on derivatives designated as cash flow hedge* (Refer to note 2.3)	-	-	-	-	-	-	3	-	3	-	3
Exchange differences on translation of foreign operations	-	-	-	-	-	-	-	(560)	(560)	-	(560)
Total comprehensive income for the period	**-**	**-**	**-**	**2,199**	**-**	**-**	**3**	**(553)**	**1,649**	**1**	**1,650**
Shares issued on exercise of employee stock options - before bonus issue (Refer to note 2.10)	392,528	-	-	-	-	-	-	-	-	-	-
Increase in share capital on account of Bonus issue (Refer to note 2.17.3)	2,173,704,829	150	-	-	-	-	-	-	150	-	150
Amounts utilized for bonus issue (Refer to note 2.17.3)	-	-	-	(150)	-	-	-	-	(150)	-	(150)
Shares issued on exercise of employee stock options - after bonus issue (Refer to note 2.10)	1,196,804	-	1	-	-	-	-	-	1	-	1
Buyback of equity shares (Refer to note 2.5 and 2.17)	(12,652,000)	(1)	-	(288)	-	-	-	-	(289)	-	(289)
Transaction cost relating to buyback (Refer to note 2.17)*	-	-	-	(2)	-	-	-	-	(2)	-	(2)
Amount transferred to capital redemption reserve upon buyback (Refer to note 2.17)	-	-	-	(1)	-	1	-	-	-	-	-
Non-controlling interests on acquisition of subsidiary (Refer to note 2.9)	-	-	-	-	-	-	-	-	-	8	8
Transfer to other reserves	-	-	-	(346)	346		-	-	-	-	-
Transfer from other reserves on utilization	-	-	-	206	(206)	-	-	-	-	-	-
Employee stock compensation expense (Refer to note 2.10)	-	-	28	-	-	-	-	-	28	-	28
Income tax benefit arising on exercise of stock options	-	-	1	-	-	-	-	-	1	-	1
Dividends (including dividend distribution tax)	-	-	-	(1,957)	-	-	-	-	(1,957)	-	(1,957)
Balance as at March 31, 2019	**4,335,954,462**	**339**	**277**	**11,248**	**384**	**10**	**3**	**(2,870)**	**9,391**	**9**	**9,400**

** net of tax*

[1] excludes treasury shares of 20,324,982 as at March 31, 2019, 10,801,956 as at April 1, 2018 and 11,289,514 as at April 1, 2017, held by consolidated trust. The treasury shares as at April 1, 2018 and as at April 1, 2017 have not been adjusted for the September 2018 bonus issue.

[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 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

P. R. Ramesh
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Membership No. 70928

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Bengaluru
April 12, 2019

D. Sundaram
Director

Nilanjan Roy
Chief Financial officer

A. G. S. Manikantha
Company Secretary

Infosys Limited and Subsidiaries

Condensed Consolidated Statements 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,	
		2019	2018
Operating activities:			
Net Profit		2,200	2,486
Adjustments to reconcile net profit to net cash provided by operating activities :			
Depreciation and amortization	2.16	287	289
Interest and dividend income		(130)	(129)
Income tax expense	2.11	803	657
Effect of exchange rate changes on assets and liabilities		10	3
Impairment loss under expected credit loss model		34	5
Share in net profit/(loss) of associate, including impairment		-	11
Reduction in the fair value of Disposal Group held for sale	2.9	39	18
Adjustment in respect of excess of carrying amount over recoverable amount on reclassification from "Held for Sale"	2.9	65	-
Stock compensation expense		29	13
Other adjustments		(15)	(20)
Changes in working capital			
Trade receivables and unbilled revenue		(411)	(237)
Prepayments and other assets		(120)	(58)
Trade payables		131	51
Client deposits		(2)	1
Unearned revenue		48	104
Other liabilities and provisions		269	122
Cash generated from operations		**3,237**	**3,316**
Income taxes paid		(975)	(1,059)
Net cash provided by operating activities		**2,262**	**2,257**
Investing activities:			
Expenditure on property, plant and equipment		(349)	(310)
Loans to employees		2	4
Deposits placed with corporation		(3)	(20)
Interest and dividend received		79	67
Payment towards acquisition of business, net of cash acquired	2.9	(77)	(4)
Payment of contingent consideration pertaining to acquisition of business		(3)	(5)
Advance payment towards acquisition of business		(30)	-
Investment in equity and preference securities		(3)	(4)
Proceeds from sale of equity and preference securities		16	5
Investment in others		(3)	(4)
Redemption of other investments		2	-
Investment in quoted debt securities		(145)	(16)
Redemption of quoted debt securities		123	18
Investment in certificate of deposits		(342)	(1,032)
Redemption of certificate of deposits		791	1,503
Investment in commercial papers		(70)	(45)
Redemption of commercial papers		43	-
Escrow and other deposits pertaining to Buyback	2.4	(37)	-
Investment in liquid mutual fund units and fixed maturity plan securities		(11,184)	(9,628)
Redemption of liquid mutual fund units and fixed maturity plan securities		10,965	9,953
Net cash (used)/generated in investing activities		**(225)**	**482**
Financing activities:			
Payment of dividend including corporate dividend tax		(1,956)	(1,156)
Shares issued on exercise of employee stock options		1	1
Buy back of equity shares including transaction costs	2.17	(118)	(2,042)
Net cash used in financing activities		**(2,073)**	**(3,197)**
Effect of exchange rate changes on cash and cash equivalents		(184)	18
Net increase / (decrease) in cash and cash equivalents		(36)	(458)
Cash and cash equivalents at the beginning of the period	2.1	3,049	3,489
Cash and cash equivalents at the end of the period	2.1	**2,829**	**3,049**
Supplementary information:			
Restricted cash balance	2.1	52	82

The accompanying notes form an integral part of the 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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Bengaluru
April 12, 2019

D. Sundaram
Director

Nilanjan Roy
Chief Financial officer

A. G. S. Manikantha
Company Secretary

Notes to the condensed consolidated financial statements

1. Overview

1.1 Company overview

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

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).

Further, the company's ADS were also listed on the Euronext London and Euronext Paris. On July 5, 2018, the company voluntarily delisted its ADS from the said exchanges due to low average daily trading volume of its ADS on these exchanges.

The Group's condensed consolidated financial statements are authorized for issue by the company's Board of Directors on April 12, 2019.

1.2 Basis of preparation of financial statements

These condensed consolidated financial statements have been prepared in compliance with International Financial Reporting Standards as issued by the International Accounting Standards Board (IASB), under the historical cost convention on the accrual basis except for certain financial instruments which have been measured at fair values. Accordingly, these condensed consolidated financial statements do not include all the information required for a complete set of financial statements. These 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, 2018. Accounting policies have been applied consistently to all periods presented in these condensed consolidated financial statements.

As the quarter and year figures are taken from the source and rounded to the nearest digits, the figures reported for 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 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. 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 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 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 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 condensed consolidated financial statements.

1.5 Critical accounting estimates

a. Revenue recognition

The group uses the percentage-of-completion method in accounting for its fixed-price contracts. Use of the percentage-of-completion method requires the group to estimate the efforts or costs expended to date as a proportion of the total efforts or costs to be expended. Efforts or costs expended have been used to measure progress towards completion as there is a direct relationship between input and productivity.

Further, the Group uses significant judgements while determining the transaction price allocated to performance obligations using the expected cost plus margin approach.

Provisions for estimated losses, if any, on uncompleted contracts are recorded in the period in which such losses become probable based on the expected contract estimates at the reporting date.

b. Income taxes

The company's two major tax jurisdictions are India and the U.S., though the company also files tax returns in other overseas jurisdictions. Significant judgments are involved in determining the provision for income taxes, including amount expected to be paid/recovered for uncertain tax positions

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. (also refer to note 2.11).

c. Business combinations and intangible assets

Business combinations are accounted for using IFRS 3 (Revised), Business Combinations. IFRS 3 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. Significant estimates are required to be made in determining the value of contingent consideration and intangible assets. These valuations are conducted by independent valuation experts (Refer to note 2.9)

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.

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 is less than its carrying amount based on a number of factors including operating results, business plans, future cash flows and economic conditions. The recoverable amount of cash generating units is determined based on higher of value-in-use and fair value less cost to sell. The goodwill impairment test is performed at the level of the cash-generating unit or groups of cash-generating units which are benefitting from the synergies of the acquisition and which represents the lowest level at which goodwill is monitored for internal management purposes.

Market related information and estimates are used to determine the recoverable amount. Key assumptions on which management has based its determination of recoverable amount include estimated long term growth rates, weighted average cost of capital and estimated operating margins. Cash flow projections take into account past experience and represent management's best estimate about future developments.

f. Non-current assets and Disposal Groups held for sale

Assets and liabilities of Disposal Groups held for sale are measured at the lower of carrying amount and fair value less costs to sell. The determination of fair value less costs to sell includes use of management estimates and assumptions. The fair value of the Disposal Groups have been estimated using valuation techniques including income and market approach which includes unobservable inputs.

Non-current assets and Disposal Group that ceases to be classified as held for sale shall be measured at the lower of carrying amount before the Non-current asset and Disposal Group was classified as held for sale adjusted for any depreciation/ amortization and its recoverable amount at the date when the Disposal Group no longer meets the " Held for sale" criteria. Recoverable amounts of assets reclassified from held for sale have been estimated using management's assumptions which consist of significant unobservable inputs.

1.6 Recent accounting pronouncements

1.6.1 Standards issued but not yet effective

IFRS 16 Leases : On January 13, 2016, the International Accounting Standards Board issued IFRS 16, Leases replacing the existing leases Standard, IAS 17 Leases and related Interpretations. IFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lessor. IFRS 16 introduces a single lessee accounting model for a lessee and requires the lessee to recognize assets and liabilities for all leases with a term of more than twelve months, unless the underlying asset is low value in nature. Currently, operating lease expenses are charged to the statement of comprehensive income. The Standard also contains enhanced disclosure requirements for lessees. IFRS 16 substantially carries forward the lessor accounting requirements in IAS 17.

The standard permits two possible methods of transition:

• Full retrospective – Retrospectively to each prior period presented applying IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors

• Modified retrospective – Retrospectively, with the cumulative effect of initially applying the Standard recognized at the date of initial application

Under modified retrospective approach, the lessee records the lease liability as the present value of the remaining lease payments, discounted at the incremental borrowing rate and the right of use asset either as:

• Its carrying amount as if the standard had been applied since the commencement date, but discounted at lessee's incremental borrowing rate at the date of initial application or

• An amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments related to that lease recognized under IAS 17 immediately before the date of initial application.

Certain practical expedients are available under both the methods.

The effective date for adoption of IFRS 16 is annual periods beginning on or after January 1, 2019, though early adoption is permitted for companies applying IFRS 15 Revenue from Contracts with Customers.

On completion of evaluation of the effect of adoption of IFRS 16, the Group is proposing to use the 'Modified Retrospective Approach' for transitioning to IFRS 16, and take the cumulative adjustment to retained earnings, on the date of initial application (April 1, 2019). Accordingly, comparatives for the year ended March 31, 2019 will not be retrospectively adjusted. The Group has elected certain available practical expedients on transition.

The effect of adoption as on transition date would majorly result in an increase in Right of use asset approximately by $340 million, net lease receivable on account of sub lease approximately by $65 million and an increase in lease liability approximately by $440 million.

IFRIC 23, Uncertainty over Income Tax Treatments: The International Accounting Standards Board (IASB) issued IFRS interpretation IFRIC 23 Uncertainty over Income Tax Treatments which is to be applied while performing the determination of taxable profit (or loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under IAS 12. According to IFRIC 23, companies need to determine the probability of the relevant tax authority accepting each tax treatment, or group of tax treatments, that the companies have used or plan to use in their income tax filing which has to be considered to compute the most likely amount or the expected value of the tax treatment when determining taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates.

The standard permits two possible methods of transition - i) Full retrospective approach – Under this approach, IFRIC 23 will be applied retrospectively to each prior reporting period presented in accordance with IAS 8 – Accounting Policies, Changes in Accounting Estimates and Errors, without using hindsight and ii) Retrospectively with cumulative effect of initially applying IFRIC 23 recognized by adjusting equity on initial application, without adjusting comparatives.

The effective date for adoption of IFRIC 23 is annual periods beginning on or after January 1, 2019, though early adoption is permitted. The Group will adopt the standard on April 1, 2019 and has decided to adjust the cumulative effect in equity on the date of initial application i.e. April 1, 2019 without adjusting comparatives.

The effect on adoption of IFRIC 23 would be insignificant in the consolidated financial statements.

Amendment to IAS 12 – Income taxes : In December 2017, the IASB issued amendments to the guidance in IAS 12, ‘Income Taxes’, in connection with accounting for dividend distribution taxes.

The amendment clarifies that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events.

Effective date for application of this amendment is annual period beginning on or after January 1, 2019, although early application is permitted. The Group is currently evaluating the effect of this amendment on the consolidated financial statements.

Amendment to IAS 19 – plan amendment, curtailment or settlement- On February 7, 2018, the IASB issued amendments to the guidance in IAS 19, ‘Employee Benefits’, in connection with accounting for plan amendments, curtailments and settlements.

The amendments require an entity:

• to use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement; and

• to recognise in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognised because of the impact of the asset ceiling.

Effective date for application of this amendment is annual period beginning on or after January 1, 2019, although early application is permitted. The Group does not have any impact on account of this amendment.

Amendment to IFRS 3 Business Combinations - On October 22, 2018, the IASB issued amendments to the definition of a business in IFRS 3 Business Combinations. The amendments clarify the definition of a business, with the objective of assisting entities to determine whether a transaction should be accounted for as a business combination or as an asset acquisition. The amendment also introduces an optional concentration test that permits a simplified assessment of whether an acquired set of activities and assets is not a business.

The effective date for adoption of this amendment is annual periods beginning on or after January 1, 2020, although early adoption is permitted. The Group is currently evaluating the effect of this amendment on the consolidated financial statements.

2. Notes to the 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, 2019	March 31, 2018
Cash and bank deposits	2,052	2,021
Deposits with financial institutions	777	1,020
Total Cash and cash equivalents	**2,829**	**3,041**
Cash and cash equivalents included under assets classified under held for sale *(Refer note no 2.9)*	-	8
	2,829	**3,049**

Cash and cash equivalents as at March 31, 2019 and March 31, 2018 include restricted cash and bank balances of $52 million and $82 million, respectively. The restrictions are primarily on account of bank balances held by irrevocable trusts controlled by the company, bank balances held as margin money deposits against guarantees and balances held in unpaid dividend bank accounts.

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.

The table below provides details of cash and cash equivalents:

(Dollars in millions)

Particulars	As at	
	March 31, 2019	March 31, 2018
Current accounts		
ANZ Bank, Taiwan	-	1
Axis Bank - Unpaid dividend account	1	-
Banamex Bank, Mexico (U.S. Dollar account)	4	2
Banamex Bank, Mexico	1	-
Bank of America, Mexico	15	4
Bank of America, USA	168	180
Bank of Leumni , Israel	1	-
Bank Zachodni WBK S.A, Poland	-	3
Barclays Bank, UK	6	6
BNP Paribas Bank, Norway	4	14
China Merchants Bank, China	-	1
Citibank N.A., Australia	13	34
Citibank N.A., Brazil	5	2
Citibank N.A., China	10	18
Citibank N.A., China (U.S. Dollar account)	2	1
Citibank N.A., Dubai	2	1
Citibank N.A., EEFC (U.S. Dollar account)	-	1
Citibank N.A., Hungary	-	1
Citibank N.A., Japan	3	3
Citibank N.A., New Zealand	-	2
Citibank N.A., Portugal	1	1
Citibank N.A., Singapore	11	1
Citibank N.A., South Africa	3	5
Citibank N.A., USA	1	1
Citibank N.A., South Korea	2	-
Citibank N.A., Luxembourg	1	-
Deutsche Bank, Belgium	2	4
Deutsche Bank, Czech Republic	3	2
Deutsche Bank, Czech Republic (Euro account)	1	1
Deutsche Bank, Czech Republic (U.S. Dollar account)	3	-
Deutsche Bank, EEFC (Euro account)	3	5
Deutsche Bank, EEFC (Swiss Franc account)	1	-
Deutsche Bank, EEFC (U.S. Dollar account)	31	5
Deutsche Bank, EEFC (United Kingdom Pound Sterling account)	1	1
Deutsche Bank, France	3	3
Deutsche Bank, Germany	16	16
Deutsche Bank, India	6	7
Deutsche Bank, Malaysia	-	1
Deutsche Bank, Netherlands	5	2
Deutsche Bank, Philippines	1	4
Deutsche Bank, Philippines (U.S. Dollar account)	-	1
Deutsche Bank, Poland	4	3
Deutsche Bank, Poland (Euro account)	1	1
Deutsche Bank, Russia	1	1
Deutsche Bank, Russia (U.S. Dollar account)	-	1
Deutsche Bank, Singapore	2	3
Deutsche Bank, Switzerland	5	5
Deutsche Bank, United Kingdom	6	12
Deutsche Bank, USA	9	-
HSBC Bank, United Kingdom	3	1
HSBC Bank, India	1	-
ICICI Bank, EEFC (U.S. Dollar account)	5	6
ICICI Bank, EEFC (United Kingdom Pound Sterling account)	1	2

ICICI Bank, EEFC (Euro account)	1	-
ICICI Bank, India	6	8
Kotak Bank	1	-
ICICI Bank - Unpaid dividend account	4	3
Nordea	3	-
Nordbanken, Sweden	7	8
Punjab National Bank, India	-	2
Raiffeisen Bank, Czech Republic	-	1
Royal Bank of Canada, Canada	20	26
Silicon Valley Bank, USA	2	-
Splitska Banka D.D., Société Générale Group, Croatia	2	1
Washington Trust Bank	7	-
	421	**418**
Deposit accounts		
Axis Bank	134	-
Bank BGZ BNP Paribas S.A.	34	22
Barclays Bank	72	31
Canara Bank	19	36
Citibank	26	35
Deutsche Bank, AG	-	4
Deutsche Bank, Poland	18	32
HDFC Bank	7	383
HSBC Bank	29	-
ICICI Bank	469	568
IDBI Bank	-	38
IDFC Bank	354	230
IndusInd Bank	80	154
Kotak Mahindra Bank	72	-
South Indian Bank	25	69
Standard Chartered Bank	289	-
Washington trust bank	3	-
Yes Bank	-	1
	1,631	**1,603**
Deposits with financial institutions		
HDFC Limited	600	836
LIC Housing Finance Limited	177	184
	777	**1,020**
Total Cash and cash equivalents	**2,829**	**3,041**

2.2 Investments

The carrying value of investments are as follows:

(Dollars in millions)

Particulars	**As at**	
	March 31, 2019	**March 31, 2018**
(i) Current		
Amortized cost		
Quoted debt securities:		
Cost	3	-
Fair value through profit and loss		
Liquid Mutual funds		
Fair value	258	12
Fair Value through Other comprehensive income		
Quoted debt securities		
Fair value	267	117
Commercial Paper		
Fair value	72	45
Certificate of deposits		
Fair value	358	808
Total current investments	**958**	**982**

(ii) Non-current

Amortized cost		
Quoted debt securities		
Cost	274	291
Fair value through Other comprehensive income		
Quoted debt securities		
Fair value	310	493
Unquoted equity and preference securities		
Fair value	15	21
Fair value through profit and loss		
Unquoted convertible promissory note		
Fair value	-	2
Unquoted Preference securities		
Fair value	3	-
Fixed maturity plan securities		
Fair Value	66	66
Others		
Fair value	2	10
Total Non-current investments	**670**	**883**
Total investments	**1,628**	**1,865**
Investment carried at amortized cost	277	291
Investments carried at fair value through other comprehensive income	1,022	1,484
Investments carried at fair value through profit and loss	329	90

Uncalled capital commitments outstanding as of March 31, 2019 and March 31, 2018 was $12 million and $12 million, respectively.

Details of amounts recorded in other comprehensive income: *(Dollars in millions)*

Particulars	**Year ended**					
	March 31, 2019			**March 31, 2018`**		
	Gross	**Tax**	**Net**	**Gross**	**Tax**	**Net**
Net Gain/(loss) on						
Quoted debt securities	1	-	1	(2)	-	(2)
Certificate of deposits	(1)	-	(1)	3	(1)	2
Unquoted equity and preference securities	9	1	10	1	-	1

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

Class of investment	**Method**	**Fair value**	
		As at March 31, 2019	**As at March 31, 2018**
Liquid mutual funds	Quoted price	258	12
Fixed maturity plan securities	Market observable inputs	66	66
Quoted debt securities- carried at amortized cost	Quoted price and market observable inputs	307	330
Quoted debt securities- carried at Fair value through other comprehensive income	Quoted price and market observable inputs	577	610
Commercial Paper	Market observable inputs	72	45
Certificate of deposits	Market observable inputs	358	808
Unquoted equity and preference securities at fair value through other comprehensive income	Discounted cash flows method, Market multiples method, Option pricing model, etc.	15	21
Unquoted equity and preference securities - carried at fair value through profit or loss	Discounted cash flows method, Market multiples method, Option pricing model, etc.	3	-
Unquoted convertible promissory note	Discounted cash flows method, Market multiples method, Option pricing model, etc.	-	2
Others	Discounted cash flows method, Market multiples method, Option pricing model, etc.	2	10
		1,658	**1,904**

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 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 (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 recognized in a business combination which is subsequently measured at fair value through profit and 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, at fair value through profit or loss.

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

Although the group believes that these derivatives constitute hedges from an economic perspective, they may not qualify for hedge accounting under 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 statement of comprehensive income.

c. Share capital and treasury shares

(i) Ordinary Shares

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

(ii) 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.

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 those 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 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 comprehensive income.

Financial instruments by category

The carrying value and fair value of financial instruments by categories as at March 31, 2019 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)	2,829	-	-	-	-	2,829	2,829	
Investments (Refer to Note 2.2)								
Liquid mutual funds	-	-	258	-	-	258	258	
Fixed maturity plan securities	-	-	66	-	-	66	66	
Quoted debt securities	277	-	-	-	577	854	884	(1)
Certificate of deposits	-	-	-	-	358	358	358	
Commercial Paper	-	-	-	-	72	72	72	
Unquoted equity and preference securities:	-	-	3	15	-	18	18	
Unquoted investment others	-	-	2	-	-	2	2	
Trade receivables	2,144	-	-	-	-	2,144	2,144	
Unbilled revenues [(3)] (Refer to Note 2.15)	303	-	-	-	-	303	303	
Prepayments and other assets (Refer to Note 2.4)	529	-	-	-	-	529	517	(2)
Derivative financial instruments	-	-	43	-	5	48	48	
Total	**6,082**	**-**	**372**	**15**	**1,012**	**7,481**	**7,499**	
Liabilities:								
Trade payables	239	-	-	-	-	239	239	
Derivative financial instruments	-	-	2	-	-	2	2	
Other liabilities including contingent consideration (Refer to note 2.5)	1,263	-	27	-	-	1,290	1,290	
Total	**1,502**	**-**	**29**	**-**	**-**	**1,531**	**1,531**	

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

[(2)] *Excludes interest accrued on quoted debt securities carried at amortized cost*

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

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

(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)	3,041	-	-	-	-	3,041	3,041	
Investments (Refer to Note 2.2)								
Liquid mutual funds	-	-	12	-	-	12	12	
Fixed maturity plan securities	-	-	66	-	-	66	66	
Quoted debt securities	291	-	-	-	610	901	940	(1)
Certificate of deposits	-	-	-	-	808	808	808	
Commercial papers	-	-	-	-	45	45	45	
Unquoted equity and preference securities	-	-	-	21	-	21	21	
Unquoted investment others	-	-	10	-	-	10	10	
Unquoted convertible promissory note	-	-	2	-	-	2	2	
Trade receivables	2,016	-	-	-	-	2,016	2,016	
Unbilled revenues	654	-	-	-	-	654	654	
Prepayments and other assets (Refer to Note 2.4)	456	-	-	-	-	456	443	(2)
Derivative financial instruments	-	-	-	-	2	2	2	
Total	**6,458**	**-**	**90**	**21**	**1,465**	**8,034**	**8,060**	
Liabilities:								
Trade payables	107	-	-	-	-	107	107	
Derivative financial instruments	-	-	6	-	-	6	6	
Other liabilities including contingent consideration (Refer to note 2.5)	836	-	8	-	-	844	844	
Total	**943**	**-**	**14**	**-**	**-**	**957**	**957**	

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

[(2)] *Excludes interest accrued on quoted debt securities carried at amortized cost*

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, 2019:

(Dollars in millions)

Particulars	**As at March 31, 2019**	**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)	258	258	-	-
Investments in fixed maturity plan securities (Refer to Note 2.2)	66	-	66	-
Investments in quoted debt securities (Refer to Note 2.2)	884	630	254	-
Investments in certificate of deposit (Refer to Note 2.2)	358	-	358	-
Investments in commercial paper (Refer to Note 2.2)	72	-	72	-
Investments in unquoted equity and preference securities (Refer to Note 2.2)	18	-	-	18
Investments in unquoted investments others (Refer to Note 2.2)	2	-	-	2
Derivative financial instruments - gain on outstanding foreign exchange forward and option contracts	48	-	48	-
Liabilities				-
Derivative financial instruments - loss on outstanding foreign exchange forward and	2	-	2	-
Liability towards contingent consideration (Refer to note 2.5)*	27	-	-	27

**Discount rate pertaining to contingent consideration ranges from 9% to 16%*

During the year ended March 31, 2019, quoted debt securities of $49 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 $108 million 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, 2018:

(Dollars in millions)

Particulars	**As at March 31, 2018**	**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)	12	12	-	-
Investments in fixed maturity plan securities (Refer to Note 2.2)	66	-	66	-
Investments in quoted debt securities (Refer to Note 2.2)	940	701	239	-
Investments in certificate of deposit (Refer to Note 2.2)	808	-	808	-
Investments in commercial paper (Refer to Note 2.2)	45	-	45	-
Investments in unquoted equity and preference securities (Refer to Note 2.2)	21	-	-	21
Investments in unquoted investments others (Refer to Note 2.2)	10	-	-	10
Investments in unquoted convertible promissory note (Refer to Note 2.2)	2	-	-	2
Derivative financial instruments- gain on outstanding foreign exchange forward and option contracts	2	-	2	-
Liabilities				
Derivative financial instruments- loss on outstanding foreign exchange forward and option contracts	6	-	6	-
Liability towards contingent consideration (Refer to Note 2.5)*	8	-	-	8

**Discounted contingent consideration at 10%*

During the year ended March 31, 2018, quoted debt securities of $276 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 $130 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.

Income from financial assets is as follows:

(Dollars in millions)

Particulars	Year ended March 31,	
	2019	2018
Interest income on financial assets carried at amortized cost	201	260
Interest income on financial assets fair valued through other comprehensive income	92	106
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	24	39
	317	**406**

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 exchange rate between the 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 Indian rupee appreciates / depreciates against these currencies.

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

(Dollars in millions)

Particulars	U.S. dollars	Euro	United Kingdom Pound Sterling	Australian dollars	Other currencies	Total
Cash and cash equivalents	237	38	16	31	161	483
Trade receivables	1,438	267	148	76	140	2,069
Unbilled revenue	540	111	36	40	63	790
Other assets	66	15	5	5	45	136
Trade payables	(102)	(19)	(20)	(12)	(15)	(168)
Employee benefit obligations	(98)	(15)	(3)	(30)	(24)	(170)
Other liabilities	(509)	(66)	(28)	(25)	(86)	(714)
Net assets / (liabilities)	**1,572**	**331**	**154**	**85**	**284**	**2,426**

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

(Dollars in millions)

Particulars	U.S. dollars	Euro	United Kingdom Pound Sterling	Australian dollars	Other currencies	Total
Cash and cash equivalents	197	33	23	54	183	490
Trade receivables	1,276	269	129	121	120	1,915
Unbilled revenue	356	98	46	24	57	581
Other assets	49	4	4	2	15	74
Trade payables	(42)	(12)	(17)	(5)	(9)	(85)
Accrued expenses	(166)	(29)	(17)	(9)	(23)	(244)
Employee benefit obligation	(88)	(13)	(4)	(28)	(20)	(153)
Other liabilities	(97)	(21)	(12)	(5)	(49)	(184)
Net assets / (liabilities)	**1,485**	**329**	**152**	**154**	**274**	**2,394**

Sensitivity analysis between Indian Rupees and US Dollar

Particulars	As at	
	March 31, 2019	March 31, 2018
Impact on the Group's incremental operating margins	0.47%	0.50%

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's 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 options contracts:

(In millions)

Particulars	As at	
	March 31, 2019	March 31, 2018
Derivatives designated as cash flow hedges		
Options contracts		
In Australian dollars	120	60
In Euro	135	100
In United Kingdom Pound Sterling	25	20
Other derivatives		
Forward contracts		
In Australian dollars	8	5
In Canadian dollars	13	20
In Euro	176	91
In Japanese Yen	550	550
In New Zealand dollars	16	16
In Norwegian Krone	40	40
In Singapore dollars	140	5
In South African Rand	-	25
In Swedish Krona	50	50
In Swiss Franc	25	21
In U.S. Dollars	955	623
In United Kingdom Pound Sterling	80	51
Options contracts		
In Australian dollars	10	20
In Canadian dollars	13	-
In Euro	60	45
In Swiss Franc	5	5
In U.S. Dollars	433	320
In United Kingdom Pound Sterling	10	25

The group recognized a net gain of $35 million and net gain of less than $1 million for the year ended March 31, 2019 and March 31, 2018 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:

(Dollars in millions)

Particulars	As at	
	March 31, 2019	March 31, 2018
Not later than one month	640	434
Later than one month and not later than three months	1,001	701
Later than three months and not later than one year	591	378
Total	**2,232**	**1,513**

During the year ended March 31, 2019 and March 31, 2018, 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, 2019 are expected to occur and reclassified to statement of comprehensive income within 3 months.

Hedge effectiveness is determined at the inception of the hedge relationship, and through periodic prospective effectiveness assessments to ensure that an economic relationship exists between the hedged item and hedging instrument, including whether the hedging instrument is expected to offset changes in cash flows of hedged items.

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

The following table provides the reconciliation of cash flow hedge reserve for the year ended March 31, 2019 and March 31, 2018

(Dollars in millions)

Particulars	Year ended March 31, 2019	2018
Gain / (Loss)		
Balance at the beginning of the period	-	6
Gain / (Loss) recognized in other comprehensive income during the period	17	(14)
Amount reclassified to profit and loss during the period	(13)	6
Tax impact on above	(1)	2
Balance at the end of the period	**3**	**-**

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

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

(Dollars in millions)

Particulars	As at March 31, 2019		March 31, 2018	
	Derivative financial asset	Derivative financial liability	Derivative financial asset	Derivative financial liability
Gross amount of recognized financial asset/liability	48	(2)	3	(7)
Amount set off	-	-	(1)	1
Net amount presented in balance sheet	**48**	**(2)**	**2**	**(6)**

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 $2,144 million and $2,016 million as at March 31, 2019 and March 31, 2018, respectively and unbilled revenue amounting to $777 million and $654 million as at March 31, 2019 and March 31, 2018, respectively. Trade receivables and unbilled revenue are typically unsecured and are derived from revenue earned from customers primarily located in the United States. Credit risk is managed 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 expected credit loss model to assess the impairment loss or gain. The group uses a provision matrix to compute the expected credit loss allowance for trade receivables and unbilled revenues. The provision matrix takes into account available external and internal credit risk factors such as credit default swap quotes, credit ratings from international credit rating agencies and the Group's historical experience for customers.

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

(In %)

Particulars	Year ended March 31, 2019	2018
Revenue from top customer	3.6	3.4
Revenue from top ten customers	19.0	19.3

Credit risk exposure

The allowance for lifetime expected credit loss on customer balances for the year ended March 31, 2019 and March 31, 2018 was $34 million and $5 million respectively.

Movement in credit loss allowance *(Dollars in millions)*

Particulars	Year ended March 31, 2019	2018
Balance at the beginning	69	63
Translation differences	(2)	2
Impairment loss recognized/(reversed)	34	5
Write offs	(10)	(1)
Balance at the end	**91**	**69**

The Group's credit period generally ranges from 30-60 days.

Credit exposure *(Dollars in millions)*

Particulars	As at March 31, 2019	March 31, 2018
Trade receivables	2,144	2,016
Unbilled revenues	777	654

Days Sales Outstanding (DSO) as of March 31, 2019 and March 31, 2018 was 66 and 67 days respectively.

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

Liquidity risk

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 31,2019 , the Group had a working capital of $4,951 million including cash and cash equivalents of $2,829 million and current investments of $958 million. As at March 31, 2018, the Group had a working capital of $5,243 million including cash and cash equivalents of $3,041 million and current investments of $982 million.

As at March 31, 2019 and March 31, 2018, the outstanding employee benefit obligations were $240 million and $225 million respectively, which have been substantially funded. Accordingly, no liquidity risk is perceived.

Under the Company's ongoing buyback program, the maximum buyback size is ₹8,260 crore (approximately $1,184 million). The company has bought back shares amounting to ₹797 crore (approximately $117 million) (including transaction costs) till March 31, 2019. (Refer to note 2.17)

The table below provides details regarding the contractual maturities of significant financial liabilities as at March 31, 2019:

(Dollars in millions)

Particulars	Less than 1 year	1-2 years	2-4 years	4-7 years	Total
Trade payables	239	-	-	-	239
Other liabilities (excluding liability towards contingent consideration - Refer to Note 2.5)	1,260	2	1	-	1,263
Liability towards contingent consideration on an undiscounted basis (Refer to Note 2.5)	17	12	-	5	34

The table below provides details regarding the contractual maturities of significant financial liabilities as at March 31, 2018:

(Dollars in millions)

Particulars	Less than 1 year	1-2 years	2-4 years	4-7 years	Total
Trade payables	107	-	-	-	107
Other liabilities (excluding liability towards acquisition - Refer to Note 2.5)	836	-	-	-	836
Liability towards contingent consideration on an undiscounted basis (Refer to Note 2.5)	6	1	1	-	8

2.4 Prepayments and other assets

Prepayments and other assets consist of the following:

(Dollars in millions)

Particulars	As at	
	March 31, 2019	**March 31, 2018**
Current		
Rental deposits	2	2
Security deposits	1	1
Loans to employees	35	37
Prepaid expenses *[(1)]*	108	72
Interest accrued and not due	131	117
Withholding taxes and others*[(1)]*	215	158
Advance payments to vendors for supply of goods *[(1)]*	16	18
Deposit with corporations	242	236
Escrow and other deposits pertaining to buyback (Refer to Note No 2.17)	37	-
Deferred contract cost*[(1)]*	8	7
Other assets	32	14
Total Current prepayment and other assets	**827**	**662**
Non-current		
Loans to employees	3	6
Security deposits	8	8
Deposit with corporations	10	9
Prepaid gratuity *[(1)]*	6	7
Prepaid expenses *[(1)]*	23	17
Deferred contract cost *[(1)]*	40	40
Advance towards purchase of business[(1)] (Refer to Note No 2.9)	30	-
Withholding taxes and others*[(1)]*	134	219
Rental Deposits	28	26
Total Non- current prepayment and other assets	**282**	**332**
Total prepayment and other assets	**1,109**	**994**
Financial assets in prepayments and other assets	**529**	**456**

[(1)] Non financial assets

Withholding taxes and others primarily consist of input tax credits and Cenvat recoverable from Government of India. Cenvat recoverable includes $76 million which are pending adjudication. The Group expects these amounts to be sustainable on adjudication and recoverable on final resolution.

Security deposits relate principally to leased telephone lines and electricity supplies. Deferred contract costs are upfront costs incurred for the contract and are amortized over the term of the contract.

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

2.5 Other liabilities

Other liabilities comprise the following:

(Dollars in millions)

Particulars	As at	
	March 31, 2019	**March 31, 2018**
Current		
Accrued compensation to employees	372	385
Accrued expenses	480	376
Withholding taxes and others [1]	215	190
Retention money	16	20
Liabilities of controlled trusts	24	21
Liability towards contingent consideration (Refer to note 2.9)	14	6
Financial liability on account of buyback (Refer to note 2.17)	174	-
Deferred rent [1]	9	4
Capital creditors	98	24
Others	96	10
Total Current other liabilities	**1,498**	**1,036**
Non-Current		
Liability towards contingent consideration (Refer to note 2.9)	13	2
Accrued compensation to employees	3	-
Accrued gratuity[1]	4	4
Deferred income - government grant on land use rights [1]	6	7
Deferred income [1]	4	5
Deferred rent [1]	25	24
Total Non-current other liabilities	**55**	**42**
Total other liabilities	**1,553**	**1,078**
Financial liabilities included in other liabilities	1,290	844
Financial liability towards contingent consideration on an undiscounted basis (Refer to Note 2.9)	34	8

[1] Non financial liabilities

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. Others include unpaid dividend balances and capital creditors.

In accordance with IAS 32 Financial Instruments: Presentation, the Company has recorded a financial liability of $174 million for the obligation to acquire its own equity shares to the extent of standing instructions provided to its registered broker for the buyback as of March 31, 2019 (refer to note 2.17). The financial liability is recognised at the present value of the maximum amount that the Company would be required to pay to the registered broker for buy back, with a corresponding debit in general reserve / retained earnings.

2.6 Provisions

Accounting Policy

Provisions

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.

Post sales client support

The Group provides its clients with a fixed-period post sales support for corrections of errors and support on all its fixed-price, fixed-timeframe contracts. Costs associated with such support services are accrued at the time related revenues are recorded 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. 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, 2019	**March 31, 2018**
Provision for post sales client support and other provisions	83	75
	83	**75**

Provision for post sales client support and other provisions represents costs associated with providing sales support services which are accrued at the time of recognition of revenues and are expected to be utilized over a period of 6 months to 1 year.

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

(Dollars in millions)

Particulars	Year ended March 31, 2019
Balance at the beginning	75
Translation differences	-
Provision recognized/(reversed)	24
Provision utilized	(16)
Balance at the end	**83**

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, 2019 and March 31, 2018, claims against the company, not acknowledged as debts, (excluding demands from income tax authorities- Refer to Note 2.11) amounted to ₹230 crore ($33 million) and ₹260 crore ($40 million), respectively.

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

2.7 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 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	Over 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.

Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date and the cost of assets not put 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 amortization or 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 year ended March 31, 2019:

(Dollars in millions)

Particulars	**Land**	**Buildings**	**Plant and machinery**	**Computer equipment**	**Furniture and fixtures**	**Vehicles**	**Total**
Gross carrying value as at April 1, 2018	**292**	**1,247**	**518**	**749**	**285**	**5**	**3,096**
Additions	8	132	98	163	56	1	458
Additions- Business Combinations (Refer note 2.9)	-	-	1	4	2	-	7
Deletions	(7)	(17)	(15)	(35)	(9)	-	(83)
Reclassified from assets held for sale (Refer note 2.9)	-	-	-	6	4	-	10
Translation difference	(17)	(71)	(30)	(42)	(17)	(1)	(178)
Gross carrying value as at March 31, 2019	**276**	**1,291**	**572**	**845**	**321**	**5**	**3,310**
Accumulated depreciation as at April 1, 2018	**(5)**	**(417)**	**(359)**	**(557)**	**(203)**	**(3)**	**(1,544)**
Depreciation	(1)	(45)	(62)	(109)	(37)	(1)	(255)
Accumulated depreciation on deletions	-	15	12	33	8	-	68
Reclassified from assets held for sale (Refer note 2.9)	-	-	-	(4)	(3)	-	(7)
Translation difference	1	24	19	31	12	1	88
Accumulated depreciation as at March 31, 2019	**(5)**	**(423)**	**(390)**	**(606)**	**(223)**	**(3)**	**(1,650)**
Capital work-in progress as at March 31, 2019							**271**
Carrying value as at March 31, 2019	**271**	**868**	**182**	**239**	**98**	**2**	**1,931**
Capital work-in progress as at April 1, 2018							311
Carrying value as at April 1, 2018	**287**	**830**	**159**	**192**	**82**	**2**	**1,863**

Following are the changes in the carrying value of property, plant and equipment for the year ended March 31, 2018:

(Dollars in millions)

Particulars	**Land**	**Buildings**	**Plant and machinery**	**Computer equipment**	**Furniture and fixtures**	**Vehicles**	**Total**
Gross carrying value as at April 1, 2017	**272**	**1,123**	**466**	**700**	**261**	**5**	**2,827**
Additions	21	122	56	73	29	1	302
Deletions	-	-	(3)	(17)	(3)	(1)	(24)
Reclassified as held for sale (Refer note 2.9)	-	-	-	(6)	(4)	-	(10)
Translation difference	(1)	2	(1)	(1)	2	-	1
Gross carrying value as at March 31, 2018	**292**	**1,247**	**518**	**749**	**285**	**5**	**3,096**
Accumulated depreciation as at April 1, 2017	**(4)**	**(376)**	**(301)**	**(471)**	**(168)**	**(3)**	**(1,323)**
Depreciation	(1)	(43)	(62)	(107)	(40)	(1)	(254)
Accumulated depreciation on deletions	-	-	2	17	3	1	23
Reclassified as held for sale (Refer note 2.9)	-	-	-	4	3	-	7
Translation difference	-	2	2	-	(1)	-	3
Accumulated depreciation as at March 31, 2018	**(5)**	**(417)**	**(359)**	**(557)**	**(203)**	**(3)**	**(1,544)**
Capital work-in progress as at March 31, 2018							311
Carrying value as at March 31, 2018	**287**	**830**	**159**	**192**	**82**	**2**	**1,863**
Capital work-in progress as at April 1, 2017							303
Carrying value as at April 1, 2017	**268**	**747**	**165**	**229**	**93**	**2**	**1,807**

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

Carrying value of land includes $83 million and $98 million as at March 31, 2019 and March 31, 2018, respectively, towards amounts paid under certain lease-cum-sale agreements to acquire land, including agreements where the Group has an option to purchase or renew the properties on expiry of the lease period.

The contractual commitments for capital expenditure were $249 million and $223 million as at March 31, 2019 and March 31, 2018, respectively.

2.8 Goodwill

Accounting Policy

Goodwill represents the cost of business acquisition 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 cost of business acquisition, a gain is recognized immediately in 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 goodwill may be impaired, relying on a number of factors including operating results, business plans and future cash flows. For the purpose of impairment testing, goodwill acquired in a business combination is allocated to the Group's cash generating units (CGU) or groups of CGU’s expected to benefit from the synergies arising from the business combination. A CGU is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or group of assets. Impairment occurs when the carrying amount of a CGU including the goodwill, exceeds the estimated recoverable amount of the CGU. The recoverable amount of a CGU is the higher of its fair value less cost to sell and its value-in-use. Value-in-use is the present value of future cash flows expected to be derived from the CGU.

Total impairment loss of a CGU is allocated first to reduce the carrying amount of goodwill allocated to the CGU and then to the other assets of the CGU pro-rata on the basis of the carrying amount of each asset in the CGU. An impairment loss on goodwill is recognized in 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, 2019	**March 31, 2018**
Carrying value at the beginning	339	563
Goodwill on Wongdoody acquisition *(Refer to note 2.9)*	25	-
Goodwill on Brilliant Basics acquisition *(Refer to note 2.9)*	-	5
Goodwill on Fluido acquisition (Refer to note 2.9)	32	-
Goodwill reclassified from assets held for sale, net of reduction in recoverable amount *(Refer note 2.9.2)*	138	(247)
Translation differences	(22)	18
Carrying value at the end	**512**	**339**

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to the cash generating units (CGU) or groups of CGU’s, which benefit from the synergies of the acquisition. The chief operating decision maker reviews the goodwill for any impairment at the operating segment level, which is represented through groups of CGU’s.

During the three months ended June 30, 2018, the Group internally reorganized some of its business segments to deepen customer relationships, improve focus of sales investments and increase management oversight. Consequent to the internal reorganization, there were changes in the business segments based on “Management approach” as defined under IFRS 8, Operating Segments.(Refer Note 2.14). Accordingly the goodwill has been allocated to the new operating segments as at March 31, 2019.

The following table presents the allocation of goodwill to operating segments as at March 31, 2019

(Dollars in millions)

Segment	**As at March 31, 2019**
Financial services	108
Retail	63
Communication	56
Energy, utilities, Resources and Services	54
Manufacturing	34
	315
Operating segments without significant goodwill	61
Total	**376**

Consequent to reclassification from held for sale (refer note 2.9.2), the goodwill pertaining to Panaya, Kallidus and Skava acquisitions are tested for impairment at the respective entity level, which amounts to $136 million as of March 31, 2019.

The following table presents the allocation of goodwill to operating segments (prior to internal reorganization) as at March 31, 2018:

(Dollars in millions)

Segment	**As at March 31, 2018**
Financial services	73
Manufacturing	39
Retail, Consumer packaged goods and Logistics	48
Life Sciences, Healthcare and Insurance	68
Energy & utilities, Communication and Services	72
	300
Operating segments without significant goodwill	39
Total	**339**

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. The value-in-use is determined based on specific calculations. These calculations use cash flow projections over a period of five years. An average of the range of each assumption used is mentioned below. As at March 31, 2019 and March 31, 2018, the estimated recoverable amount of the CGU exceeded its carrying amount. The key assumptions used for the calculations are as follows:

In %

	As at	
	March 31, 2019	**March 31, 2018**
Long term growth rate	8-10	8-10
Operating margins	17-20	17-20
Discount rate	12.5	13.5

The above discount rate is based on the Weighted Average Cost of Capital (WACC) of the Company. Management believes that any reasonable possible changes in the key assumptions would not cause the carrying amount to exceed the recoverable amount of the cash generating unit.

2.9 Business combination and Disposal Group held for sale

a. Business Combination

Accounting Policy

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

The cost of an acquisition is measured at the fair value of the assets transferred, equity instruments issued and liabilities incurred or assumed at the date of acquisition, which is the date on which control is transferred to the Group. The cost of acquisition also includes the fair value of any contingent consideration. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair value on the date of acquisition.

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.

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.

Brilliant Basics Holdings Limited.

On September 8, 2017, Infosys acquired 100% of the voting interests in Brilliant Basics Holdings Limited., UK, (Brilliant Basics) a product design and customer experience innovator with experience in executing global programs. The business acquisition was conducted by entering into a share purchase agreement for cash consideration of $4 million, contingent consideration of up to $3 million and an additional consideration of $2 million, referred to as retention bonus, payable to the employees of Brilliant Basics at each anniversary year over the next two years, subject to their continuous employment with the group at each anniversary.

The payment of contingent consideration to sellers of Brilliant Basics is dependent upon the achievement of certain financial targets by Brilliant Basics over a period of 3 years ending on March, 2020.

The fair value of contingent consideration is determined by discounting the estimated amount payable to the sellers of Brilliant Basics on achievement of certain financial targets. The key inputs used in determination of the fair value of contingent consideration are the discount rate of 10% and the probabilities of achievement of the financial targets. The undiscounted value of contingent consideration is $2 million as at March 31, 2019.

The excess of the purchase consideration paid over the fair value of assets acquired has been attributed to goodwill.

The purchase price has been allocated based on management's estimates and independent appraisal of fair values as follows:

(Dollars in millions)

Component	Acquiree's carrying amount	Fair value adjustments	Purchase price allocated
Net assets(*)	-	-	-
Intangible assets - Customer Relationships	-	2	2
Deferred tax liabilities on intangible assets	-	-	-
	-	**2**	**2**
Goodwill			5
Total purchase price			**7**

*Includes cash and cash equivalents acquired of less than $1 million

The goodwill is not tax deductible.

The gross amount of trade receivables acquired and its fair value is less than $1 million and the amount has been substantially collected.

The fair value of each major class of consideration as of the acquisition date is as follows:

(Dollars in millions)

Component	Consideration settled
Cash paid	4
Fair value of contingent consideration	3
Total purchase price	**7**

The transaction costs of less than $1 million related to the acquisition have been included under administrative expenses in the statement of comprehensive income for the year ended March 31, 2018.

Wongdoody Holding Company Inc.

On May 22, 2018, Infosys acquired 100% of the voting interests in WongDoody Holding Company Inc., (WongDoody) an US-based, full-service creative and consumer insights agency. The business acquisition was conducted by entering into a share purchase agreement for a total consideration of up to $75 million, which includes a cash consideration of $38 million, contingent consideration of up to $28 million and an additional consideration of up to $9 million, referred to as retention bonus, payable to the employees of WongDoody over the next three years, subject to their continuous employment with the group.

WongDoody, brings to Infosys the creative talent and marketing and brand engagement expertise. Further the acquisition is expected to strengthen Infosys' creative, branding and customer experience capabilities to bring innovative thinking, talent and creativity to clients.

The purchase price has been allocated based on management's estimates and independent appraisal of fair values as follows:

(Dollars in millions)

Component	Acquiree's carrying amount	Fair value adjustments	Purchase price allocated
Net assets(*)	5	-	5
Intangible assets - Customer contracts and relationships	-	20	20
Intangible assets - Trade name	-	1	1
	5	**21**	**26**
Goodwill			25
Total purchase price			**51**

** Includes cash and cash equivalents acquired of $8 million.*

Goodwill is tax deductible

The fair value of each major class of consideration as of the acquisition date is as follows:

(Dollars in millions)

Component	Consideration settled
Cash consideration	38
Fair value of contingent consideration	13
Total purchase price	**51**

The gross amount of trade receivables acquired and its fair value is $2 million and the amount has been fully collected.

The payment of contingent consideration to sellers of WongDoody is dependent upon the achievement of certain financial targets by WongDoody. At the acquisition date, the key inputs used in determination of the fair value of contingent consideration are the discount rate of 16% and the probabilities of achievement of the financial targets. The undiscounted value of contingent consideration is $17 million.

The transaction costs of less than $1 million related to the acquisition have been included under administrative expenses in the statement of comprehensive income for the year ended March 31, 2019.

Infosys Compaz Pte Limited (formerly known as Trusted Source Pte Ltd)

On November 16, 2018, Infosys Consulting Pte Limited (a wholly owned subsidiary of Infosys Limited) acquired 60% stake in Infosys Compaz Pte. Ltd, a Singapore based IT services company. The business acquisition was conducted by entering into a share purchase agreement for a total consideration of up to SGD 17 million (approximately $13 million on acquisition date), which includes a cash consideration of SGD 10 million (approximately $8 million on acquisition date), contingent consideration of up to SGD 7 million (approximately $5 million on acquisition date).

The purchase price has been allocated based on management's estimates and independent appraisal of fair values as follows:

(Dollars in millions)

Component	Acquiree's carrying amount	Fair value adjustments	Purchase price allocated
Net assets(*)	13	-	13
Intangible assets - customer contracts and relationships	-	6	6
Deferred tax liabilities on intangible assets	-	(1)	(1)
	13	5	18
Less: Non-controlling interests			(7)
Total purchase price			**11**

** Includes cash and cash equivalents acquired of $ 9 million.*

The fair value of each major class of consideration as at the acquisition date is as follows:

(Dollars in millions)

Component	Consideration settled
Cash consideration	8
Fair value of contingent consideration	3
Total purchase price	**11**

The gross amount of trade receivables acquired and its fair value is $7 million and the amount has been substantially collected.

The payment of contingent consideration to sellers of Infosys Compaz Pte. Ltd is dependent upon the achievement of certain revenue targets by Infosys Compaz Pte. Ltd. At the acquisition date, the key inputs used in determination of the fair value of contingent consideration are the discount rate of 9% and the probabilities of achievement of the financial targets. The undiscounted value of contingent consideration is SGD 7 million ($5 million).

The transaction costs of less than $1 million related to the acquisition have been included under administrative expenses in the statement of comprehensive income for the year ended March 31, 2019.

Fluido Oy

On October 11, 2018, Infosys Consulting Pte Limited (a wholly owned subsidiary of Infosys Limited) acquired 100% of voting interests in Fluido Oy (Fluido), a Nordic-based salesforce advisor and consulting partner in cloud consulting, implementation and training services for a total consideration of up to Euro 65 million (approximately $75 million), comprising of cash consideration of Euro 45 million (approximately $52 million), contingent consideration of up to Euro 12 million (approximately $ 14 million) and retention payouts of up to Euro 8 million (approximately $9 million), payable to the employees of Fluido over the next three years, subject to their continuous employment with the group.

Fluido brings to Infosys Salesforce expertise, alongside an agile delivery process that simplifies and scales digital efforts across channels and touchpoints. Further, Fluido strengthens Infosys' presence across the Nordics region with developed assets and client relationships. The excess of the purchase consideration paid over the fair value of assets acquired has been attributed to goodwill.

The purchase price has been allocated based on management's estimates and independent appraisal of fair values as follows:

(in $ million)

Component	Acquiree's carrying amount	Fair value adjustments	Purchase price allocated
Net assets(*)	2	-	2
Intangible assets - Customer contracts and relationships	-	21	21
Intangible assets - Salesforce Relationships	-	8	8
Intangible assets - Brand	-	4	4
Deferred tax liabilities on intangible assets	-	(7)	(7)
	2	**26**	**28**
Goodwill			32
Total purchase price			**60**

** Includes cash and cash equivalents acquired of $ 4 million..*

Goodwill is not tax deductible

The fair value of each major class of consideration as of the acquisition date is as follows:

(in $ million)

Component	Consideration settled
Cash consideration	52
Fair value of contingent consideration	8
Total purchase price	**60**

The gross amount of trade receivables acquired and its fair value is $4 million and the amount is fully collected.

The payment of contingent consideration to sellers of Fluido is dependent upon the achievement of certain financial targets by Fluido. At the acquisition date, the key inputs used in determination of the fair value of contingent consideration are the discount rate of 16% and the probabilities of achievement of the financial targets. The undiscounted value of contingent consideration is EUR 8 million ($9 million).

The transaction costs of $1 million related to the acquisition have been included under administrative expenses in the statement of comprehensive income for the year ended March 31, 2019.

Hitachi Procurement Service Co. Ltd

On April 1, 2019, Infosys Consulting Pte Limited (a wholly owned subsidiary of Infosys Limited) acquired 81% of voting interests in Hitachi Procurement Service Co., Ltd., (HIPUS), Japan, a wholly owned subsidiary of Hitachi Ltd, Japan for a total cash consideration of JPY 3.29 billion (approximately $30 million) on fulfilment of closing conditions. The company has paid an advance of JPY 3.29 billion (approximately $30 million) to Hitachi towards cash consideration on March 29, 2019. HIPUS handles indirect materials purchasing functions for the Hitachi Group.

As of April 12, 2019 (i.e., the date of adoption of financial statements by the Board of Directors), the Company is in the process of finalising the accounting for acquisition of HIPUS, including allocation of purchase consideration to identifiable assets and liabilities.

Proposed acquisition

Stater N.V.

On March 28, 2019, Infosys Consulting Pte Limited (a wholly owned subsidiary of Infosys Limited) entered into a definitive agreement to acquire 75% of the shareholding in Stater N.V., a wholly-owned subsidiary of ABN AMRO Bank N.V., Netherlands, for a consideration including base purchase price of up to EUR 127.5 million (approximately $143 million) and customary closing adjustments, subject to regulatory approvals and fulfilment of closing conditions.

2.9.2 Disposal Group held for sale

Accounting policy

Non-current assets and Disposal Group are classified as held for sale if their carrying amount is intended to be recovered principally through sale rather than through continuing use. The condition for classification of held for sale is met when the non-current asset or the Disposal Group is available for immediate sale and the same is highly probable of being completed within one year from the date of classification as held for sale. Non-current assets and Disposal Group held for sale are measured at the lower of carrying amount and fair value less cost to sell. Non-current assets and Disposal Group that ceases to be classified as held for sale shall be measured at the lower of carrying amount before the non-current asset and Disposal Group was classified as held for sale adjusted for any depreciation/ amortization and its recoverable amount at the date when the Disposal Group no longer meets the "Held for sale" criteria.

In the three months ended March 2018, the Company had initiated identification and evaluation of potential buyers for its subsidiaries, Kallidus and Skava (together referred to as "Skava") and Panaya, collectively referred to as the "Disposal Group". The Disposal Group was classified and presented separately as "held for sale" and was carried at the lower of carrying value and fair value. Consequently, a reduction in the fair value of Disposal Group held for sale amounting to $18 million in respect of Panaya had been recognized in the consolidated statement of comprehensive income for the three months and year ended March 31, 2018. During the three months ended June 30, 2018, on remeasurement, including consideration of progress in negotiations on offers from prospective buyers for Panaya, the Company has recorded a reduction in the fair value of Disposal Group held for sale amounting to $39 million in respect of Panaya.

During the three months ended December 31, 2018, based on evaluation of proposals received and progress of negotiations with potential buyers, the Company concluded that the Disposal Group does not meet the criteria for "Held for Sale' classification because it is no longer highly probable that sale would be consummated by March 31, 2019 (twelve months from date of initial classification " as held for sale") Accordingly, in accordance with IFRS 5 -" Non current Assets held for Sale and Discontinued Operations", the assets and liabilities of Panaya and Skava have been included on a line by line basis in the consolidated financial statements for the period and as at December 31, 2018 and March 31, 2019.

On reclassification from "Held for sale", the assets of Panaya and Skava have been remeasured in the quarter ended December 31, 2018 at the lower of cost and recoverable amount resulting in recognition of additional depreciation and amortization expenses of $12 million and an adjustment in respect of excess of carrying amount over recoverable amount on reclassification from "Held for Sale" of $65 million (comprising of $52 million towards goodwill and $13 million towards value of customer relationships) in respect of Skava in the consolidated statement of comprehensive income for the three months and nine months ended December 31, 2018.

2.10 Employees' Stock Option Plans (ESOP)

Accounting Policy

The Group recognizes compensation expense relating to share-based payments in net profit using fair-value in accordance with IFRS 2, Share-Based Payment. The estimated fair value of awards is charged to income on a straight-line basis over the requisite service period for each separately vesting portion of the award as if the award was in-substance, multiple awards with a corresponding increase to share premium.

2015 Stock Incentive Compensation Plan (the 2015 Plan) (formerly 2011 RSU Plan):

On March 31, 2016, pursuant to the approval by the shareholders through postal ballot, the Board has been authorized to introduce, offer, issue and allot share-based incentives to eligible employees of the Company and its subsidiaries under the 2015 Stock Incentive Compensation Plan (the 2015 Plan). The maximum number of shares under the 2015 plan shall not exceed 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). Out of this 17,038,883 equity shares will be issued as RSUs at par value and 7,000,000 equity shares will be issued as stock options at market price on the date of the grant. These instruments will generally vest over a period of 4 years and the Company expects to grant the instruments under the 2015 Plan over the period of 4 to 7 years. The plan numbers mentioned above would further be adjusted for the September 2018 bonus issue.

Consequent to the September 2018 bonus issue, all outstanding options granted under the stock option plan have been adjusted for bonus shares. Unless otherwise stated , all the prior period share numbers, share prices and weighted average exercise prices in this note have been adjusted to give effect to the September 2018 bonus issue.

Controlled trust holds 20,324,982 and 10,801,956 shares (not adjusted for September, 2018 bonus issue) as at March 31, 2019 and March 31, 2018, respectively under the 2015 plan. Out of these shares 2,00,000 and 100,000 (not adjusted for September, 2018 bonus issue) equity shares have been earmarked for welfare activities of the employees as at March 31, 2019 and March 31, 2018, respectively.

The following is the summary of grants during the year ended March 31, 2019 and March 31, 2018 under the 2015 Plan:

Particulars	**Year ended March 31**	
	2019	**2018**
RSU		
Salil Parekh, CEO and MD - *Refer Note 1 below*	260,130	226,048
U.B. Pravin Rao, COO and WTD	68,250	54,500
Dr. Vishal Sikka*	-	540,448
Other KMPs	347,150	546,200
Employees other than KMP	3,665,170	3,194,020
	4,340,700	**4,561,216**
ESOP		
U.B. Pravin Rao, COO and WTD	-	86,000
Dr. Vishal Sikka*	-	661,050
Other KMPs	-	88,900
Employees other than KMP	-	147,200
	-	**983,150**
Incentive units- cash settled		
Other employees	74,090	100,080
	74,090	**100,080**
Total grants	**4,414,790**	**5,644,446**

Information in the table above is adjusted for September 2018 bonus issue.

** Upon Dr. Vishal Sikka's resignation from the roles of the company, the unvested RSUs and ESOPs have been forfeited*

1. Stock incentives granted to Salil Parekh, CEO & MD

Pursuant to the approval of the shareholders through a postal ballot on February 20 , 2018, Salil Parekh (CEO & MD) is eligible to receive under the 2015 Plan :
a) an annual grant of RSUs of fair value ₹3.25 crore (approximately $0.5 million) which will vest over time in 3 equal annual installments upon completion of each year of service from the respective grant date
b) a one-time grant of RSUs of fair value ₹9.75 crore (approximately $1.5 million) which will vest over time in 2 equal annual installments upon completion of each year of service from the grant date and
c) annual grant of performance based RSUs of fair value ₹13 crore (approximately $2 million) which will vest after completion of three years the first of which concludes on March 31, 2021, subject to achievement of performance targets set by the Board or its committee.

The Board based on the recommendations of the Nomination and Remuneration committee approved on February 27, 2018, the annual time based grant for fiscal 2018 of 56,512 RSUs (adjusted for September 2018 bonus issue) and the one-time time based grant of 169,536 RSUs (adjusted for September 2018 bonus issue). The grants were made effective February 27, 2018.

Further, the Board, based on the recommendations of the Nomination and Remuneration Committee, granted 217,200 (adjusted for September 2018 bonus issue) performance based RSUs to Salil Parekh with an effective date of May 2, 2018. The grants would vest upon successful completion of three full fiscal years with the Company concluding on March 31, 2021 and will be determined based on achievement of certain performance targets for the said three-year period.

The Board based on the recommendations of the Nomination and Remuneration committee approved on January 11, 2019, the annual time based grant for fiscal 2019 of 42,930 RSUs. The grant was made effective February 1, 2019.

Though the annual time based grants for the remaining employment term ending on March 31, 2023 have not been granted as at March 31, 2019, since the service commencement date precedes the grant date, the company has recorded employment stock compensation expense in accordance with IFRS 2, Share based payments.

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

As at March 31, 2019 and March 31, 2018, incentive units outstanding (net of forfeitures) were 1,77,454 and 223,514 (adjusted for September 2018 bonus issue), respectively.

Break-up of employee stock compensation expense

(Dollars in millions)

Particulars	Year ended March 31	
	2019	2018
Granted to:		
KMP[(2)]	5	(2)
Employees other than KMP	24	15
Total [(1)]	29	13
[(1)] *Cash settled stock compensation expense included in the above*	1	1

[(2)] *Included a reversal of stock compensation cost of $5 million recorded during the three months ended September 30, 2017 towards forfeiture of stock incentives granted to Dr. Vishal Sikka upon his resignation*

The carrying value of liability towards cash settled share based payments was $1 million and $1 million as at March 31, 2019 and March 31, 2018.

The activity in the 2015 Plan (formerly 2011 RSU Plan) for equity-settled share based payment transactions during the year ended March 31, 2019 and March 31, 2018 is set out below:

Particulars	Year ended March 31, 2019		Year ended March 31, 2018	
	Shares arising out of options	Weighted average exercise price ($)	Shares arising out of options	Weighted average exercise price ($)
2015 Plan: RSU				
Outstanding at the beginning	7,500,818	0.04	5,922,746	0.04
Granted	4,340,700	0.05	4,561,216	0.04
Exercised	1,864,510	0.04	1,296,434	0.04
Forfeited and expired	795,810	0.04	1,686,710	0.04
Outstanding at the end	**9,181,198**	**0.05**	**7,500,818**	**0.04**
Exercisable at the end	235,256	0.04	48,410	0.04
2015 Plan: Employee Stock Options (ESOPs)				
Outstanding at the beginning	1,933,826	7.62	2,395,300	7.63
Granted	-	-	983,150	7.31
Exercised	117,350	7.35	104,824	7.63
Forfeited and expired	193,300	7.43	1,339,800	7.42
Outstanding at the end	**1,623,176**	**7.46**	**1,933,826**	**7.62**
Exercisable at the end	698,500	7.46	393,824	7.63

Information in the table above is adjusted for September 2018 bonus issue

During the year ended March 31, 2019 and March 31, 2018, the weighted average share price of options exercised under the 2015 Plan on the date of exercise was $10.01 and $7.74 (adjusted for September 2018 bonus issue) respectively.

The following table summarizes information about equity settled RSUs and ESOPs outstanding as at March 31, 2019:

Range of exercise prices per share ($)	Options outstanding		
	No. of shares arising out of options	**Weighted average remaining contractual life**	**Weighted average exercise price ($)**
2015 Plan:			
0 - 0.07 (RSU)	9,181,198	1.70	0.05
6 - 8 (ESOP)	1,623,176	5.04	7.46
	10,804,374	**2.20**	**1.16**

Information in the table above is adjusted for September 2018 bonus issue

The following table summarizes information about equity settled RSUs and ESOPs outstanding as at March 31, 2018:

Range of exercise prices per share ($)	Options outstanding		
	No. of shares arising out of options	**Weighted average remaining contractual life**	**Weighted average exercise price ($)**
2015 Plan:			
0 - 0.04 (RSU)	7,500,818	1.89	0.04
6 - 8 (ESOP)	1,933,826	6.60	7.62
	9,434,644	**2.57**	**1.59**

Information in the table above is adjusted for September 2018 bonus issue

The fair value of each equity settled award is estimated on the date of grant using the Black-Scholes-Merton model with the following assumptions:

Particulars	For options granted in	
	Fiscal 2019- Equity Shares- RSU	**Fiscal 2019- ADS-RSU**
Weighted average share price (₹) / ($- ADS)[(1)]	696	10.77
Exercise price (₹)/ ($- ADS)[(1)]	3.31	0.06
Expected volatility (%)	21-25	22-26
Expected life of the option (years)	1-4	1-4
Expected dividends (%)	2.65	2.65
Risk-free interest rate (%)	7-8	2-3
Weighted average fair value as on grant date (₹) / ($- ADS)[(1)]	648	10.03

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

[(1)]Adjusted for September 2018 bonus issue

The expected life of the RSU / ESOP is estimated based on the vesting term and contractual term of the RSU / ESOP, as well as expected exercise behavior of the employee who receives the RSU / ESOP. Expected volatility during the expected term of the RSU / ESOP is based on historical volatility of the observed market prices of the Company's publicly traded equity shares during a period equivalent to the expected term of the RSU / ESOP.

2.11 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 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 share premium.

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

(Dollars in millions)

Particulars	Year ended March 31,	
	2019	2018
Current taxes		
Domestic taxes	600	721
Foreign taxes	217	(12)
	817	**709**
Deferred taxes		
Domestic taxes	3	(80)
Foreign taxes	(17)	28
	(14)	**(52)**
Income tax expense	**803**	**657**

During the quarter ended March 31, 2019, the Company entered into Advance Pricing Agreement (APA) in overseas jurisdictions resulting in a reversal of income tax expense of $14 million which pertained to prior periods.

In December 2017, the Company had concluded an Advance Pricing Agreement ("APA") with the US Internal Revenue Service ("IRS") for the US branch covering the years ending March 2011 to March 2021. Under the APA, the Company and the IRS have agreed on the methodology to allocate revenues and compute the taxable income of the Company's US Branch operations. In accordance with the APA, the company had reversed income tax expense provision of $225 million which pertained to previous periods which are no longer required. The Company had to pay an adjusted amount of approximately $223 million due to the difference between the taxes payable for prior periods as per the APA and the actual taxes paid for such periods. The Company has paid $215 million.

Further, the "Tax Cuts and Jobs Act (H.R. 1)" was signed into law on December 22, 2017 ("US Tax Reforms"). The US tax reforms has reduced federal tax rates from 35% to 21% effective January 1, 2018 amongst other measures.

Income tax expense for the year ended March 31, 2019 and March 31, 2018 includes reversal (net of provisions) of $18 million and reversal (net of provisions) of $45 million respectively pertaining to prior periods on account of adjudication of certain disputed matters in favor of the Group 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:

(Dollars in millions)

Particulars	Year ended March 31,	
	2019	2018
Profit before income taxes	3,003	3,143
Enacted tax rates in India	34.94%	34.61%
Computed expected tax expense	1,049	1,088
Tax effect due to non-taxable income for Indian tax purposes	(386)	(321)
Overseas taxes	102	109
Tax provision (reversals)	(25)	(253)
Effect of differential overseas tax rates	-	8
Effect of exempt non operating income	(8)	(10)
Effect of unrecognized deferred tax assets	13	29
Effect of non-deductible expenses	50	9
Branch profit tax (net of credits)	4	(32)
Subsidiary dividend distribution tax	-	27
Others	4	3
Income tax expense	**803**	**657**

The applicable Indian corporate statutory tax rate for the year ended March 31, 2019 and March 31, 2018 is 34.94% and 34.61%, respectively. The increase in the corporate statutory tax rate to 34.94% is consequent to changes made in the Finance Act, 2018.

Other income for the year ended March 31, 2019 and March 31, 2018 includes interest on income tax refund of $7 million and $41 million, respectively.

The foreign tax expense is due to income taxes payable overseas, principally in the United States. In India, the Group has benefited from certain income tax incentives that the Government of India had provided for export of software and services 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 Group for acquiring new plant and machinery for the purpose of its business as per the provisions of the Income Tax Act, 1961.

Infosys is subject to a 15% Branch Profit Tax (BPT) in the U.S. to the extent its U.S. branch's net profit during the year is greater than the increase in the net assets of the U.S. branch during the year, computed in accordance with the Internal Revenue Code. As at March 31, 2019, Infosys' U.S. branch net assets amounted to approximately $751 million. As at March 31, 2019, the Company has a deferred tax liability for branch profit tax of $29 million (net of credits), as the Company estimates that these branch profits are expected to be distributed in the foreseeable future.

Entire deferred income tax for the year ended March 31, 2019 and March 31, 2018 relates to origination and reversal of temporary differences except for a credit of $24 million (on account of US Tax Reforms explained above), for the year ended March 31, 2018.

During the year ended March 31, 2018, the Company received $130 million as dividend from its majority owned subsidiary. Dividend distribution tax paid by the subsidiary on such dividend has been reduced as credit against dividend distribution tax payable by Infosys. Accordingly, the group has recorded a charge of $27 million as income tax expense during the year ended March 31, 2018.

As at March 31, 2018, claims against the Group not acknowledged as debts from the Indian Income tax authorities amounted to ₹4,542 crore ($697 million). Amount paid to statutory authorities against this amounted to ₹6,540 crore ($1,003 million).

As at March 31, 2019, claims against the Group not acknowledged as debts from the Income tax authorities amounted to ₹2,851 crore ($412 million). These matters are pending before various Appellate Authorities and the management including its tax advisors expect that its position will likely be upheld on ultimate resolution and will not have a material adverse effect on the Group's financial position and results of operations.

Amount paid to statutory authorities against the above tax claims amounted to ₹5,924 crore ($857 million).

Subsequent to March 31, 2018, the Supreme Court of India ruled favorably in respect of certain income tax claims which have been given effect in the above disclosure of claims as of March 31, 2019.

2.12 Reconciliation of basic and diluted shares used in computing earnings per share

Accounting Policy

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

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

Particulars	**Year ended March 31,**	
	2019	**2018**
Basic earnings per equity share - weighted average number of equity shares outstanding[(1)]	4,347,130,157	4,510,664,644
Effect of dilutive common equivalent shares - share options outstanding	6,290,615	4,483,096
Diluted earnings per equity share - weighted average number of equity shares and common equivalent shares outstanding	**4,353,420,772**	**4,515,147,740**

[(1)] *excludes treasury shares*

The above table is adjusted for September 2018 bonus issue

For the year ended March 31, 2019, no options to purchase equity shares had an anti-dilutive effect.
For the year ended March 31, 2018, 134,476 (adjusted for September 2018 bonus issue) number of options to purchase equity shares had an anti-dilutive effect.

2.13 Related party transactions

Refer Note 2.19 "Related party transactions" in the Company's 2018 Annual Report on Form 20-F for the full names and other details of the Company's subsidiaries, associate and controlled trusts.

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

Changes in Subsidiaries

During the year ended March 31, 2019, the following are the changes in the subsidiaries:

- Lodestone Management Consultants Inc. has been liquidated effective May 17, 2018
- On May 22, 2018, Infosys acquired 100% voting rights in WongDoody Holding Company Inc., along with its two subsidiaries, WDW Communications, Inc and WongDoody, Inc. (Refer note 2.9)
- Lodestone Management Consultants GmbH name changed to Infosys Austria GmbH
- On August 6, 2018, Infosys Luxembourg SARL was incorporated as a wholly-owned subsidiary of Infosys Limited
- Infosys Consulting Ltda became the majority owned and controlled subsidiary of Infosys Limited
- On October 11, 2018, Infosys Consulting Pte Ltd, a wholly-owned subsidiary of Infosys Limited, acquired 100% voting interest in Fluido Oy along with its five subsidiaries Fluido Sweden AB (Extero), Fluido Norway A/S, Fluido Denmark A/S, Fluido Slovakia s.r.o and Fluido Newco AB (Refer to note 2.9)
- On November 16, 2018, Infosys Consulting Pte Ltd. (Wholly owned Subsidiary of Infosys) acquired 60% voting interest in Infosys Compaz Pte Ltd. (formerly Trusted Source Pte Ltd.) (Refer to note 2.9)
- On November 27, 2018, Infosys Canada Public Services Inc is incorporated as a wholly-owned subsidiary of Infosys Public Services Inc which is a wholly-owned subsidiary of Infosys Limited.
- On November 29, 2018, Infosys CIS LLC was incorporated as a wholly-owned subsidiary of Infosys Limited
- On December 19, 2018, Infosys South Africa (Pty) Ltd is incorporated as a wholly owned subsidiary of Infosys Consulting Pte Ltd which is a wholly-owned subsidiary of Infosys Limited.
- S.C. Infosys Consulting S.R.L. became wholly owned subsidiary of Infosys Ltd.
- Lodestone Management Consultants Co Ltd name has been changed to "Infosys Consulting (Shanghai) Co. Ltd."

Changes in Key management personnel

The following were the changes in key management personnel:-

• Nilanjan Roy has been appointed as Chief Financial Officer effective March 1, 2019

• Jayesh Sanghrajka was appointed as Interim Chief Financial Officer effective November 17, 2018. He resumed his responsibilities as Deputy Chief Financial Officer effective March 1, 2019

• M.D. Ranganath resigned as Chief Financial Officer effective November 16, 2018

• Michael Nelson Gibbs appointed as an Independent Director effective July 13, 2018

• Ravi Venkatesan, resigned from his position as Co-Chairman effective August 24, 2017 and resigned as member of the Board effective May 11, 2018

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	Year ended March 31,	
	2019	**2018**
Salaries and other employee benefits to whole-time directors and executive officers[(1)(2)(3)]	14	8
Commission and other benefits to non-executive/ independent directors	1	2
Total	**15**	**10**

[(1)] Total employee stock compensation expense for the year ended March 31, 2019 includes $5 million towards key managerial personnel. For the year ended March 31, 2018,a reversal of employee stock compensation expense of $2 million was recorded towards key managerial personnel.(Refer to note 2.10)

[(2)] Includes a reversal of stock compensation cost of $5 million recorded during the three months ended September 30, 2017 towards forfeiture of stock incentive granted to Dr. Vishal Sikka upon his resignation (Refer to note 2.10)

[(3)] On December 2, 2017, the Board appointed Salil Parekh as the Chief Executive Officer and Managing Director of the Company with effect from January 2, 2018.

Investment in Associate

During the three months ended June 30, 2017, the Company has written down the entire carrying value of the investment in its associate DWA Nova LLC amounting to $11 million.

2.14 Segment Reporting

IFRS 8 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.

During the three months ended June 30, 2018, the Group internally reorganized some of its business segments to deepen customer relationships, improve focus of sales investments and increase management oversight. Consequent to the internal reorganization, there were changes in the reportable business segments based on "Management approach" as defined under IFRS 8, Operating Segments. Therefore, enterprises in Insurance which was earlier considered under the Life Sciences, Healthcare and Insurance business segment are now considered under the Financial Services business segment and enterprises in Communication, Telecom OEM and Media which was earlier under Energy & Utilities, Communication and Services is now shown as a separate business segment. Segmental operating income has changed in line with these as well as changes in the allocation method. The 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. Consequent to the above change in the composition of reportable business segments, the prior year comparatives for the year ended March 31, 2018 have been restated.

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, 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.

2.14.1 Business Segments

Year ended March 31, 2019 and March 31, 2018

(Dollars in millions)

	Financial Services	**Retail**	**Communication**	**Energy, Utilities, Resources and Services**	**Manufacturing**	**Hi Tech**	**Life Sciences**	**All Other segments**	**Total**
Revenues	**3,778**	**1,935**	**1,488**	**1,483**	**1,163**	**882**	**743**	**327**	**11,799**
	3,594	*1,760*	*1,378*	*1,287*	*1,035*	*796*	*729*	*360*	*10,939*
Identifiable operating expenses	2,021	974	816	808	644	506	394	202	6,365
	1,876	*878*	*702*	*652*	*602*	*431*	*378*	*208*	*5,727*
Allocated expenses	775	385	312	312	255	154	147	109	2,449
	731	*371*	*269*	*261*	*235*	*140*	*135*	*122*	*2,264*
Segment profit	**982**	**576**	**360**	**363**	**264**	**222**	**202**	**16**	**2,985**
	987	*511*	*407*	*374*	*198*	*225*	*216*	*30*	*2,948*
Unallocable expenses									289
									289
Operating profit									**2,696**
									2,659
Other income, net *(Refer Note 2.16)*									411
									513
Reduction in the fair value of Disposal Group held for sale (Refer Note 2.9)									(39)
									(18)
Adjustment in respect of excess of carrying amount over recoverable amount on reclassification from "Held for Sale" (Refer Note 2.9)									(65)
Share in net profit/(loss) of associate, including impairment									-
									(11)
Profit before Income taxes									**3,003**
									3,143
Income tax expense									803
									657
Net profit									**2,200**
									2,486
Depreciation and amortization									287
									289
Non-cash expenses other than depreciation and amortization									107
									29

2.14.2 The following table sets forth our revenue by Geography for the year ended March 31, 2019 and March 31, 2018

(Dollars in millions)

	North America	**Europe**	**India**	**Rest of the World**	**Total**
2019	7,141	2,847	292	1,519	11,799
2018	6,605	2,596	346	1,392	10,939

2.14.3 Significant clients

No client individually accounted for more than 10% of the revenues for the year ended March 31, 2019 and March 31, 2018, respectively.

2.15 Revenue from Operations

Accounting Policy:

The Group derives revenues primarily from business IT services comprising of software development and related services, consulting and package implementation and from the licensing of software products and platforms across our core and digital offerings (“together called as software related services”)

Effective April 1, 2018, the Group adopted IFRS 15 “Revenue from Contracts with Customers” using the cumulative catch-up transition method, applied to contracts that were not completed as of April 1, 2018. In accordance with the cumulative catch-up transition method, the comparatives have not been retrospectively adjusted. The following is a summary of new and/or revised significant accounting policies related to revenue recognition. Refer Note 2.10 "Revenue from operations" in the Company’s 2018 Annual Report on Form 20-F for the policies in effect for revenue prior to April 1, 2018. The effect on adoption of IFRS 15 was insignificant.

Revenue is recognized upon transfer of control of promised products or services to customers in an amount that reflects the consideration we expect to receive in exchange for those products or services.

Arrangements with customers for software related services are either on a fixed-price, fixed-timeframe or on a time-and-material basis.

Revenue on time-and-material contracts are recognized as the related services are performed and revenue from the end of the last invoicing to the reporting date is recognized as unbilled revenue. Revenue from fixed-price, fixed-timeframe contracts, where the performance obligations are satisfied over time and where there is no uncertainty as to measurement or collectability of consideration, is recognized as per the percentage-of-completion method. When there is uncertainty as to measurement or ultimate collectability, revenue recognition is postponed until such uncertainty is resolved. Efforts or costs expended have been used to measure progress towards completion as there is a direct relationship between input and productivity. Maintenance revenue is recognized ratably over the term of the underlying maintenance arrangement.

Revenues in excess of invoicing are classified as contract assets (which we refer as unbilled revenue) while invoicing in excess of revenues are classified as contract liabilities (which we refer to as unearned revenues).

In arrangements for software development and related services and maintenance services, the Group has applied the guidance in IFRS 15, Revenue from contract with customer, by applying the revenue recognition criteria for each distinct performance obligation. The arrangements with customers generally meet the criteria for considering software development and related services as distinct performance obligations. For allocating the transaction price, the Group has measured the revenue in respect of each performance obligation of a contract at its relative standalone selling price. The price that is regularly charged for an item when sold separately is the best evidence of its standalone selling price. In cases where the Group is unable to determine the standalone selling price, the Group uses the expected cost plus margin approach in estimating the standalone selling price. For software development and related services, the performance obligations are satisfied as and when the services are rendered since the customer generally obtains control of the work as it progresses.

Revenue from licenses where the customer obtains a “right to use” the licenses is recognized at the time the license is made available to the customer. Revenue from licenses where the customer obtains a “right to access” is recognized over the access period. Arrangements to deliver software products generally have three elements: license, implementation and Annual Technical Services (ATS). The Group has applied the principles under IFRS 15 to account for revenues from these performance obligations. When implementation services are provided in conjunction with the licensing arrangement and the license and implementation have been identified as two separate performance obligations, the transaction price for such contracts are allocated to each performance obligation of the contract based on their relative standalone selling prices. In the absence of standalone selling price for implementation, the performance obligation is estimated using the expected cost plus margin approach. Where the license is required to be substantially customized as part of the implementation service the entire arrangement fee for license and implementation is considered to be a single performance obligation and the revenue is recognized using the percentage-of-completion method as the implementation is performed. Revenue from client training, support and other services arising due to the sale of software products is recognized as the performance obligations are satisfied. ATS revenue is recognized ratably over the period in which the services are rendered.

The Group accounts for volume discounts and pricing incentives to customers as a reduction of revenue based on the ratable allocation of the discounts/ incentives to each of the underlying performance obligation that corresponds to the progress by the customer towards earning the discount/ incentive. Also, when the level of discount varies with increases in levels of revenue transactions, the Group recognizes the liability based on its estimate of the customer's future purchases. If it is probable that the criteria for the discount will not be met, or if the amount thereof cannot be estimated reliably, then discount is not recognized until the payment is probable and the amount can be estimated reliably. The Group recognizes changes in the estimated amount of obligations for discounts in the period in which the change occurs.

Deferred contract costs are incremental costs of obtaining a contract which are recognised as assets and amortized over the term of the contract.

Contract modifications are accounted for when additions, deletions or changes are approved either to the contract scope or contract price. The accounting for modifications of contracts involves assessing whether the services added to an existing contract are distinct and whether the pricing is at the standalone selling price. Services added that are not distinct are accounted for on a cumulative catch up basis, while those that are distinct are accounted for prospectively, either as a separate contract, if the additional services are priced at the standalone selling price, or as a termination of the existing contract and creation of a new contract if not priced at the standalone selling price.

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

Revenues for the year ended March 31, 2019 and March 31, 2018 is as follows:

(Dollars in millions)

Particulars	**Year ended March 31,**	
	2019	**2018**
Revenue from software services	11,184	10,371
Revenue from products and platforms	615	568
Total revenue from operations	**11,799**	**10,939**

Disaggregate revenue information

The table below presents disaggregated revenues from contracts with customers by geography, offerings and contract-type for each of our business segments. The Group believes 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.

Year ended March 31, 2019

(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	2,290	1,255	796	838	619	844	438	61	7,141
Europe	698	548	271	507	499	15	287	22	2,847
India	172	3	8	-	12	20	2	75	292
Rest of the world	618	129	413	138	33	3	16	169	1,519
Total	**3,778**	**1,935**	**1,488**	**1,483**	**1,163**	**882**	**743**	**327**	**11,799**
Revenue by offerings									
Services									
Digital	1,076	630	491	427	327	285	156	44	3,436
Core	2,293	1,255	971	1,026	805	584	539	275	7,748
Subtotal	***3,369***	***1,885***	***1,462***	***1,453***	***1,132***	***869***	***695***	***319***	***11,184***
Products and platforms									
Digital	104	43	25	10	20	12	29	6	249
Core	305	7	1	20	11	1	19	2	366
Subtotal	***409***	***50***	***26***	***30***	***31***	***13***	***48***	***8***	***615***
Total	**3,778**	**1,935**	**1,488**	**1,483**	**1,163**	**882**	**743**	**327**	**11,799**
Digital	**1,180**	**673**	**516**	**437**	**347**	**297**	**185**	**50**	**3,685**
Core	**2,598**	**1,262**	**972**	**1,046**	**816**	**585**	**558**	**277**	**8,114**
Revenues by contract type									
Fixed Price	1,655	1,223	903	861	596	450	347	162	6,197
Time & Materials	2,123	712	585	622	567	432	396	165	5,602
Total	**3,778**	**1,935**	**1,488**	**1,483**	**1,163**	**882**	**743**	**327**	**11,799**

(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*

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 and Infosys McCamish- insurance platform

Trade Receivables and Contract Balances

The Group classifies the right to consideration in exchange for deliverables as either a receivable or as unbilled revenue.

A receivable is a right to consideration that is unconditional upon passage of time. Revenue for time and material contracts are recognised as related service are performed. Revenue for fixed price maintenance contracts is recognized on a straight line basis over the period of the contract. Revenues in excess of billings is recorded as unbilled revenue and is classified as a financial asset for these cases as right to consideration is unconditional upon passage of time .

Revenue recognition for fixed price development contracts is based on percentage of completion method. Invoicing to the clients is based on milestones as defined in the contract. This would result in the timing of revenue recognition being different from the timing of billing the customers. Unbilled revenue for fixed price development contracts is classified as non financial asset as the contractual right to consideration is dependent on completion of contractual milestones.

Invoicing in excess of earnings are classified as unearned revenue.

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

During the year ended March 31, 2019 , the company recognized revenue of $319 million arising from opening unearned revenue as of April 1, 2018.

During the year ended March 31, 2019 , $383 million of unbilled revenue pertaining to fixed price development contracts as of April 1, 2018 has been reclassified to Trade receivables upon billing to customers on completion of milestones.

Performance obligations and remaining performance obligations

The remaining performance obligation disclosure provides the aggregate amount of the transaction price yet to be recognized as of 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 15, 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 basis. Remaining performance obligation estimates are subject to change and are affected by several factors, including terminations, changes in the scope of contracts, periodic revalidations, adjustment for revenue that has not materialized and adjustments for currency.

The aggregate value of performance obligations that are completely or partially unsatisfied as of March 31, 2019, other than those meeting the exclusion criteria mentioned above, is $7,414 million. Out of this, the Group expects to recognize revenue of around 50% within the next one year and the remaining thereafter. This includes contracts that can be terminated for convenience without a substantive penalty since, based on current assessment, the occurrence of the same is expected to be remote.

The impact on account of applying the erstwhile IAS 18 - Revenue instead of IFRS 15- Revenue from contract with customers on the financials results of the Group for the year ended and as at March 31, 2019 is insignificant. On account of adoption of IFRS 15, unbilled revenues of $474 million as of March 31, 2019 has been considered as Non financial asset.

2.16 Break-up of expenses and other income, net

Accounting Policy

2.16.1 Gratuity

The Group provides for gratuity, a defined benefit retirement plan ('the Gratuity Plan') covering eligible employees 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.

Liabilities with regard to the Gratuity Plan are determined by actuarial valuation, performed by an independent actuary, at each balance sheet date using the projected unit credit method. The company fully contributes all ascertained liabilities to the Infosys Limited Employees' Gratuity Fund Trust (the Trust). In case of Infosys BPM (formerly Infosys BPO) 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 Life Insurance Corporation of India as permitted by law of India.

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 not reclassified to profit or loss in subsequent period. The actual return of the portfolio of plan assets, in excess of the yields computed by applying the discount rate used to measure the defined benefit obligation is recognized in other comprehensive income. The effect of any plan amendments are recognized in net profits in the statement of comprehensive income.

2.16.2 Superannuation

Certain employees of Infosys, Infosys BPM (formerly Infosys BPO) 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.

2.16.3 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. 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.

2.16.4 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.

2.16.5 Other income

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.

Effective April 1, 2018, the Group has adopted IFRS interpretation IFRIC 22- Foreign Currency Transactions and Advance Consideration which clarifies the date of transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income when an entity has received or paid advance consideration in a foreign currency. The effect on account of adoption of this amendment was insignificant.

2.16.6 Operating Profits

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

Cost of sales

(Dollars in millions)

	Year ended March 31,	
	2019	**2018**
Employee benefit costs	5,780	5,379
Depreciation and amortization	287	289
Travelling costs	253	225
Cost of technical sub-contractors	860	666
Cost of software packages for own use	129	136
Third party items bought for service delivery to clients	231	152
Operating lease payments	52	50
Consultancy and professional charges	6	8
Communication costs	34	35
Repairs and maintenance	53	46
Provision for post-sales client support	-	22
Others	2	(7)
Total	**7,687**	**7,001**

Sales and marketing expenses

(Dollars in millions)

	Year ended March 31,	
	2019	**2018**
Employee benefit costs	462	425
Travelling costs	59	48
Branding and marketing	69	47
Operating lease payments	11	12
Consultancy and professional charges	28	10
Communication costs	3	3
Others	6	7
Total	**638**	**552**

Administrative expenses

(Dollars in millions)

	Year ended March 31,	
	2019	**2018**
Employee benefit costs	226	230
Consultancy and professional charges	154	144
Repairs and maintenance	134	127
Power and fuel	32	32
Communication costs	31	38
Travelling costs	36	37
Rates and taxes	27	25
Operating lease payments	20	20
Insurance charges	9	9
Impairment loss recognized/(reversed) under expected credit loss model	35	11
Commission to non-whole time directors	1	1
Contributions towards Corporate Social Responsibility	38	24
Others	35	29
Total	**778**	**727**

Other income, net

(Dollars in millions)

Particulars	**Year ended March 31,**	
	2019	**2018**
Interest income on financial assets carried at amortized cost	201	260
Interest income on financial assets fair valued through other comprehensive income	92	106
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	24	39
Exchange gains / (losses) on forward and options contracts	27	-
Exchange gains / (losses) on translation of other assets and liabilities	18	36
Others	49	71
	411	**513**

2.17 Capital allocation policy

2.17.1 Update on capital allocation policy and buyback

In line with the capital allocation policy announced in April 2018, the Board, in its meeting held on January 11, 2019, approved the following :

(a) Declared a special dividend of ₹4/- per equity share (approximately $0.06 per share);

(b) Recommended buyback of Equity Shares from the open market route through Indian stock exchanges of up to ₹8,260 crore (Maximum Buyback Size) at a price not exceeding ₹800/- per share (Maximum Buyback Price) subject to shareholders' approval by way of Postal Ballot.

After the execution of the above, along with the special dividend of ₹5/- per share (approximately $0.08 per share) already paid in June 2018, the Company would complete the distribution of ₹13,000 crore (approximately $2 billion), which was announced as part of its capital allocation policy in April 2018

The shareholders approved the proposal of buyback of Equity Shares recommended by its Board of Directors in its meeting held on January 11, 2019 through the postal ballot that concluded on March 12, 2019. At the Maximum buyback price of ₹800/- per share and the Maximum buyback size of ₹8,260 crore, the indicative maximum number of Equity shares bought back would be 103,250,000 Equity Shares (Maximum buyback shares) comprising approximately 2.36% of the paid-up equity share capital of the Company as of March 12, 2019 (the date of conclusion of postal ballot for approval for buyback).

The buyback was offered to all eligible equity shareholders of the Company (other than the Promoters, the Promoter Group and Persons in Control of the Company) under the open market route through the stock exchange. The Company will fund the buyback from its free reserves. The buyback of equity shares through the stock exchange commenced on March 20, 2019 and is expected to be completed by September 2019. During the year ended March 31, 2019, 12,652,000 equity shares were purchased from the stock exchange which includes 1,818,000 shares which have been purchased but not extinguished as of March 31, 2019 and 3,636,000 shares which have been purchased but have not been settled and therefore not extinguished as of March 31, 2019. In accordance with section 69 of the Companies Act, 2013, during the year ended March 31, 2019 , the Company has created 'Capital Redemption Reserve' of $1 million equal to the nominal value of the shares bought back as an appropriation from general reserve.

The Board, at its meeting on August 19, 2017, approved a proposal for the Company to buyback its fully paid-up equity shares of face value of ₹5/- each from the eligible equity shareholders of the Company for an amount not exceeding ₹13,000 crore ($2 billion). The shareholders approved the said proposal of Buyback of Equity Shares through the postal ballot that concluded on October 7, 2017. The Buyback offer comprised a purchase of 113,043,478 Equity Shares aggregating 4.92% of the paid-up equity share capital of the Company at a price of ₹1,150 per Equity share. The buyback was offered to all eligible equity shareholders (including those who became equity shareholders as on the Record date by cancelling American Depository Shares and withdrawing underlying Equity shares) of the Company as on the Record Date (i.e. November 1, 2017) on a proportionate basis through the "Tender offer" route. The Company concluded the buyback procedures on December 27, 2017 and 113,043,478 equity shares were extinguished. The company utilized its securities premium and general reserve for the buyback of its shares. In accordance with section 69 of the Companies Act, 2013, the company created 'Capital Redemption Reserve' of $9 million equal to the nominal value of the shares bought back as an appropriation from general reserve during the year ended March 31, 2018.

The Company's objective when managing capital is to safeguard its ability to continue as a going concern and to maintain an optimal capital structure so as to maximize shareholder value. In order to maintain or achieve an optimal capital structure, the Company may adjust the amount of dividend payment, return capital to shareholders, issue new shares or buy back issued shares. As of March 31, 2019, the Company has only one class of equity shares and has no debt. Consequent to the above capital structure there are no externally imposed capital requirements

2.17.2 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.

The Company declares and pays dividends in Indian rupees. The remittance of dividends outside India is governed by Indian law on foreign exchange and is subject to applicable distribution taxes. Dividend distribution tax paid by subsidiaries may be reduced / available as credit against dividend distribution tax payable by Infosys Limited.

Effective from Financial Year 2018, the Company's policy is to payout up to 70% of the free cash flow of the corresponding Financial Year in such manner (including by way of dividend and / or share buyback) as may be decided by the Board from time to time, subject to applicable laws and requisite approvals, if any. Free cash flow is defined as net cash provided by operating activities less capital expenditure as per the consolidated statement of cash flows prepared under IFRS. Dividend payout includes dividend distribution tax.

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

Particulars	Year ended March 31, 2019		Year ended March 31, 2018	
	in ₹	in US Dollars	in ₹	in US Dollars
Final dividend for fiscal 2018	10.25	0.16	-	-
Special dividend for fiscal 2018	5.00	0.08	-	-
Interim dividend for fiscal 2019	7.00	0.10	-	-
Special dividend for fiscal 2019	4.00	0.06	-	-
Final dividend for fiscal 2017	-	-	7.38	0.12
Interim dividend for fiscal 2018	-	-	6.50	0.10

Note: Dividend per equity share disclosed in the above table represents dividends declared previously, retrospectively adjusted for September 2018 bonus issue.

During the year ended March 31, 2019 on account of the final dividend for fiscal 2018 , special divided for fiscal 2018 and fiscal 2019 and interim dividend for fiscal 2019 the Company has incurred a net cash outflow of $1,956 million (excluding dividend paid on treasury shares) inclusive of dividend distribution tax.

The Board of Directors in their meeting on April 12, 2019 recommended a final dividend of ₹10.50/- per equity share (approximately $0.15 per equity share) for the financial year ended March 31, 2019. This payment is subject to the approval of shareholders in the ensuing Annual General Meeting of the Company, to be held on June 22, 2019 and if approved would result in a net cash outflow of approximately $793 million, (excluding dividend paid on treasury shares) including dividend distribution tax. The final dividend of ₹10.50/- per equity share (approximately $0.15 per equity share) and the resultant expected cash outflow is based on the outstanding number of shares after considering shares bought back by the Company subsequent to the year ended March 31, 2019.

2.17.3 Bonus issue

The Company has allotted 2,18,41,91,490 fully paid up equity shares (including treasury shares) of face value ₹5/- each during the three months ended September 30, 2018 pursuant to a bonus issue approved by the shareholders through postal ballot. Record date fixed by the Board of Directors was September 5, 2018. The bonus shares were issued by capitalization of profits transferred from general reserve. Bonus share of one equity share for every equity share held, and a bonus issue, viz., a stock dividend of one American Depositary Share (ADS) for every ADS held, respectively, has been allotted. Consequently, the ratio of equity shares underlying the ADSs held by an American Depositary Receipt holder remains unchanged. Options granted under the stock option plan have been adjusted for bonus shares.

The bonus shares allotted ranks pari passu in all respects and carry the same rights as the existing equity shareholders and are entitled to participate in full, in any dividend and other corporate action, recommended and declared after the new equity shares are allotted.

2.18 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. 20,324,982 shares and 10,801,956 shares(not adjusted for September 2018 bonus issue) were held by controlled trust, as at March 31, 2019 and March 31, 2018, respectively.

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.

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

Nandan M. Nilekani *Chairman*	Salil Parekh *Chief Executive Officer and Managing Director*	U. B. Pravin Rao *Chief Operating Officer and Whole-time Director*
D. Sundaram *Director*	Nilanjan Roy *Chief Financial Officer*	A. G. S. Manikantha *Company Secretary*

Bengaluru
April 12, 2019

INDEPENDENT AUDITOR'S REPORT

TO THE BOARD OF DIRECTORS OF
INFOSYS LIMITED

Report on the Audit of the Condensed Consolidated Financial Statements

Opinion

We have audited the accompanying 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, 2019, the Condensed Consolidated Statement of Comprehensive Income, 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 condensed consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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 the consolidated state of affairs of the Group as at March 31, 2019, the consolidated profit and 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 condensed consolidated financial statements in accordance with the Standards on Auditing (SAs) 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 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 condensed consolidated financial statements.

Management's Responsibility for the Condensed Consolidated Financial Statements

The Company's Board of Directors is responsible for the preparation and presentation of these 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 Board 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 condensed consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the condensed consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the Group'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 Group or to cease operations, or has no realistic alternative but to do so.

The respective Board 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 Condensed Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 condensed consolidated financial statements.

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

- Identify and assess the risks of material misstatement of the 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 the Company's internal financial 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 Group'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 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 condensed consolidated financial statements, including the disclosures, and whether the 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 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 condensed consolidated financial statements of which we are independent auditors.

Materiality is the magnitude of misstatements in the condensed consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the 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 financial statements.

We communicate with those charged with governance of the Company and such other entities included in the 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 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)

P. R. RAMESH
Partner
(Membership No.70928)

Bengaluru, April 12, 2019

Infosys Limited and Subsidiaries

Unaudited Condensed Consolidated Interim Statements of Comprehensive Income for the three months ended March 31,

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

	2019	2018
Revenues	**3,060**	**2,805**
Cost of sales	2,028	1,793
Gross profit	**1,032**	**1,012**
Operating expenses:		
Selling and marketing expenses	174	147
Administrative expenses	200	172
Total operating expenses	374	319
Operating profit	**658**	**693**
Other income, net	94	100
Reduction in the fair value of Disposal Group held for sale	-	(18)
Profit before income taxes	**752**	**775**
Income tax expense	171	204
Net profit	**581**	**571**
Other comprehensive income		
Items that will not be reclassified subsequently to profit or loss:		
Re-measurements of the net defined benefit liability/asset, net	-	6
Equity instruments through other comprehensive income, net	-	1
	-	7
Items that will be reclassified subsequently to profit or loss:		
Fair valuation of investments, net	3	(2)
Fair value changes on derivatives designated as cash flow hedge, net	(2)	-
Foreign currency translation	74	(164)
	75	(166)
Total other comprehensive income/(loss), net of tax	**75**	**(159)**
Total comprehensive income	**656**	**412**
Profit attributable to:		
Owners of the company	580	571
Non-controlling interests	1	-
	581	**571**
Total comprehensive income attributable to:		
Owners of the company	655	412
Non-controlling interests	1	-
	656	**412**
Earnings per equity share		
Basic ($)	0.13	0.13
Diluted ($)	0.13	0.13
Weighted average equity shares used in computing earnings per equity share		
Basic	4,347,129,592	4,346,554,120
Diluted	4,353,023,863	4,349,617,024

In the three months ended March 31, 2018, the Company had classifed its subsidiaries, Kallidus and Skava (together referred to as "Skava") and Panaya, collectively referred to as the "Disposal Group" as "Held for sale" and recorded a reduction in the fair value amounting to $18 million for the three months and year ended March 31, 2018 and $39 million for the three months ended June 30, 2018 in respect of Panaya.

During the three months ended December 31, 2018, in accordance with IFRS 5 -" Non current Assets held for Sale and Discontinued Operations", the Company concluded that the Disposal Group does not meet the criteria for "Held for Sale" classification and accordingly the assets and liabilities of Panaya and Skava have been included on a line by line basis in the consolidated financial statements for the period and as at December 31, 2018 and March 31, 2019.

On reclassification from "Held for Sale", the Company recorded additional depreciation and amortization expenses of $12 million and an adjustment in respect of excess of carrying amount over recoverable amount of $65 million (comprising of $52 million towards goodwill and $13 million towards value of customer relationships) in respect of Skava in the consolidated statement of comprehensive income for the three months ended December 31, 2018.

INFOSYS LIMITED AND SUBSIDIARIES

Consolidated Financial Statements under International Financial Reporting Standards (IFRS) in Indian Rupee for the three months and year ended March 31, 2019

Index **Page No.**

Infosys Limited and subsidiaries

(In ₹ crore except equity share data)

Consolidated Balance Sheet as at	Note	March 31, 2019	March 31, 2018
ASSETS			
Current assets			
Cash and cash equivalents	2.1	19,568	19,818
Current investments	2.2	6,627	6,407
Trade receivables		14,827	13,142
Unbilled revenue		5,374	4,261
Prepayments and other current assets	2.4	5,723	4,313
Income tax assets		423	-
Derivative financial instruments	2.3	336	16
		52,878	**47,957**
Assets held for sale	2.9	-	2,060
Total current assets		**52,878**	**50,017**
Non-current assets			
Property, plant and equipment	2.7	13,356	12,143
Goodwill	2.8	3,540	2,211
Intangible assets	2.8	691	247
Investment in associate	2.19	-	-
Non-current investments	2.2	4,634	5,756
Deferred income tax assets		1,372	1,282
Income tax assets		6,320	6,070
Other non-current assets	2.4	1,947	2,164
Total non-current assets		**31,860**	**29,873**
Total assets		**84,738**	**79,890**
LIABILITIES AND EQUITY			
Current liabilities			
Trade payables		1,655	694
Derivative financial instruments	2.3	15	42
Current income tax liabilities		1,567	2,043
Client deposits		26	38
Unearned revenue		2,809	2,295
Employee benefit obligations		1,619	1,421
Provisions	2.6	576	492
Other current liabilities	2.5	10,371	6,756
		18,638	**13,781**
Liabilities directly associated with assets held for sale	2.9	-	324
Total current liabilities		**18,638**	**14,105**
Non-current liabilities			
Deferred income tax liabilities		672	541
Employee benefit obligations		44	48
Other non-current liabilities	2.5	378	272
Total liabilities		**19,732**	**14,966**
Equity			
Share capital - ₹5 par value 4,80,00,00,000 (2,40,00,00,000) equity shares authorized, issued and outstanding 4,33,59,54,462 (2,17,33,12,301) equity shares fully paid up, net of 2,03,24,982 (1,08,01,956) treasury shares as at March 31, 2019 and (March 31, 2018), respectively		2,170	1,088
Share premium		396	186
Retained earnings		58,848	61,241
Cash flow hedge reserves		21	-
Other reserves		2,570	1,583
Capital redemption reserve		61	56
Other components of equity		882	769
Total equity attributable to equity holders of the Company		**64,948**	**64,923**
Non-controlling interests		58	1
Total equity		**65,006**	**64,924**
Total liabilities and equity		**84,738**	**79,890**

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

P. R. Ramesh	Nandan M. Nilekar	Salil Parekh	U. B. Pravin Rao
Partner	*Chairman*	*Chief Executive officer and Managing Director*	*Chief Operating Officer and Whole-time Director*
Membership No. 70928			
Bengaluru	D. Sundaram	Nilanjan Roy	A. G. S. Manikantha
April 12, 2019	*Director*	*Chief Financial Officer*	*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, 2019	Three months ended March 31, 2018	Year ended March 31, 2019	Year ended March 31, 2018
Revenues	2.10	**21,539**	**18,083**	**82,675**	**70,522**
Cost of sales	2.11	14,283	11,554	53,867	45,130
Gross profit		**7,256**	**6,529**	**28,808**	**25,392**
Operating expenses					
Selling and marketing expenses	2.11	1,226	947	4,473	3,560
Administrative expenses	2.11	1,412	1,110	5,455	4,684
Total operating expenses		2,638	2,057	9,928	8,244
Operating profit		**4,618**	**4,472**	**18,880**	**17,148**
Other income, net	2.14	665	652	2,882	3,311
Reduction in the fair value of Disposal Group held for sale	2.9	-	(118)	(270)	(118)
Adjustment in respect of excess of carrying amount over recoverable amount on reclassification from "Held for Sale"	2.9	-	-	(451)	-
Share in net profit/(loss) of associate, including impairment		-	-	-	(71)
Profit before income taxes		**5,283**	**5,006**	**21,041**	**20,270**
Income tax expense	2.17	1,205	1,316	5,631	4,241
Net profit		**4,078**	**3,690**	**15,410**	**16,029**
Other comprehensive income					
Items that will not be reclassified subsequently to profit or loss					
Remeasurement of the net defined benefit liability/asset, net		(3)	34	(22)	55
Equity instruments through other comprehensive income, net	2.2	1	9	70	7
		(2)	43	48	62
Items that will be reclassified subsequently to profit or loss					
Fair value changes on derivatives designated as cash flow hedge, net	2.3	(15)	2	21	(39)
Exchange differences on translation of foreign operations		(70)	200	63	321
Fair value changes on investments, net	2.2	25	(15)	2	(1)
		(60)	187	86	281
Total other comprehensive income/(loss), net of tax		**(62)**	**230**	**134**	**343**
Total comprehensive income		**4,016**	**3,920**	**15,544**	**16,372**
Profit attributable to:					
Owners of the Company		4,074	3,690	15,404	16,029
Non-controlling interests		4	-	6	-
		4,078	**3,690**	**15,410**	**16,029**
Total comprehensive income attributable to:					
Owners of the Company		4,012	3,920	15,538	16,372
Non-controlling interests		4	-	6	-
		4,016	**3,920**	**15,544**	**16,372**
Earnings per equity share					
Basic (₹)		9.37	8.49	35.44	35.53
Diluted (₹)		9.36	8.48	35.38	35.50
Weighted average equity shares used in computing earnings per	2.18				
Basic		434,71,29,592	434,65,54,120	434,71,30,157	451,06,64,644
Diluted		435,30,23,863	434,96,17,024	435,34,20,772	451,51,47,740

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

P. R. Ramesh
Partner
Membership No. 70928

Nandan M. Nilekani
Chairman

Salil Parekh
Chief Executive officer and Managing Director

U. B. Pravin Rao
Chief Operating Officer and Whole-time Director

Bengaluru
April 12, 2019

D. Sundaram
Director

Nilanjan Roy
Chief Financial Officer

A. G. S. Manikantha
Company Secretary

Infosys Limited and subsidiaries

Consolidated Statement of Changes in Equity

(In ₹ crore except equity share data)

	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, 2017	**228,56,55,150**	**1,144**	**2,356**	**65,056**	**-**	**-**	**387**	**39**	**68,982**	-	**68,982**
Changes in equity for the year ended March 31, 2018											
Net profit	-	-	-	16,029	-	-	-	-	16,029	-	16,029
Remeasurement of the net defined benefit liability/asset*	-	-	-	-	-	-	55	-	55	-	55
Fair value changes on derivatives designated as Cash flow hedge* (Refer to note 2.3)	-	-	-	-	-	-	-	(39)	(39)	-	(39)
Exchange differences on translation of foreign operations	-	-	-	-	-	-	321	-	321	-	321
Equity instruments through other comprehensive income* (Refer to note 2.2)	-	-	-	-	-	-	7	-	7	-	7
Fair value changes on investments, net* (Refer to note 2.2)	-	-	-	-	-	-	(1)	-	(1)	-	(1)
Total comprehensive income for the period	**-**	**-**	**-**	**16,029**	**-**	**-**	**382**	**(39)**	**16,372**	**-**	**16,372**
Shares issued on exercise of employee stock options (Refer to note 2.16)	700,629	-	5	-	-	-	-	-	5	-	5
Employee stock compensation expense (refer to note 2.16)	-	-	79	-	-	-	-	-	79	-	79
Transfer on account of options not exercised	-	-	(2)	2	-	-	-	-	-	-	-
Transferred to other reserves	-	-	-	(2,200)	2,200	-	-	-	-	-	-
Transferred from other reserves on utilization	-	-	-	617	(617)	-	-	-	-	-	-
Amount paid upon buyback (refer note 2.13)	(113,043,478)	(56)	(2,206)	(10,738)	-	-	-	-	(13,000)	-	(13,000)
Transaction costs related to buyback* (refer note 2.13)	-	-	(46)	-	-	-	-	-	(46)	-	(46)
Amount transferred to capital redemption reserve upon Buyback (refer note 2.13)	-	-	-	(56)	-	56	-	-	-	-	-
Non-controlling interests	-	-	-	-	-	-	-	-	-	1	1
Dividends (including dividend distribution tax)	-	-	-	(7,469)	-	-	-	-	(7,469)	-	(7,469)
Balance as at March 31, 2018	**217,33,12,301**	**1,088**	**186**	**61,241**	**1,583**	**56**	**769**	**-**	**64,923**	**1**	**64,924**
Balance as at April 1, 2018	**217,33,12,301**	**1,088**	**186**	**61,241**	**1,583**	**56**	**769**	**-**	**64,923**	**-**	**64,923**
Changes in equity for the year ended March 31, 2019											
Net profit	-	-	-	15,404	-	-	-	-	15,404	6	15,410
Remeasurement of the net defined benefit liability/asset*	-	-	-	-	-	-	(22)	-	(22)	-	(22)
Equity instruments through other comprehensive income* (Refer to note 2.2)	-	-	-	-	-	-	70	-	70	-	70
Fair value changes on derivatives designated as cash flow hedge* (Refer to note 2.3)	-	-	-	-	-	-	-	21	21	-	21
Exchange differences on translation of foreign operations	-	-	-	-	-	-	63	-	63	-	63
Fair value changes on investments, net* (Refer to note 2.2)	-	-	-	-	-	-	2	-	2	-	2
Total comprehensive income for the period	**-**	**-**	**-**	**15,404**	**-**	**-**	**113**	**21**	**15,538**	**6**	**15,544**
Shares issued on exercise of employee stock options - before bonus issue (Refer to note 2.16)	392,528	-	-	-	-	-	-	-	-	-	-
Increase in share capital on account of bonus issue (Refer to note 2.13)	2,173,704,829	1,088	-	-	-	-	-	-	1,088	-	1,088
Shares issued on exercise of employee stock options - after bonus issue (Refer to note 2.16)	1,196,804	-	6	-	-	-	-	-	6	-	6
Amounts utilized for bonus issue (Refer to note 2.13)	-	-	-	(1,088)	-	-	-	-	(1,088)	-	(1,088)
Buyback of equity shares (Refer to note 2.5 and 2.17)	(12,652,000)	(6)	-	(1,994)	-	-	-	-	(2,000)	-	(2,000)
Transaction cost relating to buyback* (Refer to note 2.17)	-	-	-	(12)	-	-	-	-	(12)	-	(12)
Amount transferred to capital redemption reserve upon buyback (Refer to note 2.17)	-	-	-	(5)	-	5	-	-	-	-	-
Non-controlling interests on acquisition of subsidiary (Refer to note 2.9)	-	-	-	-	-	-	-	-	-	51	51
Employee stock compensation expense (refer to note 2.16)	-	-	197	-	-	-	-	-	197	-	197
Income tax benefit arising on exercise of stock options	-	-	8	-	-	-	-	-	8	-	8
Transfer on account of options not exercised	-	-	(1)	1	-	-	-	-	-	-	-
Transferred to other reserves	-	-	-	(2,417)	2,417	-	-	-	-	-	-
Transferred from other reserves on utilization	-	-	-	1,430	(1,430)	-	-	-	-	-	-
Dividends (including dividend distribution tax)	-	-	-	(13,712)	-	-	-	-	(13,712)	-	(13,712)
Balance as at March 31, 2019	**433,59,54,462**	**2,170**	**396**	**58,848**	**2,570**	**61**	**882**	**21**	**64,948**	**58**	**65,006**

** net of tax*

(1) excludes treasury shares of 20,324,982 as at March 31, 2019, 1,08,01,956 as at April 1, 2018, and 1,12,89,514 as at April 1, 2017, held by consolidated trust. The treasury shares as at April 1, 2018 and as at April 1, 2017 have not been adjusted for the September 2018 bonus issue.

(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 :
117366W/ W-100018

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

P. R. Ramesh
Partner
Membership No. 70928

Nandan M. Nilekani
Chairman

Salil Parekh
Chief Executive officer and Managing Director

U. B. Pravin Rao
Chief Operating Officer and Whole-time Director

Bengaluru
April 12, 2019

D. Sundaram
Director

Nilanjan Roy
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, 2019**	**2018**
Operating activities:			
Net Profit		15,410	16,029
Adjustments to reconcile net profit to net cash provided by operating activities:			
Depreciation and amortization	2.7	2,011	1,863
Income tax expense	2.17	5,631	4,241
Interest and dividend income		(910)	(829)
Effect of exchange rate changes on assets and liabilities		66	16
Impairment loss under expected credit loss model		239	34
Share in net profit/(loss) of associate, including impairment		-	71
Reduction in the fair value of Disposal Group held for sale	2.9	270	118
Adjustment in respect of excess of carrying amount over recoverable amount on reclassification from "Held for Sale"	2.9	451	-
Stock compensation expense		202	84
Other adjustments		(102)	(133)
Changes in working capital			
Trade receivables and unbilled revenue		(2,881)	(1,523)
Prepayments and other assets		(839)	(376)
Trade payables		916	328
Client deposits		(11)	6
Unearned revenue		334	673
Other liabilities and provisions		1,889	786
Cash generated from operations		**22,676**	**21,388**
Income taxes paid		(6,832)	(6,829)
Net cash provided by operating activities		**15,844**	**14,559**
Investing activities:			
Expenditure on property, plant and equipment	2.7 & 2.8	(2,445)	(1,998)
Loans to employees		14	28
Deposits placed with corporation		(24)	(130)
Interest and dividend received		554	427
Payment of contingent consideration pertaining to acquisition of business	2.9	(18)	(33)
Payment towards acquisition of business, net of cash acquired	2.9	(550)	(27)
Advance payment towards acquisition of business		(206)	-
Investment in equity and preference securities		(21)	(23)
Investment in others investments		(19)	(23)
Sale of others investments		10	-
Proceeds from sale of equity and preference securities		115	35
Investment in certificates of deposit		(2,393)	(6,653)
Redemption of certificates of deposit		5,540	9,690
Investment in quoted debt securities		(1,015)	(106)
Redemption of quoted debt securities		862	115
Redemption of commercial paper		300	-
Investment in commercial paper		(491)	(291)
Escrow and other deposits pertaining to Buyback	2.4	(257)	-
Investment in liquid mutual fund units and fixed maturity plan securities		(78,355)	(62,063)
Redemption of liquid mutual fund units and fixed maturity plan securities		76,821	64,163
Net cash used in investing activities		**(1,578)**	**3,111**
Financing activities:			
Payment of dividends including dividend distribution tax		(13,705)	(7,464)
Buyback of equity shares including transaction cost		(813)	(13,046)
Shares issued on exercise of employee stock options		6	5
Net cash used in financing activities		**(14,512)**	**(20,505)**
Effect of exchange rate changes on cash and cash equivalents		(57)	81
Net increase/(decrease) in cash and cash equivalents		(246)	(2,835)
Cash and cash equivalents at the beginning of the period	2.1	19,871	22,625
Cash and cash equivalents at the end of the period	2.1	**19,568**	**19,871**
Supplementary information:			
Restricted cash balance	2.1	358	533

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

P. R. Ramesh
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Chief Operating Officer and Whole-time Director

Bengaluru
April 12, 2019

D. Sundaram
Director

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

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 is listed on the New York Stock Exchange (NYSE).

Further, the Company's ADS were also listed on the Euronext London and Euronext Paris. On July 5, 2018, the Company voluntarily delisted its ADS from the said exchanges due to low average daily trading volume of its ADS on these exchanges.

The Group's consolidated financial statements are authorized for issue by the Company's Board of Directors on April 12, 2019.

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 the accrual basis except for certain financial instruments which have been measured at fair values. Accounting policies have been applied consistently to all periods presented in these interim consolidated financial statements.

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

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

1.4 Use of estimates and judgements

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 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 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.

1.5 Critical accounting estimates

a. Revenue recognition

The group uses the percentage-of-completion method in accounting for its fixed-price contracts. Use of the percentage-of-completion method requires the group to estimate the efforts or costs expended to date as a proportion of the total efforts or costs to be expended. Efforts or costs expended have been used to measure progress towards completion as there is a direct relationship between input and productivity.

Further, the Group uses significant judgements while determining the transaction price allocated to performance obligations using the

Provisions for estimated losses, if any, on uncompleted contracts are recorded in the period in which such losses become probable based on the expected contract estimates at the reporting date.

b. Income taxes

The Company's two major tax jurisdictions are India and the U.S., though the Company also files tax returns in other overseas jurisdictions. Significant judgments are involved in determining the provision for income taxes, including amount expected to be paid/recovered for uncertain tax positions.

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. Also refer to Note 2.17.

c. Business combinations and intangible assets

Business combinations are accounted for using IFRS 3 (Revised), Business Combinations. IFRS 3 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. Significant estimates are required to be made in determining the value of contingent consideration and intangible assets. These valuations are conducted by independent valuation experts. (Refer to Note. 2.9.2)

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 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.

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 is less than its carrying amount based on a number of factors including operating results, business plans, future cash flows and economic conditions. The recoverable amount of cash generating units is determined based on higher of value-in-use and fair value less cost to sell. The goodwill impairment test is performed at the level of the cash-generating unit or groups of cash-generating units which are benefitting from the synergies of the acquisition and which represents the lowest level at which goodwill is monitored for internal management purposes.

Market related information and estimates are used to determine the recoverable amount. Key assumptions on which management has based its determination of recoverable amount include estimated long term growth rates, weighted average cost of capital and estimated operating margins. Cash flow projections take into account past experience and represent management’s best estimate about future developments.

f. Non-current assets and Disposal Groups held for sale

Assets and liabilities of Disposal Groups held for sale are measured at the lower of carrying amount and fair value less costs to sell. The determination of fair value less costs to sell includes use of management estimates and assumptions. The fair value of the Disposal Groups have been estimated using valuation techniques including income and market approach which includes unobservable inputs.

Non-current assets and Disposal Group that ceases to be classified as held for sale shall be measured at the lower of carrying amount before the Non-current asset and Disposal Group was classified as held for sale adjusted for any depreciation/ amortization and its recoverable amount at the date when the Disposal Group no longer meets the " Held for sale" criteria. Recoverable amounts of assets reclassified from held for sale have been estimated using management’s assumptions which consist of significant unobservable inputs.

1.6 Recent accounting pronouncements

IFRS 16 Leases : On January 13, 2016, the International Accounting Standards Board issued IFRS 16, Leases replacing the existing leases Standard, IAS 17 Leases and related Interpretations. IFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lessor. IFRS 16 introduces a single lessee accounting model for a lessee and requires the lessee to recognize assets and liabilities for all leases with a term of more than twelve months, unless the underlying asset is low value in nature. Currently, operating lease expenses are charged to the statement of comprehensive income. The Standard also contains enhanced disclosure requirements for lessees. IFRS 16 substantially carries forward the lessor accounting requirements in IAS 17.

The standard permits two possible methods of transition:

• Full retrospective – Retrospectively to each prior period presented applying IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors
• Modified retrospective – Retrospectively, with the cumulative effect of initially applying the Standard recognized at the date of initial application.

Under modified retrospective approach, the lessee records the lease liability as the present value of the remaining lease payments, discounted at the incremental borrowing rate and the right of
use asset either as:
• Its carrying amount as if the standard had been applied since the commencement date, but discounted at lessee's incremental borrowing rate at the date of initial application or
• An amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments related to that lease recognized under IAS 17 immediately before the date of initial application

Certain practical expedients are available under both the methods.
The effective date for adoption of IFRS 16 is annual periods beginning on or after January 1, 2019, though early adoption is permitted for companies applying IFRS 15 Revenue from Contracts with Customers.

On completion of evaluation of the effect of adoption of IFRS 16, the Group is proposing to use the 'Modified Retrospective Approach' for transitioning to IFRS 16, and take the cumulative adjustment to retained earnings, on the date of initial application (April 1, 2019). Accordingly, comparatives for the year ended March 31, 2019 will not be retrospectively adjusted. The Group has elected certain available practical expedients on transition.

The effect of adoption as on transition date would majorly result in an increase in right of use asset approximately by ₹2,300 crore, net lease receivable on account of sub lease approximately by ₹440 crore and an increase in lease liability approximately by ₹3,050 crore.

IFRIC 23, Uncertainty over Income Tax Treatments : The International Accounting Standards Board (IASB) issued IFRS interpretation IFRIC 23 Uncertainty over Income Tax Treatments which is to be applied while performing the determination of taxable profit (or loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under IAS 12. According to IFRIC 23, companies need to determine the probability of the relevant tax authority accepting each tax treatment, or group of tax treatments, that the companies have used or plan to use in their income tax filing which has to be considered to compute the most likely amount or the expected value of the tax treatment when determining taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates.

The standard permits two possible methods of transition - i) Full retrospective approach – Under this approach, IFRIC 23 will be applied retrospectively to each prior reporting period presented in accordance with IAS 8 – Accounting Policies, Changes in Accounting Estimates and Errors, without using hindsight and ii) Retrospectively with cumulative effect of initially applying IFRIC 23 recognized by adjusting equity on initial application, without adjusting comparatives.

The effective date for adoption of IFRIC 23 is annual periods beginning on or after January 1, 2019, though early adoption is permitted. The Group will adopt the standard on April 1, 2019 and has decided to adjust the cumulative effect in equity on the date of initial application i.e. April 1, 2019 without adjusting comparatives.

The effect on adoption of IFRIC 23 would be insignificant in the consolidated financial statements.

Amendment to IAS 12 – Income taxes : In December 2017, the IASB issued amendments to the guidance in IAS 12, 'Income Taxes', in connection with accounting for dividend distribution taxes.

The amendment clarifies that an entity shall recognize the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognized those past transactions or events.

Effective date for application of this amendment is annual period beginning on or after January 1, 2019, although early application is permitted. The Group is currently evaluating the effect of this amendment on the consolidated financial statements.

Amendment to IAS 19 – plan amendment, curtailment or settlement : On February 7, 2018, the IASB issued amendments to the guidance in IAS 19, 'Employee Benefits', in connection with accounting for plan amendments, curtailments and settlements.

The amendments require an entity:
• to use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement; and
• to recognize in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognized because of the impact of the asset ceiling.

Effective date for application of this amendment is annual period beginning on or after January 1, 2019, although early application is permitted. The Group does not have any impact on account of this amendment

Amendment to IFRS 3 Business Combinations - On October 22,2018, the IASB issued amendments to the definition of a business in IFRS 3 Business Combinations. The amendments clarify the definition of a business, with the objective of assisting entities to determine whether a transaction should be accounted for as a business combination or as an asset acquisition. The amendment also introduces an optional concentration test that permits a simplified assessment of whether an acquired set of activities and assets is not a business.

The effective date for adoption of this amendment is annual periods beginning on or after January 1, 2020, although early adoption is permitted. The Group is currently evaluating the effect of this amendment on the consolidated financial statements.

2. Notes to the consolidated financial statements

2.1 Cash and cash equivalents

Cash and cash equivalents consist of the following:

(In ₹ crore)

Particulars	As at	
	March 31, 2019	March 31, 2018
Cash and bank deposits	14,197	13,168
Deposits with financial institutions	5,371	6,650
Total Cash and cash equivalents	**19,568**	**19,818**
Cash and cash equivalents included under assets classified under held for sale (Refer note no 2.9)	-	53
	19,568	**19,871**

Cash and cash equivalents as at March 31, 2019 and March 31, 2018 include restricted cash and bank balances of ₹358 crore and ₹533 crore, respectively. The restrictions are primarily on account of bank balances held by irrevocable trusts controlled by the Company, bank balances held as margin money deposits against guarantees and balances held in unpaid dividend bank accounts.

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.

The table below provides details of cash and cash equivalents:

(In ₹ crore)

Particulars	As at	
	March 31, 2019	March 31, 2018
Current Accounts		
ANZ Bank, Taiwan	1	9
Axis Bank - Unpaid Dividend Account	4	1
Axis Bank, India	1	-
Banamex Bank, Mexico	8	2
Banamex Bank, Mexico (U.S. Dollar account)	27	13
Bank of America, Mexico	102	25
Bank of America, USA	1,162	1,172
Bank of Baroda, Mauritius	1	1
Bank of Leumni , Israel	6	-
Bank of Tokyo-Mitsubishi UFJ Ltd., Japan	1	1
Bank Zachodni WBK S.A, Poland	-	17
Barclays Bank, UK	39	40
BNP Paribas Bank, Norway	24	88
China Merchants Bank, China	2	6
Citibank N.A., Australia	91	223
Citibank N.A., Brazil	31	14
Citibank N.A., China	65	116
Citibank N.A., China (U.S. Dollar account)	14	9
Citibank N.A., Costa Rica	1	1
Citibank N.A., Europe	1	-
Citibank N.A., Dubai	10	6
Citibank N.A., EEFC (U.S. Dollar account)	2	4
Citibank N.A., Hungary	1	6
Citibank N.A., India	2	2
Citibank N.A., Japan	22	18
Citibank N.A., New Zealand	3	11
Citibank N.A., Portugal	10	8
Citibank N.A., Romania	1	2
Citibank N.A., Singapore	77	4
Citibank N.A., South Africa	18	33
Citibank N.A., South Africa (Euro account)	1	1
Citibank N.A., South Korea	17	2
Citibank N.A., USA	8	4
Citibank N.A., Luxembourg	4	-
Commercial Bank, Germany	1	-
Danske Bank, Sweden	1	1
Deutsche Bank, Belgium	16	27
Deutsche Bank, Czech Republic	20	16
Deutsche Bank, Czech Republic (Euro account)	6	3
Deutsche Bank, Czech Republic (U.S. Dollar account)	24	2
Deutsche Bank, EEFC (Australian Dollar account)	3	2
Deutsche Bank, EEFC (Euro account)	23	34
Deutsche Bank, EEFC (Swiss Franc account)	5	2
Deutsche Bank, EEFC (U.S. Dollar account)	217	32
Deutsche Bank, EEFC (United Kingdom Pound Sterling account)	8	9

Deutsche Bank, France	20	19
Deutsche Bank, Germany	111	100
Deutsche Bank, Hong Kong	1	1
Deutsche Bank, India	45	44
Deutsche Bank, Malaysia	1	5
Deutsche Bank, Netherlands	34	15
Deutsche Bank, Philippines	4	25
Deutsche Bank, Philippines (U.S. Dollar account)	1	3
Deutsche Bank, Poland	28	18
Deutsche Bank, Poland (Euro account)	8	8
Deutsche Bank, Russia	3	3
Deutsche Bank, Russia (U.S. Dollar account)	-	5
Deutsche Bank, Singapore	15	17
Deutsche Bank, Spain	1	1
Deutsche Bank, Switzerland	33	29
Deutsche Bank, Switzerland (US Dollar account)	1	-
Deutsche Bank, United Kingdom	42	79
Deutsche Bank, USA	61	2
Hua Xia Bank, RMB	1	-
HDFC Bank - Unpaid dividend account	-	1
HSBC Bank, (U.S. Dollar account)	1	-
HSBC Bank, Dubai	-	2
HSBC Bank, Hong Kong	1	2
HSBC Bank, India	3	-
HSBC Bank, United Kingdom	19	6
ICICI Bank, EEFC (Euro account)	7	1
ICICI Bank, EEFC (U.S. Dollar account)	34	40
ICICI Bank, EEFC (United Kingdom Pound Sterling account)	6	11
ICICI Bank, India	42	52
Kotak Bank	5	-
ICICI Bank - Unpaid dividend account	25	20
Nordbanken, Sweden	45	50
Nordea	17	-
Punjab National Bank, India	2	12
Raiffeisen Bank, Czech Republic	-	5
Raiffeisen Bank, Romania	-	3
Royal Bank of Canada, Canada	136	166
Santander Bank, Argentina	-	1
Splitska Banka D.D., Société Générale Group, Croatia	14	8
State Bank of India, India	3	1
Silicon Valley Bank, USA	13	-
The Saudi British Bank, Saudi Arabia	3	3
Washington Trust Bank	48	-
	2,915	**2,725**
Deposit Accounts		
Axis Bank	925	-
Bank BGZ BNP Paribas S.A.	235	144
Barclays Bank	500	200
Canara Bank	130	235
Citibank	176	227
Deutsche Bank, AG	-	24
Deutsche Bank, Poland	126	211
HDFC Bank	50	2,498
HSBC Bank	200	-
ICICI Bank	3,246	3,699
IDBI Bank	-	250
IDFC Bank	2,450	1,500
IndusInd Bank	550	1,000
Kotak Mahindra Bank	500	-
South Indian Bank	173	450
Standard Chartered Bank	2,000	-
Washington trust bank	21	-
Yes Bank	-	5
	11,282	**10,443**
Deposits with financial institutions		
HDFC Limited	4,146	5,450
LIC Housing Finance Limited	1,225	1,200
	5,371	**6,650**
Total Cash and cash equivalents	**19,568**	**19,818**

2.2 Investments

The carrying value of the investments are as follows:

(In ₹ crore)

Particulars	As at	
	March 31, 2019	March 31, 2018
(i) Current		
Amortised Cost		
Quoted debt securities		
Cost	18	1
Fair Value through profit or loss		
Liquid mutual fund units		
Fair value	1,786	81
Fair Value through other comprehensive income		
Quoted Debt Securities		
Fair value	1,846	763
Commercial paper		
Fair value	495	293
Certificates of deposit		
Fair value	2,482	5,269
Total current investments	**6,627**	**6,407**
(ii) Non-current		
Amortised Cost		
Quoted debt securities		
Cost	1,893	1,896
Fair Value through other comprehensive income		
Quoted debt securities		
Fair value	2,144	3,215
Unquoted equity and preference securities		
Fair value	100	138
Fair Value through profit or loss		
Unquoted convertible promissory note		
Fair value	-	12
Unquoted Preference securities		
Fair value	23	-
Fixed Maturity Plan Securities		
Fair value	458	429
Others		
Fair value	16	66
Total non-current investments	**4,634**	**5,756**
Total investments	**11,261**	**12,163**
Investments carried at amortised cost	1,911	1,897
Investments carried at fair value through other comprehensive income	7,067	9,678
Investments carried at fair value through profit or loss	2,283	588

Uncalled capital commitments outstanding as at March 31, 2019 and March 31, 2018 was ₹86 crore and ₹81 crore, respectively.

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

Net Gain/(loss) on	Year ended					
	March 31, 2019			March 31, 2018		
	Gross	Tax	Net	Gross	Tax	Net
Quoted debt securities	6	(1)	5	(13)	2	(11)
Certificates of deposit	(5)	2	(3)	16	(6)	10
Unquoted equity and preference securities	63	7	70	4	3	7

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

Class of investment	Method	Fair value As at March 31, 2019	Fair value As at March 31, 2018
Liquid mutual fund units	Quoted price	1,786	81
Fixed maturity plan securities	Market observable inputs	458	429
Quoted debt securities- carried at amortized cost	Quoted price and market observable inputs	2,125	2,151
Quoted debt securities- carried at fair value through other comprehensive income	Quoted price and market observable inputs	3,990	3,978
Certificates of deposit	Market observable inputs	2,482	5,269
Commercial paper	Market observable inputs	495	293
Unquoted equity and preference securities - carried at fair value through other comprehensive income	Discounted cash flows method, Market multiples method, Option pricing model, etc.	100	138
Unquoted equity and preference securities - carried at fair value through profit or loss	Discounted cash flows method, Market multiples method, Option pricing model, etc.	23	-
Unquoted convertible promissory note	Discounted cash flows method, Market multiples method, Option pricing model, etc.	-	12
Others	Discounted cash flows method, Market multiples method, Option pricing model, etc.	16	66
Total		**11,475**	**12,417**

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 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 (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 recognized in a business combination which is subsequently measured at fair value through profit and 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, at fair value through profit or loss

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

Although the Group believes that these derivatives constitute hedges from an economic perspective, they may not qualify for hedge accounting under 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 statement of comprehensive income.

c. Share capital and treasury shares

(i) Ordinary Shares

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

(ii) 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.

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 those 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 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 comprehensive income.

Financial instruments by category

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

(In ₹ crore)

	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)	19,568	-	-	-	-	19,568	19,568
Investments (Refer to Note 2.2)							
Liquid mutual funds	-	-	1,786	-	-	1,786	1,786
Fixed maturity plan securities	-	-	458	-	-	458	458
Quoted debt securities	1,911	-	-	-	3,990	5,901	6,115 [(1)]
Certificates of deposit	-	-	-	-	2,482	2,482	2,482
Commercial paper	-	-	-	-	495	495	495
Unquoted equity and preference securities	-	-	23	100	-	123	123
Unquoted investment others	-	-	16	-	-	16	16
Trade receivables	14,827	-	-	-	-	14,827	14,827
Unbilled revenues [(3)] (Refer to Note 2.10)	2,093	-	-	-	-	2,093	2,093
Prepayments and other assets (Refer to Note 2.4)	3,648	-	-	-	-	3,648	3,564 [(2)]
Derivative financial instruments	-	-	299	-	37	336	336
Total	**42,047**	**-**	**2,582**	**100**	**7,004**	**51,733**	**51,863**
Liabilities:							
Trade payables	1,655	-	-	-	-	1,655	1,655
Derivative financial instruments	-	-	15	-	-	15	15
Other liabilities including contingent consideration (Refer to Note 2.5)	8,731	-	190	-	-	8,921	8,921
Total	**10,386**	**-**	**205**	**-**	**-**	**10,591**	**10,591**

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

[(2)] *Excludes interest accrued on quoted debt securities carried at amortized cost*

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

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

(In ₹ crore)

	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)	19,818	-	-	-	-	19,818	19,818
Investments (Refer to Note 2.2)							
Liquid mutual funds	-	-	81	-	-	81	81
Fixed maturity plan securities	-	-	429	-	-	429	429
Quoted debt securities	1,897	-	-	-	3,978	5,875	6,129 [(1)]
Certificates of deposit	-	-	-	-	5,269	5,269	5,269
Commercial papers	-	-	-	-	293	293	293
Unquoted equity and preference securities	-	-	-	138	-	138	138
Unquoted investments others	-	-	66	-	-	66	66
Unquoted convertible promissory note	-	-	12	-	-	12	12
Trade receivables	13,142	-	-	-	-	13,142	13,142
Unbilled revenue (Refer to Note 2.10)	4,261	-	-	-	-	4,261	4,261
Prepayments and other assets (Refer to Note 2.4)	2,966	-	-	-	-	2,966	2,882 [(2)]
Derivative financial instruments	-	-	4	-	12	16	16
Total	**42,084**	**-**	**592**	**138**	**9,552**	**52,366**	**52,536**
Liabilities:							
Trade payables	694	-	-	-	-	694	694
Derivative financial instruments	-	-	39	-	3	42	42
Other liabilities including contingent consideration (Refer to Note 2.5)	5,442	-	54	-	-	5,496	5,496
Total	**6,136**	**-**	**93**	**-**	**3**	**6,232**	**6,232**

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

[(2)] *Excludes interest accrued on quoted debt securities carried at amortized cost*

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, 2019:

(In ₹ crore)

Particulars	As at March 31, 2019	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)	1,786	1,786	-	-
Investments in fixed maturity plan securities (Refer to Note 2.2)	458	-	458	-
Investments in quoted debt securities (Refer to Note 2.2)	6,115	4,358	1,757	-
Investments in certificates of deposit (Refer to Note 2.2)	2,482	-	2,482	-
Investments in commercial paper (Refer to Note 2.2)	495	-	495	-
Investments in unquoted equity and preference securities (Refer to Note 2.2)	123	-	-	123
Investments in unquoted investments others (Refer to Note 2.2)	16	-	-	16
Derivative financial instruments - gain on outstanding foreign exchange forward and option contracts	336	-	336	-
Liabilities				
Derivative financial instruments - loss on outstanding foreign exchange forward and option contracts	15	-	15	-
Liability towards contingent consideration (Refer to Note 2.5)*	190	-	-	190

**Discount rate pertaining to contingent consideration ranges from 9% to 16% .*

During the year ended March 31, 2019, quoted debt securities of ₹336 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 ₹746 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, 2018:

(In ₹ crore)

Particulars	As at March 31, 2018	Fair value measurement at end of the reporting year using		
		Level 1	Level 2	Level 3
Assets				
Investments in liquid mutual fund units (Refer to Note 2.2)	81	81	-	-
Investments in fixed maturity plan securities (Refer to Note 2.2)	429	-	429	-
Investments in quoted debt securities (Refer to Note 2.2)	6,129	4,574	1,555	-
Investments in certificates of deposit (Refer to Note 2.2)	5,269	-	5,269	-
Investments in commercial papers (Refer to Note 2.2)	293	-	293	-
Investments in unquoted equity and preference securities(Refer to Note 2.2)	138	-	-	138
Investments in unquoted investments others (Refer to Note 2.2)	66	-	-	66
Investments in unquoted convertible promissory note (Refer to Note 2.2)	12	-	-	12
Derivative financial instruments- gain on outstanding foreign exchange forward and option contracts	16	-	16	-
Liabilities				
Derivative financial instruments- loss on outstanding foreign exchange forward and option contracts	42	-	42	-
Liability towards contingent consideration (Refer to Note 2.5)*	54	-	-	54

**Discounted contingent consideration of ₹21 crore pertaining to Brilliant Basics at 10%*

During the year ended March 31, 2018, tax free bonds and non-convertible debentures of ₹1,797 crore were transferred from Level 2 to Level 1 of fair value hierarchy, since these were valued based on quoted price and ₹850 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.

Income from financial assets is as follows :

(In ₹ crore)

Particulars	Three months ended March 31,		Year ended March 31,	
	2019	2018	2019	2018
Interest income from financial assets carried at amortised cost	355	382	1,404	1,674
Interest income on financial assets fair valued through other comprehensive income	142	133	646	682
Dividend income from investments carried at fair value through profit or loss	1	-	2	4
Gain / (loss) on investments carried at fair value through profit or loss	65	39	170	253
	563	**554**	**2,222**	**2,613**

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 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 monetary assets and liabilities as at March 31, 2019:

(In ₹ crore)

Particulars	U.S. dollars	Euro	United Kingdom Pound Sterling	Australian dollars	Other currencies	Total
Cash and cash equivalents	1,640	266	110	213	1,113	3,342
Trade receivables	9,950	1,844	1,025	527	971	14,317
Unbilled revenue	3,733	769	251	276	434	5,463
Other assets	456	104	34	34	314	942
Trade payables	(708)	(128)	(139)	(80)	(107)	(1,162)
Employee benefit obligations	(678)	(106)	(25)	(205)	(164)	(1,178)
Other liabilities	(3,523)	(454)	(192)	(177)	(595)	(4,941)
Net assets / (liabilities)	**10,870**	**2,295**	**1,064**	**588**	**1,966**	**16,783**

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

(In ₹ crore)

Particulars	U.S. dollars	Euro	United Kingdom Pound Sterling	Australian dollars	Other currencies	Total
Cash and cash equivalents	1,287	218	147	353	1,192	3,197
Trade receivables	8,317	1,751	845	788	781	12,482
Unbilled revenue	2,318	637	304	159	371	3,789
Other assets	318	26	26	14	99	483
Trade payables	(273)	(81)	(114)	(30)	(58)	(556)
Accrued Expenses	(1,082)	(188)	(111)	(61)	(149)	(1,591)
Employee benefit obligations	(572)	(91)	(25)	(181)	(129)	(998)
Other liabilities	(635)	(138)	(79)	(31)	(318)	(1,201)
Net assets / (liabilities)	**9,678**	**2,134**	**993**	**1,011**	**1,789**	**15,605**

Sensitivity analysis between Indian rupee and U.S. Dollar

Particulars	Three months ended March 31,		Year ended March 31,	
	2019	2018	2019	2018
Impact on Group's incremental operating margins	0.45%	0.50%	0.47%	0.50%

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, 2019		As at March 31, 2018	
	In million	In ₹ crore	In million	In ₹ crore
Derivatives designated as cash flow hedges				
Option Contracts				
In Australian dollars	120	588	60	300
In Euro	135	1,049	100	808
In United Kingdom Pound Sterling	25	226	20	184
Other derivatives				
Forward contracts				
In Australian dollars	8	37	5	25
In Canadian dollars	13	68	20	99
In Euro	176	1,367	91	735
In Japanese Yen	550	34	550	34
In New Zealand dollars	16	75	16	76
In Norwegian Krone	40	32	40	34
In South African Rand	-	-	25	14
In Singapore dollars	140	716	5	25
In Swedish Krona	50	37	50	40
In Swiss Franc	25	172	21	146
In U.S. dollars	955	6,608	623	4,061
In United Kingdom Pound Sterling	80	724	51	466
Option Contracts				
In Australian dollars	10	49	20	100
In Canadian dollars	13	69	-	-
In Euro	60	466	45	363
In Swiss Franc	5	35	5	33
In U.S. dollars	433	2,995	320	2,086
In United Kingdom Pound Sterling	10	91	25	231
Total forwards & options		**15,438**		**9,860**

The group recognized a net gain of ₹207 crore and ₹240 crore during the three months and year ended March 31, 2019 and a net loss of ₹130 crore and net gain of ₹1 crore during the three months and year ended March 31, 2018, 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, 2019	As at March 31, 2018
Not later than one month	4,432	2,828
Later than one month and not later than three months	6,921	4,568
Later than three months and not later than one year	4,085	2,464
Total	**15,438**	**9,860**

During the year ended March 31, 2019 and March 31, 2018, 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, 2019 are expected to occur and reclassified to statement of comprehensive income within 3 months.

Hedge effectiveness is determined at the inception of the hedge relationship, and through periodic prospective effectiveness assessments to ensure that an economic relationship exists between the hedged item and hedging instrument, including whether the hedging instrument is expected to offset changes in cash flows of hedged items.

If the hedge ratio for risk management purposes is no longer optimal but the risk management objective remains unchanged and the hedge continues to qualify for hedge accounting, the hedge relationship will be rebalanced by adjusting either the volume of the hedging instrument or the volume of the hedged item so that the hedge ratio aligns with the ratio used for risk management purposes. Any hedge ineffectiveness is calculated and accounted for in 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, 2019 and March 31, 2018: *(In ₹ crore)*

Particulars	Three months ended March 31,		Year ended March 31,	
	2019	2018	2019	2018
Gain / (Loss)				
Balance at the beginning of the period	36	(2)	-	39
Gain / (loss) recognised in other comprehensive income during the period	25	(9)	118	(93)
Amount reclassified to profit and loss during the period	(45)	11	(90)	41
Tax impact on above	5	-	(7)	13
Balance at the end of the period	**21**	**-**	**21**	**-**

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, 2019		March 31, 2018	
	Derivative financial asset	Derivative financial liability	Derivative financial asset	Derivative financial liability
Gross amount of recognized financial asset/liability	338	(17)	20	(46)
Amount set off	(2)	2	(4)	4
Net amount presented in balance sheet	**336**	**(15)**	**16**	**(42)**

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 ₹14827 crore and ₹13,142 crore as at March 31, 2019 and March 31, 2018, respectively and unbilled revenue amounting to ₹5374 crore and ₹4,261 crore as at March 31, 2019 and March 31, 2018, respectively. Trade receivables and unbilled revenue are typically unsecured and are derived from revenue earned from customers primarily located in the United States. Credit risk has always been managed by the 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. On account of adoption of IFRS 9, the Group uses expected credit loss model to assess the impairment loss or gain. The Group uses a provision matrix to compute the expected credit loss allowance for trade receivables and unbilled revenues. The provision matrix takes into account available external and internal credit risk factors such as credit default swap quotes, credit ratings from international credit rating agencies and the Group's historical experience for customers.

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

(In %)

Particulars	Three months ended March 31,		Year ended March 31,	
	2019	2018	2019	2018
Revenue from top customer	3.3	3.6	3.6	3.4
Revenue from top ten customers	19.7	19.2	19.0	19.3

Credit risk exposure

The allowance of lifetime expected credit loss on customer balances for the three months and year ended March 31, 2019 was ₹15 crore and ₹239 crore, respectively.
Reversal of lifetime expected credit losses for the three months ended March 31, 2018 was ₹27 crore and allowance of lifetime expected credit losses for year ended March 31, 2018 was ₹34 crore.

Movement in credit loss allowance:

(In ₹ crore)

Particulars	Three months ended March 31,		Year ended March 31,	
	2019	2018	2019	2018
Balance at the beginning	615	470	449	411
Translation differences	(3)	7	12	10
Impairment loss recognised / (reversed)	15	(27)	239	34
Reclassified as held for sale (refer note no 2.9)	-	(1)	-	(1)
Write-offs	-	-	(73)	(5)
Balance at the end	**627**	**449**	**627**	**449**

The Group's credit period generally ranges from 30-60 days.

Credit exposure

(In ₹ crore)

Particulars	As at	
	March 31, 2019	March 31, 2018
Trade receivables	14,827	13,142
Unbilled revenue	5,374	4,261

Days Sales Outstanding (DSO) as of March 31, 2019 and March 31, 2018 was 66 days and 67 days, respectively.

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

Liquidity risk

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, 2019, the Group had a working capital of ₹34,240 crore including cash and cash equivalents of ₹19,568 crore and current investments of ₹6,627 crore. As at March 31, 2018, the Group had a working capital of ₹34,176 crore including cash and cash equivalents of ₹19,818 crore and current investments of ₹6,407 crore.

As at March 31, 2019 and March 31, 2018, the outstanding employee benefit obligations were ₹1,663 crore and ₹1,469 crore, respectively, which have been substantially funded. Accordingly, no liquidity risk is perceived.

Under the company's ongoing buyback programme the maximum buyback size is ₹8,260 crore. The company has bought back shares amounting to ₹797 crore (including transaction costs) till March 31, 2019. Refer to note no. 2.13.

The table below provides details regarding the contractual maturities of significant financial liabilities as at March 31, 2019:

(In ₹ crore)

Particulars	Less than 1 year	1-2 years	2-4 years	4-7 years	Total
Trade payables	1,655	-	-	-	1,655
Other liabilities (excluding liability towards contingent consideration) (Refer to Note 2.5)	8,716	11	4	-	8,731
Liability towards contingent consideration on an undiscounted basis (Refer to Note 2.5)	114	83	-	36	233

The table below provides details regarding the contractual maturities of significant financial liabilities as at March 31, 2018:

(In ₹ crore)

Particulars	Less than 1 year	1-2 years	2-4 years	4-7 years	Total
Trade payables	694	-	-	-	694
Other liabilities (excluding liability towards contingent consideration) (Refer to Note 2.5)	5,442	-	-	-	5,442
Liability towards contingent consideration on an undiscounted basis (Refer to Note 2.5)	41	7	7	-	55

2.4 Prepayments and other assets

Prepayments and other assets consist of the following:

(In ₹ crore)

Particulars	As at	
	March 31, 2019	**March 31, 2018**
Current		
Rental deposits	15	13
Security deposits	4	9
Loans to employees	241	239
Prepaid expenses(1)	751	472
Interest accrued and not due	905	766
Withholding taxes and others(1)	1,488	1,032
Advance payments to vendors for supply of goods(1)	109	119
Deposit with corporations	1,671	1,535
Deferred contract cost(1)	58	44
Escrow and other deposits pertaining to buyback (refer to note 2.13)	257	-
Other assets	224	84
Total Current prepayment and other assets	**5,723**	**4,313**
Non-current		
Loans to employees	19	36
Deposit with corporations	67	60
Rental deposits	193	171
Security deposits	52	53
Withholding taxes and others(1)	929	1,428
Deferred contract cost(1)	277	262
Prepaid expenses(1)	162	111
Advance pertaining to business acquisition *(Refer note 2.9.1)* (1)	206	-
Prepaid gratuity(1)	42	43
Total Non- current prepayment and other assets	**1,947**	**2,164**
Total prepayment and other assets	**7,670**	**6,477**
Financial assets in prepayments and other assets	**3,648**	**2,966**

(1) *Non financial assets*

Withholding taxes and others primarily consist of input tax credits and Cenvat recoverable from Government of India. Cenvat recoverable includes ₹523 crore which are pending adjudication. The Group expects these amounts to be sustainable on adjudication and recoverable on final resolution.

Security deposits relate principally to leased telephone lines and electricity supplies. Deferred contract costs are upfront costs incurred for the contract and are amortized over the term of the contract.

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

2.5 Other liabilities

Other liabilities comprise the following :

(In ₹ crore)

Particulars	As at	
	March 31, 2019	March 31, 2018
Current		
Accrued compensation to employees	2,572	2,509
Accrued expenses	3,319	2,452
Withholding taxes and others[(1)]	1,487	1,240
Retention money	112	132
Liabilities of controlled trusts	168	139
Deferred income - government grant on land use rights[(1)]	1	1
Accrued gratuity [(1)]	2	-
Liability towards contingent consideration (Refer to Note 2.9)	102	41
Deferred rent [(1)]	63	32
Capital Creditors	676	155
Financial liability relating to buyback (refer to note 2.13)	1,202	-
Others	667	55
Total current other liabilities	**10,371**	**6,756**
Non-current		
Liability towards contingent consideration (Refer to Note 2.9)	88	13
Accrued gratuity [(1)]	30	28
Accrued compensation to employees	15	-
Deferred income - government grant on land use rights[(1)]	42	44
Deferred rent [(1)]	174	151
Deferred income[(1)]	29	36
Total non-current other liabilities	**378**	**272**
Total other liabilities	**10,749**	**7,028**
Financial liabilities included in other liabilities	8,921	5,496
Financial liability towards contingent consideration on an undiscounted basis (Refer to Note 2.9)	233	55

[(1)] *Non financial liabilities*

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.

In accordance with IAS 32 Financial Instruments: Presentation, the Company has recorded a financial liability of ₹1,202 crore for the obligation to acquire its own equity shares to the extent of standing instructions provided to its registered broker for the buyback as of March 31, 2019 (refer to note 2.9). The financial liability is recognised at the present value of the maximum amount that the Company would be required to pay to the registered broker for buy back, with a corresponding debit in general reserve / retained earnings.

2.6 Provisions

Accounting Policy

Provisions

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.

Post sales client support

The Group provides its clients with a fixed-period post sales support for corrections of errors and support on all its fixed-price, fixed-timeframe contracts. Costs associated with such support services are accrued at the time related revenues are recorded 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. 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, 2019	March 31, 2018
Provision for post sales client support and other provisions	576	492
	576	**492**

Provision for post sales client support and other provisions represents cost associated with providing post sales support services which are accrued at the time of recognition of revenues and are expected to be utilized over a period of 6 months to 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, 2019	Year ended March 31, 2019
Balance at the beginning	582	492
Provision recognized / (reversed)	24	168
Provision utilized	(24)	(112)
Translation difference	(6)	28
Balance at the end	**576**	**576**

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, 2019 and March 31, 2018, claims against the company, not acknowledged as debts, (excluding demands from income tax authorities- Refer to Note 2.17) amounted to ₹230 crore and ₹260 crore respectively.

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

2.7 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 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	Over 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.

Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date and the cost of assets not put 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, 2019:

(In ₹ crore)

Particulars	Land	Buildings	Plant and machinery	Computer equipment	Furniture and fixtures	Vehicles	Total
Gross carrying value as at January 1, 2019	**1,957**	**8,633**	**3,609**	**5,516**	**2,040**	**35**	**21,790**
Additions/adjustments	36	402	427	453	215	3	1,536
Deletions/adjustments	(83)	(116)	(86)	(122)	(32)	-	(439)
Translation difference	-	7	1	(1)	(3)	-	4
Gross carrying value as at March 31, 2019	**1,910**	**8,926**	**3,951**	**5,846**	**2,220**	**38**	**22,891**
Accumulated depreciation as at January 1, 2019	**(35)**	**(2,948)**	**(2,655)**	**(4,101)**	**(1,503)**	**(21)**	**(11,263)**
Depreciation	(1)	(81)	(110)	(212)	(68)	(2)	(474)
Accumulated depreciation on deletions	3	103	68	122	29	-	325
Translation difference	-	(1)	-	(1)	1	1	-
Accumulated depreciation as at March 31, 2019	**(33)**	**(2,927)**	**(2,697)**	**(4,192)**	**(1,541)**	**(22)**	**(11,412)**
Capital work-in progress as at January 1, 2019							2,153
Carrying value as at January 1, 2019	**1,922**	**5,685**	**954**	**1,415**	**537**	**14**	**12,680**
Capital work-in progress as at March 31, 2019							1,877
Carrying value as at March 31, 2019	**1,877**	**5,999**	**1,254**	**1,654**	**679**	**16**	**13,356**

Following are the changes in the carrying value of property, plant and equipment for the three months ended March 31, 2018:

(In ₹ crore)

Particulars	Land	Buildings	Plant and machinery	Computer equipment	Furniture and fixtures	Vehicles	Total
Gross carrying value as at January 1, 2018	**1,806**	**7,680**	**3,248**	**4,820**	**1,821**	**30**	**19,405**
Additions	94	416	128	120	54	2	814
Deletions	-	(1)	(4)	(30)	(2)	(1)	(38)
Reclassified as held for sale (refer note no 2.9)	-	-	(3)	(40)	(25)	-	(68)
Translation difference	-	35	4	14	13	-	66
Gross carrying value as at March 31, 2018	**1,900**	**8,130**	**3,373**	**4,884**	**1,861**	**31**	**20,179**
Accumulated depreciation as at January 1, 2018	**(30)**	**(2,645)**	**(2,242)**	**(3,498)**	**(1,269)**	**(18)**	**(9,702)**
Depreciation	(1)	(71)	(103)	(175)	(64)	(1)	(415)
Accumulated depreciation on deletions	-	-	3	29	1	1	34
Reclassified as held for sale (refer note no 2.9)	-	-	2	25	20	-	47
Translation difference	-	(3)	(2)	(11)	(11)	-	(27)
Accumulated depreciation as at March 31, 2018	**(31)**	**(2,719)**	**(2,342)**	**(3,630)**	**(1,323)**	**(18)**	**(10,063)**
Capital work-in progress as at January 1, 2018							2,132
Carrying value as at January 1, 2018	**1,776**	**5,035**	**1,006**	**1,322**	**552**	**12**	**11,835**
Capital work-in progress as at March 31, 2018							2,027
Carrying value as at March 31, 2018	**1,869**	**5,411**	**1,031**	**1,254**	**538**	**13**	**12,143**

Following are the changes in the carrying value of property, plant and equipment for the year ended March 31, 2019:

(In ₹ crore)

Particulars	Land	Buildings	Plant and machinery	Computer equipment	Furniture and fixtures	Vehicles	Total
Gross carrying value as at April 1, 2018	**1,900**	**8,130**	**3,373**	**4,884**	**1,861**	**31**	**20,179**
Additions	57	916	675	1,129	386	9	3,172
Additions - Business Combination (refer note 2.9)	-	-	3	34	10	-	47
Reclassified from assets held for sale (Refer note 2.9)	-	-	3	40	25	-	68
Deletions	(47)	(116)	(102)	(239)	(59)	(2)	(565)
Translation difference	-	(4)	(1)	(2)	(3)	-	(10)
Gross carrying value as at March 31, 2019	**1,910**	**8,926**	**3,951**	**5,846**	**2,220**	**38**	**22,891**
Accumulated depreciation as at April 1, 2018	**(31)**	**(2,719)**	**(2,342)**	**(3,630)**	**(1,323)**	**(18)**	**(10,063)**
Depreciation	(5)	(313)	(437)	(766)	(255)	(6)	(1,782)
Reclassified from assets held for sale (Refer note 2.9)	-	-	(2)	(25)	(20)	-	(47)
Accumulated depreciation on deletions	3	103	83	229	55	2	475
Translation difference	-	2	1	-	2	-	5
Accumulated depreciation as at March 31, 2019	**(33)**	**(2,927)**	**(2,697)**	**(4,192)**	**(1,541)**	**(22)**	**(11,412)**
Capital work-in progress as at April 1, 2018							2,027
Carrying value as at April 1, 2018	**1,869**	**5,411**	**1,031**	**1,254**	**538**	**13**	**12,143**
Capital work-in progress as at March 31, 2019							1,877
Carrying value as at March 31, 2019	**1,877**	**5,999**	**1,254**	**1,654**	**679**	**16**	**13,356**

Following are the changes in the carrying value of property, plant and equipment for the year ended March 31, 2018:

(In ₹ crore)

Particulars	Land	Buildings	Plant and machinery	Computer equipment	Furniture and fixtures	Vehicles	Total
Gross carrying value as at April 1, 2017	**1,764**	**7,279**	**3,023**	**4,541**	**1,694**	**31**	**18,332**
Additions	136	789	364	471	190	5	1,955
Deletions	-	(1)	(18)	(110)	(19)	(5)	(153)
Reclassified as held for sale (refer note no 2.9)	-	-	(3)	(40)	(25)	-	(68)
Translation difference	-	63	7	22	21	-	113
Gross carrying value as at March 31, 2018	**1,900**	**8,130**	**3,373**	**4,884**	**1,861**	**31**	**20,179**
Accumulated depreciation as at April 1, 2017	**(27)**	**(2,440)**	**(1,952)**	**(3,052)**	**(1,093)**	**(17)**	**(8,581)**
Depreciation	(4)	(276)	(402)	(693)	(254)	(5)	(1,634)
Accumulated depreciation on deletions	-	-	15	107	18	4	144
Reclassified as held for sale (refer note no 2.9)	-	-	2	25	20	-	47
Translation difference	-	(3)	(5)	(17)	(14)	-	(39)
Accumulated depreciation as at March 31, 2018	**(31)**	**(2,719)**	**(2,342)**	**(3,630)**	**(1,323)**	**(18)**	**(10,063)**
Capital work-in progress as at April 1, 2017							1,965
Carrying value as at April 1, 2017	**1,737**	**4,839**	**1,071**	**1,489**	**601**	**14**	**11,716**
Capital work-in progress as at March 31, 2018							2,027
Carrying value as at March 31, 2018	**1,869**	**5,411**	**1,031**	**1,254**	**538**	**13**	**12,143**

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

Carrying value of land includes ₹571 crore and ₹642 crore as at March 31, 2019 and March 31, 2018, respectively, towards amounts paid under certain lease-cum-sale agreements to acquire land including agreements where the Group has an option to either purchase or renew the properties on expiry of the lease period. The contractual commitments for capital expenditure were ₹1,724 crore and ₹1,452 crore, as at March 31, 2019 and March 31, 2018, respectively.

2.8 Goodwill and other intangible assets

2.8.1 Goodwill

Accounting Policy

Goodwill represents the cost of business acquisition 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 cost of business acquisition, a gain is recognized immediately in 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 goodwill may be impaired, relying on a number of factors including operating results, business plans and future cash flows. For the purpose of impairment testing, goodwill acquired in a business combination is allocated to the Group's cash generating units (CGU) or groups of CGU's expected to benefit from the synergies arising from the business combination. A CGU is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or group of assets. Impairment occurs when the carrying amount of a CGU including the goodwill, exceeds the estimated recoverable amount of the CGU. The recoverable amount of a CGU is the higher of its fair value less cost to sell and its value-in-use. Value-in-use is the present value of future cash flows expected to be derived from the CGU.

Total impairment loss of a CGU is allocated first to reduce the carrying amount of goodwill allocated to the CGU and then to the other assets of the CGU pro-rata on the basis of the carrying amount of each asset in the CGU. An impairment loss on goodwill is recognized in 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, 2019	**March 31, 2018**
Carrying value at the beginning	2,211	3,652
Goodwill on Wongdoody acquisition (Refer to note 2.9.1)	173	-
Goodwill on Brilliant Basics acquisition (Refer to note 2.9.1)	-	35
Goodwill on Fluido acquisition (Refer to note 2.9.1)	240	-
Goodwill reclassified under assets held for sale *(Refer note no 2.9.2)*	-	(1,609)
Goodwill reclassified from assets held for sale , net of reduction in recoverable amount *(Refer note no 2.9)*	863	-
Translation differences	53	133
Carrying value at the end	**3,540**	**2,211**

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to the cash generating units (CGU) or groups of CGU's, which benefit from the synergies of the acquisition. The chief operating decision maker reviews the goodwill for any impairment at the operating segment level, which is represented through groups of CGU's.

During the three months ended June 30, 2018, the Group internally reorganized some of its business segments to deepen customer relationships, improve focus of sales investments and increase management oversight. Consequent to the internal reorganization, there were changes in the business segments based on "Management approach" as defined under IFRS 8, Operating Segments.(Refer Note 2.20). Accordingly the goodwill has been allocated to the new operating segments as at March 31, 2019.

The following table presents the allocation of goodwill to operating segments as at March 31, 2019 :

(In ₹ crore)

Segment	**As at March 31, 2019**
Financial services	743
Retail	437
Communication	389
Energy, Utilities, Resources and Services	374
Manufacturing	239
	2,182
Operating segments without significant goodwill	417
Total	**2,599**

Consequent to reclassification from held for sale (refer note no. 2.9.2) the goodwill pertaining to Panaya, Kallidus and Skava acquistions are tested for impairment at the respective entity Level which amounts to ₹941 crore as of March 31, 2019.

The following table presents the allocation of goodwill to operating segments (prior to internal reorganization) as at March 31, 2018:

(In ₹ crore)

Segment	**As at March 31, 2018**
Financial services	474
Manufacturing	252
Retail, Consumer packaged goods and Logistics	314
Life Sciences, Healthcare and Insurance	446
Energy & Utilities, Communication and Services	470
	1,956
Operating segments without significant goodwill	255
Total	**2,211**

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. The value-in-use is determined based on specific calculations. These calculations use cash flow projections over a period of five years. An average of the range of each assumption used is mentioned below. As at March 31, 2019 and March 31, 2018, the estimated recoverable amount of the CGU exceeded its carrying amount. The key assumptions used for the calculations are as follows:

(in %)

	As at March 31,	
	2019	**2018**
Long term growth rate	8-10	8-10
Operating margins	17-20	17-20
Discount rate	12.5	13.5

The above discount rate is based on the Weighted Average Cost of Capital (WACC) of the Company. Management believes that any reasonable possible changes in the key assumptions would not cause the carrying amount to exceed the recoverable amount of the cash generating unit.

2.8.2 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.

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, 2019:

(In ₹ crore)

Particulars	**Customer related**	**Software related**	**Sub-contracting rights related**	**Intellectual property rights related**	**Land use-rights related**	**Brand or Trademark Related**	**Others**	**Total**
Gross carrying value as at January 1, 2019	**950**	**446**	**-**	**1**	**72**	**100**	**84**	**1,653**
Additions during the period	-	-	-	-		-	-	-
Acquisition through business combination (Refer note no. 2.9)	-	-	-	-	-	-	-	-
Deletions/retirals during the period	-	-	-	-		-	-	-
Reclassified as held for sale (refer note no 2.9)	-	-	-	-		-	-	-
Translation differences	(13)	(5)	-	-	1	(1)	(1)	(19)
Gross carrying value as at March 31, 2019	**937**	**441**	**-**	**1**	**73**	**99**	**83**	**1,634**
Accumulated amortization as at January 1, 2019	**(538)**	**(283)**	**-**	**(1)**	**(11)**	**(42)**	**(22)**	**(897)**
Amortization expense	(25)	(22)	-	-	(1)	(3)	(6)	(57)
Deletions/retirals during the period	-	-	-	-	-	-	-	-
Reclassified as held for sale (refer note no 2.9)	-	-	-	-	-	-	-	-
Translation differences	6	3	-	-	1	1	-	11
Accumulated amortization as at March 31, 2019	**(557)**	**(302)**	**-**	**(1)**	**(11)**	**(44)**	**(28)**	**(943)**
Carrying value as at January 1, 2019	**412**	**163**	**-**	**-**	**61**	**58**	**62**	**756**
Carrying value as at March 31, 2019	**380**	**139**	**-**	**-**	**62**	**55**	**55**	**691**
Estimated Useful Life *(in years)*	1-10	3-8	-	-	50	5-10	3-5	
Estimated Remaining Useful Life *(in years)*	0-7	1	-	-	43	2-8	2-3	

Following are the changes in the carrying value of acquired intangible assets for the three months ended March 31, 2018:

(In ₹ crore)

Particulars	**Customer related**	**Software related**	**Sub-contracting rights related**	**Intellectual property rights related**	**Land use-rights related**	**Brand or Trademark Related**	**Others**	**Total**
Gross carrying value as at January 1, 2018	**756**	**399**	**21**	**1**	**69**	**90**	**62**	**1,398**
Additions during the period	-	-	-	-	-	-	-	-
Deletions during the period	(172)	-	(21)	-	-	(29)	(35)	(257)
Reclassified as held for sale (refer note no 2.9)	(157)	(388)	-	(1)	-	(37)	-	(583)
Translation differences	18	8	-	-	4	2	-	32
Gross carrying value as at March 31, 2018	**445**	**19**	**-**	**-**	**73**	**26**	**27**	**590**
Accumulated amortization as at January 1, 2018	**(485)**	**(178)**	**(21)**	**(1)**	**(8)**	**(59)**	**(47)**	**(799)**
Amortization expense	(19)	(20)	-	-	-	(2)	(2)	(43)
Deletions/retirals during the period	172	-	21	-	-	29	35	257
Reclassified as held for sale (refer note no 2.9)	56	182	-	1	-	21	-	260
Translation differences	(13)	(3)	-	-	(2)	(1)	1	(18)
Accumulated amortization as at March 31, 2018	**(289)**	**(19)**	**-**	**-**	**(10)**	**(12)**	**(13)**	**(343)**
Carrying value as at January 1, 2018	**271**	**221**	**-**	**-**	**61**	**31**	**15**	**599**
Carrying value as at March 31, 2018	**156**	**-**	**-**	**-**	**63**	**14**	**14**	**247**
Estimated Useful Life *(in years)*	2-10	-	-	-	50	5	5	
Estimated Remaining Useful Life *(in years)*	0-5	-	-	-	43	3	3	

Following are the changes in the carrying value of acquired intangible assets for the year ended March 31, 2019:

(In ₹ crore)

Particulars	Customer related	Software related	Sub-contracting rights related	Intellectual property rights related	Land use-rights related	Brand or Trademark Related	Others	Total
Gross carrying value as at April 1, 2018	**445**	**19**	**-**	**-**	**73**	**26**	**27**	**590**
Additions during the period	-	9	-	-	-	-	-	9
Acquisition through business combination (Refer note no. 2.9)	334	-	-	-	-	36	62	432
Deletions/retirals during the period	-	-	-	-	-	-	-	-
Reclassified as held for sale (refer note no 2.9)	157	388	-	1	-	37	-	583
Translation differences	1	25	-	-	-	-	(6)	20
Gross carrying value as at March 31, 2019	**937**	**441**	**-**	**1**	**73**	**99**	**83**	**1,634**
Accumulated amortization as at April 1, 2018	**(289)**	**(19)**	**-**	**-**	**(10)**	**(12)**	**(13)**	**(343)**
Amortization expense	(112)	(90)	-	-	(2)	(10)	(15)	(229)
Reduction in value	(93)	-	-	-	-	-	-	(93)
Deletions/retirals during the period	-	-	-	-	-	-	-	-
Reclassified as held for sale (refer note no 2.9)	(56)	(182)	-	(1)	-	(21)	-	(260)
Translation differences	(7)	(11)	-	-	1	(1)	-	(18)
Accumulated amortization as at March 31, 2019	**(557)**	**(302)**	**-**	**(1)**	**(11)**	**(44)**	**(28)**	**(943)**
Carrying value as at April 1, 2018	**156**	**-**	**-**	**-**	**63**	**14**	**14**	**247**
Carrying value as at March 31, 2019	**380**	**139**	**-**	**-**	**62**	**55**	**55**	**691**
Estimated Useful Life *(in years)*	1-10	3-8	-	-	50	5-10	3-5	
Estimated Remaining Useful Life *(in years)*	0-7	1	-	-	43	2-8	2-3	

Following are the changes in the carrying value of acquired intangible assets for the year ended March 31, 2018:

(In ₹ crore)

Particulars	Customer related	Software related	Sub-contracting rights related	Intellectual property rights related	Land use-rights related	Brand or Trademark Related	Others	Total
Gross carrying value as at April 1, 2017	**750**	**405**	**21**	**1**	**66**	**90**	**62**	**1,395**
Additions during the period	12	-	-	-	-	-	-	12
Deletions/retirals during the period	(172)	-	(21)	-	-	(29)	(35)	(257)
Reclassified as held for sale (refer note no 2.9)	(157)	(388)	-	(1)	-	(37)	-	(583)
Translation differences	12	2	-	-	7	2	-	23
Gross carrying value as at March 31, 2018	**445**	**19**	**-**	**-**	**73**	**26**	**27**	**590**
Accumulated amortization as at April 1, 2017	**(382)**	**(121)**	**(21)**	**(1)**	**(7)**	**(49)**	**(38)**	**(619)**
Amortization expense	(127)	(79)	-	-	(1)	(12)	(10)	(229)
Deletions/retirals during the period	172	-	21	-	-	29	35	257
Reclassified as held for sale (refer note no 2.9)	56	182	-	1	-	21	-	260
Translation differences	(8)	(1)	-	-	(2)	(1)	-	(12)
Accumulated amortization as at March 31, 2018	**(289)**	**(19)**	**-**	**-**	**(10)**	**(12)**	**(13)**	**(343)**
Carrying value as at April 1, 2017	**368**	**284**	**-**	**-**	**59**	**41**	**24**	**776**
Carrying value as at March 31, 2018	**156**	**-**	**-**	**-**	**63**	**14**	**14**	**247**
Estimated Useful Life *(in years)*	2-10	-	-	-	50	5	5	
Estimated Remaining Useful Life *(in years)*	0-5	-	-	-	43	3	3	

The amortization expense has been included under depreciation and amortization expense in the consolidated statement of comprehensive income.

Research and development expense recognized in net profit in the consolidated statement of comprehensive income for the three months ended March 31, 2019 and March 31, 2018 was ₹196 crore and ₹192 crore respectively, and for the year ended March 31, 2019 and March 31, 2018 was ₹769 crore and ₹748 crore respectively.

2.9 Business combinations and Disposal Group held for sale

2.9.1 Business combinations

Accounting Policy

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

The cost of an acquisition is measured at the fair value of the assets transferred, equity instruments issued and liabilities incurred or assumed at the date of acquisition, which is the date on which control is transferred to the Group. The cost of acquisition also includes the fair value of any contingent consideration. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair value on the date of acquisition.

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.

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.

Brilliant Basics Holdings Limited.

On September 8, 2017, Infosys acquired 100% of the voting interests in Brilliant Basics Holdings Limited., UK, (Brilliant Basics) a product design and customer experience innovator with experience in executing global programs. The business acquisition was conducted by entering into a share purchase agreement for cash consideration of ₹29 crore, a contingent consideration of up to ₹20 crore and an additional consideration of upto ₹13 crore, referred to as retention bonus, payable to the employees of Brilliant Basics at each anniversary year over the next two years, subject to their continuous employment with the group at each anniversary.

The payment of contingent consideration to sellers of Brilliant Basics is dependent upon the achievement of certain financial targets by Brilliant Basics over a period of 3 years ending on March 2020.

The fair value of contingent consideration is determined by discounting the estimated amount payable to the sellers of Brilliant Basics on achievement of certain financial targets. The key inputs used in determination of the fair value of contingent consideration are the discount rate of 10% and the probabilities of achievement of the financial targets. The undiscounted value of contingent consideration is ₹14 crore as at March 31, 2019.

The excess of the purchase consideration paid over the fair value of assets acquired has been attributed to goodwill.

The purchase price has been allocated based on management's estimates and independent appraisal of fair values as follows:

(in ₹ crore)

Component	Acquiree's carrying amount	Fair value adjustments	Purchase price allocated
Net assets(*)	1	-	1
Intangible assets - customer relationships	-	12	12
Deferred tax liabilities on intangible assets	-	(2)	(2)
	1	**10**	**11**
Goodwill			35
Total purchase price			**46**

**Includes cash and cash equivalents acquired of ₹2 crore*

The goodwill is not tax deductible.

The gross amount of trade receivables acquired and its fair value is ₹3 crore and the amount has been substantially collected.

The fair value of each major class of consideration as at the acquisition date is as follows:

(in ₹ crore)

Component	Consideration settled
Cash paid	29
Fair value of contingent consideration	17
Total purchase price	**46**

The transaction costs of ₹2 crore related to the acquisition have been included under administrative expenses in the statement of comprehensive income for the year ended March 31, 2018.

WongDoody Holding Company Inc.

On May 22, 2018, Infosys acquired 100% of the voting interests in WongDoody Holding Company Inc., (WongDoody) a US-based, full-service creative and consumer insights agency. The business acquisition was conducted by entering into a share purchase agreement for a total consideration of up to $75 million (approximately ₹514 crore on acquisition date), which includes a cash consideration of $38 million (approximately ₹261 crore), contingent consideration of up to $28 million (approximately ₹192 crore on acquisition date) and an additional consideration of up to $9 million (approximately ₹61 crore on acquisition date), referred to as retention bonus, payable to the employees of WongDoody over the next three years, subject to their continuous employment with the group.

WongDoody, brings to Infosys the creative talent and marketing and brand engagement expertise. Further the acquisition is expected to strengthen Infosys' creative, branding and customer experience capabilities to bring innovative thinking, talent and creativity to clients.

The purchase price has been allocated based on management's estimates and independent appraisal of fair values as follows:

(in ₹ crore)

Component	Acquiree's carrying amount	Fair value adjustments	Purchase price allocated
Net assets(*)	37	-	37
Intangible assets - customer contracts and relationships	-	132	132
Intangible assets - trade name	-	8	8
	37	**140**	**177**
Goodwill			173
Total purchase price			**350**

** Includes cash and cash equivalents acquired of ₹51 crore.*

Goodwill is tax deductible

The fair value of each major class of consideration as of the acquisition date is as follows:

(in ₹ crore)

Component	Consideration settled
Cash consideration	261
Fair value of contingent consideration	89
Total purchase price	**350**

The gross amount of trade receivables acquired and its fair value is ₹12 crore and the amount has been fully collected.

The payment of contingent consideration to sellers of WongDoody is dependent upon the achievement of certain financial targets by WongDoody. At the acquisition date, the key inputs used in determination of the fair value of contingent consideration are the discount rate of 16% and the probabilities of achievement of the financial targets. The undiscounted value of contingent consideration as at March 31, 2019 is $17 million (₹121 crore)

The transaction costs of ₹3 crore related to the acquisition have been included under administrative expenses in the statement of comprehensive income for the year ended March 31, 2019.

Infosys Compaz Pte Limited (formerly Trusted Source Pte Ltd)

On November 16, 2018, Infosys Consulting Pte Limited (a wholly owned subsidiary of Infosys Limited) acquired 60% stake in Infosys Compaz Pte. Ltd a Singapore based IT services company. The business acquisition was conducted by entering into a share purchase agreement for a total consideration of up to SGD 17 million (approximately ₹91 crore on acquisition date), which includes a cash consideration of SGD 10 million (approximately ₹54 crore on acquisition date) and a contingent consideration of up to SGD 7 million (approximately ₹37 crore on acquisition date).

The purchase price has been allocated based on management's estimates and independent appraisal of fair values as follows:

(in ₹ crore)

Component	Acquiree's carrying amount	Fair value adjustments	Purchase price allocated
Net assets(*)	92	-	92
Intangible assets - customer contracts and relationships	-	44	44
Deferred tax liabilities on intangible assets	-	(7)	(7)
	92	37	129
Non-controlling interests			(51)
Total purchase price			**78**

** Includes cash and cash equivalents acquired of ₹65 crore.*

The fair value of each major class of consideration as at the acquisition date is as follows:

(in ₹ crore)

Component	Consideration settled
Cash consideration	54
Fair value of contingent consideration	24
Total purchase price	**78**

The gross amount of trade receivables acquired and its fair value is ₹50 crore and the amount has been substantially collected.

The payment of contingent consideration to sellers of Infosys Compaz Pte. Ltd is dependent upon the achievement of certain revenue targets by Infosys Compaz Pte. Ltd. At the acquisition date, the key inputs used in determination of the fair value of contingent consideration are the discount rate of 9% and the probabilities of achievement of the financial targets. The undiscounted value of contingent consideration as at March 31, 2019 is SGD 7 million (₹36 crore).

The transaction costs of ₹3 crore related to the acquisition have been included under administrative expenses in the statement of comprehensive income for the year ended March 31, 2019.

Fluido Oy

On October 11, 2018, Infosys Consulting Pte Limited (a wholly owned subsidiary of Infosys Limited) acquired 100% of voting interests in Fluido Oy (Fluido), a Nordic-based salesforce advisor and consulting partner in cloud consulting, implementation and training services for a total consideration of upto Euro 65 million (approximately ₹560 crore), comprising of cash consideration of Euro 45 million (approximately ₹388 crore), contingent consideration of upto Euro 12 million (approximately ₹103 crore) and retention payouts of upto Euro 8 million (approximately ₹69 crore), payable to the employees of Fluido over the next three years, subject to their continuous employment with the group.

Fluido brings to Infosys the Salesforce expertise, alongside an agile delivery process that simplifies and scales digital efforts across channels and touchpoints. Further, Fluido strengthens Infosys' presence across the Nordics region with developed assets and client relationships. The excess of the purchase consideration paid over the fair value of assets acquired has been attributed to goodwill.

The purchase price has been allocated based on management's estimates and independent appraisal of fair values as follows:

(in ₹ crore)

Component	**Acquiree's carrying amount**	**Fair value adjustments**	**Purchase price allocated**
Net assets(*)	12	-	12
Intangible assets - Customer contracts and relationships	-	158	158
Intangible assets - Salesforce Relationships	-	62	62
Intangible assets - Brand	-	28	28
Deferred tax liabilities on intangible assets	-	(52)	(52)
	12	**196**	**208**
Goodwill			240
Total purchase price			**448**

** Includes cash and cash equivalents acquired of ₹28 crore.*

Goodwill is not tax deductible

The fair value of each major class of consideration as of the acquisition date is as follows:

(in ₹ crore)

Component	**Consideration settled**
Cash consideration	388
Fair value of contingent consideration	60
Total purchase price	**448**

The gross amount of trade receivables acquired and its fair value is ₹ 27 crore and the amount has been fully collected.

The payment of contingent consideration to sellers of Fluido is dependent upon the achievement of certain financial targets by Fluido. At the acquisition date, the key inputs used in determination of the fair value of contingent consideration are the discount rate of 16% and the probabilities of achievement of the financial targets. The undiscounted value of contingent consideration as at March 31, 2019 was EUR 8 Million (₹62 crore)

The transaction costs of ₹5 crore related to the acquisition have been included under administrative expenses in the statement of comprehensive income for the year ended March 31, 2019.

Hitachi Procurement Service Co. Ltd

On April 1, 2019, Infosys Consulting Pte Limited (a wholly owned subsidiary of Infosys Limited) acquired 81% of voting interests in Hitachi Procurement Service Co., Ltd., (HIPUS), Japan, a wholly owned subsidiary of Hitachi Ltd, Japan for a total cash consideration of JPY 3.29 billion (approximately ₹206 crore), on fulfilment of closing conditions. The company has paid an advance of JPY 3.29 billion (approximately ₹206 crore) to Hitachi towards cash consideration on March 29, 2019. HIPUS handles indirect materials purchasing functions for the Hitachi Group.

As of April 12, 2019 (i.e., the date of adoption of financial statements by the Board of Directors), the Company is in the process of finalising the accounting for acquisition of HIPUS, including allocation of purchase consideration to identifiable assets and liabilities.

Proposed Acquisition

Stater N.V.

On March 28, 2019, Infosys Consulting Pte Limited (a wholly owned subsidiary of Infosys Limited) entered into a definitive agreement to acquire 75% of the shareholding in Stater N.V., a wholly-owned subsidiary of ABN AMRO Bank N.V., Netherlands, for a consideration including base purchase price of up to EUR 127.5 million (approximately ₹990 crore) and customary closing adjustments, subject to regulatory approvals and fulfilment of closing conditions.

2.9.2 Disposal Group held for sale
Accounting policy

Non-current assets and Disposal Group are classified as held for sale if their carrying amount is intended to be recovered principally through sale rather than through continuing use. The condition for classification of held for sale is met when the non-current asset or the Disposal Group is available for immediate sale and the same is highly probable of being completed within one year from the date of classification as held for sale. Non-current assets and Disposal Group held for sale are measured at the lower of carrying amount and fair value less cost to sell. Non-current assets and Disposal Group that ceases to be classified as held for sale shall be measured at the lower of carrying amount before the non-current asset and Disposal Group was classified as held for sale adjusted for any depreciation/ amortization and its recoverable amount at the date when the Disposal Group no longer meets the "Held for sale" criteria.

In the three months ended March 2018, the Company had initiated identification and evaluation of potential buyers for its subsidiaries, Kallidus and Skava (together referred to as "Skava") and Panaya, collectively referred to as the "Disposal Group". The Disposal Group was classified and presented separately as "held for sale" and was carried at the lower of carrying value and fair value. Consequently, a reduction in the fair value of Disposal Group held for sale amounting to ₹118 crore in respect of Panaya had been recognized in the consolidated statement of comprehensive income for the three months and year ended March 31, 2018. During the three months ended June 30, 2018, on remeasurement, including consideration of progress in negotiations on offers from prospective buyers for Panaya, the Company has recorded a reduction in the fair value of Disposal Group held for sale amounting to ₹270 crore in respect of Panaya.

During the three months ended December 31, 2018, based on evaluation of proposals received and progress of negotiations with potential buyers, the Company concluded that the Disposal Group does not meet the criteria for "Held for Sale' classification because it is no longer highly probable that sale would be consummated by March 31, 2019 (twelve months from date of initial classification " as held for sale") Accordingly, in accordance with IFRS 5 -" Non current Assets held for Sale and Discontinued Operations", the assets and liabilities of Panaya and Skava have been included on a line by line basis in the consolidated financial statements for the period and as at December 31, 2018 and March 31, 2019.

On reclassification from "Held for sale", the assets of Panaya and Skava have been remeasured in the quarter ended December 31, 2018 at the lower of cost and recoverable amount resulting in recognition of additional depreciation and amortization expenses of ₹88 crore and an adjustment in respect of excess of carrying amount over recoverable amount on reclassification from "Held for Sale" of ₹451 crore (comprising of ₹358 crore towards goodwill and ₹93 crore towards value of customer relationships) in respect of Skava in the consolidated statement of comprehensive income for the three months and nine months ended December 31, 2018.

2.10 Revenue from Operations

Accounting Policy:

The Group derives revenues primarily from business IT services comprising of software development and related services, consulting and package implementation and from the licensing of software products and platforms across our core and digital offerings ("together called as software related services")

Effective April 1, 2018, the Group adopted IFRS 15 "Revenue from Contracts with Customers" using the cumulative catch-up transition method, applied to contracts that were not completed as of April 1, 2018. In accordance with the cumulative catch-up transition method, the comparatives have not been retrospectively adjusted. The following is a summary of new and/or revised significant accounting policies related to revenue recognition. Refer Note 2.10 "Revenue from operations" in the Company's 2018 Consolidated financial statements under IFRS for the policies in effect for revenue prior to April 1, 2018. The effect on adoption of IFRS 15 was insignificant.

Revenue is recognized upon transfer of control of promised products or services to customers in an amount that reflects the consideration we expect to receive in exchange for those products or services.

Arrangements with customers for software related services are either on a fixed-price, fixed-timeframe or on a time-and-material basis.

Revenue on time-and-material contracts are recognized as the related services are performed and revenue from the end of the last invoicing to the reporting date is recognized as unbilled revenue. Revenue from fixed-price, fixed-timeframe contracts, where the performance obligations are satisfied over time and where there is no uncertainty as to measurement or collectability of consideration, is recognized as per the percentage-of-completion method. When there is uncertainty as to measurement or ultimate collectability, revenue recognition is postponed until such uncertainty is resolved. Efforts or costs expended have been used to measure progress towards completion as there is a direct relationship between input and productivity. Maintenance revenue is recognized ratably over the term of the underlying maintenance arrangement.

Revenues in excess of invoicing are classified as contract assets (which we refer as unbilled revenue) while invoicing in excess of revenues are classified as contract liabilities (which we refer to as unearned revenues).

In arrangements for software development and related services and maintenance services, the Group has applied the guidance in IFRS 15, Revenue from contract with customer, by applying the revenue recognition criteria for each distinct performance obligation. The arrangements with customers generally meet the criteria for considering software development and related services as distinct performance obligations. For allocating the transaction price, the Group has measured the revenue in respect of each performance obligation of a contract at its relative standalone selling price. The price that is regularly charged for an item when sold separately is the best evidence of its standalone selling price. In cases where the Group is unable to determine the standalone selling price, the Group uses the expected cost plus margin approach in estimating the standalone selling price. For software development and related services, the performance obligations are satisfied as and when the services are rendered since the customer generally obtains control of the work as it progresses.

Revenue from licenses where the customer obtains a "right to use" the licenses is recognized at the time the license is made available to the customer. Revenue from licenses where the customer obtains a "right to access" is recognized over the access period. Arrangements to deliver software products generally have three elements: license, implementation and Annual Technical Services (ATS). The Group has applied the principles under IFRS 15 to account for revenues from these performance obligations. When implementation services are provided in conjunction with the licensing arrangement and the license and implementation have been identified as two separate performance obligations, the transaction price for such contracts are allocated to each performance obligation of the contract based on their relative standalone selling prices. In the absence of standalone selling price for implementation, the performance obligation is estimated using the expected cost plus margin approach. Where the license is required to be substantially customized as part of the implementation service the entire arrangement fee for license and implementation is considered to be a single performance obligation and the revenue is recognized using the percentage-of-completion method as the implementation is performed. Revenue from client training, support and other services arising due to the sale of software products is recognized as the performance obligations are satisfied. ATS revenue is recognized ratably over the period in which the services are rendered.

The Group accounts for volume discounts and pricing incentives to customers as a reduction of revenue based on the ratable allocation of the discounts/ incentives to each of the underlying performance obligation that corresponds to the progress by the customer towards earning the discount/ incentive. Also, when the level of discount varies with increases in levels of revenue transactions, the Group recognizes the liability based on its estimate of the customer's future purchases. If it is probable that the criteria for the discount will not be met, or if the amount thereof cannot be estimated reliably, then discount is not recognized until the payment is probable and the amount can be estimated reliably. The Group recognizes changes in the estimated amount of obligations for discounts in the period in which the change occurs.

Deferred contract costs are incremental costs of obtaining a contract which are recognized as assets and amortized over the term of the contract.

Contract modifications are accounted for when additions, deletions or changes are approved either to the contract scope or contract price. The accounting for modifications of contracts involves assessing whether the services added to an existing contract are distinct and whether the pricing is at the standalone selling price. Services added that are not distinct are accounted for on a cumulative catch up basis, while those that are distinct are accounted for prospectively, either as a separate contract, if the additional services are priced at the standalone selling price, or as a termination of the existing contract and creation of a new contract if not priced at the standalone selling price.

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

Revenues for the three months and year ended March 31, 2019 and March 31, 2018 are as follows: *(In ₹ crore)*

Particulars	**Three months ended March 31,**		**Year ended March 31,**	
	2019	**2018**	**2019**	**2018**
Revenue from software services	20,372	17,191	78,359	66,857
Revenue from products and platforms	1,167	892	4,316	3,665
Total revenue from operations	**21,539**	**18,083**	**82,675**	**70,522**

Disaggregate revenue information

The table below presents disaggregated revenues from contracts with customers by geography, offerings and contract-type 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, 2019

(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	4,093	2,206	1,763	1,513	1,150	1,575	767	126	13,193
Europe	1,255	987	464	975	918	35	492	41	5,167
India	296	6	23	1	21	32	4	110	493
Rest of the world	1,161	217	671	258	72	8	24	275	2,686
Total	**6,805**	**3,416**	**2,921**	**2,747**	**2,161**	**1,650**	**1,287**	**552**	**21,539**
Revenue by offerings									
Services									
Digital	2,083	1,229	966	910	683	527	267	100	6,765
Core	3,972	2,109	1,897	1,788	1,427	1,055	917	442	13,607
Subtotal	***6,055***	***3,338***	***2,863***	***2,698***	***2,110***	***1,582***	***1,184***	***542***	***20,372***
Products and platforms									
Digital	205	68	57	15	33	66	66	7	517
Core	545	10	1	34	18	2	37	3	650
Subtotal	***750***	***78***	***58***	***49***	***51***	***68***	***103***	***10***	***1,167***
Total	**6,805**	**3,416**	**2,921**	**2,747**	**2,161**	**1,650**	**1,287**	**552**	**21,539**
Digital	2,288	1,297	1,023	925	716	593	333	107	7,282
Core	4,517	2,119	1,898	1,822	1,445	1,057	954	445	14,257
Revenues by contract type									
Fixed Price	3,006	2,143	1,965	1,531	1,115	814	612	281	11,467
Time & Materials	3,799	1,273	956	1,216	1,046	836	675	271	10,072
Total	**6,805**	**3,416**	**2,921**	**2,747**	**2,161**	**1,650**	**1,287**	**552**	**21,539**

Year ended March 31, 2019

(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	16,052	8,792	5,579	5,867	4,336	5,914	3,066	432	50,038
Europe	4,890	3,836	1,897	3,550	3,497	106	2,011	155	19,942
India	1,209	23	56	3	86	137	12	522	2,048
Rest of the world	4,326	905	2,894	970	233	20	114	1,185	10,647
Total	**26,477**	**13,556**	**10,426**	**10,390**	**8,152**	**6,177**	**5,203**	**2,294**	**82,675**
Revenue by offerings									
Services									
Digital	7,543	4,410	3,421	2,993	2,291	1,998	1,085	308	24,049
Core	16,064	8,795	6,822	7,190	5,644	4,087	3,780	1,928	54,310
Subtotal	***23,607***	***13,205***	***10,243***	***10,183***	***7,935***	***6,085***	***4,865***	***2,236***	***78,359***
Products and platforms									
Digital	734	305	177	68	136	86	204	38	1,748
Core	2,136	46	6	139	81	6	134	20	2,568
Subtotal	***2,870***	***351***	***183***	***207***	***217***	***92***	***338***	***58***	***4,316***
Total	**26,477**	**13,556**	**10,426**	**10,390**	**8,152**	**6,177**	**5,203**	**2,294**	**82,675**
Digital	8,277	4,715	3,598	3,061	2,427	2,084	1,289	346	25,797
Core	18,200	8,841	6,828	7,329	5,725	4,093	3,914	1,948	56,878
Revenues by contract type									
Fixed Price	11,600	8,571	6,330	6,033	4,178	3,148	2,430	1,136	43,426
Time & Materials	14,877	4,985	4,096	4,357	3,974	3,029	2,773	1,158	39,249
Total	**26,477**	**13,556**	**10,426**	**10,390**	**8,152**	**6,177**	**5,203**	**2,294**	**82,675**

[(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*

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 and Infosys McCamish- insurance platform.

Trade Receivables and Contract Balances

The Group classifies the right to consideration in exchange for deliverables as either a receivable or as unbilled revenue.

A receivable is a right to consideration that is unconditional upon passage of time. Revenue for time and material contracts are recognised as related service are performed. Revenue for fixed price maintenance contracts is recognized on a straight line basis over the period of the contract. Revenues in excess of billings is recorded as unbilled revenue and is classified as a financial asset for these cases as right to consideration is unconditional upon passage of time .

Revenue recognition for fixed price development contracts is based on percentage of completion method. Invoicing to the clients is based on milestones as defined in the contract. This would result in the timing of revenue recognition being different from the timing of billing the customers. Unbilled revenue for fixed price development contracts is classified as non financial asset as the contractual right to consideration is dependent on completion of contractual milestones.

Invoicing in excess of earnings are classified as unearned revenue.

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

During the year ended March 31, 2019 , the company recognized revenue of ₹2,237 crore arising from opening unearned revenue as of April 1, 2018.

During the year ended March 31, 2019, ₹2,685 crore of unbilled revenue pertaining to fixed price development contracts as of April 1, 2018 has been reclassified to Trade receivables upon billing to customers on completion of milestones.

Performance obligations and remaining performance obligations

The remaining performance obligation disclosure provides the aggregate amount of the transaction price yet to be recognized as of 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 15, 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 basis. Remaining performance obligation estimates are subject to change and are affected by several factors, including terminations, changes in the scope of contracts, periodic revalidations, adjustment for revenue that has not materialized and adjustments for currency.

The aggregate value of performance obligations that are completely or partially unsatisfied as at March 31, 2019, other than those meeting the exclusion criteria mentioned above, is ₹51,274 crore. Out of this, the Group expects to recognize revenue of around 50% within the next one year and the remaining thereafter. This includes contracts that can be terminated for convenience without a substantive penalty since, based on current assessment, the occurrence of the same is expected to be remote.

The impact on account of applying the erstwhile IAS 18 - Revenue instead of IFRS 15- Revenue from contract with customers on the financials results of the Group for the three months and year ended and as at March 31, 2019 is insignificant. On account of adoption of IFRS 15, unbilled revenue of ₹3,281 crore as at March 31, 2019 has been considered as Non financial asset.

2.11 Expenses by nature

(In ₹ crore)

Particulars	Three months ended March 31,		Year ended March 31,	
	2019	2018	2019	2018
Employee benefit costs (Refer Note 2.12.4)	12,074	10,054	45,315	38,893
Depreciation and amortization charges (Refer Note 2.7 and 2.8)	531	458	2,011	1,863
Travelling costs	603	492	2,433	1,995
Consultancy and professional charges	376	282	1,324	1,043
Cost of Software packages for own use	237	216	930	876
Third party items bought for service delivery to clients	452	246	1,623	983
Communication costs	115	113	471	489
Cost of technical sub-contractors	1,601	1,106	6,033	4,296
Power and fuel	49	50	221	207
Repairs and maintenance	374	279	1,316	1,116
Rates and taxes	52	3	184	166
Insurance charges	19	16	67	55
Commission to non-whole time directors	2	2	8	9
Branding and marketing expenses	135	72	489	304
Provision for post-sales client support	(24)	60	1	142
Impairment loss recognised / (reversed) on financial assets (Refer Note 2.3)	18	2	248	71
Contribution towards Corporate Social Responsibility	66	22	266	156
Operating lease payments (Refer Note 2.15)	165	130	585	528
Others	76	8	270	182
Total cost of sales, selling and marketing expenses and administrative	**16,921**	**13,611**	**63,795**	**53,374**

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,	
	2019	2018	2019	2018
Employee benefit costs	10,770	8,947	40,498	34,670
Depreciation and amortization	531	458	2,011	1,863
Travelling costs	436	347	1,769	1,451
Cost of technical sub-contractors	1,598	1,106	6,031	4,296
Cost of Software packages for own use	231	216	906	876
Third party items bought for service delivery to clients	452	246	1,623	983
Operating lease payments	103	79	362	319
Consultancy and professional charges	9	15	46	50
Communication costs	64	53	238	225
Repairs and maintenance	106	77	370	300
Provision for post-sales client support	(24)	60	1	142
Others	7	(50)	12	(45)
Total	**14,283**	**11,554**	**53,867**	**45,130**

Selling and marketing expenses

(In ₹ crore)

Particulars	Three months ended March 31,		Year ended March 31,	
	2019	2018	2019	2018
Employee benefit costs	882	742	3,236	2,741
Travelling costs	102	79	409	306
Branding and marketing	135	72	489	304
Operating lease payments	22	19	80	78
Communication costs	4	5	18	22
Consultancy and professional charges	66	17	200	66
Others	15	13	41	43
Total	**1,226**	**947**	**4,473**	**3,560**

Administrative expenses

(In ₹ crore)

Particulars	Three months ended March 31,		Year ended March 31,	
	2019	**2018**	**2019**	**2018**
Employee benefit costs	422	365	1,581	1,482
Consultancy and professional charges	301	250	1,078	927
Repairs and maintenance	266	202	940	816
Power and fuel	49	50	221	207
Communication costs	47	55	215	242
Travelling costs	65	66	255	238
Impairment loss recognised/(reversed) under expected credit loss model	18	2	248	71
Rates and taxes	52	3	184	166
Insurance charges	19	16	67	55
Operating lease payments	40	32	143	131
Commission to non-whole time directors	2	2	8	9
Contribution towards Corporate Social Responsibility	66	22	266	156
Others	65	45	249	184
Total	**1,412**	**1,110**	**5,455**	**4,684**

2.12 Employee Benefits

Accounting policy

Gratuity

The Group provides for gratuity, a defined benefit retirement plan ('the Gratuity Plan') covering eligible employees 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.

Liabilities with regard to the Gratuity Plan are determined by actuarial valuation, performed by an independent actuary, at each Balance Sheet date using the projected unit credit method. The Company fully contributes all ascertained liabilities to the Infosys Limited Employees' Gratuity Fund Trust (the Trust). 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 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 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. 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.

2.12.1 Gratuity

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

(In ₹ crore)

Particulars	As at	
	March 31, 2019	**March 31, 2018**
Change in benefit obligations		
Benefit obligations at the beginning	1,201	1,117
Service cost	157	150
Interest expense	85	73
Remeasurements - Actuarial (gains) / losses	32	(59)
Transfer in	-	28
Curtailment gain	-	-
Benefits paid	(128)	(107)
Translation difference	2	-
Reclassified under held for sale (refer note no 2.9.2)	-	(1)
Reclassified from held for sale (refer note no 2.9.2)	2	
Benefit obligations at the end	**1,351**	**1,201**
Change in plan assets		
Fair value of plan assets at the beginning	1,216	1,195
Interest income	90	80
Remeasurements- Return on plan assets excluding amounts included in interest income	4	13
Contributions	174	35
Benefits paid	(123)	(107)
Fair value of plan assets at the end	**1,361**	**1,216**
Funded status	10	15
Prepaid gratuity benefit	42	43
Accrued gratuity	(32)	(28)

Amount for the three months and year ended March 31, 2019 and March 31, 2018 recognized in the Consolidated Statement of Comprehensive income under employee benefit expense:

(In ₹ crore)

Particulars	Three months ended March 31,		Year ended March 31,	
	2019	**2018**	**2019**	**2018**
Service cost	39	38	157	150
Net interest on the net defined benefit liability/asset	(2)	(3)	(5)	(7)
Net gratuity cost	**37**	**35**	**152**	**143**

Amount for the three months and year ended March 31, 2019 and March 31, 2018 recognized in the Consolidated Statement of other comprehensive income:

(In ₹ crore)

Particulars	Three months ended March 31,		Year ended March 31,	
	2019	**2018**	**2019**	**2018**
Remeasurements of the net defined benefit liability/ (asset)				
Actuarial (gains) / losses	5	(41)	32	(59)
(Return) / loss on plan assets excluding amounts included in the net interest on the net defined benefit liability/(asset)	1	(3)	(4)	(13)
	6	**(44)**	**28**	**(72)**

(In ₹ crore)

Particulars	Three months ended March 31,		Year ended March 31,	
	2019	**2018**	**2019**	**2018**
(Gain)/loss from change in demographic assumptions	-	-	(4)	-
(Gain)/loss from change in financial assumptions	9	(27)	30	(41)
(Gain)/loss from experience adjustment	(4)	(14)	6	(18)
	5	**(41)**	**32**	**(59)**

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,	
	2019	**2018**	**2019**	**2018**
Cost of sales	33	32	136	128
Selling and marketing expenses	3	2	11	10
Administrative expenses	1	1	5	5
	37	**35**	**152**	**143**

The weighted-average assumptions used to determine benefit obligations as at March 31, 2019 and March 31, 2018 are set out below:

Particulars	As at	
	March 31, 2019	**March 31, 2018**
Discount rate	7.1%	7.5%
Weighted average rate of increase in compensation levels	8.0%	8.0%

The weighted-average assumptions used to determine net periodic benefit cost for the three months and year ended March 31, 2019 and March 31, 2018 are set out below:

Particulars	Three months ended March 31,		Year ended March 31,	
	2019	**2018**	**2019**	**2018**
Discount rate(%)	7.5	6.9	7.5	6.9
Weighted average rate of increase in compensation levels(%)	8.0	8.0	8.0	8.0
Weighted average duration of defined benefit obligation (years)	5.9 years	6.1 years	5.9 years	6.1 years

Assumptions regarding future mortality experience are set in accordance with the published statistics by the Life Insurance Corporation of India.

The Company assesses these assumptions with its projected long-term plans of growth and prevalent industry standards. The discount rate is based on the government securities yield.

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

(in ₹ crore)

Impact from percentage point increase / decrease in	**As at March 31, 2019**
Discount rate	67
Weighted average rate of increase in compensation levels	59

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.

Gratuity is applicable only to employees drawing a salary in Indian rupees and there are no other significant foreign defined benefit gratuity plans.

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, 2019 and March 31, 2018, the plan assets have been primarily invested in insurer managed funds.

Actual return on assets for the three months ended March 31, 2019, and March 31, 2018 were ₹23 crore and ₹23 crore, respectively.

Actual return on assets for the year ended March 31, 2019, and March 31, 2018 were ₹95 crore and ₹93 crore, respectively.

The Group expects to contribute ₹162 crore to the gratuity trusts during the remainder of fiscal 2020.

Maturity profile of defined benefit obligation:

(In ₹ crore)

Within 1 year	198
1-2 year	207
2-3 year	216
3-4 year	223
4-5 year	235
5-10 years	1,163

2.12.2 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 and in most cases the actual return earned by the Company has been higher in the past years. The actuary has provided a valuation for provident fund liabilities on the basis of guidance issued by Actuarial Society of India and based on the assumptions provided below there is no shortfall as at March 31, 2019 and March 31, 2018, respectively.

The details of fund and plan asset position are as follows:

(In ₹ crore)

Particulars	**As at**	
	March 31, 2019	**March 31, 2018**
Benefit obligation at the period end	5,989	5,160
Net liability recognized in Balance Sheet	-	-

The plan assets have been primarily invested in government securities.

Assumptions used in determining the present value obligation of the interest rate guarantee under the Deterministic Approach:

Particulars	**As at**	
	March 31, 2019	**March 31, 2018**
Government of India (GOI) bond yield	7.1%	7.50%
Remaining term to maturity of portfolio	5.47 years	5.9 years
Expected guaranteed interest rate		
First year	8.65%	8.55%
Thereafter	8.60%	8.55%

The Group contributed ₹142 crore and ₹127 crore to the provident fund during the three months ended March 31, 2019 and March 31, 2018, respectively. The Group contributed ₹543 crore and ₹484 crore to the provident fund during the year ended March 31, 2019 and March 31, 2018, respectively. The same has been recognized 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,**	
	2019	**2018**	**2019**	**2018**
Cost of sales	126	113	485	431
Selling and marketing expenses	11	9	39	34
Administrative expenses	5	5	19	19
	142	**127**	**543**	**484**

The provident plans are applicable only to employees drawing a salary in Indian rupees and there are no other significant foreign defined benefit plans.

2.12.3 Superannuation

The group contributed ₹57 crore and ₹44 crore to the superannuation plan during the three months ended March 31, 2019 and March 31, 2018, respectively.
The group contributed ₹215 crore and ₹173 crore to the superannuation plan during the year ended March 31, 2019 and March 31, 2018, respectively and the same has been recognized in the Consolidated Statement of comprehensive income under the head employee benefit expense.

The provident plans are applicable only to employees drawing a salary in Indian rupees and there are no other significant foreign defined benefit plans.

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,	
	2019	2018	2019	2018
Cost of sales	51	39	192	154
Selling and marketing expenses	4	3	15	12
Administrative expenses	2	2	8	7
	57	**44**	**215**	**173**

2.12.4 Employee benefit costs include:

(In ₹ crore)

Particulars	Three months ended March 31,		Year ended March 31,	
	2019	2018	2019	2018
Salaries and bonus(1)(2)	11,838	9,848	44,405	38,093
Defined contribution plans	81	68	307	260
Defined benefit plans	155	138	603	540
	12,074	**10,054**	**45,315**	**38,893**

(1) Includes an employee stock compensation expense of ₹59 crore and ₹202 crore for the three months and year ended March 31, 2019 respectively. Similarly, includes employee stock compensation expense of ₹26 crore and ₹84 crore for the three months and year ended March 31, 2018 respectively.

(2) Included in the above is a reversal of stock compensation cost of ₹35 crore recorded during the year ended March 31, 2018 towards forfeiture of stock incentives granted to Dr. Vishal Sikka upon his resignation. Refer note no. 2.16.

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,	
	2019	2018	2019	2018
Cost of sales	10,770	8,947	40,498	34,670
Selling and marketing expenses	882	742	3,236	2,741
Administrative expenses	422	365	1,581	1,482
	12,074	**10,054**	**45,315**	**38,893**

2.13 Equity

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. 20,324,982 and 10,801,956 shares were held by controlled trust, as at March 31, 2019 and March 31, 2018, respectively.

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.

Retained Earnings

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

Other Reserves

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 currency translation, re-measurement of net defined benefit liability / asset, cumulative impact on reversal of unrealized gain on quoted debt securities on adoption of IFRS 9, 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.

Update on capital allocation policy and buyback

In line with the capital allocation policy announced in April 2018, the Board, in its meeting held on January 11, 2019, approved the following :

(a) Declared a special dividend of ₹4/- per equity share;

(b) Recommended buyback of Equity Shares from the open market route through Indian stock exchanges of up to ₹8,260 crore (Maximum Buyback Size) at a price not exceeding ₹800 per share (Maximum Buyback Price) subject to shareholders' approval by way of Postal Ballot.

After the execution of the above, along with the special dividend of ₹2,633 crore ($386 million) already paid in June 2018, the Company would complete the distribution of ₹13,000 crore, which was announced as part of its capital allocation policy in April 2018.

The shareholders approved the proposal of buyback of Equity Shares recommended by its Board of Directors in its meeting held on January 11, 2019 through the postal ballot that concluded on March 12, 2019. At the Maximum buyback price of ₹800/- per equity share and the Maximum buyback size of ₹8,260 crore the indicative maximum number of equity shares bought back would be 103,250,000 Equity Shares (Maximum buyback shares) comprising approximately 2.36% of the paid-up equity share capital of the Company as of March 12, 2019 (the date of conclusion of postal ballot for approval for buyback).

The buyback was offered to all eligible equity shareholders of the Company (other than the Promoters, the Promoter Group and Persons in Control of the Company) under the open market route through the stock exchange. The Company will fund the buyback from its free reserves. The buyback of equity shares through the stock exchange commenced on March 20, 2019 and is expected to be completed by September 2019. During the year ended March 31, 2019, 12,652,000 equity shares were purchased from the stock exchange which includes 1,818,000 shares which have been purchased but not extinguished as of March 31, 2019 and 3,636,000 shares which have been purchased but have not been settled and therefore not extinguished as of March 31, 2019. In accordance with section 69 of the Companies Act, 2013, during the year ended March 31, 2019 , the Company has created 'Capital Redemption Reserve' of ₹6 crore equal to the nominal value of the shares bought back as an appropriation from general reserve.

The Board, at its meeting on August 19, 2017, approved a proposal for the Company to buyback its fully paid-up equity shares of face value of ₹5 each from the eligible equity shareholders of the Company for an amount not exceeding ₹13,000 crore. The shareholders approved the said proposal of buyback of Equity Shares through the postal ballot that concluded on October 7, 2017. The Buyback offer comprised a purchase of 11,30,43,478 Equity Shares aggregating 4.92% of the paid-up equity share capital of the Company at a price of ₹1,150 per Equity share. The buyback was offered to all eligible equity shareholders (including those who became equity shareholders as on the Record date by cancelling American Depository Shares and withdrawing underlying Equity shares) of the Company as on the Record Date (i.e. November 1, 2017) on a proportionate basis through the "Tender offer" route. The Company concluded the buyback procedures on December 27, 2017 and 11,30,43,478 equity shares were extinguished. The company utilized its securities premium and general reserve for the buyback of its shares. In accordance with section 69 of the Companies Act, 2013, the company has created 'Capital Redemption Reserve' of ₹56 crore equal to the nominal value of the shares bought back as an appropriation from general reserve during the year ended March 31, 2018.

The Company's objective when managing capital is to safeguard its ability to continue as a going concern and to maintain an optimal capital structure so as to maximize shareholder value. In order to maintain or achieve an optimal capital structure, the Company may adjust the amount of dividend payment, return capital to shareholders, issue new shares or buy back issued shares. As of March 31, 2019, the Company has only one class of equity shares and has no debt. Consequent to the above capital structure there are no externally imposed capital requirements

Dividends

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.

The Company declares and pays dividends in Indian rupees. The remittance of dividends outside India is governed by Indian law on foreign exchange and is subject to applicable distribution taxes. Dividend distribution tax paid by subsidiaries may be reduced / available as credit against dividend distribution tax payable by Infosys Limited.

Effective from Financial Year 2018, the Company's policy is to payout up to 70% of the free cash flow of the corresponding Financial Year in such manner (including by way of dividend and / or share buyback) as may be decided by the Board from time to time, subject to applicable laws and requisite approvals, if any. Free cash flow is defined as net cash provided by operating activities less capital expenditure as per the consolidated statement of cash flows prepared under IFRS. Dividend payout includes dividend distribution tax.

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

(In ₹)

Particulars	Year ended March 31,	
	2019	**2018**
Final dividend for fiscal 2018	10.25	-
Special dividend for fiscal 2018	5.00	-
Interim dividend for fiscal 2019	7.00	-
Special dividend for fiscal 2019	4.00	-
Interim dividend for fiscal 2018	-	6.50
Final dividend for fiscal 2017	-	7.38

Note: Dividend per equity share disclosed in the above table represents dividends declared previously, retrospectively adjusted for September 2018 bonus issue.

During the year ended March 31, 2019 on account of the final dividend for fiscal 2018 , special divided for fiscal 2018 and fiscal 2019 and interim dividend for fiscal 2019 the Company has incurred a net cash outflow of ₹13,705 crore (excluding dividend paid on treasury shares) inclusive of dividend distribution tax.

The Board of Directors in their meeting on April 12, 2019 recommended a final dividend of ₹10.50/- per equity share for the financial year ended March 31, 2019. This payment is subject to the approval of shareholders in the ensuing Annual General Meeting of the Company, to be held on June 22, 2019 and if approved would result in a net cash outflow of approximately ₹5,483 crore, (excluding dividend paid on treasury shares) including dividend distribution tax. The final dividend of ₹10.50/- per equity share and the resultant expected cash outflow is based on the outstanding number of shares after considering shares bought back by the Company subsequent to the year ended March 31, 2019.

Bonus issue

The Company has allotted 2,18,41,91,490 fully paid up equity shares (including treasury shares) of face value ₹5/- each during the three months ended September 30, 2018 pursuant to a bonus issue approved by the shareholders through postal ballot. Record date fixed by the Board of Directors was September 5, 2018. The bonus shares were issued by capitalization of profits transferred from general reserve. Bonus share of one equity share for every equity share held, and a bonus issue, viz., a stock dividend of one American Depositary Share (ADS) for every ADS held, respectively, has been allotted. Consequently, the ratio of equity shares underlying the ADSs held by an American Depositary Receipt holder remains unchanged. Options granted under the stock option plan have been adjusted for bonus shares.

The bonus shares once allotted ranks pari passu in all respects and carry the same rights as the existing equity shareholders and entitled to participate in full, in any dividend and other corporate action, recommended and declared after the new equity shares are allotted.

Voting

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.

Liquidation

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

Share Options

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

2.14 Other income, net

a. Accounting Policy

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 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.

Effective April 1, 2018, the Group has adopted IFRS interpretation IFRIC 22- Foreign Currency Transactions and Advance Consideration which clarifies the date of transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income when an entity has received or paid advance consideration in a foreign currency. The effect on account of adoption of this amendment was insignificant.

Foreign currency

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 included in net profit in the statement of comprehensive income. 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.

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.

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 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 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 net profit in the Consolidated 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,	
	2019	**2018**	**2019**	**2018**
Interest income on financial assets carried at amortized cost	355	382	1,404	1674
Interest income on financial assets fair valued through OCI	142	133	646	682
Dividend income on investments carried at fair value through profit or lo	1	-	2	4
Gain/(loss) on investments carried at fair value through profit or loss	65	39	170	253
Exchange gains / (losses) on forward and options contracts	195	(130)	185	1
Exchange gains / (losses) on translation of other assets and liabilities	(139)	183	133	233
Others	46	45	342	464
Total	**665**	**652**	**2,882**	**3,311**

2.15 Operating leases

Accounting Policy

Leases under which the group assumes substantially all the risks and rewards of ownership are classified as finance leases. When acquired, such assets are capitalized at fair value or present value of the minimum lease payments at the inception of the lease, whichever is lower. Lease payments under operating leases are recognized as an expense on a straight line basis in net profit in the consolidated statement of comprehensive income over the lease term.

The Group has various operating leases, mainly for office buildings, that are renewable on a periodic basis. Rental expense for operating leases for the three months ended March 31, 2019 and March 31, 2018 was ₹165 crore and ₹130 crore, respectively and ₹585 crore and ₹528 crore for the year ended March 31, 2019 and March 31, 2018, respectively.

The schedule of future minimum rental payments in respect of non-cancellable operating leases is set out below:

(In ₹ crore)

	As of	
	March 31, 2019	**March 31, 2018**
Within one year of the balance sheet date	620	456
Due in a period between one year and five years	1,794	1,388
Due after five years	885	874

The operating lease arrangements, are renewable on a periodic basis and for most of the leases extend upto a maximum of ten years from their respective dates of inception and relates to rented premises. Some of these lease agreements have price escalation clauses.

2.16 Employees' Stock Option Plans (ESOP)

Accounting Policy

The Group recognizes compensation expense relating to share-based payments in net profit using fair-value in accordance with IFRS 2, Share-Based Payment. The estimated fair value of awards is charged to income on a straight-line basis over the requisite service period for each separately vesting portion of the award as if the award was in-substance, multiple awards with a corresponding increase to share premium.

2015 Stock Incentive Compensation Plan (the 2015 Plan) (formerly 2011 RSU Plan): On March 31, 2016, pursuant to the approval by the shareholders through postal ballot, the Board has been authorized to introduce, offer, issue and allot share-based incentives to eligible employees of the Company and its subsidiaries under the 2015 Stock Incentive Compensation Plan (the 2015 Plan). The maximum number of shares under the 2015 plan shall not exceed 2,40,38,883 equity shares (this includes 1,12,23,576 equity shares which are held by the trust towards the 2011 Plan as at March 31, 2016). Out of this 1,70,38,883 equity shares will be issued as RSUs at par value and 70,00,000 equity shares will be issued as stock options at market price on the date of the grant. These instruments will vest over a period of 4 years and the Company expects to grant the instruments under the 2015 Plan over the period of 4 to 7 years. The plan numbers mentioned above would further be adjusted for the September 2018 bonus issue.

Consequent to the September 2018 bonus issue, all outstanding options granted under the stock option plan have been adjusted for bonus shares. Unless otherwise stated, all the prior period share numbers, share prices and weighted average exercise prices in this note have been adjusted to give effect to the September 2018 bonus issue.

Controlled trust holds 2,03,24,982 and 1,08,01,956 (not adjusted for September, 2018 bonus issue) shares as at March 31, 2019 and March 31, 2018, respectively under the 2015 plan. Out of these shares 2,00,000 and 1,00,000 (not adjusted for September, 2018 bonus issue) equity shares have been earmarked for welfare activities of the employees as at March 31, 2019 and March 31, 2018, respectively.

The following is the summary of grants during the three months and year ended March 31, 2019 and March 31, 2018 under the 2015 Plan:

Particulars	Three months ended March 31,		Year ended March 31,	
	2019	2018	2019	2018
RSU				
Salil Parekh, CEO and MD - *Refer note 1 below*	42,930	226,048	260,130	226,048
U.B. Pravin Rao, COO and WTD	68,250	-	68,250	54,500
Dr. Vishal Sikka(1)	-	-	-	540,448
Other KMPs	347,150	429,900	347,150	546,200
Employees other than KMP	1,878,050	3,119,840	3,665,170	3,194,020
	2,336,380	**3,775,788**	**4,340,700**	**4,561,216**
ESOP				
U.B. Pravin Rao, COO and WTD	-	-	-	86,000
Dr. Vishal Sikka(1)	-	-	-	661,050
Other KMPs	-	-	-	88,900
Employees other than KMP	-	-	-	147,200
	-	**-**	**-**	**983,150**
Incentive units - cash settled				
Other employees	21,500	85,180	74,090	100,080
	21,500	**85,180**	**74,090**	**100,080**
Total grants	**2,357,880**	**3,860,968**	**4,414,790**	**5,644,446**

Information in the above table is adjusted for September, 2018 bonus issue

(1) *Upon Dr. Vishal Sikka's resignation from the roles of the company, the unvested RSUs and ESOPs have been forfeited*

1. Stock incentives granted to Salil Parekh, CEO and MD

Pursuant to the approval of the shareholders through a postal ballot on February 20, 2018, Salil Parekh (CEO & MD) is eligible to receive under the 2015 Plan:

a) an annual grant of RSUs of fair value ₹3.25 crore which will vest over time in 3 equal annual installments upon completion of each year of service from the respective grant date

b) a one-time grant of RSUs of fair value ₹9.75 crore which will vest over time in 2 equal annual installments upon completion of each year of service from the grant date and

c) annual grant of performance based RSUs of fair value ₹13 crore which will vest after completion of three years the first of which concludes on March 31, 2021, subject to achievement of performance targets set by the Board or its committee.

The Board based on the recommendations of the Nomination and Remuneration committee approved on February 27, 2018, the annual time based grant for fiscal 2018 of 56,512 (adjusted for September, 2018 bonus issue) RSUs and the one-time time based grant of 1,69,536 (adjusted for September, 2018 bonus issue) RSUs. The grants were made effective February 27, 2018.

Further, the Board, based on the recommendations of the Nomination and Remuneration Committee, granted 2,17,200 (adjusted for September, 2018 bonus issue) performance based RSUs to Salil Parekh with an effective date of May 2, 2018. The grants would vest upon successful completion of three full fiscal years with the Company concluding on March 31, 2021 and will be determined based on achievement of certain performance targets for the said three-year period.

The Board based on the recommendations of the Nomination and Remuneration committee approved on February 27, 2018, the annual time based grant for fiscal 2019 of 42,930 RSUs. The grant was made effective February 1, 2019.

Though the annual time based grants for the remaining employment term ending on March 31, 2023 have not been granted as of March 31, 2019, since the service commencement date precedes the grant date, the company has recorded employment stock compensation expense in accordance with IFRS 2, Share based payments.

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

As at March 31, 2019 and March 31, 2018, incentive units were outstanding (net of forfeitures) 1,77,454 and 2,23,514 (adjusted for September, 2018 bonus issue), respectively.

Break-up of employee stock compensation expense

(in ₹ crore)

Particulars	Three months ended March 31,		Year ended March 31,	
	2019	2018	2019	2018
Granted to:				
KMP[(2)]	10	1	33	(13)
Employees other than KMP	49	25	169	97
Total [(1)]	**59**	**26**	**202**	**84**
[(1)] *Cash settled stock compensation expense included in the above*	1	2	5	5

[(2)] *Includes a reversal of stock compensation cost of ₹35 crore recorded during the three months ended September 30, 2017 towards forfeiture of stock incentive granted to Dr. Vishal Sikka upon his resignation*

The carrying value of liability towards cash settled share based payments was ₹9 crore and ₹6 crore as at March 31, 2019 and March 31, 2018 respectively.

The activity in the 2015 Plan (formerly 2011 RSU Plan) for equity-settled share based payment transactions during the three months ended March 31, 2019 and March 31, 2018 is set out below:

Particulars	Three months ended March 31, 2019		Three months ended March 31, 2018	
	Shares arising out of options	Weighted average exercise price (₹)	Shares arising out of options	Weighted average exercise price (₹)
2015 Plan: RSU				
Outstanding at the beginning	7,659,466	2.50	4,168,568	2.50
Granted	2,336,380	5.00	3,775,788	2.50
Exercised	660,078	2.50	231,992	2.50
Forfeited and expired	154,570	2.67	211,546	2.50
Outstanding at the end	**9,181,198**	**3.13**	**7,500,818**	**2.50**
Exercisable at the end	235,256	2.50	48,410	2.50
2015 Plan: Employee Stock Options (ESOPs)				
Outstanding at the beginning	1,641,600	519	2,316,800	496
Granted	-	-	-	-
Exercised	8,224	499	104,824	492
Forfeited and expired	10,200	499	278,150	482
Outstanding at the end	**1,623,176**	**516**	**1,933,826**	493
Exercisable at the end	698,500	517	393,824	496

Information in the above table is adjusted for September, 2018 bonus issue

The activity in the 2015 Plan (formerly 2011 RSU Plan) for equity-settled share based payment transactions during the year ended March 31, 2019 and March 31, 2018 and is set out below:

Particulars	Year ended March 31, 2019		Year ended March 31, 2018	
	Shares arising out of options	Weighted average exercise price (₹)	Shares arising out of options	Weighted average exercise price (₹)
2015 Plan: RSU				
Outstanding at the beginning	7,500,818	2.50	5,922,746	2.50
Granted	4,340,700	3.84	4,561,216	2.50
Exercised	1,864,510	2.50	1,296,434	2.50
Forfeited and expired	795,810	2.61	1,686,710	2.50
Outstanding at the end	**9,181,198**	**3.13**	**7,500,818**	**2.50**
Exercisable at the end	235,256	2.50	48,410	2.50
2015 Plan: Employee Stock Options (ESOPs)				
Outstanding at the beginning	1,933,826	493	2,395,300	496
Granted	-	-	983,150	472
Exercised	117,350	515	104,824	492
Forfeited and expired	193,300	521	1,339,800	481
Outstanding at the end	**1,623,176**	**516**	**1,933,826**	**493**
Exercisable at the end	698,500	517	393,824	496

Information in the above table is adjusted for September, 2018 bonus issue

During the three months ended March 31, 2019 and March 31, 2018 the weighted average share price of options exercised under the 2015 Plan on the date of exercise was ₹732 and ₹560 (adjusted for September, 2018 bonus issue) respectively.

During the year ended March 31, 2019 and March 31, 2018 the weighted average share price of options exercised under the 2015 Plan on the date of exercise was ₹701 and ₹496 (adjusted for September, 2018 bonus issue) respectively.

The following table summarizes information about equity settled RSUs and ESOPs outstanding as at March 31, 2019

Range of exercise prices per share (₹)	Options outstanding		
	No. of shares arising out of options	Weighted average remaining contractual life	Weighted average exercise price (₹)
2015 Plan:			
0 - 5 (RSU)	9,181,198	1.70	3.13
450 - 600 (ESOP)	1,623,176	5.04	516
	10,804,374	**2.20**	**80**

Information in the table above is adjusted for September, 2018 bonus issue

The following table summarizes information about equity settled RSUs and ESOPs outstanding as at March 31, 2018:

Range of exercise prices per share (₹)	Options outstanding		
	No. of shares arising out of options	Weighted average remaining contractual life	Weighted average exercise price (₹)
2015 Plan:			
0 - 2.50 (RSU)	7,500,818	1.89	2.50
450 - 600 (ESOP)	1,933,826	6.60	493
	9,434,644	**2.57**	**104**

Information in the table above is adjusted for September, 2018 bonus issue

The fair value of each equity settled award is estimated on the date of grant using the Black-Scholes-Merton model with the following assumptions:

Particulars	For options granted in	
	Fiscal 2019-Equity Shares RSU	Fiscal 2019-ADS-RSU
Weighted average share price (₹) / ($- ADS)(1)	696	10.77
Exercise price (₹)/ ($- ADS)(1)	3.31	0.06
Expected volatility (%)	21-25	22-26
Expected life of the option (years)	1-4	1-4
Expected dividends (%)	2.65	2.65
Risk-free interest rate (%)	7-8	2-3
Weighted average fair value as on grant date (₹) / ($- ADS)(1)	648	10.03

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

(1) adjusted for September, 2018 bonus issue

The expected life of the RSU / ESOP is estimated based on the vesting term and contractual term of the RSU / ESOP, as well as expected exercise behaviour of the employee who receives the RSU / ESOP. Expected volatility during the expected term of the RSU / ESOP is based on historical volatility of the observed market prices of the Company's publicly traded equity shares during a period equivalent to the expected term of the RSU / ESOP.

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

Deferred income tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect of changes in tax rates on deferred income tax assets and liabilities is recognized as income or expense in the period that includes the enactment or the substantive enactment date. A deferred income tax asset is recognized to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilized. Deferred income taxes are not provided on the undistributed earnings of subsidiaries and branches where it is expected that the earnings of the subsidiary or branch will not be distributed in the foreseeable future. The Group offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously. 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 share premium.

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

(In ₹ crore)

Particulars	Three months ended March 31,		Year ended March 31,	
	2019	2018	2019	2018
Current taxes				
Domestic taxes	1,080	1,160	4,195	4,658
Foreign taxes	113	306	1,532	(77)
	1,193	**1,466**	**5,727**	**4,581**
Deferred taxes				
Domestic taxes	(120)	(118)	23	(518)
Foreign taxes	132	(32)	(119)	178
	12	**(150)**	**(96)**	**(340)**
Income tax expense	**1,205**	**1,316**	**5,631**	**4,241**

During the quarter ended March 31, 2019, the Company entered into Advance Pricing Agreement (APA) in overseas jurisdictions resulting in a reversal of income tax expense of ₹94 crore which pertained to prior periods.

In December 2017, the Company had concluded an Advance Pricing Agreement ("APA") with the US Internal Revenue Service ("IRS") for the US branch covering the years ending March 2011 to March 2021. Under the APA, the Company and the IRS have agreed on the methodology to allocate revenues and compute the taxable income of the Company's US Branch operations. In accordance with the APA, the company had reversed income tax expense provision of $225 million (₹1,432 crore) which pertained to previous periods which are no longer required. The Company had to pay an adjusted amount of $223 million (approximately ₹1,424 crore) due to the difference between the taxes payable for prior periods as per the APA and the actual taxes paid for such periods. The company has paid $215 million (₹1,455 crore).

Further, the "Tax Cuts and Jobs Act (H.R. 1)" was signed into law on December 22, 2017 ("US Tax Reforms"). The US tax reforms has reduced federal tax rates from 35% to 21% effective January 1, 2018 amongst other measures.

Income tax expense for the three months ended March 31, 2019 and March 31, 2018 includes reversal (net of provisions) of ₹82 crore and reversal (net of provisions) ₹117 crore respectively. Income tax expense for the year ended March 31, 2019 and March 31, 2018 includes reversals (net of provisions) of ₹129 crore and ₹291 crore respectively. These reversals pertain to prior periods on account of adjudication of certain disputed matters in favor of the company across various jurisdictions.

A reconciliation of the income tax provision to the amount computed by applying the statutory income tax rate to the income before income taxes is summarized below:

(In ₹ crore)

Particulars	Three months ended March 31,		Year ended March 31,	
	2019	2018	2019	2018
Profit before income taxes	5,283	5,006	21,041	20,270
Enacted tax rates in India	34.94%	34.61%	34.94%	34.61%
Computed expected tax expense	1,846	1,732	7,353	7,015
Tax effect due to non-taxable income for Indian tax purposes	(755)	(631)	(2,705)	(2,068)
Overseas taxes	122	247	719	701
Tax provision (reversals)	(176)	(117)	(176)	(1,617)
Effect of exempt non-operating income	(13)	(6)	(58)	(66)
Effect of unrecognized deferred tax assets	17	49	92	188
Effect of differential overseas tax rates	2	27	(1)	52
Effect of non-deductible expenses	47	40	353	57
Branch profit tax (net of credits)	108	(55)	25	(210)
Subsidiary dividend distribution tax	-	-	-	172
Others	7	30	29	17
Income tax expense	**1,205**	**1,316**	**5,631**	**4,241**

The applicable Indian corporate statutory tax rate for the year ended March 31, 2019 and March 31, 2018 is 34.94% and 34.61%, respectively. The increase in the corporate statutory tax rate to 34.94% is consequent to changes made in the Finance Act, 2018.

The foreign tax expense is due to income taxes payable overseas, principally in the United States. In India, the Group has benefited from certain income tax incentives that the Government of India had provided for export of software and services 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 Group 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 three months and year ended March 31, 2019 and March 31, 2018 relates to origination and reversal of temporary differences except for a credit of ₹155 crore (on account of US Tax Reforms explained above), for the year ended March 31, 2018.

During the year ended March 31, 2018, the Company received ₹846 crore as dividend from its majority owned subsidiary. Dividend distribution tax paid by the subsidiary on such dividend has been reduced as credit against dividend distribution tax payable by Infosys. Accordingly, the Group has recorded a charge of ₹172 crore as income tax expense during the year ended March 31, 2018.

Infosys is subject to a 15% Branch Profit Tax (BPT) in the U.S. to the extent its U.S. branch's net profit during the period is greater than the increase in the net assets of the U.S. branch during the period, computed in accordance with the Internal Revenue Code. As at March 31, 2019, Infosys' U.S. branch net assets amounted to approximately ₹5,196 crore. As at March 31, 2019, the Company has a deferred tax liability for branch profit tax of ₹201 crore (net of credits), as the Company estimates that these branch profits are expected to be distributed in the foreseeable future.

Other income for the three months and year ended March 31, 2019 includes interest on income tax refund of ₹51 crore each, respectively. Other income for the three months and year ended March 31, 2018 includes interest on income tax refund of Nil and ₹262 crore, respectively.

Deferred income tax liabilities have not been recognized on temporary differences amounting to ₹6,007 crore and ₹5,045 crore as at March 31, 2019 and March 31, 2018, respectively, associated with investments in subsidiaries and branches as it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred income tax assets have not been recognized on accumulated losses of ₹2,624 crore and ₹1,936 crore as at March 31, 2019 and March 31, 2018, 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 balance as at March 31, 2018 excludes the accumulated losses of Disposal Groups classified as held for sale. (Refer note 2.1.2)

The following table provides details of expiration of unused tax losses:

(In ₹ crore)

Year	**As at March 31, 2019**
2020	173
2021	80
2022	142
2023	198
2024	187
Thereafter	1,844
Total	**2,624**

The following table provides the details of income tax assets and income tax liabilities as at March 31, 2019 and March 31, 2018:

(In ₹ crore)

Particulars	**As at**	
	March 31, 2019	**March 31, 2018**
Income tax assets	6,743	6,070
Current income tax liabilities	1,567	2,043
Net current income tax asset / (liability) at the end	**5,176**	**4,027**

The gross movement in the current income tax asset/ (liability) for the three months and year ended March 31, 2019 and March 31, 2018 is as follows:

(In ₹ crore)

Particulars	**Three months ended March 31,**		**Year ended March 31,**	
	2019	**2018**	**2019**	**2018**
Net current income tax asset/ (liability) at the beginning	4,783	3,515	4,027	1,831
Translation differences	2	11	(1)	-
Income tax paid	1,573	2,012	6,832	6,829
Current income tax expense	(1,193)	(1,466)	(5,727)	(4,581)
Reclassified under assets held for sale (refer note no. 2.9.2)	-	(35)	23	(35)
Reclassified from held for sale (Refer note 2.9.2)	-	-	13	-
Income tax benefit arising on exercise of stock options	5	-	8	-
Tax impact on buyback expenses	4	-	4	-
Additions through business combination	-	-	(9)	-
Income tax on other comprehensive income	2	(10)	6	(17)
Net current income tax asset/ (liability) at the end	**5,176**	**4,027**	**5,176**	**4,027**

The movement in gross deferred income tax assets and liabilities (before set off) for the three months ended March 31, 2019 is as follows:

(In ₹ crore)

Particulars	**Carrying value as at January 1, 2019**	**Changes through profit and loss**	**Addition through business combination**	**Changes through OCI**	**Reclassified from Held for Sale, net**	**Translation difference**	**Carrying value as at March 31, 2019**
Deferred income tax assets							
Property, plant and equipment	242	20	-	-	-	-	262
Accrued compensation to employees	25	6	-	-	-	-	31
Trade receivables	165	11	-	-	-	-	176
Compensated absences	387	10	-	-	-	-	397
Post sales client support	111	(7)	-	-	-	-	104
Derivative financial instruments	3	1	-	-	-	-	4
Intangibles	16	-	-	-	-	-	16
Credits related to branch profits	261	81	-	-	-	(2)	340
Others	181	43	-	(2)	-	4	226
Total deferred income tax assets	**1,391**	**165**	**-**	**(2)**	**-**	**2**	**1,556**
Deferred income tax liabilities							
Intangible asset	(163)	34	-	-	-	1	(128)
Branch profit tax	(355)	(189)	-	-	-	3	(541)
Derivative financial instruments	(107)	(8)	-	5	-	-	(110)
Others	(81)	(14)	-	19	-	(1)	(77)
Total Deferred income tax liabilities	**(706)**	**(177)**	**-**	**24**	**-**	**3**	**(856)**

The movement in gross deferred income tax assets and liabilities (before set off) for the three months ended March 31, 2018 is as follows:

(In ₹ crore)

Particulars	Carrying value as at January 1, 2018	Changes through profit and loss	Addition through business combination	Changes through OCI	Reclassified as Held for Sale, net	Translation difference	Carrying value as at March 31, 2018
Deferred income tax assets							
Property, plant and equipment	189	27	-	-	(1)	-	215
Computer software	-	-	-	-	-	-	-
Accrued compensation to employees	27	(14)	-	-	(2)	1	12
Trade receivables	142	(2)	-	-	-	1	141
Compensated absences	352	15	-	-	(2)	1	366
Post sales client support	73	25	-	-	-	-	98
Derivative financial instruments	-	13	-	-	-	-	13
Intangibles	22	(14)	-	-	-	1	9
Credits related to branch profits	293	41	-	-	-	7	341
Others	123	21	-	-	(33)	6	117
Total deferred income tax assets	**1,221**	**112**	**-**	**-**	**(38)**	**17**	**1,312**
Deferred income tax liabilities							
Intangible asset	(129)	8	-	-	86	(3)	(38)
Branch profit tax	(508)	14	-	-	-	(11)	(505)
Derivative financial instruments	(18)	17	-	-	-	(1)	(2)
Others	(27)	(1)	-	2	5	(5)	(26)
Total Deferred income tax liabilities	**(682)**	**38**	**-**	**2**	**91**	**(20)**	**(571)**

The movement in gross deferred income tax assets and liabilities (before set off) for the year ended March 31, 2019 is as follows:

(In ₹ crore)

Particulars	Carrying value as at April 1, 2018	Changes through profit and loss	Addition through business combination	Changes through OCI	Reclassified from Held for Sale, net	Translation difference	Carrying value as at March 31, 2019
Deferred income tax assets							
Property, plant and equipment	215	46	-	-	1	-	262
Accrued compensation to employees	12	16	-	-	2	1	31
Trade receivables	141	35	-	-	-	-	176
Compensated absences	366	29	-	-	2	-	397
Post sales client support	98	5	-	-	-	1	104
Derivative financial instruments	13	(14)	-	4	-	1	4
Intangibles	9	6	-	-	-	1	16
Credits related to branch profits	341	(22)	-	-	-	21	340
Others	117	75	-	9	33	(8)	226
Total deferred income tax assets	**1,312**	**176**	**-**	**13**	**38**	**17**	**1,556**
Deferred income tax liabilities							
Intangible asset	(38)	63	(56)	-	(86)	(11)	(128)
Branch profit tax	(505)	(3)	-	-	-	(33)	(541)
Derivative financial instruments	(2)	(97)	-	(11)	-	-	(110)
Others	(26)	(43)	(8)	(1)	(5)	6	(77)
Total Deferred income tax liabilities	**(571)**	**(80)**	**(64)**	**(12)**	**(91)**	**(38)**	**(856)**

The movement in gross deferred income tax assets and liabilities (before set off) for the year ended March 31, 2018 is as follows:

(In ₹ crore)

Particulars	Carrying value as at April 1, 2017	Changes through profit and loss	Addition through business combination	Changes through OCI	Reclassified as Held for Sale, net	Translation difference	Carrying value as at March 31, 2018
Deferred income tax assets							
Property, plant and equipment	138	78	-	-	(1)	-	215
Computer software	40	(41)	-	-	-	1	-
Accrued compensation to employees	57	(42)	-	-	(2)	(1)	12
Trade receivables	136	4	-	-	-	1	141
Compensated absences	374	(10)	-	-	(2)	4	366
Post sales client support	97	2	-	-	-	(1)	98
Derivative financial instruments	-	13	-	-	-	-	13
Intangibles	22	(14)	-	-	-	1	9
Credits related to branch profits	-	334	-	-	-	7	341
Others	229	(70)	-	(14)	(33)	5	117
Total deferred income tax assets	**1,093**	**254**	**-**	**(14)**	**(38)**	**17**	**1,312**
Deferred income tax liabilities							
Intangible asset	(206)	85	(2)	-	86	(1)	(38)
Branch profit tax	(327)	(172)	-	-	-	(6)	(505)
Derivative financial instruments	(86)	72	-	13	-	(1)	(2)
Others	(141)	101	-	13	5	(4)	(26)
Total Deferred income tax liabilities	**(760)**	**86**	**(2)**	**26**	**91**	**(12)**	**(571)**

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

(In ₹ crore)

Particulars	As at	
	March 31, 2019	**March 31, 2018**
Deferred income tax assets after set off	1,372	1,282
Deferred income tax liabilities after set off	(672)	(541)

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.

As at March 31, 2018, claims against the Group not acknowledged as debts from the Indian Income tax authorities amounted to ₹4,542 crore. Amount paid to statutory authorities against this amounted to ₹6,540 crore.

As at March 31, 2019, claims against the Group not acknowledged as debts from the Income tax authorities amounted to ₹2,851 crore. These matters are pending before various Appellate Authorities and the management including its tax advisors expect that its position will likely be upheld on ultimate resolution and will not have a material adverse effect on the Group's financial position and results of operations.

Amount paid to statutory authorities against the above tax claims amounted to ₹5,924 crore.

Subsequent to March 31, 2018, the Supreme Court of India ruled favorably in respect of certain income tax claims which have been given effect in the above disclosure of claims as of March 31, 2019.

2.18 Reconciliation of basic and diluted shares used in computing earnings per share

Accounting Policy

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

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,**		**Year ended March 31,**	
	2019	**2018**	**2019**	**2018**
Basic earnings per equity share - weighted average number of equity shares outstanding[1]	4,347,129,592	4,346,554,120	4,347,130,157	4,510,664,644
Effect of dilutive common equivalent shares - share options outstanding	5,894,271	3,062,904	6,290,615	4,483,096
Diluted earnings per equity share - weighted average number of equity shares and common equivalent shares outstanding	**4,353,023,863**	**4,349,617,024**	**4,353,420,772**	**4,515,147,740**

Information in the table above is adjusted for September, 2018 bonus issue

[1] excludes treasury shares

For the three months ended March 31, 2019 and March 31, 2018, Nil and 2,96,798 (adjusted for September 2018 bonus issue) number of option to purchase equity shares had an anti-dilutive effect, respectively.
For the year ended March 31, 2019 and March 31, 2018, Nil and 3,10,372 (adjusted for September 2018 bonus issue) number of options to purchase equity shares had an anti-dilutive effect respectively.

2.19 Related Party Transactions

List of related parties:

Name of subsidiaries	Country	Holdings as at	
		March 31, 2019	March 31, 2018
Infosys Technologies (China) Co. Limited (Infosys China)	China	100%	100%
Infosys Technologies S. de R. L. de C. V. (Infosys Mexico)	Mexico	100%	100%
Infosys Technologies (Sweden) AB. (Infosys Sweden)	Sweden	100%	100%
Infosys Technologies (Shanghai) Company Limited (Infosys Shanghai)	China	100%	100%
Infosys Tecnologia DO Brasil LTDA. (Infosys Brasil)	Brazil	100%	100%
Infosys Nova Holdings LLC. (Infosys Nova)	U.S.	100%	100%
EdgeVerve Systems Limited (EdgeVerve)	India	100%	100%
Infosys Austria GmbH(1) (formerly Lodestone Management Consultants GmbH)	Austria	100%	100%
Skava Systems Pvt. Ltd. (Skava Systems)	India	100%	100%
Kallidus Inc. (Kallidus)	U.S.	100%	100%
Infosys Chile SpA(2)	Chile	100%	100%
Infosys Arabia Limited(3)	Saudi Arabia	70%	70%
Infosys Consulting Ltda.(3)	Brazil	99.99%	99.99%
Infosys CIS LLC(1)(22)	Russia	-	-
Infosys Luxembourg S.a.r.l (1)(17)	Luxembourg	100%	-
Infosys Americas Inc., (Infosys Americas)	U.S.	100%	100%
Infosys Technologies (Australia) Pty. Limited (Infosys Australia)(4)	Australia	100%	100%
Infosys Public Services, Inc. USA (Infosys Public Services)	U.S.	100%	100%
Infosys Canada Public Services Inc(23)	Canada	-	-
Infosys Canada Public Services Ltd(24)	Canada	-	-
Infosys BPM Limited (formerly Infosys BPO Limited)	India	99.98%	99.98%
Infosys (Czech Republic) Limited s.r.o.(5)	Czech Republic	99.98%	99.98%
Infosys Poland, Sp z.o.o(5)	Poland	99.98%	99.98%
Infosys McCamish Systems LLC (5)	U.S.	99.98%	99.98%
Portland Group Pty Ltd(5)	Australia	99.98%	99.98%
Infosys BPO Americas LLC.(5)	U.S.	99.98%	99.98%
Infosys Consulting Holding AG (Infosys Lodestone)	Switzerland	100%	100%
Lodestone Management Consultants Inc.(6)(15)	U.S.	-	100%
Infosys Management Consulting Pty Limited(6)	Australia	100%	100%
Infosys Consulting AG(6)	Switzerland	100%	100%
Infosys Consulting GmbH(6)	Germany	100%	100%
Infosys Consulting SAS(6)	France	100%	100%
Infosys Consulting s.r.o.(6)	Czech Republic	100%	100%
Infosys Consulting (Shanghai) Co., Ltd.(*formerly Lodestone Management Consultants Co., Ltd)* (6)	China	100%	100%
Infy Consulting Company Ltd(6)	U.K.	100%	100%
Infy Consulting B.V.(6)	The Netherlands	100%	100%
Infosys Consulting Sp. z.o.o(6)	Poland	100%	100%
Lodestone Management Consultants Portugal, Unipessoal, Lda. (6)	Portugal	100%	100%
S.C. Infosys Consulting S.R.L.(1)	Romania	100%	100%
Infosys Consulting S.R.L.(6)	Argentina	100%	100%
Infosys Consulting (Belgium) NV (formerly Lodestone Management Consultants (Belgium) S.A.)(7)	Belgium	99.90%	99.90%
Panaya Inc. (Panaya)	U.S.	100%	100%
Panaya Ltd. (8)	Israel	100%	100%
Panaya GmbH(8)	Germany	100%	100%
Panaya Japan Co. Ltd(4)(8)	Japan	100%	100%
Noah Consulting LLC (Noah)(9)	U.S.	-	-
Noah Information Management Consulting Inc. (Noah Canada)(10)	Canada	-	-
Brilliant Basics Holdings Limited (Brilliant Basics)(11)	U.K.	100%	100%
Brilliant Basics Limited(12)	U.K.	100%	100%
Brilliant Basics (MENA) DMCC(12)	Dubai	100%	100%
Infosys Consulting Pte Limited (Infosys Singapore)(1)	Singapore	100%	100%
Infosys Middle East FZ LLC(13)	Dubai	100%	100%
Fluido Oy(13)(18)	Finland	100%	-
Fluido Sweden AB (Extero)(19)	Sweden	100%	-
Fluido Norway A/S(19)	Norway	100%	-
Fluido Denmark A/S(19)	Denmark	100%	-
Fluido Slovakia s.r.o(19)	Slovakia	100%	-
Fluido Newco AB(19)	Sweden	100%	-

Infosys Compaz PTE. Ltd (formerly Trusted Source Pte. Ltd) [(13)(20)]	Singapore	60%	-
Infosys South Africa (Pty) Ltd[(13)(21)]	South Africa	-	-
WongDoody Holding Company Inc. (WongDoody) [(14)]	U.S.	100%	-
WDW Communications, Inc[(16)]	U.S.	100%	-
WongDoody, Inc[(16)]	U.S.	100%	-

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

[(2)] *Incorporated effective November 20, 2017*

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

[(4)] *Under liquidation*

[(5)] *Wholly owned subsidiary of Infosys BPM*

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

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

[(8)] *Wholly owned subsidiary of Panaya Inc*

[(9)] *Liquidated effective November 9, 2017*

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

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

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

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

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

[(15)] *Liquidated effective May 17, 2018*

[(16)] *Wholly-owned subsidiary of WongDoody*

[(17)] *Incorporated effective August 6, 2018*

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

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

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

[(21)] *Incorporated effective December 19,2018*

[(22)] *Incorporated effective November 29, 2018*

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

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

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

Associate

During the year ended March 31, 2018, the Company has written down the entire carrying value of the investment in its associate DWA Nova LLC amounting to ₹71 crore. DWA Nova LLC has been liquidated w.e.f November 17, 2017

List of other related party

Particulars	**Country**	**Nature of relationship**
Infosys Limited Employees' Gratuity Fund Trust	India	Post-employment benefit plan of Infosys
Infosys Limited Employees' Provident Fund Trust	India	Post-employment benefit plan of Infosys
Infosys Limited Employees' Superannuation Fund Trust	India	Post-employment benefit plan of Infosys
Infosys BPM Limited Employees' Superannuation Fund Trust *(formerly Infosys BPO Limited Employees Superannuation Fund Trust)*	India	Post-employment benefit plan of Infosys BPM
Infosys BPM Limited Employees' Gratuity Fund Trust *(formerly Infosys BPO 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

Refer note no. 2.12 for information on transactions with post-employment benefit plans mentioned above.

List of key management personnel

Whole-time directors

Salil Parekh appointed as Chief Executive Officer and Managing Director effective January 2, 2018. The appointment is for a term of 5 years with effect from January 2, 2018 to January 1, 2023 and the remuneration is approved by shareholders through postal ballot dated February 20, 2018.

U. B. Pravin Rao, Chief Operating officer appointed as Interim-Chief Executive Officer and Managing Director effective August 18, 2017. Subsequently he stepped down as the interim CEO and Managing Director effective January 2, 2018 and will continue as Chief Operating Officer and a whole-time director of the Company.

Dr. Vishal Sikka resigned as Chief Executive Officer and Managing Director effective August 18, 2017 and as Executive Vice Chairman effective August 24, 2017

Non-whole-time directors

Nandan M. Nilekani (appointed as Non-Executive, Non-Independent Chairman effective August 24, 2017)

Michael Gibbs (appointed as Independent director effective July 13, 2018)

Ravi Venkatesan (resigned from his position as Co-Chairman effective August 24, 2017 and resigned as member of the Board effective May 11, 2018)

Kiran Mazumdar-Shaw

Roopa Kudva

Dr. Punita Kumar-Sinha

D. N. Prahlad

D. Sundaram (appointed effective July 14, 2017)

Prof. Jeffrey Lehman, (resigned effective August 24, 2017)

R. Seshasayee (resigned effective August 24, 2017)

Prof. John Etchemendy (resigned effective August 24, 2017)

Executive Officers

Nilanjan Roy (appointed as Chief Financial Officer effective March 1, 2019)

Jayesh Sanghrajka (appointed as Interim-Chief Financial Officer effective November 17, 2018. He resumed his responsibilities as Deputy Chief Financial Officer effective March 1, 2019)

M.D. Ranganath (resigned as Chief Financial Officer effective November 16, 2018)

Mohit Joshi, President

Rajesh K. Murthy, President (appointed effective October 13, 2016 and resigned effective January 31, 2018)

Ravi Kumar S, President and Deputy Chief Operating Officer

Sandeep Dadlani, President (resigned effective July 14, 2017)

Krishnamurthy Shankar, Group Head - Human Resources

Gopi Krishnan Radhakrishnan - Acting General Counsel (resigned effective June 24, 2017)

Inderpreet Sawhney, Group General Counsel and Chief Compliance Officer (appointed as executive officer effective July 14, 2017)

Company Secretary

A. G. S. Manikantha

Transaction 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,	
	2019	2018	2019	2018
Salaries and other employee benefits to whole-time directors and executive officers [(1) (2)(3)]	29	19	96	48
Commission and other benefits to non-executive/independent directors	2	2	8	10
Total	**31**	**21**	**104**	**58**

[(1)] Total employee stock compensation expense for the three months ended March 31, 2019 and March 31, 2018 includes a charge of ₹10 crore and ₹1 crore, towards key managerial personnel. For the year ended March 31, 2019 and March 31, 2018, an employee stock compensation charge of ₹33 crore and a reversal of ₹13 crore, respectively, was recorded towards key managerial personnel. (Refer to note 2.16)

[(2)] Includes reversal of stock compensation cost of ₹35 crore recorded during the three months ended September 30, 2017 towards forfeiture of stock incentive granted to Dr. Vishal Sikka upon his resignation (Refer to note 2.16)

[(3)] On December 2, 2017, the Board appointed Salil Parekh as the Chief Executive Officer and Managing Director of the Company with effect from January 2, 2018.

2.20 Segment reporting

IFRS 8 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

During the three months ended June 30, 2018, the Group internally reorganized some of its business segments to deepen customer relationships, improve focus of sales investments and increase management oversight. Consequent to the internal reorganization, there were changes in the reportable business segments based on "Management approach" as defined under IFRS 8, Operating Segments. Therefore, enterprises in Insurance which was earlier considered under the Life Sciences, Healthcare and Insurance business segment are now considered under the Financial Services business segment and enterprises in Communication, Telecom OEM and Media which was earlier under Energy & Utilities, Communication and Services is now shown as a separate business segment. Segmental operating income has changed in line with these as well as changes in the allocation method. The 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. Consequent to the above change in the composition of reportable business segments, the prior year comparatives for three months and year ended March 31, 2018 have been restated.

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 centres and on-site expenses, which are categorized in relation to the associated efforts of the segment. Certain expenses such as depreciation, 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.

2.20.1 Business segments

Three months ended March 31, 2019 and March 31, 2018

(In ₹ crore)

Particulars	**Financial Services**	**Retail**	**Communication**	**Energy, Utilities, Resources and Services**	**Manufacturing**	**Hi Tech**	**Life Sciences**	**All other segments**	**Total**
Revenues	**6,805**	**3,416**	**2,921**	**2,747**	**2,161**	**1,650**	**1,287**	**552**	**21,539**
	5,886	*2,879*	*2,334*	*2,172*	*1,735*	*1,335*	*1,213*	*529*	*18,083*
Identifiable operating expenses	3,614	1,705	1,731	1,500	1,190	984	694	348	11,766
	3,077	*1,447*	*1,170*	*1,116*	*1,022*	*709*	*638*	*324*	*9,503*
Allocated expenses	1,470	694	612	613	500	290	270	167	4,616
	1,171	*598*	*467*	*421*	*371*	*234*	*227*	*163*	*3,652*
Segment profit	**1,721**	**1,017**	**578**	**634**	**471**	**376**	**323**	**37**	**5,157**
	1,638	*834*	*697*	*635*	*342*	*392*	*348*	*42*	*4,928*
Unallocable expenses									539
									456
Operating profit									**4,618**
									4,472
Other income, net (Refer to note 2.14)									665
									652
Reduction in the fair value of Disposal Group held for sale (Refer to note 2.9.2)									-
									(118)
Profit before income taxes									**5,283**
									5,006
Income tax expense									1,205
									1,316
Net profit									**4,078**
									3,690
Depreciation and amortization									531
									458
Non-cash expenses other than depreciation and amortization									8
									116

Year ended March 31, 2019 and March 31, 2018

(In ₹ crore)

Particulars	Financial Services	Retail	Communication	Energy, Utilities, Resources and Services	Manufacturing	Hi Tech	Life Sciences	All other segments	Total
Revenues	**26,477**	**13,556**	**10,426**	**10,390**	**8,152**	**6,177**	**5,203**	**2,294**	**82,675**
	23,172	*11,345*	*8,883*	*8,297*	*6,671*	*5,131*	*4,698*	*2,325*	*70,522*
Identifiable operating expenses	14,164	6,823	5,720	5,661	4,513	3,546	2,756	1,415	44,598
	12,107	*5,668*	*4,527*	*4,204*	*3,881*	*2,774*	*2,447*	*1,342*	*36,950*
Allocated expenses	5,435	2,699	2,189	2,187	1,786	1,083	1,028	763	17,170
	4,695	*2,374*	*1,737*	*1,682*	*1,516*	*911*	*860*	*784*	*14,559*
Segment profit	**6,878**	**4,034**	**2,517**	**2,542**	**1,853**	**1,548**	**1,419**	**116**	**20,907**
	6,370	*3,303*	*2,619*	*2,411*	*1,274*	*1,446*	*1,391*	*199*	*19,013*
Unallocable expenses									2,027
									1,865
Operating profit									**18,880**
									17,148
Other income, net (Refer to note 2.14)									2,882
									3,311
Reduction in the fair value of Disposal Group held for sale (Refer to note 2.9.2)									(270)
									(118)
Adjustment in respect of excess of carrying amount over recoverable amount on reclassification from "Held for Sale" (Refer to note 2.9.2)									(451)
									-
Share in net profit/(loss) of associate, including impairment									-
									(71)
Profit before income taxes									**21,041**
									20,270
Income tax expense									5,631
									4,241
Net profit									**15,410**
									16,029
Depreciation and amortization									2,011
									1,863
Non-cash expenses other than depreciation and amortization									740
									191

2.20.2 The following table sets forth our revenue by Geography for the three months ended March 31, 2019 and March 31, 2018:

(In ₹ crore)

Particulars	North America	Europe	India	Rest of the world	Total
2019	**13,193**	**5,167**	**493**	**2,686**	**21,539**
2018	*10,741*	*4,485*	*513*	*2,344*	*18,083*

The following table sets forth our revenue by Geography for the year ended March 31, 2019 and March 31, 2018:

(In ₹ crore)

Particulars	North America	Europe	India	Rest of the world	Total
2019	**50,038**	**19,942**	**2,048**	**10,647**	**82,675**
2018	*42,575*	*16,738*	*2,231*	*8,978*	*70,522*

2.20.3 Significant clients

No client individually accounted for more than 10% of the revenues in the three months and year ended March 31, 2019 and March 31, 2018.

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

Nandan M. Nilekani
Chairman

Salil Parekh
Chief Executive officer and Managing Director

U. B. Pravin Rao
Chief Operating Officer and Whole-time Director

D. Sundaram
Director

Nilanjan Roy
Chief Financial Officer

A. G. S. Manikantha
Company Secretary

Bengaluru
April 12, 2019

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, 2019, the Consolidated Statement of Comprehensive Income for the three months 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, 2019, the consolidated profit and 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 (SAs) 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 we have obtained 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	***Accuracy of recognition, measurement, presentation and disclosures of revenues and other related balances in view of adoption of Ind AS 115***	***<u>Principal Audit Procedures</u>*** We assessed the Group's process to identify the impact of adoption of the new revenue accounting standard. Our audit approach consisted testing of the design and operating effectiveness of the internal controls and substantive testing as follows:

<table>
<tr>
<td></td>
<td>"Revenue from Contracts with Customers" (new revenue accounting standard)

The application of the new revenue accounting standard involves certain key judgements relating to identification of distinct performance obligations, determination of transaction price of the identified performance obligations, the appropriateness of the basis used to measure revenue recognized over a period. Additionally, new revenue accounting standard contains disclosures which involves collation of information in respect of disaggregated revenue and periods over which the remaining performance obligations will be satisfied subsequent to the balance sheet date.

Refer Notes 1.5a and 2.10 to the Interim Consolidated Financial Statements</td>
<td>
Evaluated the design of internal controls relating to implementation of the new revenue accounting standard.
Selected a sample of continuing and new contracts, and tested the operating effectiveness of the internal control, relating to identification of the distinct performance obligations and determination of transaction price. We carried out a combination of procedures involving enquiry and observation, reperformance and inspection of evidence in respect of operation of these controls.
Tested the relevant information technology systems' access and change management controls relating to contracts and related information used in recording and disclosing revenue in accordance with the new revenue accounting standard.
Selected a sample of continuing and new contracts and performed the following procedures:

Read, analysed and identified the distinct performance obligations in these contracts.
Compared these performance obligations with that identified and recorded by the Group.
Considered the terms of the contracts to determine the transaction price including any variable consideration to verify the transaction price used to compute revenue and to test the basis of estimation of the variable consideration.
Samples in respect of revenue recorded for time and material contracts were tested using a combination of approved time sheets including customer acceptances, subsequent invoicing and historical trend of collections and disputes.
In respect of samples relating to fixed price contracts, progress towards satisfaction of performance obligation used to compute recorded revenue was verified with actual and estimated efforts from the time recording and budgeting systems. We also tested the access and change management controls relating to these systems.
Sample of revenues disaggregated by type and service offerings was tested with the performance obligations specified in the underlying contracts.
Performed analytical procedures for reasonableness of revenues disclosed by type and service offerings.
We reviewed the collation of information and the logic of the report generated from the budgeting system used to prepare the disclosure relating to the periods over which the remaining performance obligations will be satisfied subsequent to the balance sheet date.

</td>
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<tr>
<td>2</td>
<td>Accuracy of revenues and onerous obligations in respect of fixed price contracts involves critical estimates

Estimated effort is a critical estimate to determine revenues and liability for onerous obligations. This estimate has a high inherent uncertainty as it requires</td>
<td><u>Principal Audit Procedures</u>

Our audit approach was a combination of test of internal controls and substantive procedures which included the following:

Evaluated the design of internal controls relating to recording of efforts incurred and estimation of efforts required to complete the performance obligations.
Tested the access and application controls pertaining to time recording, allocation and budgeting systems which prevents unauthorised changes to recording of efforts incurred.
Selected a sample of contracts and through inspection of evidence of performance of these controls, tested the operating effectiveness of the internal controls relating to efforts incurred and estimated.
</td>
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</table>

	consideration of progress of the contract, efforts incurred till date and efforts required to complete the remaining contract performance obligations. Refer Notes 1.5a and 2.10 to the Interim Consolidated Financial Statements.	• Selected a sample of contracts and performed a retrospective review of efforts incurred with estimated efforts to identify significant variations and verify whether those variations have been considered in estimating the remaining efforts to complete the contract. • Reviewed a sample of contracts with unbilled revenues to identify possible delays in achieving milestones, which require change in estimated efforts to complete the remaining performance obligations. • Performed analytical procedures and test of details for reasonableness of incurred and estimated efforts.
3	***Evaluation of uncertain tax positions*** The Group has material uncertain tax positions including matters under dispute which involves significant judgment to determine the possible outcome of these disputes. Refer Notes 1.5b to the Interim Consolidated Financial Statements	***<u>Principal Audit Procedures</u>*** Obtained details of completed tax assessments and demands for the year ended March 31, 2019 from management. We involved our internal experts to challenge the management's underlying assumptions in estimating the tax provision and the possible outcome of the disputes. Our internal experts also considered legal precedence and other rulings in evaluating management's position on these uncertain tax positions. Additionally, we considered the effect of new information in respect of uncertain tax positions as at April 1, 2018 to evaluate whether any change was required to management's position on these uncertainties.
4	***Recoverability of Indirect tax receivables*** As at March 31, 2019, non-current assets in respect of withholding tax and others includes Cenvat recoverable amounting to ₹ 523 crores which are pending adjudication. Refer Note 2.4 to the Interim Consolidated Financial statements.	***<u>Principal Audit Procedures</u>*** We have involved our internal experts to review the nature of the amounts recoverable, the sustainability and the likelihood of recoverability upon final resolution.

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 Board 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 consolidated 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 consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the Group'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 Group or to cease operations, or has no realistic alternative but to do so.

The respective Board 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 skepticism 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 the Company's internal financial 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 Group'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 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 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 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 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 interim 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.

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

P. R. RAMESH
Partner
(Membership No.70928)

Bengaluru, April 12, 2019

INFOSYS LIMITED

Standalone Financial Statements
under Indian Accounting Standards (Ind AS)
for the year ended March 31, 2019

Index | **Page No.**

INFOSYS LIMITED

(In ₹ crore)

Balance Sheet as at	Note No.	March 31, 2019	March 31, 2018
ASSETS			
Non-current assets			
Property, plant and equipment	2.1	10,394	9,027
Capital work-in-progress		1,212	1,442
Goodwill	2.2	29	29
Other intangible assets	2.2	74	101
Financial assets			
Investments	2.3	12,062	11,993
Loans	2.4	16	19
Other financial assets	2.5	196	177
Deferred tax assets (net)	2.15	1,114	1,128
Income tax assets (net)		5,870	5,710
Other non-current assets	2.8	1,740	2,161
Total non - current Assets		**32,707**	**31,787**
Current assets			
Financial assets			
Investments	2.3	6,077	5,906
Trade receivables	2.6	13,370	12,151
Cash and cash equivalents	2.7	15,551	16,770
Loans	2.4	1,048	393
Other financial assets	2.5	4,834	5,906
Income tax assets (net)		423	-
Other current assets	2.8	4,920	1,439
		46,223	**42,565**
Assets held for sale	2.3.8	-	1,525
Total current assets		**46,223**	**44,090**
Total Assets		**78,930**	**75,877**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	2.10	2,178	1,092
Other equity		60,533	62,410
Total equity		**62,711**	**63,502**
LIABILITIES			
Non-current liabilities			
Financial liabilities			
Other financial liabilities	2.11	79	55
Deferred tax liabilities (net)	2.15	541	505
Other non-current liabilities	2.13	169	153
Total non - current liabilities		**789**	**713**
Current liabilities			
Financial liabilities			
Trade payables	2.12		
Total outstanding dues of micro enterprises and small enterprises		-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises		1,604	738
Other financial liabilities	2.11	8,528	5,540
Other current liabilities	2.13	3,335	2,972
Provisions	2.14	505	436
Income tax liabilities (net)		1,458	1,976
Total current liabilities		**15,430**	**11,662**
Total equity and liabilities		**78,930**	**75,877**

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

As per our report of even date attached

for Deloitte Haskins & Sells LLP
Chartered Accountants
Firm's Registration Number:
117366W/W-100018

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

P. R. Ramesh
Partner
Membership No. 70928

Nandan M. Nilekani
Chairman

Salil Parekh
Chief Executive officer and Managing Director

U. B. Pravin Rao
Chief Operating Officer and Whole-time Director

Bengaluru
April 12, 2019

D. Sundaram
Director

Nilanjan Roy
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, 2019	Year ended March 31, 2018
Revenue from operations	2.16	73,107	61,941
Other income, net	2.17	2,852	4,019
Total income		**75,959**	**65,960**
Expenses			
Employee benefit expenses	2.18	38,296	32,472
Cost of technical sub-contractors		7,646	5,494
Travel expenses		1,906	1,479
Cost of software packages and others	2.18	1,646	1,270
Communication expenses		339	330
Consultancy and professional charges		1,096	826
Depreciation and amortization expense		1,599	1,408
Other expenses	2.18	2,770	2,184
Reduction in the fair value of assets held for sale	2.3.8	265	589
Adjustment in respect of excess of carrying amount over recoverable amount on reclassification from "Held for Sale"	2.3.8	469	-
Total expenses		**56,032**	**46,052**
Profit before tax		**19,927**	**19,908**
Tax expense:			
Current tax	2.15	5,189	4,003
Deferred tax	2.15	36	(250)
Profit for the period		**14,702**	**16,155**
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss			
Remeasurement of the net defined benefit liability/asset, net		(21)	52
Equity instruments through other comprehensive income, net		78	7
Items that will be reclassified subsequently to profit or loss			
Fair value changes on derivatives designated as cash flow hedge, net		21	(39)
Fair value changes on investments, net	2.3	1	1
Total other comprehensive income/ (loss), net of tax		**79**	**21**
Total comprehensive income for the period		**14,781**	**16,176**
Earnings per equity share			
Equity shares of par value ₹5/- each			
Basic (₹)		33.66	35.64
Diluted (₹)		33.64	35.62
Weighted average equity shares used in computing earnings per equity share			
Basic	2.21	4,36,82,12,119	4,53,26,87,604
Diluted	2.21	4,37,04,12,348	4,53,47,85,242

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

As per our report of even date attached

for Deloitte Haskins & Sells LLP
Chartered Accountants
Firm's Registration Number:
117366W/W-100018

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

P. R. Ramesh	Nandan M. Nilekani	Salil Parekh	U. B. Pravin Rao
Partner	*Chairman*	*Chief Executive officer and Managing Director*	*Chief Operating Officer and Whole-time Director*
Membership No. 70928			
Bengaluru	D. Sundaram	Nilanjan Roy	A. G. S. Manikantha
April 12, 2019	*Director*	*Chief Financial Officer*	*Company Secretary*

INFOSYS LIMITED

Statement of Changes in Equity

(In ₹ crore)

Particulars	Equity Share Capital	Other Equity: Reserves & Surplus: Securities Premium	Retained earnings	General reserve	Share Options Outstanding Account	Special Economic Zone Re-investment reserve [(1)]	Capital reserve: Capital reserve	Capital reserve: Business transfer adjustment reserve[(2)]	Capital redemption reserve	Other comprehensive income: Equity Instruments through other comprehensive income	Effective portion of Cash flow hedges	Other items of other comprehensive income / (loss)	Total equity attributable to equity holders of the Company
Balance as at April 1, 2017	**1,148**	**2,208**	**49,957**	**11,087**	**120**	**-**	**54**	**3,448**	**-**	**(5)**	**39**	**(39)**	**68,017**
Changes in equity for the year ended March 31, 2018													
Profit for the year	-	-	16,155	-	-	-	-	-	-	-	-	-	16,155
Remeasurement of the net defined benefit liability/asset*	-	-	-	-	-	-	-	-	-	-	-	52	52
Equity instruments through other comprehensive income* (Refer note no. 2.3)	-	-	-	-	-	-	-	-	-	7	-	-	7
Fair value changes on derivatives designated as cash flow hedge* (Refer note no. 2.9)	-	-	-	-	-	-	-	-	-	-	(39)	-	(39)
Fair value changes on investments* (refer note no. 2.3)	-	-	-	-	-	-	-	-	-	-	-	1	1
Total comprehensive income for the year	**-**	**-**	**16,155**	**-**	**-**	**-**	**-**	**-**	**-**	**7**	**(39)**	**53**	**16,176**
Transfer to general reserve	-	-	(1,382)	1,382	-	-	-	-	-	-	-	-	-
Transferred to Special Economic Zone Re-investment reserve	-	-	(2,141)	-	-	2,141	-	-	-	-	-	-	-
Transferred from Special Economic Zone Re-investment reserve on utilization	-	-	582	-	-	(582)	-	-	-	-	-	-	-
Exercise of stock options (refer note no. 2.10)	-	67	-	2	(69)	-	-	-	-	-	-	-	-
Shares issued on exercise of employee stock options (Refer to note 2.10)	-	5	-	-	-	-	-	-	-	-	-	-	5
Share based payment to employees of the group (refer note no. 2.10)	-	-	-	-	79	-	-	-	-	-	-	-	79
Dividends (including dividend distribution tax)	-	-	(7,500)	-	-	-	-	-	-	-	-	-	(7,500)
Amount paid upon buyback	(56)	(2,206)	-	(10,738)	-	-	-	-	-	-	-	-	(13,000)
Transaction costs related to buyback (refer note no. 2.10)	-	(46)	-	-	-	-	-	-	-	-	-	-	(46)
Amount transferred to capital redemption reserve upon buyback (refer note no. 2.10)	-	-	-	(56)	-	-	-	-	56	-	-	-	-
Loss recorded upon business transfer (refer note 2.3)	-	-	-	-	-	-	-	(229)	-	-	-	-	(229)
Balance as at March 31, 2018	**1,092**	**28**	**55,671**	**1,677**	**130**	**1,559**	**54**	**3,219**	**56**	**2**	**-**	**14**	**63,502**

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

**net of tax*

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

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

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

As per our report of even date attached
for Deloitte Haskins & Sells LLP
Chartered Accountants
Firm's Registration Number:
117366W/W-100018

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

P. R. Ramesh
Partner
Membership No. 70928

Nandan M. Nilekani
Chairman

Salil Parekh
Chief Executive officer
and Managing Director

U. B. Pravin Rao
Chief Operating Officer
and Whole-time Director

Bengaluru
April 12, 2019

D. Sundaram
Director

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

(In ₹ crore)

Particulars	Note No.	Year ended March 31,	
		2019	2018
Cash flow from operating activities:			
Profit for the year		14,702	16,155
Adjustments to reconcile net profit to net cash provided by operating activities:			
Depreciation and amortization		1,599	1,408
Income tax expense	2.15	5,225	3,753
Impairment loss recognized / (reversed) under expected credit loss model		176	18
Interest and dividend income		(1,996)	(3,169)
Other adjustments		57	40
Reduction in the fair value of assets held for sale	2.3.8	265	589
Adjustment in respect of excess of carrying amount over recoverable amount on reclassification from "Held for Sale"	2.3.8	469	-
Exchange differences on translation of assets and liabilities		80	3
Changes in assets and liabilities			
Trade receivables and unbilled revenue		(2,268)	(1,579)
Other financial assets and other assets		(581)	(207)
Trade payables	2.12	866	466
Other financial liabilities, other liabilities and provisions		1,666	1,052
Cash generated from operations		**20,260**	**18,529**
Income taxes paid		(6,271)	(6,054)
Net cash generated by operating activities		**13,989**	**12,475**
Cash flow from investing activities:			
Expenditure on property, plant and equipment		(2,306)	(1,842)
Deposits placed with corporations		(116)	(106)
Loans to employees		4	19
Loan given to subsidiaries		(678)	(106)
Loan repaid by subsidiary		20	-
Proceeds from redemption of debentures	2.3	335	349
Investment in subsidiaries	2.3	(228)	(212)
Proceeds from return of investment		33	-
Proceeds on liquidation of Noah		-	316
Payment towards acquisition of business	2.3.8	(261)	(295)
Payment of contingent consideration pertaining to acquisition		(6)	(33)
Escrow and other deposits pertaining to buyback	2.5	(257)	-
Payments to acquire investments			
Preference, equity securities and others		(18)	(13)
Liquid mutual fund units and fixed maturity plan securities		(72,889)	(57,250)
Tax free bonds and Government bonds		(11)	(1)
Certificates of deposit		(2,052)	(6,290)
Commercial paper		(491)	(291)
Non convertible debentures		(100)	-
Government securities		(838)	-
Proceeds on sale of investments			
Preference and equity securities		115	10
Liquid mutual fund units and fixed maturity plan securities		71,337	59,364
Tax free bonds and Government bonds		1	-
Non-convertible debentures		602	100
Certificates of deposit		5,150	9,411
Commercial paper		300	-
Government securities		123	-
Interest and dividend received		1,644	1,708
Dividend received from subsidiary		-	846
Net cash used in investing activities		**(587)**	**5,684**
Cash flow from financing activities:			
Buyback of equity shares including transaction cost		(813)	(13,046)
Payment of dividends including dividend distribution tax		(13,761)	(7,495)
Shares issued on exercise of employee stock options		3	5
Net cash used in financing activities		**(14,571)**	**(20,536)**
Effect of exchange differences on translation of foreign currency cash and cash equivalents		(50)	(6)
Net increase / (decrease) in cash and cash equivalents		(1,169)	(2,377)
Cash and cash equivalents at the beginning of the year		16,770	19,153
Cash and cash equivalents at the end of the year		**15,551**	**16,770**
Supplementary information:			
Restricted cash balance		143	375

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

As per our report of even date attached

for Deloitte Haskins & Sells LLP
Chartered Accountants
Firm's Registration Number:
117366W/W-100018

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

P. R. Ramesh *Partner* Membership No. 70928	Nandan M. Nilekani *Chairman*	Salil Parekh *Chief Executive officer and Managing Directo*	U. B. Pravin Rao *Chief Operating Officer and Whole-time Directo*
Bengaluru April 12, 2019	D. Sundaram *Director*	Nilanjan Roy *Chief Financial officer*	A. G. S. Manikantha *Company Secretary*

INFOSYS LIMITED

Notes to the financial statements

1. Overview

1.1 Company overview

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

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

Further, the Company's ADS were also listed on the Euronext London and Euronext Paris. On July 5, 2018, the Company voluntarily delisted its ADS from the said exchanges due to low average daily trading volume of its ADS on these exchanges.

The financial statements are approved for issue by the Company's Board of Directors on April 12, 2019.

1.2 Basis of preparation of financial statements

These financial statements are prepared in accordance with Indian Accounting Standard (Ind AS), under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values, the provisions of the Companies Act, 2013 ('the Act') (to the extent notified) and guidelines issued by the Securities and Exchange Board of India (SEBI). The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued there after.

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

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

1.3 Use of estimates and judgments

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

1.4 Critical accounting estimates

a. Revenue recognition

The Company uses the percentage-of-completion method in accounting for its fixed-price contracts. Use of the percentage-of-completion method requires the Company to estimate the efforts or costs expended to date as a proportion of the total efforts or costs to be expended. Efforts or costs expended have been used to measure progress towards completion as there is a direct relationship between input and productivity.

Further, the Company uses significant judgments while determining the transaction price allocated to performance obligations using the expected cost plus margin approach.

Provisions for estimated losses, if any, on uncompleted contracts are recorded in the period in which such losses become probable based on the expected contract estimates at the reporting date.

b. Income taxes

The Company's two major tax jurisdictions are India and the U.S., though the Company also files tax returns in other overseas jurisdictions. Significant judgments are involved in determining the provision for income taxes, including amount expected to be paid/recovered for uncertain tax positions. Also refer note no.2.15 and note no. 2.22.

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

c. Property, plant and equipment

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

d. Non-current assets held for sale

Assets held for sale are measured at the lower of carrying amount or fair value less costs to sell. The determination of fair value less costs to sell includes use of management estimates and assumptions. The fair value of the assets held for sale has been estimated using valuation techniques (including income and market approach) which includes unobservable inputs. Non-current assets and Disposal Group that ceases to be classified as held for sale shall be measured at the lower of carrying amount before the non-current asset and Disposal Group was classified as held for sale and its recoverable amount at the date of the subsequent decision not to sell (Refer note no. 2.3). Recoverable amounts of assets reclassified from held for sale have been estimated using management's assumptions which consist of significant unobservable inputs.

1.5 Recent accounting pronouncements

Ind AS 116 Leases : On March 30, 2019, Ministry of Corporate Affairs has notified Ind AS 116, Leases. Ind AS 116 will replace the existing leases Standard, Ind AS 17 Leases, and related Interpretations. The Standard sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lessor. Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than twelve months, unless the underlying asset is of low value. Currently, operating lease expenses are charged to the statement of Profit & Loss. The Standard also contains enhanced disclosure requirements for lessees. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17.

The effective date for adoption of Ind AS 116 is annual periods beginning on or after April 1, 2019. The standard permits two possible methods of transition:
• Full retrospective – Retrospectively to each prior period presented applying Ind AS 8 Accounting Policies, Changes in Accounting Estimates and Errors

• Modified retrospective – Retrospectively, with the cumulative effect of initially applying the Standard recognized at the date of initial application.

Under modified retrospective approach, the lessee records the lease liability as the present value of the remaining lease payments, discounted at the incremental borrowing rate and the right of use asset either as:
• Its carrying amount as if the standard had been applied since the commencement date, but discounted at lessee's incremental borrowing rate at the date of initial application or
• An amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments related to that lease recognized under Ind AS 17 immediately before the date of initial application.
Certain practical expedients are available under both the methods.

On completion of evaluation of the effect of adoption of Ind AS 116, the Company is proposing to use the 'Modified Retrospective Approach' for transitioning to Ind AS 116, and take the cumulative adjustment to retained earnings, on the date of initial application (April 1, 2019). Accordingly, comparatives for the year ended March 31, 2019 will not be retrospectively adjusted. The Company has elected certain available practical expedients on transition.

The effect of adoption as on transition date would majorly result in an increase in Right of use asset approximately by ₹1,300 crore, net lease receivable on account of sub lease approximately by ₹550 crore and an increase in lease liability approximately by ₹2,000 crore.

Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments : On March 30, 2019, Ministry of Corporate Affairs has notified Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments which is to be applied while performing the determination of taxable profit (or loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. According to the appendix, companies need to determine the probability of the relevant tax authority accepting each tax treatment, or group of tax treatments, that the companies have used or plan to use in their income tax filing which has to be considered to compute the most likely amount or the expected value of the tax treatment when determining taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates.

The standard permits two possible methods of transition - i) Full retrospective approach – Under this approach, Appendix C will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors, without using hindsight and ii) Retrospectively with cumulative effect of initially applying Appendix C recognized by adjusting equity on initial application, without adjusting comparatives.

The effective date for adoption of Ind AS 12 Appendix C is annual periods beginning on or after April 1, 2019. The Company will adopt the standard on April 1, 2019 and has decided to adjust the cumulative effect in equity on the date of initial application i.e. April 1, 2019 without adjusting comparatives.

The effect on adoption of Ind AS 12 Appendix C would be insignificant in the standalone financial statements.

Amendment to Ind AS 12 – Income taxes : On March 30, 2019, Ministry of Corporate Affairs issued amendments to the guidance in Ind AS 12, 'Income Taxes', in connection with accounting for dividend distribution taxes.

The amendment clarifies that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events.

Effective date for application of this amendment is annual period beginning on or after April 1, 2019. The Company is currently evaluating the effect of this amendment on the standalone financial statements.

Amendment to Ind AS 19 – plan amendment, curtailment or settlement- On March 30, 2019, Ministry of Corporate Affairs issued amendments to Ind AS 19, 'Employee Benefits', in connection with accounting for plan amendments, curtailments and settlements.

The amendments require an entity:
• to use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement; and
• to recognise in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognised because of the impact of the asset ceiling.

Effective date for application of this amendment is annual period beginning on or after April 1, 2019. The Company does not have any impact on account of this amendment.

2.1 PROPERTY, PLANT AND EQUIPMENT

Accounting Policy

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

Building[(1)]	22-25 years
Plant and machinery[(1)(2)]	5 years
Office equipment	5 years
Computer equipment[(1)]	3-5 years
Furniture and fixtures[(1)]	5 years
Vehicles[(1)]	5 years
Leasehold improvements	Over lease term

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

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

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

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

Impairment

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

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

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

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

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

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

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

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

Gross carrying value of leasehold land represents amounts paid under certain lease-cum-sale agreements to acquire land including agreements where the Company has an option to purchase or renew the properties on expiry of the lease period.

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

Tangible assets provided on operating lease to subsidiaries as at March 31, 2019 and March 31, 2018 are as follows:

(In ₹ crore)

Particulars	**Cost**	**Accumulated depreciation**	**Net book value**
Buildings	186	84	102
	190	*82*	*108*
Plant and machinery	30	28	2
	33	*25*	*8*
Furniture and fixtures	24	23	1
	25	*20*	*5*
Computer Equipment	3	3	-
	3	*2*	*1*
Office equipment	16	15	1
	18	*13*	*5*

(In ₹ crore)

Particulars	**Year ended March 31,**	
	2019	**2018**
Aggregate depreciation charged on above assets	19	20
Rental income from subsidiaries	63	67

2.2 GOODWILL AND OTHER INTANGIBLE ASSETS

2.2.1 Goodwill

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

(In ₹ crore)

Particulars	As at	
	March 31, 2019	**March 31, 2018**
Carrying value at the beginning	29	-
Goodwill on business transfer of Noah (refer note 2.3.1)	-	29
Translation differences	-	-
Carrying value at the end	**29**	**29**

2.2.2 Other Intangible Assets:
Accounting Policy

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

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

Following are the changes in the carrying value of acquired intangible assets for the year ended March 31, 2019: *(In ₹ crore)*

Particulars	Customer related	Sub-Contracting rights related	Trade name related	Others	Total
Gross carrying value as at April 1, 2018	113	-	26	26	165
Transfer of Assets	-	-	-	-	-
Deletions during the year	-	-	-	-	-
Gross carrying value as at March 31, 2019	**113**	**-**	**26**	**26**	**165**
Accumulated amortization as at April 1, 2018	(40)	-	(12)	(12)	(64)
Transfer of Assets	-	-	-	-	-
Amortization expense	(16)	-	(6)	(5)	(27)
Accumulated amortization on deletions	-	-	-	-	-
Accumulated amortization as at March 31, 2019	**(56)**	-	**(18)**	**(17)**	**(91)**
Carrying value as at March 31, 2019	**57**	**-**	**8**	**9**	**74**
Carrying value as at April 1, 2018	73	-	14	14	101
Estimated Useful Life *(in years)*	7	-	5	5	-
Estimated Remaining Useful Life *(in years)*	4	-	2	2	-

Following are the changes in the carrying value of acquired intangible assets for the year ended March 31, 2018: *(In ₹ crore)*

Particulars	Customer related	Sub-Contracting rights related	Trade name related	Others	Total
Gross carrying value as at April 1, 2017	-	21	-	9	30
Transfer of Assets (refer note 2.3.1)	113	-	26	26	165
Deletions during the period	-	(21)	-	(9)	(30)
Gross carrying value as at March 31, 2018	**113**	**-**	**26**	**26**	**165**
Accumulated amortization as at April 1, 2017	-	(21)	-	(9)	(30)
Transfer of Assets (refer note 2.3.1)	(33)	-	(10)	(10)	(53)
Amortization expense	(7)	-	(2)	(2)	(11)
Accumulated amortization on deletions	-	21	-	9	30
Accumulated amortization as at March 31, 2018	**(40)**	-	**(12)**	**(12)**	**(64)**
Carrying value as at March 31, 2018	**73**	**-**	**14**	**14**	**101**
Carrying value as at April 1, 2017	-	-	-	-	-
Estimated Useful Life *(in years)*	2 - 10	-	5	5	-
Estimated Remaining Useful Life *(in years)*	5	-	3	3	-

Research and Development expense recognized in net profit in the statement of profit and loss for the year ended March 31, 2019 and March 31, 2018 is ₹416 crore and ₹374 crore, respectively.

2.3 INVESTMENTS AND ASSETS HELD FOR SALE

(In ₹ crore)

Particulars	As at March 31, 2019	As at March 31, 2018
Non-current investments		
Equity instruments of subsidiaries	6,349	5,013
Debentures of subsidiary	1,445	1,780
Preference securities and equity instruments	90	117
Others	16	7
Tax free bonds	1,828	1,831
Fixed maturity plans securities	401	376
Non-convertible debentures	1,209	2,869
Government Securities	724	-
Total non-current investments	**12,062**	**11,993**
Current investments		
Liquid mutual fund units	1,701	-
Certificates of deposit	2,123	4,901
Government bonds	12	1
Non-convertible debentures	1,746	711
Commercial paper	495	293
Total current investments	**6,077**	**5,906**
Total carrying value	**18,139**	**17,899**

(In ₹ crore, except as otherwise stated)

Particulars	As at March 31, 2019	As at March 31, 2018
Non-current investments		
Unquoted		
Investment carried at cost		
Investments in equity instruments of subsidiaries		
Infosys BPM Limited (formerly Infosys BPO Limited)	659	659
3,38,22,319 (3,38,22,319) equity shares of ₹10/- each, fully paid		
Infosys Technologies (China) Co. Limited	333	333
Infosys Technologies (Australia) Pty Limited [(1)]	5	38
1,01,08,869 (1,01,08,869) equity shares of AUD 0.11 par value, fully paid		
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 Technologia do Brasil Ltda	276	149
12,84,20,748 (5,91,24,348) shares of BRL 1.00 par value, fully paid		
Infosys Technologies (Shanghai) Company Limited	900	900
Infosys Public Services, Inc.	99	99
3,50,00,000 (3,50,00,000) shares of USD 0.50 par value, fully paid		
Infosys Consulting Holding AG	1,323	1,323
23,050 (23,350) - Class A shares of CHF 1,000 each and 26,460 (29,400) - Class B Shares of CHF 100 each, fully paid up		
Infosys Americas Inc.	1	1
10,000 (10,000) shares of USD 10 per share, fully paid up		
EdgeVerve Systems Limited	1,312	1,312
1,31,18,40,000 (1,31,18,40,000) equity shares of ₹10/- each, fully paid		
Infosys Nova Holdings LLC * [(1)]	-	-
Noah Consulting LLC (refer note 2.3.1)	-	-
Infosys Consulting Pte Ltd (formerly Lodestone Management Consultants Pte Ltd)	10	10
1,09,90,000 (1,09,90,000) shares of SGD 1.00 par value, fully paid		
Brilliant Basics Holding Limited (refer note 2.3.2)	59	46
1,346 (1,170) shares of GBP 0.005 each, fully paid up		
Infosys Arabia Limited	2	2
70 (70) shares		
Kallidus Inc. (refer note no. 2.3.8)	150	-
10,21,35,416 (10,21,35,416) shares		
Skava Systems Private Limited (refer note no. 2.3.8)	59	-
25,000 (25,000) shares of ₹10/- per share, fully paid up		
Panaya Inc. (refer note no. 2.3.8)	582	-
2 (2) shares of USD 0.01 per share, fully paid up		
Infosys Chile SpA	7	-
100 (Nil) shares		
Wongdoody Holding Company Inc (refer note no. 2.3.3)	350	-
2,000 (Nil) shares		
Infosys Luxembourg S.a r.l.	4	-
3,700 (Nil) shares		
Infosys Austria GmBH (formerly known as Lodestone Management Consultants GmbH)	-	-
80,000 (80,000) shares of EUR 1/- par value, fully paid up		
Infosys Consulting Brazil	43	-
8,26,56,605 (Nil) shares of BRL 1/- per share, fully paid up		
Infosys Romania	34	-
99,183 (Nil) shares of RON 100/- per share, fully paid up		
	6,349	**5,013**

Investment carried at amortized cost		
Investment in debentures of subsidiary		
EdgeVerve Systems Limited		
14,45,00,000 (17,80,00,000) Unsecured redeemable, non-convertible debentures of ₹ 100/- each fully paid up	1,445	1,780
	1,445	**1,780**
Investments carried at fair value through profit or loss		
Others	16	7
	16	**7**
Investment carried at fair value through other comprehensive income (FVOCI)		
Preference securities	89	116
Equity instruments	1	1
	90	**117**

(In ₹ crore, except as otherwise stated)

Particulars	**As at March 31, 2019**	**As at March 31, 2018**
Quoted		
Investments carried at amortized cost		
Tax free bonds	1,828	1,831
	1,828	**1,831**
Investments carried at fair value through profit or loss		
Fixed maturity plans securities	401	376
	401	**376**
Investments carried at fair value through other comprehensive income		
Non-convertible debentures	1,209	2,869
Government Securities	724	-
	1,933	**2,869**
Total non-current investments	**12,062**	**11,993**
Current investments		
Unquoted		
Investments carried at fair value through profit or loss		
Liquid mutual fund units	1,701	-
	1,701	**-**
Investments carried at fair value through other comprehensive income		
Commercial paper	495	293
Certificates of deposit	2,123	4,901
	2,618	**5,194**
Quoted		
Investments carried at amortized cost		
Government bonds	12	1
	12	**1**
Investments carried at fair value through other comprehensive income		
Non-convertible debentures	1,746	711
	1,746	**711**
Total current investments	**6,077**	**5,906**
Total investments	**18,139**	**17,899**
Aggregate amount of quoted investments	5,920	5,788
Market value of quoted investments (including interest accrued)	6,131	6,045
Aggregate amount of unquoted investments	12,219	12,111
(1) Aggregate amount of impairment in value of investments	122	122
Reduction in the fair value of assets held for sale (refer note no 2.3.8)	854	589
Adjustment in respect of excess of carrying amount over recoverable amount on reclassification from "Held for Sale" (refer note no 2.3.8)	469	-
Investments carried at cost	6,349	5,013
Investments carried at amortized cost	3,285	3,612
Investments carried at fair value through other comprehensive income	6,387	8,891
Investments carried at fair value through profit or loss	2,118	383

Note: Uncalled capital commitments outstanding as of March 31, 2019 and March 31, 2018 was ₹17 crore and ₹36 crore, respectively.

** During the three months ended June 30, 2017, Infosys Nova Holding LLC, a wholly-owned subsidiary, has written down the entire carrying value of its investment in its associate DWA Nova LLC. Consequently, the Company has written down the entire carrying value of the investment in its subsidiary Infosys Nova Holdings LLC, amounting to ₹94 crore*

Refer note no. 2.9 for accounting policies on financial instruments.

Details of amounts recorded in Other comprehensive income:

(In ₹ crore)

	Year ended					
	March 31, 2019			March 31, 2018		
	Gross	**Tax**	**Net**	**Gross**	**Tax**	**Net**
Net Gain/(loss) on						
Non-convertible debentures	1	-	1	(11)	2	(9)
Government Securities	4	(1)	3	-	-	-
Certificate of deposits	(5)	2	(3)	15	(5)	10
Equity and preference securities	73	5	78	4	3	7

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

Class of investment	**Method**	**Fair value as at**	
		March 31, 2019	**March 31, 2018**
Liquid mutual fund units	Quoted price	1,701	-
Fixed maturity plan securities	Market observable inputs	401	376
Tax free bonds and government bonds	Quoted price and market observable inputs	2,048	2,079
Non-convertible debentures	Quoted price and market observable inputs	2,955	3,580
Government Securities	Quoted price and market observable inputs	724	-
Certificate of deposits	Market observable inputs	2,123	4,901
Commercial paper	Market observable inputs	495	293
Unquoted equity and preference securities	Discounted cash flows method, Market multiples method, Option pricing model, etc.	90	117
Others	Discounted cash flows method, Market multiples method, Option pricing model, etc.	16	7

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

2.3.1 Business transfer- Noah Consulting LLC

On July 14, 2017, the Board of Directors of Infosys authorized the Company to execute a Business Transfer Agreement and related documents with Noah Consulting LLC, a wholly owned subsidiary, to transfer the business of Noah Consulting LLC to Infosys Limited, subject to securing the requisite regulatory approvals for a consideration based on an independent valuation. Subsequently on October 17, 2017 , the company entered into a business transfer agreement to transfer the business for a consideration of $41 million (₹266 crore) and the transfer was with effect from October 25, 2017.

The transaction was between a holding company and a wholly owned subsidiary, the resultant impact on account of business transfer was recorded in 'Business Transfer Adjustment Reserve' during the year ended March 31, 2018. The table below details out the assets and liabilities taken over upon business transfer:

(In ₹ crore)

Particulars	**Amount**
Goodwill	29
Trade name	16
Customer contracts	80
Other intangibles	16
Deferred tax assets	13
Net assets / (liabilities), others	(117)
Total	**37**
Less: Consideration paid	266
Business transfer reserve	**(229)**

Subsequently, in November 2017, Noah Consulting LLC has been liquidated and the Company received ₹316 crore as proceeds on liquidation.

2.3.2 Brilliant Basics Holdings Limited.

On September 8, 2017, Infosys acquired 100% of the voting interests in Brilliant Basics Holdings Limited., UK, (Brilliant Basics) a product design and customer experience innovator with experience in executing global programs. The business acquisition was conducted by entering into a share purchase agreement for cash consideration of ₹29 crore, contingent consideration of up to ₹20 crore and an additional consideration of upto ₹13 crore, referred to as retention bonus, payable to the employees of Brilliant Basics at each anniversary year over the next two years, subject to their continuous employment with the group at each anniversary. The fair value of contingent consideration on the date of acquisition is ₹17 crore.

2.3.3 Wongdoody Holding Company Inc

On May 22, 2018, Infosys acquired 100% of the voting interests in WongDoody Holding Company Inc., (WongDoody) an US-based, full-service creative and consumer insights agency. The business acquisition was conducted by entering into a share purchase agreement for a total consideration of up to $75 million (approximately ₹514 crore on acquisition date), which includes a cash consideration of $38 million (approximately ₹261 crore), contingent consideration of up to $28 million (approximately ₹192 crore on acquisition date) and an additional consideration of up to $9 million (approximately ₹61 crore on acquisition date), referred to as retention bonus, payable to the employees of WongDoody over the next three years, subject to their continuous employment with the group. The fair value of contingent consideration on the date of acquisition is ₹89 crore.

2.3.4 Details of Investments

The details of non-current other investments in preferred stock and equity instruments as at March 31, 2019 and March 31, 2018 are as follows:

(in ₹ crore)

Particulars	As at	
	March 31, 2019	March 31, 2018
Preference Securities		
Airviz Inc.	3	6
2,82,279 (2,82,279) Series A Preferred Stock, fully paid up, par value USD 0.001 each		
Whoop Inc	14	20
16,48,352 (16,48,352) Series B Preferred Stock, fully paid up, par value USD 0.0001 each		
CloudEndure Ltd.	-	26
Nil (25,59,290) Preferred Series B Shares, fully paid up, par value ILS 0.01 each		
Nivetti Systems Private Limited	10	10
2,28,501 (2,28,501) Preferred Stock, fully paid up, par value ₹1 each		
Waterline Data Science, Inc	25	23
39,33,910 (39,33,910) Preferred Series B Shares, fully paid up, par value USD 0.00001 each		
13,35,707 (Nil) Preferred Series C Shares, fully paid up, par value USD 0.00001 each		
Trifacta Inc.	27	21
11,80,358 (11,80,358) Preferred Stock		
Ideaforge	10	10
5,402 (5,402) Series A compulsorily convertible cumulative Preference shares of ₹10 each, fully paid up.		
Equity Instrument		
Merasport Technologies Private Limited	-	-
2,420 (2,420) equity shares at ₹ 8,052/- each, fully paid up, par value ₹10/- each		
Global Innovation and Technology Alliance	1	1
15,000 (15,000) equity shares at ₹1,000/- each, fully paid up, par value ₹1,000/- each		
Ideaforge	-	-
100 (100) equity shares at ₹10/-, fully paid up		
Others		
Stellaris Venture Partners India	16	7
	106	**124**

2.3.5 Details of Investments in tax free bonds and government bonds

The balances held in tax free bonds as at March 31, 2019 and March 31, 2018 is as follows: *(In ₹ crore, except as otherwise stated)*

Particulars	Face Value ₹	March 31, 2019		March 31, 2018	
		Units	Amount	Units	Amount
7.04% Indian Railway Finance Corporation Limited Bonds 03MAR2026	10,00,000	470	50	470	50
7.16% Power Finance Corporation Limited Bonds 17JUL2025	10,00,000	1,000	105	1,000	106
7.18% Indian Railway Finance Corporation Limited Bonds 19FEB2023	1,000	2,000,000	201	2,000,000	201
7.28% Indian Railway Finance Corporation Limited Bonds 21DEC2030	1,000	422,800	42	422,800	42
7.28% National Highways Authority of India Limited Bonds 18SEP2030	10,00,000	3,300	342	3,300	343
7.34% Indian Railway Finance Corporation Limited Bonds 19FEB2028	1,000	2,100,000	210	2,100,000	211
7.35% National Highways Authority of India Limited Bonds 11JAN2031	1,000	571,396	57	571,396	57
7.93% Rural Electrification Corporation Limited Bonds 27MAR2022	1,000	200,000	21	200,000	21
8.10% Indian Railway Finance Corporation Limited Bonds 23FEB2027	1,000	500,000	52	500,000	52
8.26% India Infrastructure Finance Company Limited Bonds 23AUG2028	10,00,000	1,000	100	1,000	100
8.30% National Highways Authority of India Limited Bonds 25JAN2027	1,000	500,000	53	500,000	53
8.35% National Highways Authority of India Limited Bonds 22NOV2023	10,00,000	1,500	150	1,500	150
8.46% India Infrastructure Finance Company Limited Bonds 30AUG2028	10,00,000	2,000	200	2,000	200
8.46% Power Finance Corporation Limited Bonds 30AUG2028	10,00,000	1,500	150	1,500	150
8.48% India Infrastructure Finance Company Limited Bonds 05SEP2028	10,00,000	450	45	450	45
8.54% Power Finance Corporation Limited Bonds 16NOV2028	1,000	5,00,000	50	500,000	50
Total investments in tax-free bonds		**68,05,416**	**1,828**	**68,05,416**	**1,831**

The balances held in government bonds as at March 31, 2019 and March 31, 2018 is as follows: *(In ₹ crore, except as otherwise stated)*

Particulars	Face Value PHP	March 31, 2019		March 31, 2018	
		Units	Amount	Units	Amount
Treasury Notes Philippines Govt. 09MAY2018	100	-	-	100,000	1
Treasury Notes Philippines Govt. 17APRIL2019	100	90,000	12	-	-
Total investments in government bonds		**90,000**	**12**	**100,000**	**1**

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

The balances held in liquid mutual fund as at March 31, 2019 and March 31, 2018 is as follows: *(In ₹ crore, except as otherwise stated)*

Particulars	March 31, 2019		March 31, 2018	
	Units	Amount	Units	Amount
Aditya Birla Sun life Corporate Bond Fund -Growth -Direct Plan	19,600,407	141	-	-
Aditya Birla Sun life Money Manager Fund -Growth -Direct Plan	7,975,385	201	-	-
HDFC Money market Fund- Direct Plan- Growth Option	772,637	303	-	-
ICICI Prudential Savings Fund- Direct Plan-Growth	8,340,260	301	-	-
IDFC Corporate Bond - Fund Direct Plan	119,581,942	154	-	-
Kotak Money Market Fund- Direct Plan- Growth Option	973,751	301	-	-
SBI Premier Liquid Fund -Direct Plan -Growth	1,025,678	300	-	-
Total investments in liquid mutual fund units	**158,270,060**	**1,701**	**-**	**-**

The balances held in fixed maturity plan security as at March 31, 2019 and March 31, 2018 is as follows: *(In ₹ crore, except as otherwise stated)*

Particulars	March 31, 2019		March 31, 2018	
	Units	Amount	Units	Amount
Aditya Birla Sun Life Fixed Term Plan- Series OD 1145 Days- GR Direct	5,00,00,000	58	5,00,00,000	54
Aditya Birla Sun Life Fixed Term Plan- Series OE 1153 days- GR Direct	2,50,00,000	29	2,50,00,000	27
HDFC FMP 1155D Feb 2017- Direct Growth- Series 37	2,80,00,000	32	2,80,00,000	30
HDFC FMP 1169D Feb 2017- Direct- Quarterly Dividend- Series 37	4,50,00,000	45	4,50,00,000	45
ICICI FMP Series 80-1194 D Plan F Div	4,00,00,000	46	4,00,00,000	43
ICICI Prudential Fixed Maturity Plan Series 80- 1187 Days Plan G Direct Plan	4,20,00,000	49	4,20,00,000	45
ICICI Prudential Fixed Maturity Plan Series 80- 1253 Days Plan J Direct Plan	3,00,00,000	35	3,00,00,000	32
IDFC Fixed Term Plan Series 129 Direct Plan- Growth 1147 Days	1,00,00,000	12	1,00,00,000	11
IDFC Fixed Term Plan Series 131 Direct Plan- Growth 1139 Days	1,50,00,000	17	1,50,00,000	16
Kotak FMP Series 199 Direct- Growth	3,50,00,000	40	3,50,00,000	37
Reliance Fixed Horizon Fund- XXXII Series 8- Dividend Plan	3,50,00,000	38	3,50,00,000	36
Total investments in fixed maturity plan securities	**35,50,00,000**	**401**	**35,50,00,000**	**376**

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

The balances held in non convertible debenture units as at March 31, 2019 and March 31, 2018 is as follows: *(in ₹ crore, except as otherwise stated)*

Particulars		March 31, 2019		March 31, 2018	
	Face Value ₹	Units	Amount	Units	Amount
7.48% Housing Development Finance Corporation Ltd 18NOV2019	1,00,00,000/-	50	51	50	51
7.58% LIC Housing Finance Ltd 28FEB2020	10,00,000/-	1,000	101	1,000	101
7.58% LIC Housing Finance Ltd 11JUN2020	10,00,000/-	500	51	500	52
7.59% LIC Housing Finance Ltd 14OCT2021	10,00,000/-	3,000	306	3,000	306
7.75% LIC Housing Finance Ltd 27AUG2021	10,00,000/-	1,250	127	1,250	129
7.79% LIC Housing Finance Ltd 19JUN2020	10,00,000/-	500	53	500	53
7.80% Housing Development Finance Corporation Ltd 11NOV2019	1,00,00,000/-	150	154	150	153
7.81% LIC Housing Finance Ltd 27APR2020	10,00,000/-	2,000	214	2,000	214
7.95% Housing Development Finance Corporation Ltd 23SEP2019	1,00,00,000/-	50	52	50	53
8.02% LIC Housing Finance Ltd 18FEB2020	10,00,000/-	500	51	500	50
8.26% Housing Development Finance Corporation Ltd 12AUG2019	1,00,00,000/-	100	105	100	105
8.34% Housing Development Finance Corporation Ltd 06MAR2019	1,00,00,000/-	-	-	200	215
8.37% LIC Housing Finance Ltd 03OCT2019	10,00,000/-	2,000	216	2,000	216
8.37% LIC Housing Finance Ltd 10MAY2021	10,00,000/-	500	54	500	54
8.46% Housing Development Finance Corporation Ltd 11MAR2019	1,00,00,000/-	-	-	50	54
8.47% LIC Housing Finance Ltd 21JAN2020	10,00,000/-	500	51	500	51
8.49% Housing Development Finance Corporation Ltd 27APR2020	5,00,000/-	900	49	-	-
8.50% Housing Development Finance Corporation Ltd 31AUG2020	1,00,00,000/-	100	105	50	54
8.54% IDFC Bank Ltd 30MAY2018	10,00,000/-	-	-	1,500	194
8.59% Housing Development Finance Corporation Ltd 14JUN2019	1,00,00,000/-	50	51	50	51
8.60% LIC Housing Finance Ltd 29JUL2020	10,00,000/-	1,400	149	1,400	151
8.61% LIC Housing Finance Ltd 11DEC2019	10,00,000/-	1,000	103	1,000	104
8.66% IDFC Bank Ltd 25JUN2018	10,00,000/-	-	-	1,520	196
8.72% Housing Development Finance Corporation Ltd 15APR2019	1,00,00,000/-	75	75	75	76
8.75% Housing Development Finance Corporation Ltd 13JAN2020	500,000/-	5,000	256	5,000	256

8.75% LIC Housing Finance Ltd 14JAN2020	10,00,000/-	1,070	110	1,070	112
8.75% LIC Housing Finance Ltd 21DEC2020	10,00,000/-	1,000	101	1,000	102
8.97% LIC Housing Finance Ltd 29OCT2019	10,00,000/-	500	52	500	52
9.45% Housing Development Finance Corporation Ltd 21AUG2019	10,00,000/-	3,000	318	3,000	323
9.65% Housing Development Finance Corporation Ltd 19JAN2019	10,00,000/-	-	-	500	52
Total investments in non-convertible debentures		**26,195**	**2,955**	**29,015**	**3,580**

The balances held in government securities as at March 31, 2019 and March 31, 2018 are as follows: *(in ₹ crore, except as otherwise stated)*

Particulars		**March 31, 2019**		**March 31, 2018**	
	Face Value ₹	**Units**	**Amount**	**Units**	**Amount**
7.17% Government of India 8JAN2028	10000/-	675,000	672	-	-
7.95% Government of India 28AUG2032	10000/-	50,000	52	-	-
Total investments in government securities		**725,000**	**724**	**-**	**-**

The balances held in certificate of deposits as at March 31, 2019 and March 31, 2018 is as follows: *(in ₹ crore, except as otherwise stated)*

Particulars		**March 31, 2019**		**March 31, 2018**	
	Face Value ₹	**Units**	**Amount**	**Units**	**Amount**
Axis Bank	1,00,000/-	80,000	774	185,000	1,767
HDFC Bank	1,00,000/-	-	-	15,000	147
ICICI Bank	1,00,000/-	75,000	738	110,000	1,035
IndusInd Bank	1,00,000/-	-	-	135,000	1,272
Kotak Bank	1,00,000/-	50,000	486	70,000	680
Vijaya Bank	1,00,000/-	12,500	125	-	-
Total investments in certificates of deposit		**217,500**	**2,123**	**515,000**	**4,901**

The balances held in commercial paper as at March 31, 2019 and March 31, 2018 is as follows: *(in ₹ crore, except as otherwise stated)*

Particulars		**March 31, 2019**		**March 31, 2018**	
	Face Value ₹	**Units**	**Amount**	**Units**	**Amount**
LIC	5,00,000/-	10,000	495	6,000	293
Total investments in commercial paper		**10,000**	**495**	**6,000**	**293**

2.3.8 Assets held for sale

Accounting policy

Non-current assets and Disposal Group are classified as held for sale if their carrying amount is intended to be recovered principally through sale rather than through continuing use. The condition for classification of held for sale is met when the non-current asset or the Disposal Group is available for immediate sale and the same is highly probable of being completed within one year from the date of classification as held for sale. Non-current assets and Disposal Group held for sale are measured at the lower of carrying amount and fair value less cost to sell. Non-current assets and Disposal Group that ceases to be classified as held for sale shall be measured at the lower of carrying amount before the non-current asset and Disposal Group was classified as held for sale adjusted for any depreciation/ amortization and its recoverable amount at the date when the Disposal Group no longer meets the "Held for sale" criteria.

In the three months ended March 2018, the Company had initiated identification and evaluation of potential buyers for the sale of its investment in subsidiaries, Kallidus and Skava (together referred to as "Skava") and Panaya. The investment in these subsidiaries was classified and presented separately as "held for sale" and was carried at the lower of carrying value and fair value. Consequently, the Company has recognized a reduction in the fair value of investment amounting to ₹589 crore during the three months and year ended March 31, 2018 in respect of Panaya in the standalone financial statements of Infosys. During the three months ended June 30, 2018, on remeasurement, including consideration of progress in negotiations on offers from prospective buyers for Panaya, the Company has recorded a reduction in the fair value of investment amounting to ₹265 crore in respect of Panaya.

During the three months ended December 31, 2018, based on evaluation of proposals received and progress of negotiations with potential buyers, the Company concluded that the investments in Panaya and Skava does not meet the criteria for "Held for Sale' classification because it is no longer highly probable that sale would be consummated by March 31, 2019 (twelve months from date of initial classification " as held for sale") Accordingly, in accordance with Ind AS 105 -" Non current Assets held for Sale and Discontinued Operations", the investment in subsidiaries, Panaya and Skava have been included in non-current investments line item in the standalone financial statements as at December 31, 2018 and March 31, 2019.

On reclassification from "Held for sale", the investment in subsidiaries, Panaya and Skava have been remeasured in the quarter ended December 31, 2018 at the lower of cost and recoverable amount resulting in recognition of an adjustment in respect of excess of carrying amount over recoverable amount on reclassification from "Held for Sale" of ₹469 crore in respect of Skava in the standalone statement of profit and loss for the three months and nine months ended December 31, 2018.

2.4 LOANS

(In ₹ crore)

Particulars	As at March 31, 2019	As at March 31, 2018
Non- Current		
Unsecured, considered good		
Other Loans		
Loans to employees	16	19
	16	**19**
Unsecured, considered doubtful		
Other Loans		
Loans to employees	18	12
	34	**31**
Less: Allowance for doubtful loans to employees	18	12
Total non - current loans	**16**	**19**
Current		
Loan receivables considered good - Unsecured		
Loans to subsidiaries *(Refer note no.2.23)*	841	185
Other Loans		
Loans to employees	207	208
Total current loans	**1,048**	**393**
Total Loans	**1,064**	**412**

2.5 OTHER FINANCIAL ASSETS

(In ₹ crore)

Particulars	As at March 31, 2019	As at March 31, 2018
Non-current		
Security deposits [(1)]	47	48
Rental deposits [(1)]	149	129
Total non-current other financial assets	**196**	**177**
Current		
Security deposits [(1)]	1	2
Rental deposits [(1)]	3	6
Restricted deposits [(1)*]	1,531	1,415
Unbilled revenues [(1)(5)#]	1,541	3,573
Interest accrued but not due [(1)]	865	739
Foreign currency forward and options contracts [(2)(3)]	321	16
Escrow and other deposits pertaining to buyback (refer to note 2.10) [(1)]	257	-
Others [(1)(4)]	315	155
Total current other financial assets	**4,834**	**5,906**
Total other financial assets	**5,030**	**6,083**
[(1)] Financial assets carried at amortized cost	4,709	6,067
[(2)]Financial assets carried at fair value through other comprehensive income	37	12
[(3)]Financial assets carried at fair value through Profit or Loss	284	4
[(4)] Includes dues from subsidiaries (Refer note no. 2.23)	34	40
[(5)] Includes dues from subsidiaries (Refer note no. 2.23)	51	32

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

Classified as financial asset as right to consideration is unconditional upon passage of time.

2.6 TRADE RECEIVABLES

(In ₹ crore)

Particulars	As at March 31, 2019	As at March 31, 2018
Current		
Unsecured		
Considered good[(2)]	13,370	12,151
Considered doubtful	431	315
	13,801	12,466
Less: Allowances for credit losses	431	315
Total trade receivables[(1)]	**13,370**	**12,151**
[(1)] *Includes dues from companies where directors are interested*	-	-
[(2)] *Includes dues from subsidiaries (refer note no. 2.23)*	325	335

2.7 CASH AND CASH EQUIVALENTS

(In ₹ crore)

Particulars	As at March 31, 2019	As at March 31, 2018
Balances with banks		
In current and deposit accounts	10,957	10,789
Cash on hand	-	-
Others		
Deposits with financial institutions	4,594	5,981
Total Cash and cash equivalents	**15,551**	**16,770**
Balances with banks in unpaid dividend accounts	29	22
Deposit with more than 12 months maturity	6,048	6,187
Balances with banks held as margin money deposits against guarantees	114	353

Cash and cash equivalents as at March 31, 2019 and March 31, 2018 include restricted cash and bank balances of ₹143 crore and ₹375 crore, respectively. The restrictions are primarily on account of bank balances held as margin money deposits against guarantees and balances held in unpaid dividend bank accounts.

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

The table below provides details of cash and cash equivalents:

(In ₹ crore)

Particulars	As at March 31, 2019	As at March 31, 2018
In current accounts		
ANZ Bank, Taiwan	1	9
Bank of America, USA	780	814
Bank of Baroda, Mauritius	1	1
BNP Paribas Bank, Norway	24	88
Citibank N.A., Australia	55	184
Citibank N.A., Dubai	5	5
Citibank N.A., EEFC (U.S. Dollar account)	2	4
Citibank N.A., Hungary	1	6
Citibank N.A., India	2	3
Citibank N.A., Japan	22	18
Citibank N.A., New Zealand	3	8
Citibank N.A., South Africa	18	33
Citibank N.A., South Korea	17	2
Deutsche Bank, Belgium	6	27
Deutsche Bank, EEFC (Australian Dollar account)	3	2
Deutsche Bank, EEFC (Euro account)	19	14
Deutsche Bank, EEFC (Swiss Franc account)	5	2
Deutsche Bank, EEFC (U.S. Dollar account)	212	27
Deutsche Bank, EEFC (United Kingdom Pound Sterling account)	6	8
Deutsche Bank, France	11	19
Deutsche Bank, Germany	57	70
Deutsche Bank, India	40	40
Deutsche Bank, Malaysia	1	5
Deutsche Bank, Netherlands	8	8
Deutsche Bank, Philippines	1	14
Deutsche Bank, Russia	3	3

Deutsche Bank, Russia (U.S. Dollar account)	-	5
Deutsche Bank, Singapore	15	17
Deutsche Bank, Spain	1	1
Deutsche Bank, Switzerland	4	18
Deutsche Bank, Switzerland (U.S. Dollar Account)	1	-
Deutsche Bank, United Kingdom	17	74
HSBC Bank, Hong Kong	1	2
HSBC, India	3	-
ICICI Bank, EEFC (U.S. Dollar account)	18	5
ICICI Bank, India	24	33
Nordbanken, Sweden	21	26
Punjab National Bank, India	2	12
Royal Bank of Canada, Canada	28	9
Splitska Banka D.D., Société Générale Group, Croatia	14	8
State Bank of India, India	2	-
	1,454	**1,624**

(In ₹ crore)

Particulars	**As at**	
	March 31, 2019	**March 31, 2018**
In deposit accounts		
Axis Bank	700	-
Barclays Bank	500	200
HDFC Bank	-	2,423
HSBC Bank	200	-
ICICI Bank	3,060	3,467
IDFC Bank	2,100	1,500
IndusInd Bank	300	1,000
Kotak Mahindra Bank	500	-
South Indian Bank	-	200
Standard Chartered Bank	2,000	-
	9,360	**8,790**
In unpaid dividend accounts		
Axis Bank - Unpaid dividend account	4	1
HDFC Bank - Unpaid dividend account	-	1
ICICI Bank - Unpaid dividend account	25	20
	29	**22**
In margin money deposits against guarantees		
Canara Bank	45	151
ICICI Bank	69	202
	114	**353**
Deposits with financial institution		
HDFC Limited	3,594	4,781
LIC Housing Finance Limited	1,000	1,200
	4,594	**5,981**
Total cash and cash equivalents	**15,551**	**16,770**

2.8 OTHER ASSETS

(In ₹ crore)

Particulars	As at	
	March 31, 2019	March 31, 2018
Non-current		
Capital advances	486	420
Advances other than capital advance		
Prepaid gratuity (Refer note 2.20)	25	23
Others		
Prepaid expenses	95	49
Deferred contract cost	226	262
Withholding taxes and others	908	1,407
Total non-current other assets	**1,740**	**2,161**
Current		
Advances other than capital advance		
Payment to vendors for supply of goods	94	103
Others		
Unbilled revenues(2)	2,904	-
Prepaid expenses (1)	580	449
Deferred contract cost	52	44
Withholding taxes and others	1,290	843
Total current other assets	**4,920**	**1,439**
Total other assets	**6,660**	**3,600**
(1) *Includes dues from subsidiaries (Refer note no. 2.23)*	109	115

(2) *Classified as non financial asset as the contractual right to consideration is dependent on completion of contractual milestones.*

Deferred contract costs are upfront costs incurred for the contract and are amortized over the term of the contract. Withholding taxes and others primarily consist of input tax credits and Cenvat recoverable from Government of India. Cenvat recoverable includes ₹503 crore which are pending adjudication. The Company expects these amounts to be sustainable on adjudication and recoverable on final resolution.

2.9 FINANCIAL INSTRUMENTS

Accounting Policy

2.9.1 Initial recognition

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

2.9.2 Subsequent measurement

a. Non-derivative financial instruments

(i) Financial assets carried at amortized cost

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

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

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. The Company has made an irrevocable election for its investments which are classified as equity instruments to present the subsequent changes in fair value in other comprehensive income based on its business model.

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

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

(iv) Financial liabilities

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

(v) Investment in subsidiaries

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

b. Derivative financial instruments

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

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

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

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

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

(ii) Cash flow hedge

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

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

c. Share capital

Ordinary Shares

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

2.9.3 Derecognition of financial instruments

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

2.9.4 Fair value of financial instruments

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

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

2.9.5 Impairment

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

Financial instruments by category

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

(In ₹ crore)

Particulars	**Amortized cost**	**Financial assets/ liabilities at fair value through profit or loss**		**Financial assets/liabilities at fair value through OCI**		**Total carrying value**	**Total fair value**	
		Designated upon initial recognition	**Mandatory**	**Equity instruments designated upon initial recognition**	**Mandatory**			
Assets:								
Cash and cash equivalents (Refer Note no. 2.7)	15,551	-	-	-	-	15,551	15,551	
Investments (Refer note no.2.3)								
Preference securities, Equity instruments and others	-	-	16	90	-	106	106	
Tax free bonds and government bonds	1,840	-	-	-	-	1,840	2,048	(2)
Liquid mutual fund units	-	-	1,701	-	-	1,701	1,701	
Redeemable, non-convertible debentures [(1)]	1,445	-	-	-	-	1,445	1,445	
Fixed maturity plan securities	-	-	401	-	-	401	401	
Commercial paper	-	-	-	-	495	495	495	
Certificates of deposit	-	-	-	-	2,123	2,123	2,123	
Non convertible debentures	-	-	-	-	2,955	2,955	2,955	
Government Securities	-	-	-	-	724	724	724	
Trade receivables (Refer Note no. 2.6)	13,370	-	-	-	-	13,370	13,370	
Loans (Refer note no. 2.4)	1,064	-	-	-	-	1,064	1,064	
Other financial assets (Refer Note no. 2.5) [(4)]	4,709	-	284	-	37	5,030	4,948	(3)
Total	**37,979**	**-**	**2,402**	**90**	**6,334**	**46,805**	**46,931**	
Liabilities:								
Trade payables (Refer Note no. 2.12)	1,604	-	-	-	-	1,604	1,604	
Other financial liabilities (Refer Note no. 2.11)	7,067	-	128	-	1	7,196	7,196	
Total	**8,671**	**-**	**128**	**-**	**1**	**8,800**	**8,800**	

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

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

(3) Excludes interest accrued on tax free bonds

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

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

(In ₹ crore)

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

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

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

(3) Excludes interest accrued on tax free bonds

Fair value hierarchy

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

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

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

The fair value hierarchy of assets and liabilities as at March 31, 2019 is as follows:

(In ₹ crore)

Particulars	**March 31, 2019**	**Fair value measurement at end of the reporting period using**		
		Level 1	**Level 2**	**Level 3**
Assets				
Investments in tax free bonds (Refer note no. 2.3)	2,036	1,765	271	-
Investments in government bonds (Refer note no. 2.3)	12	12	-	-
Investments in liquid mutual fund units (Refer note no. 2.3)	1,701	1,701	-	-
Investments in equity instruments (Refer note no. 2.3)	1	-	-	1
Investments in preference securities (Refer note no. 2.3)	89	-	-	89
Investments in fixed maturity plan securities (Refer note no. 2.3)	401	-	401	-
Investments in certificates of deposit (Refer note no. 2.3)	2,123	-	2,123	-
Investments in commercial paper (Refer Note no. 2.3)	495	-	495	-
Investments in non convertible debentures (Refer note no. 2.3)	2,955	1,612	1,343	-
Investments in government securities (Refer note no. 2.3)	724	724	-	-
Other investments (Refer note no. 2.3)	16	-	-	16
Derivative financial instruments - gain on outstanding foreign currency forward and option contracts (Refer note no. 2.5)	321	-	321	-
Liabilities				
Derivative financial instruments - loss on outstanding foreign currency forward and option contracts (Refer note no. 2.11)	13	-	13	-
Liability towards contingent consideration (Refer note no. 2.11)[(1)(2)]	116	-	-	116

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

[(2)] Discount rate pertaining to contingent consideration ranges from 10% to 16%

During the year ended March 31, 2019, tax free bonds and non-convertible debentures of ₹336 crore were transferred from Level 2 to Level 1 of fair value hierarchy, since these were valued based on Quoted price, and ₹746 crore were transferred from Level 1 to Level 2 of fair value hierarchy, since these were valued based on market observable inputs.

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

(In ₹ crore)

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

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

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

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

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

Financial risk management

Financial risk factors

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

Market risk

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

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

(In ₹ crore)

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

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

(In ₹ crore)

Particulars	U.S. dollars	Euro	United Kingdom Pound Sterling	Australian dollars	Other currencies	Total
Cash and cash equivalents	858	139	82	186	271	1,536
Trade Receivables	7,776	1,522	871	743	550	11,462
Other financials assets (including loans)	2,196	597	335	159	305	3,592
Trade payables	(312)	(60)	(168)	(36)	(22)	(598)
Other financial liabilities	(1,962)	(252)	(148)	(220)	(162)	(2,744)
Net assets / (liabilities)	**8,556**	**1,946**	**972**	**832**	**942**	**13,248**

Sensitivity analysis between Indian Rupee and USD

Particulars	Year ended March 31,	
	2019	2018
Impact on the Company's incremental Operating Margins	0.48%	0.52%

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

Derivative financial instruments

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

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

Particulars	As at March 31, 2019		As at March 31, 2018	
	In million	In ₹ crore	In million	In ₹ crore
Derivatives designated as cash flow hedges				
Option Contracts				
In Australian dollars	120	588	60	300
In Euro	135	1,049	100	808
In United Kingdom Pound Sterling	25	226	20	184
Other derivatives				
Forward contracts				
In Canadian dollars	13	68	20	99
In Euro	166	1,289	86	695
In Japanese Yen	550	34	550	34
In New Zealand dollars	16	75	16	76
In Norwegian Krone	40	32	40	34
In South African Rand	-	-	25	14
In Singapore dollars	140	716	5	25
In Swedish Krona	50	37	50	40
In Swiss Franc	25	172	21	146
In U.S. dollars	855	5,910	556	3,624
In United Kingdom Pound Sterling	70	634	45	415
Option Contracts				
In Australian dollars	10	49	20	100
In Canadian dollars	13	69	-	-
In Euro	60	466	45	363
In Swiss Franc	5	35	5	33
In U.S. dollars	433	2,995	320	2,086
In United Kingdom Pound Sterling	10	91	25	231
Total forwards and option contracts		**14,535**		**9,307**

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

(In ₹ crore)

Particulars	As at March 31, 2019	As at March 31, 2018
Not later than one month	4,082	2,693
Later than one month and not later than three months	6,368	4,274
Later than three months and not later than one year	4,085	2,340
	14,535	**9,307**

During the year ended March 31, 2019, the Company has designated certain foreign exchange forward and option contracts as cash flow hedges to mitigate the risk of foreign exchange exposure on highly probable forecast cash transactions. The related hedge transactions for balance in cash flow hedge reserve as at March 31, 2019 are expected to occur and reclassified to statement of profit and loss within 3 months.

Hedge effectiveness is determined at the inception of the hedge relationship, and through periodic prospective effectiveness assessments to ensure that an economic relationship exists between the hedged item and hedging instrument, including whether the hedging instrument is expected to offset changes in cash flows of hedged items.

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

The following table provides the reconciliation of cash flow hedge reserve for the year ended March 31, 2019 and March 31, 2018 :

(In ₹ crore)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Gain / (Loss)		
Balance at the beginning of the year	-	39
Gain / (Loss) recognized in other comprehensive income during the year	118	(93)
Amount reclassified to profit and loss during the year	(90)	41
Tax impact on above	(7)	13
Balance at the end of the year	**21**	**-**

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

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

(In ₹ crore)

Particulars	As at March 31, 2019		As at March 31, 2018	
	Derivative financial asset	Derivative financial liability	Derivative financial asset	Derivative financial liability
Gross amount of recognized financial asset / liability	323	(15)	20	(44)
Amount set off	(2)	2	(4)	4
Net amount presented in Balance Sheet	**321**	**(13)**	**16**	**(40)**

Credit risk

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

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

(In %)

Particulars	Year ended March 31,	
	2019	2018
Revenue from top customer	4.0	3.9
Revenue from top 10 customers	20.3	21.0

Credit risk exposure

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

Movement in credit loss allowance:

(In ₹ crore)

Particulars	Year ended March 31,	
	2019	2018
Balance at the beginning	401	379
Impairment loss recognized/ (reversed)	176	18
Amounts written off	(67)	(3)
Translation differences	11	7
Balance at the end	**521**	**401**

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

Liquidity risk

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

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

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

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

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

(In ₹ crore)

Particulars	Less than 1 year	1-2 years	2-4 years	4-7 years	Total
Trade payables	1,604	-	-	-	1,604
Other financial liabilities (excluding liability towards acquisition) (Refer Note no. 2.11)	7,067	-	-	-	7,067
Liability towards acquisitions on an undiscounted basis (including contingent consideration)	82	53	-	-	135

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

(In ₹ crore)

Particulars	Less than 1 year	1-2 years	2-4 years	4-7 years	Total
Trade payables	738	-	-	-	738
Other financial liabilities (excluding liability towards acquisition) (Refer Note no. 2.11)	4,241	-	-	-	4,241
Liability towards acquisitions on an undiscounted basis (including contingent consideration)	41	7	7	-	55

2.10 EQUITY

EQUITY SHARE CAPITAL

(In ₹ crore, except as otherwise stated)

Particulars	**As at**	
	March 31, 2019	**March 31, 2018**
Authorized		
Equity shares, ₹5/- par value		
4,80,00,00,000 (2,40,00,00,000) equity shares	2,400	1,200
Issued, Subscribed and Paid-Up		
Equity shares, ₹5/- par value [(1)]	2,178	1,092
4,35,62,79,444 (2,18,41,14,257) equity shares fully paid-up		
	2,178	**1,092**

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

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

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

In the event of liquidation of the company, the holders of equity shares will be entitled to receive any of the remaining assets of the company in proportion to the number of equity shares held by the shareholders, after distribution of all preferential amounts.

In the period of five years immediately preceding March 31, 2019:

The Company has allotted 2,18,41,91,490 fully paid up equity shares of face value ₹5/- each during the three months ended September 30, 2018 pursuant to a bonus issue approved by the shareholders through postal ballot. Record date fixed by the Board of Directors was September 5, 2018. The bonus shares were issued by capitalization of profits transferred from general reserve. Bonus share of one equity share for every equity share held, and a bonus issue, viz., a stock dividend of one American Depositary Share (ADS) for every ADS held, respectively, has been allotted. Consequently, the ratio of equity shares underlying the ADSs held by an American Depositary Receipt holder remains unchanged. Options granted under the stock option plan have been adjusted for bonus shares.

The Company has allotted 1,14,84,72,332 and 57,42,36,166 fully paid-up shares of face value ₹5/- each during the quarter ended June 30, 2015 and December 31, 2014, pursuant to bonus issue approved by the shareholders through postal ballot. For both the bonus issues, bonus share of one equity share for every equity share held, and a stock dividend of one ADS for every ADS held, respectively, has been allotted. Consequently, the ratio of equity shares underlying the ADSs held by an American Depositary Receipt holder remains unchanged. Options granted under the restricted stock unit plan (RSU) have been adjusted for bonus shares.

The bonus shares once allotted shall rank pari passu in all respects and carry the same rights as the existing equity shareholders and shall be entitled to participate in full, in any dividend and other corporate action, recommended and declared after the new equity shares are allotted

Update on capital allocation policy and buyback

In line with the capital allocation policy announced in April 2018, the Board, in its meeting held on January 11, 2019, approved the following :

(a) Declared a special dividend of ₹4/- per equity share;

(b) Recommended buyback of Equity Shares from the open market route through Indian stock exchanges of up to ₹8,260 crore (Maximum buyback Size) at a price not exceeding ₹800 per share (Maximum Buyback Price) subject to shareholders' approval by way of Postal Ballot. After the execution of the above, along with the special dividend (including dividend distribution tax) of ₹2,633 crore already paid in June 2018, the Company would complete the distribution of ₹13,000 crore, which was announced as part of its capital allocation policy in April 2018

The shareholders approved the proposal of buyback of Equity Shares recommended by its Board of Directors in its meeting held on January 11, 2019 through the postal ballot that concluded on March 12, 2019. At the Maximum buyback price of ₹800/- per Equity share and the Maximum buyback size of ₹8,260 crore, the indicative maximum number of Equity shares bought back would be 10,32,50,000 Equity Shares (Maximum buyback shares) comprising approximately 2.36% of the paid-up equity share capital of the Company as of March 12, 2019 (the date of conclusion of postal ballot for approval for buyback).

The buyback was offered to all eligible equity shareholders of the Company (other than the Promoters, the Promoter Group and Persons in Control of the Company) under the open market route through the stock exchange. The Company will fund the buyback from its free reserves. The buyback of equity shares through the stock exchange commenced on March 20, 2019 and is expected to be completed by September 2019. During the year ended March 31, 2019, 1,26,52,000 equity shares were purchased from the stock exchange which includes 18,18,000 shares which have been purchased but not extinguished as of March 31, 2019 and 36,36,000 shares which have been purchased but have not been settled and therefore not extinguished as of March 31, 2019. In accordance with section 69 of the Companies Act, 2013, during the year ended March 31, 2019 , the Company has created 'Capital Redemption Reserve' of ₹5 crore equal to the nominal value of the shares bought back as an appropriation from general reserve.

The Board, at its meeting on August 19, 2017, approved a proposal for the Company to buyback its fully paid-up equity shares of face value of ₹5/- each from the eligible equity shareholders of the Company for an amount not exceeding ₹13,000 crore. The shareholders approved the said proposal of buyback of Equity Shares through the postal ballot that concluded on October 7, 2017. The Buyback offer comprised a purchase of 11,30,43,478 Equity Shares aggregating 4.92% of the paid-up equity share capital of the Company at a price of ₹1,150/- per Equity share. The buyback was offered to all eligible equity shareholders (including those who became equity shareholders as on the Record date by cancelling American Depository Shares and withdrawing underlying Equity shares) of the Company as on the Record Date (i.e. November 1, 2017) on a proportionate basis through the "Tender offer" route. The Company concluded the buyback procedures on December 27, 2017 and 11,30,43,478 equity shares were extinguished. The company has utilized its securities premium and general reserve for the buyback of its equity shares. In accordance with section 69 of the Companies Act, 2013, the company has created 'Capital Redemption Reserve' of ₹56 crore equal to the nominal value of the shares bought back as an appropriation from general reserve during the year ended March 31, 2018.

The Company's objective when managing capital is to safeguard its ability to continue as a going concern and to maintain an optimal capital structure so as to maximize shareholder value. In order to maintain or achieve an optimal capital structure, the Company may adjust the amount of dividend payment, return capital to shareholders, issue new shares or buy back issued shares. As of March 31, 2019, the Company has only one class of equity shares and has no debt. Consequent to the above capital structure there are no externally imposed capital requirements.

Dividends

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

The Company declares and pays dividends in Indian rupees. The remittance of dividends outside India is governed by Indian law on foreign exchange and is subject to applicable distribution taxes. Dividend distribution tax paid by subsidiaries may be reduced / available as a credit against dividend distribution tax payable by Infosys Limited.

Effective from Fiscal 2018, the Company's policy is to payout up to 70% of the free cash flow of the corresponding Financial Year in such manner (including by way of dividend and / or share buyback) as may be decided by the Board from time to time, subject to applicable laws and requisite approvals, if any. Free cash flow is defined as net cash provided by operating activities less capital expenditure as per the consolidated statement of cash flows prepared under International Financial Reporting standards(IFRS). Dividend payout includes dividend distribution tax.

The amount of per share dividend recognized as distribution to equity shareholders is as follows: *(in ₹)*

Particulars	Year ended March 31,	
	2019	2018
Final Dividend for fiscal 2018	10.25	-
Special dividend for fiscal 2018	5.00	-
Interim dividend for fiscal 2019	7.00	-
Special dividend for fiscal 2019	4.00	-
Final dividend for fiscal 2017	-	7.38
Interim dividend for fiscal 2018	-	6.50

Note: Dividend per equity share disclosed in the above table represents dividends declared previously, retrospectively adjusted for September 2018 bonus issue.

During the year ended March 31, 2019 on account of the final dividend for fiscal 2018, special divided for fiscal 2018 and fiscal 2019 and interim dividend for fiscal 2019 the Company has incurred a net cash outflow of ₹13,761 crore inclusive of dividend distribution tax.

The Board of Directors in their meeting on April 12, 2019 recommended a final dividend of ₹10.50/- per equity share for the financial year ended March 31, 2019. This payment is subject to the approval of shareholders in the ensuing Annual General Meeting of the Company, to be held on June 22, 2019 and if approved would result in a net cash outflow of approximately ₹5,504 crore, including dividend distribution tax. The final dividend of ₹10.50/- per equity share and the resultant expected cash outflow is based on the outstanding number of shares after considering shares bought back by the Company subsequent to the year ended March 31, 2019

Bonus issue

The details of shareholder holding more than 5% shares as at March 31, 2019 and March 31, 2018 are set out below :

Name of the shareholder	As at March 31, 2019		As at March 31, 2018	
	Number of shares	% held	Number of shares	% held
Deutsche Bank Trust Company Americas (Depository of ADR's - legal ownership)	74,62,54,648	17.11	37,99,05,859	17.39
Life Insurance Corporation of India	25,43,32,376	5.83	14,95,14,017	6.85

The reconciliation of the number of shares outstanding and the amount of share capital as at March 31, 2019 and March 31, 2018 is set out below:

in ₹ crore, except as stated otherwise

Particulars	As at March 31, 2019		As at March 31, 2018	
	Number of shares	Amount	Number of shares	Amount
Number of shares at the beginning of the year	2,18,41,14,257	1,092	2,29,69,44,664	1,148
Add: Shares issued on exercise of employee stock options -before bonus issue	77,233	-	213,071	-
Add: Bonus shares issued	2,18,41,91,490	1,092	-	-
Add: Shares issued on exercise of employee stock options -after bonus issue	548,464	-	-	-
Less: Shares bought back(1)(2)	12,652,000	6	11,30,43,478	56
Number of shares at the end of the period	**4,35,62,79,444**	**2,178**	**2,18,41,14,257**	**1,092**

(1) Includes 18,18,000 shares which have been purchased on account of buyback during the three months ended March 31, 2019 and have not been extinguished as of March 31, 2019

(2) Includes 36,36,000 shares which have been purchased on account of buyback during the three months ended March 31, 2019 but have not been settled and therefore not extinguished as of March 31, 2019

Employee Stock Option Plan (ESOP):

Accounting Policy

The Company recognizes compensation expense relating to share-based payments in net profit using fair-value in accordance with Ind AS 102, Share-Based Payment. The estimated fair value of awards is charged to income on a straight-line basis over the requisite service period for each separately vesting portion of the award as if the award was in-substance, multiple awards with a corresponding increase to share options outstanding account.

2015 Stock Incentive Compensation Plan (the 2015 Plan) (formerly 2011 RSU Plan):

On March 31, 2016, pursuant to the approval by the shareholders through postal ballot, the Board has been authorized to introduce, offer, issue and allot share-based incentives to eligible employees of the Company and its subsidiaries under the 2015 Stock Incentive Compensation Plan (the 2015 Plan). The maximum number of shares under the 2015 plan shall not exceed 2,40,38,883 equity shares (this includes 1,12,23,576 equity shares which are held by the trust towards the 2011 Plan as at March 31, 2016). Out of this 1,70,38,883 equity shares will be issued as RSUs at par value and 70,00,000 equity shares will be issued as stock options at market price on the date of the grant. These instruments will generally vest over a period of 4 years and the Company expects to grant the instruments under the 2015 Plan over the period of 4 to 7 years. The plan numbers mentioned above would further be adjusted for the September 2018 bonus issue.

Consequent to the September 2018 bonus issue, all outstanding options granted under the stock option plan have been adjusted for bonus shares. Unless otherwise stated , all the prior period share numbers, share prices and weighted average exercise prices in this note have been adjusted to give effect to the September 2018 bonus issue.

Controlled trust holds 2,03,24,982 and 1,08,01,956 shares (not adjusted for September 2018 bonus issue) as at March 31, 2019 and March 31, 2018, respectively under the 2015 plan. Out of these shares 2,00,000 and 1,00,000 (not adjusted for September 2018 bonus issue) equity shares have been earmarked for welfare activities of the employees as at March 31, 2019 and March 31, 2018, respectively.

The following is the summary of grants for the year ended March 31, 2019 and March 31, 2018 under the 2015 Plan:

Particulars	**Year ended**	
	March 31, 2019	**March 31, 2018**
RSU		
Salil Parekh, CEO and MD - *Refer note 1 below*	2,60,130	226,048
U.B. Pravin Rao, COO and WTD	68,250	54,500
Dr. Vishal Sikka*	-	5,40,448
Other KMPs	3,47,150	5,46,200
Employees other than KMPs	36,65,170	31,94,020
	4,340,700	**45,61,216**
ESOP		
U.B. Pravin Rao, COO and WTD	-	86,000
Dr. Vishal Sikka*	-	6,61,050
Other KMPs	-	88,900
Employees other than KMPs	-	1,47,200
	-	**9,83,150**
Incentive units - cash settled		
Other employees	74,090	1,00,080
	74,090	**1,00,080**
Total grants	**4,414,790**	**56,44,446**

Information in the table above is adjusted for September 2018 bonus issue.
** Upon Dr. Vishal Sikka's resignation from the roles of the company, the unvested RSUs and ESOPs have been forfeited*

1. Stock incentives granted to Salil Parekh, CEO and MD
Pursuant to the approval of the shareholders through a postal ballot on February 20, 2018, Salil Parekh (CEO & MD) is eligible to receive under the 2015 Plan:

a) an annual grant of RSUs of fair value ₹3.25 crore which will vest over time in 3 equal annual installments upon completion of each year of service from the respective grant date

b) a one-time grant of RSUs of fair value ₹9.75 crore which will vest over time in 2 equal annual installments upon completion of each year of service from the grant date and

c) annual grant of performance based RSUs of fair value ₹13 crore which will vest after completion of three years the first of which concludes on March 31, 2021, subject to achievement of performance targets set by the Board or its committee.

The Board based on the recommendations of the Nomination and Remuneration committee approved on February 27, 2018, the annual time based grant for fiscal 2018 of 56,512 RSUs (adjusted for September 2018 bonus issue) and the one-time time based grant of 1,69,536 RSUs (adjusted for September 2018 bonus issue). The grants were made effective February 27, 2018.

Further, the Board, based on the recommendations of the Nomination and Remuneration Committee, granted 217,200 (adjusted for September 2018 bonus issue) performance based RSUs to Salil Parekh with an effective date of May 2, 2018. The grants would vest upon successful completion of three full fiscal years with the Company concluding on March 31, 2021 and will be determined based on achievement of certain performance targets for the said three-year period.

The Board based on the recommendations of the Nomination and Remuneration committee approved on January 11, 2019, the annual time based grant for fiscal 2019 of 42,930 RSUs. The grant was made effective February 1, 2019.

Though the annual time based grants for the remaining employment term ending on March 31, 2023 have not been granted as of March 31, 2019, since the service commencement date precedes the grant date, the company has recorded employment stock compensation expense in accordance with Ind AS 102, Share based payments.

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

As at March 31, 2019 and March 31, 2018, incentive units outstanding (net of forfeitures) were 1,77,454 and 2,23,514 (adjusted for September 2018 bonus issue), respectively.

Break-up of employee stock compensation expense

(in ₹ crore)

	Year ended March 31,	
	2019	**2018**
Granted to:		
KMP[(2)]	33	(13)
Employees other than KMP	149	85
Total [(1)]	**182**	**72**
[(1)] Cash settled stock compensation expense included in the above	2	1

[(2)] Included a reversal of stock compensation cost of ₹35 crore recorded during the three months ended September 30, 2017 towards forfeiture of stock incentives granted to Dr. Vishal Sikka upon his resignation

The carrying value of liability towards cash settled share based payments was ₹9 crore and ₹6 crore as at March 31, 2019 and March 31, 2018, respectively.

The activity in the 2015 Plan (formerly 2011 RSU Plan) for equity-settled share based payment transactions during the year ended March 31, 2019 and March 31, 2018 is set out below:

Particulars	**Year ended March 31, 2019**		**Year ended March 31, 2018**	
	Shares arising out of options	**Weighted average exercise price (₹)**	**Shares arising out of options**	**Weighted average exercise price (₹)**
2015 Plan: RSU				
Outstanding at the beginning	75,00,818	2.50	59,22,746	2.50
Granted	43,40,700	3.84	45,61,216	2.50
Exercised	18,64,510	2.50	12,96,434	2.50
Forfeited and expired	7,95,810	2.61	16,86,710	2.50
Outstanding at the end	**9,181,198**	**3.13**	**75,00,818**	**2.50**
Exercisable at the end	235,256	2.50	48,410	2.50
2015 Plan: Employee Stock Options (ESOPs)				
Outstanding at the beginning	19,33,826	493	23,95,300	496
Granted	-	-	983,150	472
Exercised	1,17,350	515	104,824	492
Forfeited and expired	1,93,300	521	13,39,800	481
Outstanding at the end	**1,623,176**	**516**	**19,33,826**	**493**
Exercisable at the end	6,98,500	517	3,93,824	496

Information in the table above is adjusted for September 2018 bonus issue.

During the year ended March 31, 2019 and March 31, 2018 the weighted average share price of options exercised under the 2015 Plan on the date of exercise was ₹701 and ₹496. (adjusted for September 2018 bonus issue) respectively.

The following table summarizes information about equity settled RSUs and ESOPs outstanding as at March 31, 2019

	Options outstanding		
Range of exercise prices per share (₹)	**No. of shares arising out of options**	**Weighted average remaining contractual life**	**Weighted average exercise price (₹)**
2015 Plan:			
0 - 5 (RSU)	9,181,198	1.70	3.13
450 - 600 (ESOP)	1,623,176	5.04	516
	10,804,374	**2.20**	**80**

Information in the table above is adjusted for September 2018 bonus issue.

The following table summarizes information about equity settled RSUs and ESOPs outstanding as at March 31, 2018:

	Options outstanding		
Range of exercise prices per share (₹)	**No. of shares arising out of options**	**Weighted average remaining contractual life**	**Weighted average exercise price (₹)**
2015 Plan:			
0 - 2.50 (RSU)	75,00,818	1.89	2.50
450 - 600 (ESOP)	19,33,826	6.60	493
	94,34,644	**2.57**	**104**

Information in the table above is adjusted for September 2018 bonus issue.

The fair value of each equity settled award is estimated on the date of grant using the Black-Scholes-Merton model with the following assumptions:

Particulars	**For options granted in**	
	Fiscal 2019- Equity Shares- RSU	**Fiscal 2019- ADS-RSU**
Weighted average share price (₹) / ($- ADS)[(1)]	696	10.77
Exercise price (₹)/ ($- ADS)[(1)]	3.31	0.06
Expected volatility (%)	21-25	22-26
Expected life of the option (years)	1-4	1-4
Expected dividends (%)	2.65	2.65
Risk-free interest rate (%)	7-8	2-3
Weighted average fair value as on grant date (₹) / ($- ADS)[(1)]	648	10.03

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

[(1)] Adjusted for September 2018 bonus issue.

The expected life of the RSU / ESOP is estimated based on the vesting term and contractual term of the RSU / ESOP, as well as expected exercise behaviour of the employee who receives the RSU / ESOP. Expected volatility during the expected term of the RSU / ESOP is based on historical volatility of the observed market prices of the Company's publicly traded equity shares during a period equivalent to the expected term of the RSU / ESOP.

2.11 OTHER FINANCIAL LIABILITIES

(In ₹ crore)

Particulars	As at March 31, 2019	As at March 31, 2018
Non-current		
Others		
Compensated absences	38	42
Payable for acquisition of business- Contingent consideration	41	13
Total non-current other financial liabilities	**79**	**55**
Current		
Unpaid dividends	29	22
Others		
Accrued compensation to employees	2,006	2,048
Accrued expenses [1]	2,310	1,776
Retention monies	60	63
Payable for acquisition of business - Contingent consideration	75	41
Capital creditors	653	148
Financial liability relating to buyback (refer note 2.10)	1,202	-
Compensated absences	1,373	1,218
Other payables [2]	807	184
Foreign currency forward and options contracts	13	40
Total current other financial liabilities	**8,528**	**5,540**
Total other financial liabilities	8,607	**5,595**
Financial liability carried at amortized cost	7,067	4,241
Financial liability carried at fair value through profit or loss	128	91
Financial liability carried at fair value through other comprehensive income	1	3
Contingent consideration on undiscounted basis	135	55
[1] *Includes dues to subsidiaries (Refer note no. 2.23)*	6	9
[2] *Includes dues to subsidiaries (Refer note no. 2.23)*	13	19

In accordance with Ind AS 32 Financial Instruments: Presentation, the Company has recorded a financial liability of ₹1,202 crore for the obligation to acquire its own equity shares to the extent of standing instructions provided to its registered broker for the buyback as of March 31, 2019 (refer to note 2.10). The financial liability is recognised at the present value of the maximum amount that the Company would be required to pay to the registered broker for buy back, with a corresponding debit in general reserve / retained earnings.

2.12 TRADE PAYABLES

(In ₹ crore)

Particulars	As at March 31, 2019	As at March 31, 2018
Trade payables[1]	1,604	738
Total trade payables	**1,604**	**738**
[1] *Includes dues to subsidiaries (refer note no. 2.23)*	220	178

As at March 31, 2019 and March 31, 2018, there are no outstanding dues to Micro, Small and Medium Enterprises. There is no interest due or outstanding on the same. During the year ended March 31, 2019, an amount of ₹30 crore was paid beyond the appointed day as defined in the Micro, Small and Medium Enterprises Development Act 2006, which has been paid as of March 31, 2019.

2.13 OTHER LIABILITIES

(In ₹ crore)

Particulars	As at March 31, 2019	As at March 31, 2018
Non current		
Others		
Deferred income	29	36
Deferred rent	140	117
Total non - current other liabilities	**169**	**153**
Current		
Unearned revenue	2,094	1,887
Client deposits	19	32
Others		
Withholding taxes and others	1,168	1,029
Deferred rent	54	24
Total current other liabilities	**3,335**	**2,972**
Total other liabilities	**3,504**	**3,125**

2.14 PROVISIONS

Accounting Policy

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

a. Post sales client support

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

b. Onerous contracts

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

Provision for post-sales client support and others

(In ₹ crore)

Particulars	As at	
	March 31, 2019	**March 31, 2018**
Current		
Others		
Post-sales client support and others	505	436
Total provisions	**505**	**436**

The movement in the provision for post-sales client support and others is as follows : *(In ₹ crore)*

Particulars	Year ended March 31, 2019
Balance at the beginning	436
Provision recognized/(reversed)	141
Provision utilized	(97)
Exchange difference	25
Balance at the end	**505**

Provision for post-sales client support and others are expected to be utilized over a period of 6 months to 1 year.

2.15 INCOME TAXES

Accounting Policy

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

Deferred income tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect of changes in tax rates on deferred income tax assets and liabilities is recognized as income or expense in the period that includes the enactment or the substantive enactment date. A deferred income tax asset is recognized to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilized. Deferred income taxes are not provided on the undistributed earnings of subsidiaries and branches where it is expected that the earnings of the subsidiary or branch will not be distributed in the foreseeable future. The Company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously. Tax benefits of deductions earned on exercise of employee share options in excess of compensation charged to income are credited to securities premium.

Income tax expense in the statement of profit and loss comprises: *(In ₹ crore)*

Particulars	Year ended March 31,	
	2019	**2018**
Current taxes	5,189	4,003
Deferred taxes	36	(250)
Income tax expense	**5,225**	**3,753**

During the quarter ended March 31, 2019, the Company entered into Advance Pricing Agreement (APA) in overseas jurisdictions resulting in a reversal of income tax expense of ₹94 crore which pertained to prior periods.

In December 2017, the Company had concluded an Advance Pricing Agreement ("APA") with the US Internal Revenue Service ("IRS") for the US branch covering the years ending March 2011 to March 2021. Under the APA, the Company and the IRS have agreed on the methodology to allocate revenues and compute the taxable income of the Company's US Branch operations. In accordance with the APA, the company had reversed income tax expense provision of $225 million (₹1,432 crore) which pertained to previous periods which are no longer required. The Company had to pay an adjusted amount of $223 million (approximately ₹1,424 crore) due to the difference between the taxes payable for prior periods as per the APA and the actual taxes paid for such periods. The Company has paid $215 million (₹1,455 crore).

Further, the "Tax Cuts and Jobs Act (H.R. 1)" was signed into law on December 22, 2017 ("US Tax Reforms"). The US tax reforms has reduced federal tax rates from 35% to 21% effective January 1, 2018 amongst other measures.

Income tax expense for the year ended March 31, 2019 and March 31, 2018 includes reversal (net of provisions) of ₹97 crore and ₹240 crore, respectively. These reversals pertain to prior periods on account of adjudication of certain disputed matters in favor of the company across various jurisdictions.

A reconciliation of the income tax provision to the amount computed by applying the statutory income tax rate to the income before income taxes is summarized below:

(In ₹ crore)

Particulars	**Year ended March 31,**	
	2019	**2018**
Profit before income taxes	19,927	19,908
Enacted tax rates in India	34.94%	34.61%
Computed expected tax expense	6,963	6,890
Tax effect due to non-taxable income for Indian tax purposes	(2,628)	(2,008)
Overseas taxes	643	678
Tax reversals, overseas and domestic	(144)	(1,566)
Effect of exempt non-operating income	(62)	(385)
Effect of non-deductible expenses	376	299
Branch profit tax	25	(209)
Others	52	54
Income tax expense	**5,225**	**3,753**

The applicable Indian corporate statutory tax rate for the year ended March 31, 2019 and March 31, 2018 is 34.94% and 34.61%, respectively. The increase in the corporate statutory tax rate to 34.94% is consequent to changes made in the Finance Act, 2018.

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

Entire deferred income tax for the year ended March 31, 2019 and March 31, 2018, relates to origination and reversal of temporary differences except for a credit of ₹155 crore (on account of US Tax Reforms explained above), for the year ended March 31, 2018.

Infosys is subject to a 15% Branch Profit Tax (BPT) in the U.S. to the extent its U.S. branch's net profit during the year is greater than the increase in the net assets of the U.S. branch during the year, computed in accordance with the Internal Revenue Code. As at March 31, 2019, Infosys' U.S. branch net assets amounted to approximately ₹5,196 crore. As at March 31, 2019, the Company has a deferred tax liability for branch profit tax of ₹201 crore (net of credits), as the Company estimates that these branch profits are expected to be distributed in the foreseeable future.

Other income for the year ended March 31, 2019 and March 31, 2018 includes interest on income tax refund of ₹50 crore and ₹257 crore respectively.

Deferred income tax liabilities have not been recognized on temporary differences amounting to ₹6,007 crore and ₹5,045 crore as at March 31, 2019 and March 31, 2018, respectively, associated with investments in subsidiaries and branches as it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred income tax assets have not been recognized on accumulated losses of ₹146 crore as at March 31, 2019 as it is probable that future taxable profit will be not available against which the unused tax losses can be utilized in the foreseeable future.

The following table provides details of expiration of unused tax losses:

(In ₹ crore)

Year	**As at March 31, 2019**
2020	144
2021	2
Total	**146**

The following table provides the details of income tax assets and income tax liabilities as at March 31, 2019 and March 31, 2018:

(In ₹ crore)

Particulars	**As at**	
	March 31, 2019	**March 31, 2018**
Income tax assets	6,293	5,710
Current income tax liabilities	1,458	1,976
Net current income tax asset/ (liability) at the end	**4,835**	**3,734**

The gross movement in the current income tax asset/ (liability) for the year ended March 31, 2019 and March 31, 2018 is as follows:

(In ₹ crore)

	As at	
	March 31, 2019	**March 31, 2018**
Net current income tax asset/ (liability) at the beginning	3,734	1,692
Income tax paid	6,271	6,054
Current income tax expense	(5,189)	(4,003)
Income tax benefit arising on exercise of stock options	8	-
Income tax on other comprehensive income	6	(16)
Tax impact on buyback expenses	4	-
Translation differences	1	7
Net current income tax asset/ (liability) at the end	**4,835**	**3,734**

The movement in gross deferred income tax assets and liabilities (before set off) for the year ended March 31, 2019 is as follows:

(In ₹ crore)

Particulars	Carrying value as of April 1, 2018	Changes through profit and loss	Changes through OCI	Addition on account of business combination	Translation difference	Carrying value as of March 31, 2019
Deferred income tax assets						
Property, plant and equipment	181	43	-	-	(1)	223
Trade receivables	129	35	-	-	-	164
Compensated absences	325	24	-	-	-	349
Post sales client support	92	3	-	-	-	95
Derivative financial instruments	13	(8)	-	-	(1)	4
Credits related to branch profits	341	(22)	-	-	21	340
Others	55	29	7	-	2	93
Total Deferred income tax assets	**1,136**	**104**	**7**	**-**	**21**	**1,268**
Deferred income tax liabilities						
Intangibles	-		-	-		
Branch profit tax	(505)	(3)	-	-	(33)	(541)
Derivative financial instruments	(1)	(98)	(7)	-	-	(106)
Others	(7)	(39)	(3)	-	1	(48)
Total Deferred income tax liabilities	**(513)**	**(140)**	**(10)**	**-**	**(32)**	**(695)**

The movement in gross deferred income tax assets and liabilities (before set off) for the year ended March 31, 2018 is as follows:

(In ₹ crore)

Particulars	Carrying value as of April 1, 2017	Changes through profit and loss	Changes through OCI	Addition on account of business combination	Translation difference	Carrying value as of March 31, 2018
Deferred income tax assets						
Property, plant and equipment	107	75	-	-	(1)	181
Computer software	40	(40)	-	-	-	-
Accrued compensation to employees	35	(35)	-	-	-	-
Trade receivables	123	6	-	-	-	129
Compensated absences	336	(11)	-	-	-	325
Post sales client support	93	(1)	-	-	-	92
Derivative financial instruments	-	13	-	-	-	13
Intangibles	-	(13)	-	13	-	-
Credits related to branch profits	-	334	-	-	7	341
Others	32	23	-	-	-	55
Total Deferred income tax assets	**766**	**351**	**-**	**13**	**6**	**1,136**
Deferred income tax liabilities						
Branch profit tax	(327)	(172)	-	-	(6)	(505)
Derivative financial instruments	(88)	73	13	-	1	(1)
Others	(5)	(2)	-	-	-	(7)
Total Deferred income tax liabilities	**(420)**	**(101)**	**13**	**-**	**(5)**	**(513)**

The tax effects of significant temporary differences that resulted in deferred income tax assets and liabilities are as follows: *(In ₹ crore)*

Particulars	As at	
	March 31, 2019	**March 31, 2018**
Deferred income tax assets after set off	1,114	1,128
Deferred income tax liabilities after set off	541	505

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

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

2.16 REVENUE FROM OPERATIONS

Accounting Policy

The Company derives revenues primarily from business IT services comprising of software development and related services, consulting and package implementation and from the licensing of software products and platforms across our core and digital offerings ("together called as software related services").

Effective April 1, 2018, the Company adopted Ind AS 115 "Revenue from Contracts with Customers" using the cumulative catch-up transition method, applied to contracts that were not completed as of April 1, 2018. In accordance with the cumulative catch-up transition method , the comparatives have not been retrospectively adjusted. The following is a summary of new and/or revised significant accounting policies related to revenue recognition. Refer Note 1 "Significant Accounting Policies," in the Company's 2018 Annual Report for the policies in effect for revenue prior to April 1, 2018. The effect on adoption of Ind AS 115 was insignificant.

Revenue is recognized upon transfer of control of promised products or services to customers in an amount that reflects the consideration we expect to receive in exchange for those products or services.

Arrangements with customers for software related services are either on a fixed-price, fixed-timeframe or on a time-and-material basis.

Revenue on time-and-material contracts are recognized as the related services are performed and revenue from the end of the last invoicing to the reporting date is recognized as unbilled revenue. Revenue from fixed-price, fixed-timeframe contracts, where the performance obligations are satisfied over time and where there is no uncertainty as to measurement or collectability of consideration, is recognized as per the percentage-of-completion method. When there is uncertainty as to measurement or ultimate collectability, revenue recognition is postponed until such uncertainty is resolved. Efforts or costs expended have been used to measure progress towards completion as there is a direct relationship between input and productivity. Maintenance revenue is recognized ratably over the term of the underlying maintenance arrangement.

Revenues in excess of invoicing are classified as contract assets (which we refer as unbilled revenue) while invoicing in excess of revenues are classified as contract liabilities (which we refer to as unearned revenues).

In arrangements for software development and related services and maintenance services, the Company has applied the guidance in Ind AS 115, Revenue from contract with customer, by applying the revenue recognition criteria for each distinct performance obligation. The arrangements with customers generally meet the criteria for considering software development and related services as distinct performance obligations. For allocating the transaction price, the Company has measured the revenue in respect of each performance obligation of a contract at its relative standalone selling price. The price that is regularly charged for an item when sold separately is the best evidence of its standalone selling price. In cases where the company is unable to determine the standalone selling price, the company uses the expected cost plus margin approach in estimating the standalone selling price. For software development and related services, the performance obligations are satisfied as and when the services are rendered since the customer generally obtains control of the work as it progresses.

Revenue from licenses where the customer obtains a "right to use" the licenses is recognized at the time the license is made available to the customer. Revenue from licenses where the customer obtains a "right to access" is recognized over the access period. Arrangements to deliver software products generally have three elements: license, implementation and Annual Technical Services (ATS). The company has applied the principles under Ind AS 115 to account for revenues from these performance obligations. When implementation services are provided in conjunction with the licensing arrangement and the license and implementation have been identified as two separate performance obligations, the transaction price for such contracts are allocated to each performance obligation of the contract based on their relative standalone selling prices. In the absence of standalone selling price for implementation, the performance obligation is estimated using the expected cost plus margin approach. Where the license is required to be substantially customized as part of the implementation service the entire arrangement fee for license and implementation is considered to be a single performance obligation and the revenue is recognized using the percentage-of-completion method as the implementation is performed. Revenue from client training, support and other services arising due to the sale of software products is recognized as the performance obligations are satisfied. ATS revenue is recognized ratably over the period in which the services are rendered.

The company accounts for volume discounts and pricing incentives to customers as a reduction of revenue based on the ratable allocation of the discounts/ incentives to each of the underlying performance obligation that corresponds to the progress by the customer towards earning the discount/ incentive. Also, when the level of discount varies with increases in levels of revenue transactions, the company recognizes the liability based on its estimate of the customer's future purchases. If it is probable that the criteria for the discount will not be met, or if the amount thereof cannot be estimated reliably, then discount is not recognized until the payment is probable and the amount can be estimated reliably. The company recognizes changes in the estimated amount of obligations for discounts in the period in which the change occurs.

Deferred contract costs are incremental costs of obtaining a contract which are recognized as assets and amortized over the term of the contract.

Contract modifications are accounted for when additions, deletions or changes are approved either to the contract scope or contract price. The accounting for modifications of contracts involves assessing whether the services added to an existing contract are distinct and whether the pricing is at the standalone selling price. Services added that are not distinct are accounted for on a cumulative catch up basis, while those that are distinct are accounted for prospectively, either as a separate contract, if the additional services are priced at the standalone selling price, or as a termination of the existing contract and creation of a new contract if not priced at the standalone selling price.

The Company presents revenues net of indirect taxes in its statement of Profit and loss.

Revenue from operations for the year ended March 31, 2019 and March 31, 2018 is as follows: *(In ₹ crore)*

Particulars	**Year ended March 31,**	
	2019	**2018**
Revenue from software services	72,845	61,733
Revenue from products and platforms	262	208
Total revenue from operations	**73,107**	**61,941**

Disaggregate revenue information

The table below presents disaggregated revenues from contracts with customers for the year ended March 31, 2019 by offerings and contract-type. The Company believe that this disaggregation best depicts how the nature, amount, timing and uncertainty of our revenues and cash flows are affected by industry, market and other economic factors.

(In ₹ crore)

Particulars	Year ended March 31, 2019
Revenue by offerings	
Core	49,463
Digital	23,644
Total	**73,107**
Revenues by contract type	
Fixed Price	39,383
Time & Materials	33,724
Total	**73,107**

Digital Services

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

Core Services

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

Products & platforms

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

Trade receivables and Contract Balances

The company classifies the right to consideration in exchange for deliverables as either a receivable or as unbilled revenue.

A receivable is a right to consideration that is unconditional upon passage of time. Revenue for time and material contracts are recognized as related service are performed. Revenue for fixed price maintenance contracts is recognized on a straight line basis over the period of the contract. Revenues in excess of billings is recorded as unbilled revenue and is classified as a financial asset for these cases as right to consideration is unconditional upon passage of time .

Revenue recognition for fixed price development contracts is based on percentage of completion method. Invoicing to the clients is based on milestones as defined in the contract. This would result in the timing of revenue recognition being different from the timing of billing the customers. Unbilled revenue for fixed price development contracts is classified as non financial asset as the contractual right to consideration is dependent on completion of contractual milestones.

Invoicing in excess of earnings are classified as unearned revenue.

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

During the year ended March 31, 2019 , the company recognized revenue of ₹1,776 crore arising from opening unearned revenue as of April 1, 2018.

During the year ended March 31, 2019, ₹2,355 crore of unbilled revenue pertaining to fixed price development contracts as of April 1, 2018 has been reclassified to Trade receivables upon billing to customers on completion of milestones.

Performance obligations and remaining performance obligations

The remaining performance obligation disclosure provides the aggregate amount of the transaction price yet to be recognized as at the end of the reporting period and an explanation as to when the Company expects to recognize these amounts in revenue. Applying the practical expedient as given in Ind AS 115, the Company has not disclosed the remaining performance obligation related disclosures for contracts where the revenue recognized corresponds directly with the value to the customer of the entity's performance completed to date, typically those contracts where invoicing is on time and material basis. Remaining performance obligation estimates are subject to change and are affected by several factors, including terminations, changes in the scope of contracts, periodic revalidations, adjustment for revenue that has not materialized and adjustments for currency.

The aggregate value of performance obligations that are completely or partially unsatisfied as at March 31, 2019, other than those meeting the exclusion criteria mentioned above, is ₹44,904 crore. Out of this, the Company expects to recognize revenue of around 50% within the next one year and the remaining thereafter. This includes contracts that can be terminated for convenience without a substantive penalty since, based on current assessment, the occurrence of the same is expected to be remote.

The impact on account of applying the erstwhile Ind AS 18 Revenue instead of Ind AS 115 Revenue from contract with customers on the financials results of the Company for the year ended and as at March 31, 2019 is insignificant. On account of adoption of Ind AS 115, unbilled revenues of ₹2,904 crore as at March 31, 2019 has been considered as a non financial asset.

2.17 OTHER INCOME, NET

2.17.1 Other income - Accounting Policy

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

2.17.2 Foreign currency - Accounting Policy

Functional currency

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

Transactions and translations

Foreign-currency denominated monetary assets and liabilities are translated into the relevant functional currency at exchange rates in effect at the Balance Sheet date. The gains or losses resulting from such translations are included in net profit in the Statement of Profit and Loss. Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at fair value are translated at the exchange rate prevalent at the date when the fair value was determined. Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of the transaction.

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

Effective April 1 , 2018 the company has adopted Appendix B to Ind AS 21- Foreign Currency Transactions and Advance Consideration which clarifies the date of transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income when an entity has received or paid advance consideration in a foreign currency. The effect on account of adoption of this amendment was insignificant.

Other income for the year ended March 31, 2019 and March 31, 2018 is as follows: *(In ₹ crore)*

Particulars	**Year ended March 31,**	
	2019	**2018**
Interest income on financial assets carried at amortized cost		
Tax free bonds and government bonds	137	138
Deposit with Bank and others	1,276	1,540
Interest income on financial assets fair valued through other comprehensive income		
Non-convertible debentures, commercial paper and certificates of deposit	581	642
Income on investments carried at fair value through profit or loss		
Dividend income on liquid mutual funds	2	3
Gain / (loss) on liquid mutual funds	175	227
Dividend income from subsidiaries	-	846
Write down of investment in subsidiary (refer note no 2.3)	-	(122)
Exchange gains/(losses) on foreign currency forward and options contracts	184	(12)
Exchange gains/(losses) on translation of assets and liabilities	144	265
Miscellaneous income, net	353	492
Total other income	**2,852**	**4,019**

2.18 EXPENSES

(In ₹ crore)

Particulars	**Year ended March 31,**	
	2019	**2018**
Employee benefit expenses		
Salaries including bonus	37,185	31,618
Contribution to provident and other funds	797	695
Share based payments to employees (Refer note no. 2.10)	182	72
Staff welfare	132	87
	38,296	**32,472**
Cost of software packages and others		
For own use	793	774
Third party items bought for service delivery to clients	853	496
	1,646	**1,270**

Other expenses		
Power and fuel	171	162
Brand and Marketing	406	247
Operating lease payments	339	328
Rates and taxes	110	116
Repairs and Maintenance	1,051	902
Consumables	33	22
Insurance	55	47
Provision for post-sales client support and others	(6)	127
Commission to non-whole time directors	7	9
Impairment loss recognized / (reversed) under expected credit loss model	184	24
Auditor's remuneration		
Statutory audit fees	4	3
Tax matters	1	1
Other services	-	-
Contributions towards Corporate Social Responsibility	245	142
Others	170	54
	2,770	**2,184**

2.19 LEASES

Accounting policy

Leases under which the company assumes substantially all the risks and rewards of ownership are classified as finance leases. When acquired, such assets are capitalized at fair value or present value of the minimum lease payments at the inception of the lease, whichever is lower. Lease payments under operating leases are recognized as an expense on a straight line basis in net profit in the Statement of Profit and Loss over the lease term.

The lease rentals charged during the period is as follows:

(In ₹ crore)

Particulars	**Year ended March 31,**	
	2019	**2018**
Lease rentals recognized during the period	339	328

The obligations on long-term, non-cancellable operating leases payable as per the rentals stated in the respective agreements are as follows:

(In ₹ crore)

	As at	
Future minimum lease payable	**March 31, 2019**	**March 31, 2018**
Not later than 1 year	391	267
Later than 1 year and not later than 5 years	1,191	877
Later than 5 years	800	755

The operating lease arrangements, are renewable on a periodic basis and for most of the leases extend upto a maximum of ten years from their respective dates of inception and relates to rented premises. Some of these lease agreements have price escalation clauses.

2.20 EMPLOYEE BENEFITS
Accounting Policy

2.20.1 Gratuity

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

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

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

2.20.2 Provident fund

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

2.20.3 Superannuation

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

2.20.4 Compensated absences

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

a. Gratuity

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

(In ₹ crore)

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

The amount for the year ended March 31, 2019 and March 31, 2018 recognized in the Statement of Profit and Loss under employee benefit expense are as follows:

(In ₹ crore)

Particulars	Year ended March 31,	
	2019	**2018**
Service cost	135	131
Net interest on the net defined benefit	(5)	(5)
Curtailment gain	-	-
Net gratuity cost	**130**	**126**

The amounts for the year ended March 31, 2019 and March 31, 2018 recognized in statement of other comprehensive income are as follows:

(In ₹ crore)

Particulars	Year ended March 31,	
	2019	**2018**
Remeasurements of the net defined benefit liability/ (asset)		
Actuarial (gains) / losses	31	(57)
(Return) / loss on plan assets excluding amounts included in the net interest on the net defined benefit liability/(asset)	(4)	(11)
	27	**(68)**

(In ₹ crore)

Particulars	Year ended March 31,	
	2019	**2018**
(Gain)/loss from change in demographic assumptions	-	-
(Gain)/loss from change in financial assumptions	26	(36)
(Gain)/loss from change in experience assumptions	5	(21)
	31	**(57)**

The weighted-average assumptions used to determine benefit obligations as at March 31, 2019 and March 31, 2018 are set out below:

Particulars	Year ended March 31,	
	2019	**2018**
Discount rate	7.1%	7.5%
Weighted average rate of increase in compensation levels	8.0%	8.0%

The weighted-average assumptions used to determine net periodic benefit cost for the year ended March 31, 2019 and March 31, 2018 are set out below:

Particulars	Year ended March 31,	
	2019	**2018**
Discount rate	7.5%	6.9%
Weighted average rate of increase in compensation levels	8.0%	8.0%
Weighted average duration of defined benefit obligation	5.9 years	6.1 years

Assumptions regarding future mortality experience are set in accordance with the published statistics by the Life Insurance Corporation of India.

The Company assesses these assumptions with its projected long-term plans of growth and prevalent industry standards. The discount rate is based on the government securities yield.

Sensitivity of significant assumptions used for valuation of defined benefit obligations *(₹ in crore)*

Impact from percentage point increase / decrease in	As at March 31, 2019
Discount Rate	67
Weighted average rate of increase in compensation level	59

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

Gratuity is applicable only to employees drawing a salary in Indian rupees and there are no other significant foreign defined benefit gratuity plans.

The Company contributes all ascertained liabilities towards gratuity to the Infosys Limited Employees' Gratuity Fund Trust. Trustees administer contributions made to the trust. As at March 31, 2019 and March 31, 2018, the plan assets have been primarily invested in insurer managed funds.

Actual return on assets for each of the year ended March 31, 2019 and March 31, 2018 was ₹82 crore and ₹80 crore respectively.

The Company expects to contribute ₹140 crore to the gratuity trusts during the fiscal 2020.

Maturity profile of defined benefit obligation:

	(In ₹ crore)
Within 1 year	158
1-2 year	170
2-3 year	181
3-4 year	190
4-5 year	204
5-10 years	1,047

b. Superannuation

The Company contributed ₹199 crore and ₹158 crore to the Superannuation trust during the year ended March 31, 2019 and March 31, 2018 respectively and the same has been recognized in the Statement of Profit and Loss account under the head employee benefit expense.

c. Provident fund

Infosys has an obligation to fund any shortfall on the yield of the trust's investments over the administered interest rates on an annual basis. These administered rates are determined annually predominantly considering the social rather than economic factors and in most cases the actual return earned by the Company has been higher in the past years. The actuary has provided a valuation for provident fund liabilities on the basis of guidance issued by Actuarial Society of India and based on the below provided assumptions there is no shortfall as at March 31, 2019 and March 31, 2018 respectively.

The details of fund and plan asset position are given below:

(In ₹ crore)

Particulars	**Year ended March 31,**	
	2019	**2018**
Benefit obligation at the period end	5,989	5,160
Net liability recognized in balance sheet	-	-

The plan assets have been primarily invested in government securities.
Assumptions used in determining the present value obligation of the interest rate guarantee under the Deterministic Approach:

Particulars	**Year ended March 31,**	
	2019	**2018**
Government of India (GOI) bond yield	7.10%	7.50%
Remaining term to maturity of portfolio	5.47 years	5.9 years
Expected guaranteed interest rate	8.65%	8.55%

The Company contributed ₹451 crore and ₹397 crore during the year ended March 31, 2019 and March 31, 2018 respectively and the same has been recognized in the Statement of Profit and Loss under the head employee benefit expense.

The provident plans are applicable only to employees drawing a salary in Indian rupees and there are no other significant foreign defined benefit plans.

Employee benefits cost include:

(In ₹ crore)

Particulars	**Year ended March 31,**	
	2019	**2018**
Salaries and bonus[(1)(2)]	37,516	31,791
Defined contribution plans	199	158
Defined benefit plans	581	523
	38,296	**32,472**

[(1)] Includes employee stock compensation expense of ₹182 crore and ₹72 crore for the year ended March 31, 2019 and March 31, 2018, respectively (Refer note 2.10).

[(2)] Included in the above for the year ended March 31, 2018 is a reversal of stock compensation cost of ₹35 crore towards forfeiture of stock incentives granted to Dr. Vishal Sikka upon his resignation. (Refer note no. 2.10).

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

Accounting Policy

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

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

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

Particulars	**Year ended March 31,**	
	2019	**2018**
Basic earnings per equity share - weighted average number of equity shares outstanding	4,36,82,12,119	4,53,26,87,604
Effect of dilutive common equivalent shares - share options outstanding	22,00,229	20,97,638
Diluted earnings per equity share - weighted average number of equity shares and common equivalent shares outstanding	**4,37,04,12,348**	**4,53,47,85,242**

** Information in above table is adjusted for September 2018 Bonus issue.(refer note no.2.10)*

For the year ended March 31, 2019 and March 31, 2018 number of options to purchase equity shares that had an anti-dilutive effect are Nil and 55,752 (adjusted for September 2018 bonus issue) respectively.

2.22 CONTINGENT LIABILITIES AND COMMITMENTS

(In ₹ crore)

Particulars	**As at**	
	March 31, 2019	**March 31, 2018**
Contingent liabilities :		
Claims against the Company, not acknowledged as debts[(1)]	2,947	4,627
[Amount paid to statutory authorities ₹5,861 crore (*₹6,486 crore*)]		
Commitments :		
Estimated amount of contracts remaining to be executed on capital contracts and not provided for (net of advances and deposits)	1,653	1,405
Other Commitments*	17	36

**Uncalled capital pertaining to investments*

[(1)] As at March 31, 2019, claims against the company not acknowledged as debts in respect of income tax matters amounted to ₹2,811 crore. These matters are pending before various Appellate Authorities and the management including its tax advisors expect that its position will likely be upheld on ultimate resolution and will not have a material adverse effect on the Company's financial position and results of operations.

Amount paid to statutory authorities against the above tax claims amounted to ₹5,860 crore.

Subsequent to March 31, 2018, the Supreme Court of India ruled favorably in respect of certain income tax claims which have been given effect in the above disclosure of claims as of March 31, 2019.

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

2.23 RELATED PARTY TRANSACTIONS

List of related parties:

Name of subsidiaries	**Country**	**Holdings as at**	
		March 31, 2019	**March 31, 2018**
Infosys Technologies (China) Co. Limited (Infosys China)	China	100%	100%
Infosys Technologies S. de R. L. de C. V. (Infosys Mexico)	Mexico	100%	100%
Infosys Technologies (Sweden) AB. (Infosys Sweden)	Sweden	100%	100%
Infosys Technologies (Shanghai) Company Limited (Infosys Shanghai)	China	100%	100%
Infosys Tecnologia DO Brasil LTDA. (Infosys Brasil)	Brazil	100%	100%
Infosys Nova Holdings LLC. (Infosys Nova)	U.S.	100%	100%
EdgeVerve Systems Limited (EdgeVerve)	India	100%	100%
Infosys Austria GmbH[(1)] (formerly Lodestone Management Consultants GmbH)	Austria	100%	100%
Skava Systems Pvt. Ltd. (Skava Systems)	India	100%	100%
Kallidus Inc. (Kallidus)	U.S.	100%	100%
Infosys Chile SpA[(2)]	Chile	100%	100%
Infosys Arabia Limited[(3)]	Saudi Arabia	70%	70%
Infosys Consulting Ltda.[(3)]	Brazil	99.99%	99.99%
Infosys CIS LLC[(1)(22)]	Russia	-	-
Infosys Luxembourg S.a.r.l [(1)(17)]	Luxembourg	100%	-
Infosys Americas Inc., (Infosys Americas)	U.S.	100%	100%
Infosys Technologies (Australia) Pty. Limited (Infosys Australia)[(4)]	Australia	100%	100%
Infosys Public Services, Inc. USA (Infosys Public Services)	U.S.	100%	100%
Infosys Canada Public Services Inc[(23)]	Canada	-	-
Infosys Canada Public Services Ltd[(24)]	Canada	-	-
Infosys BPM Limited (formerly Infosys BPO Limited)	India	99.98%	99.98%
Infosys (Czech Republic) Limited s.r.o.[(5)]	Czech Republic	99.98%	99.98%
Infosys Poland, Sp z.o.o[(5)]	Poland	99.98%	99.98%
Infosys McCamish Systems LLC [(5)]	U.S.	99.98%	99.98%
Portland Group Pty Ltd[(5)]	Australia	99.98%	99.98%

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

[1] *Wholly-owned subsidiary of Infosys Limited*
[2] *Incorporated effective November 20, 2017*
[3] *Majority owned and controlled subsidiary of Infosys Limited*
[4] *Under liquidation*
[5] *Wholly owned subsidiary of Infosys BPM*
[6] *Wholly owned subsidiaries of Infosys Consulting Holding AG (formerly Lodestone Holding AG)*
[7] *Majority owned and controlled subsidiaries of Infosys Consulting Holding AG (formerly Lodestone Holding AG)*
[8] *Wholly owned subsidiary of Panaya Inc*
[9] *Liquidated effective November 9, 2017*
[10] *Wholly owned subsidiary of Noah. Liquidated effective December 20, 2017*
[11] *On September 8, 2017, Infosys acquired 100% of the voting interests in Brilliant Basics Holding Limited*
[12] *Wholly-owned subsidiary of Brilliant Basics Holding Limited.*
[13] *Wholly-owned subsidiary of Infosys Consulting Pte Ltd*
[14] *On May 22, 2018, Infosys acquired 100% of the voting interest in WongDoody*
[15] *Liquidated effective May 17, 2018*
[16] *Wholly-owned subsidiary of WongDoody*
[17] *Incorporated effective August 6, 2018*
[18] *On October 11, 2018, Infosys Consulting Pte. Ltd, acquired 100% of the voting interests in Fluido Oy and its subsidiaries*
[19] *Wholly-owned subsidiary of Fluido Oy*
[20] *On November 16, 2018 , Infosys Consulting Pte. Ltd, acquired 60% of the voting interest in Infosys Compaz Pte. Ltd*
[21] *Incorporated effective December 19,2018*
[22] *Incorporated effective November 29, 2018*
[23] *Incorporated effective November 27, 2018, wholly owned subsidiary Infosys Public Services Inc*
[24] *Liquidated effective May 9, 2017, wholly owned subsidiary Infosys Public Services Inc*

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

Associate

During the year ended March 31, 2018, the Company has written down the entire carrying value of the investment in its associate DWA Nova LLC amounting to ₹71 crore. DWA Nova LLC has been liquidated w.e.f November 17, 2017

List of other related party

Particulars	**Country**	**Nature of relationship**
Infosys Limited Employees' Gratuity Fund Trust	India	Post-employment benefit plan of Infosys
Infosys Limited Employees' Provident Fund Trust	India	Post-employment benefit plan of Infosys
Infosys Limited Employees' Superannuation Fund Trust	India	Post-employment benefit plan of Infosys
Infosys Employees Welfare Trust	India	Controlled trust
Infosys Employee Benefits Trust	India	Controlled trust
Infosys Science Foundation	India	Controlled trust

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

List of key management personnel

Whole-time directors

Salil Parekh appointed as Chief Executive Officer and Managing Director effective January 2, 2018. The appointment is for a term of 5 years with effect from January 2, 2018 to January 1, 2023 and the remuneration is approved by shareholders through postal ballot dated February 20, 2018.

U. B. Pravin Rao, Chief Operating officer appointed as Interim-Chief Executive Officer and Managing Director effective August 18, 2017. Subsequently he stepped down as the interim CEO and Managing Director effective January 2, 2018 and will continue as Chief Operating Officer and a whole-time director of the Company.

Dr. Vishal Sikka resigned as Chief Executive Officer and Managing Director effective August 18, 2017 and as Executive Vice Chairman effective August 24, 2017

Non-whole-time directors

Nandan M. Nilekani (appointed as Non-Executive, Non-Independent Chairman effective August 24, 2017)
Micheal Gibbs (appointed as Independent director effective July 13, 2018)
Ravi Venkatesan (resigned from his position as Co-Chairman effective August 24, 2017 and resigned as member of the Board effective May 11, 2018)
Kiran Mazumdar-Shaw
Roopa Kudva
Dr. Punita Kumar-Sinha
D. N. Prahlad
D. Sundaram (appointed effective July 14, 2017)
Prof. Jeffrey Lehman, (resigned effective August 24, 2017)
R. Seshasayee (resigned effective August 24, 2017)
Prof. John Etchemendy (resigned effective August 24, 2017)

Executive Officers

Nilanjan Roy (appointed as Chief Financial Officer effective March 1, 2019)
Jayesh Sanghrajka (appointed as Interim-Chief Financial Officer effective November 17, 2018. He resumed his responsibilities as Deputy Chief Financial Officer effective March 1, 2019)

M.D. Ranganath (resigned as Chief Financial Officer effective November 16, 2018)
Mohit Joshi, President
Rajesh K. Murthy, President (appointed effective October 13, 2016 and resigned effective January 31, 2018)
Ravi Kumar S, President and Deputy Chief Operating Officer
Sandeep Dadlani, President (resigned effective July 14, 2017)
Krishnamurthy Shankar, Group Head - Human Resources
Gopi Krishnan Radhakrishnan - Acting General Counsel (resigned effective June 24, 2017)
Inderpreet Sawhney, Group General Counsel and Chief Compliance Officer (appointed as executive officer effective July 14, 2017)

Company Secretary

A. G. S. Manikantha

The details of amounts due to or due from related parties as at March 31, 2019 and March 31, 2018 are as follows:

(In ₹ crore)

Particulars	**As at**	
	March 31, 2019	**March 31, 2018**
Investment in debentures		
EdgeVerve[(1)]	1,445	1,780
	1,445	**1,780**
Trade receivables		
EdgeVerve	3	-
Infosys China	23	29
Infosys Mexico	3	4
Infosys Brasil	1	1
Infosys BPM	10	5
Infy Consulting Company Ltd.	13	77
Infosys Public Services	57	53
Infosys Shanghai	6	7
Infosys Sweden	-	1
Kallidus	-	13
Infosys McCamish Systems LLC	89	70
Panaya Ltd	115	75
Infosys Compaz Pte. Ltd	5	-
	325	**335**

Loans		
Infosys China [(2)]	82	73
Infosys Consulting Holding AG[(3)]	89	104
Brilliant Basics Holdings Limited [(4)]	7	8
Infosys Consulting Pte Ltd [(5)]	663	-
	841	**185**
Prepaid expense and other assets		
Panaya Ltd.	109	114
Brilliant Basics Limited	-	1
	109	**115**
Other financial assets		
Infosys BPM	10	10
Panaya Ltd.	3	2
Infosys Consulting GmbH	2	1
Infosys China	2	2
Infosys Shanghai	1	-
Infy Consulting Company Ltd.	3	9
Infosys Consulting AG	1	1
Infosys Public Services	3	6
Infosys Consulting Pte Ltd.	-	1
Kallidus	2	1
Infosys Consulting Ltda.	1	1
Skava Systems Pvt. Ltd.	1	1
Lodestone Management Consultants Co., Ltd	-	1
Infosys Brasil	1	-
Edgeverve	-	3
Brilliant Basics Limited	1	-
Infosys Mexico	1	1
McCamish Systems LLC	1	-
Infosys Compaz Pte. Ltd	1	-
	34	**40**
Unbilled revenues		
EdgeVerve	40	32
Kallidus	11	-
	51	**32**
Trade payables		
Infosys China	8	7
Infosys BPM	50	54
Infosys (Czech Republic) Limited s.r.o.	6	3
Infosys Mexico	6	6
Infosys Sweden	3	5
Infosys Shanghai	6	6
Infosys Management Consulting Pty Limited	9	8
Infosys Consulting Pte Ltd.	4	2
Infy Consulting Company Ltd.	87	67
Infosys Brasil	2	2
Brilliant Basics Limited	7	7
Panaya Ltd.	4	6
Infosys Public Services	4	2
Kallidus	2	-
Portland Group Pty Ltd	1	-
Infosys Chile SpA	1	-
Infosys Middle East FZ-LLC	12	-
Infosys Poland Sp Z.o.o	1	3
McCamish Systems LLC	1	-
WDW Communications, Inc.	6	-
	220	**178**
Other financial liabilities		
Infosys BPM	4	2
Infosys Mexico	2	1
Infosys Public Services	-	5
Infosys China	1	1
Infosys Consulting GmbH	5	1
Infosys Middle East FZ-LLC	-	8
Infosys Consulting AG	1	1
	13	**19**
Accrued expenses		
Infosys BPM	6	9
	6	**9**

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

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

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

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

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

Particulars	Maximum amount outstanding during the	
	Year ended March 31, 2019	Year ended March 31, 2018
Loans and advances in the nature of loans given to Subsidiaries:		
Infosys China	86	92
Brilliant Basics	8	8
Infosys Consulting Pte Ltd	678	-
Infosys Consulting Holding AG	114	105

The details of the related parties transactions entered into by the Company for the year ended March 31, 2019 and March 31, 2018 are as follows:

(In ₹ crore)

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

Infosys Mexico	-	2
WDW Communications, Inc.	1	-
	11	**29**
Interest income		
Infosys China	5	4
Infosys Consulting Holding AG	2	2
Infosys Consulting Pte Ltd.	6	-
EdgeVerve	141	156
	154	**162**
Dividend Income		
Infosys BPM	-	846
	-	**846**
Sale of services		
Infosys China	31	27
Infosys Mexico	20	22
Infy Consulting Company Limited	54	40
Infosys Brasil	6	5
Infosys BPM	101	70
McCamish Systems LLC	238	113
Infosys Sweden	3	11
Infosys Shanghai	8	7
EdgeVerve	469	407
Kallidus Inc	-	2
Infosys Public Services	766	628
Infosys Compaz Pte Ltd	13	-
	1,709	**1,332**
Sale of shared services including facilities and personnel		
EdgeVerve	36	40
Panaya Ltd.	45	48
Infosys Consulting SAS	-	1
Infy Consulting Company Limited	-	3
Infy Consulting B.V	-	1
Infosys BPM	27	67
Infosys Public Services	-	2
	108	**162**

(1) *Excludes contingent consideration*

(2) *Refer note no. 2.3*

(3) *Represents redemption of investment*

Transactions with key management personnel

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

(In ₹ crore)

Particulars	Year ended March 31,	
	2019	**2018**
Salaries and other employee benefits to whole-time directors and executive officers (1)(2)(3)	96	48
Commission and other benefits to non-executive/independent directors	7	10
Total	**103**	**58**

(1) *Total employee stock compensation expense for the year ended March 31, 2019 includes a charge of ₹33 crore, towards key managerial personnel. For the year ended March 31, 2018 includes a reversal of ₹13 crore was recorded towards key managerial personnel. (Refer note no. 2.10)*

(2) *Includes reversal of stock compensation cost of ₹35 crore for the quarter ended September 30, 2017 towards forfeiture of stock incentive granted to Dr. Vishal Sikka upon his resignation (Refer to note 2.10)*

(3) *On December 2, 2017, the Board appointed Salil Parekh as the Chief Executive Officer and Managing Director of the Company with effect from January 2, 2018.*

2.24 CORPORATE SOCIAL RESPONSIBILITY

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

a) Gross amount required to be spent by the company during the year is ₹340 crore.
b) Amount spent during the year on:

in ₹ crore

Particulars	In Cash	Yet to be paid in Cash	Total
1. Construction / acquisition of any asset	97	-	97
2. On purposes other than (1) above	245	-	245

2.25 SEGMENT REPORTING

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

2.27 FUNCTION-WISE CLASSIFICATION OF STATEMENT OF PROFIT AND LOSS

(In ₹ crore)

Particulars	Note No.	Year ended March 31, 2019	2018
Revenue from operations	2.16	73,107	61,941
Cost of sales		47,412	39,138
Gross Profit		**25,695**	**22,803**
Operating expenses			
Selling and marketing expenses		3,661	2,763
General and administration expenses		4,225	3,562
Total operating expenses		7,886	6,325
Operating profit		**17,809**	**16,478**
Reduction in the fair value of assets held for sale	2.3.8	265	589
Adjustment in respect of excess of carrying amount over recoverable amount on reclassification from "Held for Sale"	2.3.8	469	-
Other income, net	2.17	2,852	4,019
Profit before tax		**19,927**	**19,908**
Tax expense:			
Current tax	2.15	5,189	4,003
Deferred tax	2.15	36	(250)
Profit for the period		**14,702**	**16,155**
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss			
Remeasurement of the net defined benefit liability/asset, net		(21)	52
Equity instruments through other comprehensive income, net		78	7
Items that will be reclassified subsequently to profit or loss			
Fair value changes on derivatives designated as cash flow hedge, net		21	(39)
Fair value changes on investments, net	2.2	1	1
Total other comprehensive income/(loss), net of tax		**79**	**21**
Total comprehensive income for the year		**14,781**	**16,176**

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

Nandan M. Nilekani
Chairman

Salil Parekh
Chief Executive officer
and Managing Director

U. B. Pravin Rao
Chief Operating Officer
and Whole-time Director

D. Sundaram
Director

Nilanjan Roy
Chief Financial Officer

A. G. S. Manikantha
Company Secretary

Bengaluru
April 12, 2019

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, 2019, 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 the 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, 2019, the profit and 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 specified under section 143(10) of the Act (SAs). 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 independence 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 we have obtained 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	***Accuracy of recognition, measurement, presentation and disclosures of revenues and other related balances in view of adoption of Ind AS 115 "Revenue from Contracts with Customers" (new revenue accounting standard)***	***<u>Principal Audit Procedures</u>*** We assessed the Company's process to identify the impact of adoption of the new revenue accounting standard. Our audit approach consisted testing of the design and operating effectiveness of the internal controls and substantive testing as follows:

<table>
<tr>
<td></td>
<td>The application of the new revenue accounting standard involves certain key judgements relating to identification of distinct performance obligations, determination of transaction price of the identified performance obligations, the appropriateness of the basis used to measure revenue recognised over a period. Additionally, new revenue accounting standard contains disclosures which involves collation of information in respect of disaggregated revenue and periods over which the remaining performance obligations will be satisfied subsequent to the balance sheet date.

Refer Notes 1.4a and 2.16 to the Standalone Financial Statements</td>
<td>
Evaluated the design of internal controls relating to implementation of the new revenue accounting standard.
Selected a sample of continuing and new contracts, and tested the operating effectiveness of the internal control, relating to identification of the distinct performance obligations and determination of transaction price. We carried out a combination of procedures involving enquiry and observation, reperformance and inspection of evidence in respect of operation of these controls.
Tested the relevant information technology systems' access and change management controls relating to contracts and related information used in recording and disclosing revenue in accordance with the new revenue accounting standard.
Selected a sample of continuing and new contracts and performed the following procedures:

Read, analysed and identified the distinct performance obligations in these contracts.
Compared these performance obligations with that identified and recorded by the Company.
Considered the terms of the contracts to determine the transaction price including any variable consideration to verify the transaction price used to compute revenue and to test the basis of estimation of the variable consideration.
Samples in respect of revenue recorded for time and material contracts were tested using a combination of approved time sheets including customer acceptances, subsequent invoicing and historical trend of collections and disputes.
In respect of samples relating to fixed price contracts, progress towards satisfaction of performance obligation used to compute recorded revenue was verified with actual and estimated efforts from the time recording and budgeting systems. We also tested the access and change management controls relating to these systems.
Sample of revenues disaggregated by type and service offerings was tested with the performance obligations specified in the underlying contracts.
Performed analytical procedures for reasonableness of revenues disclosed by type and service offerings.
We reviewed the collation of information and the logic of the report generated from the budgeting system used to prepare the disclosure relating to the periods over which the remaining performance obligations will be satisfied subsequent to the balance sheet date.

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<td>2</td>
<td>Accuracy of revenues and onerous obligations in respect of fixed price contracts involves critical estimates</td>
<td><u>Principal Audit Procedures</u>

Our audit approach was a combination of test of internal controls and substantive procedures which included the following:</td>
</tr>
</table>

	Estimated effort is a critical estimate to determine revenues and liability for onerous obligations. This estimate has a high inherent uncertainty as it requires consideration of progress of the contract, efforts incurred till date and efforts required to complete the remaining contract performance obligations. Refer Notes 1.4a and 2.16 to the Standalone Financial Statements.	• Evaluated the design of internal controls relating to recording of efforts incurred and estimation of efforts required to complete the performance obligations. • Tested the access and application controls pertaining to time recording, allocation and budgeting systems which prevents unauthorised changes to recording of efforts incurred. • Selected a sample of contracts and through inspection of evidence of performance of these controls, tested the operating effectiveness of the internal controls relating to efforts incurred and estimated. • Selected a sample of contracts and performed a retrospective review of efforts incurred with estimated efforts to identify significant variations and verify whether those variations have been considered in estimating the remaining efforts to complete the contract. • Reviewed a sample of contracts with unbilled revenues to identify possible delays in achieving milestones, which require change in estimated efforts to complete the remaining performance obligations. • Performed analytical procedures and test of details for reasonableness of incurred and estimated efforts.
3	***Evaluation of uncertain tax positions*** The Company has material uncertain tax positions including matters under dispute which involves significant judgment to determine the possible outcome of these disputes. Refer Notes 1.4b and 2.22 to the Standalone Financial Statements	***Principal Audit Procedures*** Obtained details of completed tax assessments and demands for the year ended March 31, 2019 from management. We involved our internal experts to challenge the management's underlying assumptions in estimating the tax provision and the possible outcome of the disputes. Our internal experts also considered legal precedence and other rulings in evaluating management's position on these uncertain tax positions. Additionally, we considered the effect of new information in respect of uncertain tax positions as at April 1, 2018 to evaluate whether any change was required to management's position on these uncertainties.
4	***Recoverability of Indirect tax receivables*** As at March 31, 2019, non-current assets in respect of withholding tax and others includes Cenvat recoverable amounting to ₹ 503 crores which are pending adjudication. Refer Note 2.8 to the Standalone Financial Statements.	***Principal Audit Procedures*** We have involved our internal experts to review the nature of the amounts recoverable, the sustainability and the likelihood of recoverability upon final resolution.

Information Other than the Standalone 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 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 Responsibility 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, total 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 are 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 skepticism 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 controls 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 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 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 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 Flow dealt with by this Report are in agreement with the relevant books of account.

    d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

    e) On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 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.

2. As required by the Companies (Auditor's Report) Order, 2016 ("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)

P. R. RAMESH
Partner
(Membership No.70928)

Bengaluru, April 12, 2019

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, 2019 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Board of Directors 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. 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 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 Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the 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 Institute of Chartered Accountants of India 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.

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.

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, 2019, 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.

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

P.R. RAMESH
Partner
(Membership No.70928)

Bengaluru, April 12, 2019

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)

i. In respect of the Company's fixed assets:

(a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) The Company has a program of verification to cover all the items of fixed assets in a phased manner 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 fixed assets 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) According to the information and explanations given to us, the records examined by us and based on the examination of the conveyance deeds / registered sale deed provided to us, we report that, the title deeds, comprising all the immovable properties of land and buildings which are freehold, are held in the name of the Company as at the balance sheet date. In respect of immovable properties of land and building that have been taken on lease and disclosed as fixed assets in the standalone financial statements, the lease agreements are in the name of the Company.

ii. The Company is in the business of providing software services and does not have any physical inventories. Accordingly, reporting under clause 3 (ii) of the Order is not applicable to the Company.

iii. According the information and explanations given to us, the Company has granted unsecured loans to two bodies corporate, covered in the register maintained under section 189 of the Companies Act, 2013, in respect of which:

(a) The terms and conditions of the grant of such loans are, in our opinion, prima facie, not prejudicial to the Company's interest.

(b) The schedule of repayment of principal and payment of interest has been stipulated and repayments or receipts of principal amounts and interest have been regular as per stipulations.

(c) There is no overdue amount remaining outstanding as at the year-end.

iv. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Act in respect of grant of loans, making investments and providing guarantees and securities, as applicable.

v. The Company has not accepted deposits during the year and does not have any unclaimed deposits as at March 31, 2019 and therefore, the provisions of the clause 3 (v) of the Order are not applicable to the Company.

vi. The maintenance of cost records has not been specified by the Central Government under section 148(1) of the Companies Act, 2013 for the business activities carried out by the Company. Thus reporting under clause 3(vi) of the order is not applicable to the Company.

vii. According to the information and explanations given to us, in respect of statutory dues:

(a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income Tax, Goods and Service Tax, Customs Duty, Cess and other material statutory dues applicable to it with the appropriate authorities.

(b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income Tax, Goods and Service Tax, Customs Duty, Cess and other material statutory dues in arrears as at March 31, 2019 for a period of more than six months from the date they became payable.

(c) Details of dues of Income Tax, Sales Tax, Service Tax, Excise Duty and Value Added Tax which have not been deposited as at March 31, 2019 on account of dispute are given below:

Nature of the statute	Nature of dues	Forum where Dispute is Pending	Period to which the Amount Relates	Amount ₹ Crores
The Income Tax Act, 1961	Income Tax	Appellate Tribunal (1)	A.Y. 2010-11 to A.Y. 2012-13	1,031
	Income Tax	Appellate Authority upto Commissioner's Level	A.Y. 2008-09 to A.Y. 2016-17 and A.Y. 2018-19 to A.Y. 2019-20	4
Finance Act, 1994	Service Tax	Appellate Tribunal (2)	F.Y. 2004-05 to F.Y.2014-15	60
Central Excise Act, 1944	Excise Duty	Supreme Court(2)	F.Y. 2005-06 to F.Y. 2015-16	68
	Excise Duty	Appellate Tribunal	F.Y. 2015-16	-*
Customs Act, 1962	Custom Duty and Interest	Specified Officer of SEZ	F.Y. 2008 -09 to F.Y. 2011-12	5
Sales Tax Act and VAT Laws	Sales Tax and interest	High Court	F.Y. 2007-08	-*
	Sales Tax and interest	Appellate Authority upto Commissioner's Level (2)	F.Y. 2006-07 to F.Y. 2010-11, F.Y. 2014-15 and F.Y. 2016-17	2

(1) In respect of A.Y. 2012-13, stay order has been granted against the amount of ₹1,029 crores disputed and not been deposited.

(2) Stay order has been granted.

* Less than Rs. 1 crore.

viii. The Company has not taken any loans or borrowings from financial institutions, banks and government or has not issued any debentures. Hence reporting under clause 3 (viii) of the Order is not applicable to the Company.

ix. The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans and hence reporting under clause 3 (ix) of the Order is not applicable to the Company.

x. To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or no material fraud on the Company by its officers or employees has been noticed or reported during the year.

xi. In our opinion and according to the information and explanations given to us, the Company has paid/provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.

xii. The Company is not a Nidhi Company and hence reporting under clause 3 (xii) of the Order is not applicable to the Company.

xiii. In our opinion and according to the information and explanations given to us, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013 where applicable, for all 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. During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly paid convertible debentures and hence reporting under clause 3 (xiv) of the Order is not applicable to the Company.

xv. In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its Directors or persons connected to its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.

xvi. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

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

P. R. RAMESH
Partner
(Membership No. 70928)

Bengaluru, April 12, 2019

INFOSYS LIMITED

Condensed Standalone Financial Statements under Indian Accounting Standards (Ind AS) for the three months and year ended March 31, 2019

INFOSYS LIMITED

(In ₹ crore)

Condensed Balance Sheet as at	Note No.	March 31, 2019	March 31, 2018
ASSETS			
Non-current assets			
Property, plant and equipment	2.1	10,394	9,027
Capital work-in-progress		1,212	1,442
Goodwill		29	29
Other intangible assets		74	101
Financial assets			
Investments	2.2	12,062	11,993
Loans	2.3	16	19
Other financial assets	2.4	196	177
Deferred tax assets (net)		1,114	1,128
Income tax assets (net)		5,870	5,710
Other non-current assets	2.7	1,740	2,161
Total non - current Assets		**32,707**	**31,787**
Current assets			
Financial assets			
Investments	2.2	6,077	5,906
Trade receivables	2.5	13,370	12,151
Cash and cash equivalents	2.6	15,551	16,770
Loans	2.3	1,048	393
Other financial assets	2.4	4,834	5,906
Income tax assets (net)		423	-
Other current assets	2.7	4,920	1,439
		46,223	**42,565**
Assets held for sale	2.2.4	-	1,525
Total current assets		**46,223**	**44,090**
Total Assets		**78,930**	**75,877**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	2.9	2,178	1,092
Other equity		60,533	62,410
Total equity		**62,711**	**63,502**
LIABILITIES			
Non-current liabilities			
Financial liabilities			
Other financial liabilities	2.10	79	55
Deferred tax liabilities (net)		541	505
Other non-current liabilities	2.12	169	153
Total non - current liabilities		**789**	**713**
Current liabilities			
Financial liabilities			
Trade payables	2.11		
Total outstanding dues of micro enterprises and small enterprises		-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises		1,604	738
Other financial liabilities	2.10	8,528	5,540
Other current liabilities	2.12	3,335	2,972
Provisions	2.13	505	436
Income tax liabilities (net)		1,458	1,976
Total current liabilities		**15,430**	**11,662**
Total equity and liabilities		**78,930**	**75,877**

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

As per our report of even date attached

for Deloitte Haskins & Sells LLP
Chartered Accountants
Firm's Registration Number:
117366W/W-100018

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

P. R. Ramesh
Partner
Membership No. 70928

Nandan M. Nilekani
Chairman

Salil Parekh
Chief Executive officer and Managing Director

U. B. Pravin Rao
Chief Operating Officer and Whole-time Director

Bengaluru
April 12, 2019

D. Sundaram
Director

Nilanjan Roy
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,	
		2019	2018	2019	2018
Revenue from operations	2.15	18,935	15,984	73,107	61,941
Other income, net	2.16	639	636	2,852	4,019
Total income		**19,574**	**16,620**	**75,959**	**65,960**
Expenses					
Employee benefit expenses	2.17	10,198	8,418	38,296	32,472
Cost of technical sub-contractors		2,040	1,434	7,646	5,494
Travel expenses		486	369	1,906	1,479
Cost of software packages and others	2.17	392	320	1,646	1,270
Communication expenses		87	75	339	330
Consultancy and professional charges		312	233	1,096	826
Depreciation and amortization expense		429	363	1,599	1,408
Other expenses	2.17	677	429	2,770	2,184
Reduction in the fair value of assets held for sale	2.2.4	-	589	265	589
Adjustment in respect of excess of carrying amount over recoverable amount on reclassification from "Held for Sale"	2.2.4	-	-	469	-
Total expenses		**14,621**	**12,230**	**56,032**	**46,052**
Profit before tax		**4,953**	**4,390**	**19,927**	**19,908**
Tax expense:					
Current tax	2.14	1,053	1,397	5,189	4,003
Deferred tax	2.14	80	(164)	36	(250)
Profit for the period		**3,820**	**3,157**	**14,702**	**16,155**
Other comprehensive income					
Items that will not be reclassified subsequently to profit or loss					
Remeasurement of the net defined benefit liability/asset, net		(3)	31	(21)	52
Equity instruments through other comprehensive income, net		9	7	78	7
Items that will be reclassified subsequently to profit or loss					
Fair value changes on derivatives designated as cash flow hedge, net		(15)	2	21	(39)
Fair value changes on investments, net	2.2	22	(12)	1	1
Total other comprehensive income/ (loss), net of tax		**13**	**28**	**79**	**21**
Total comprehensive income for the period		**3,833**	**3,185**	**14,781**	**16,176**
Earnings per equity share					
Equity shares of par value ₹5/- each					
Basic (₹)		8.75	7.23	33.66	35.64
Diluted (₹)		8.74	7.22	33.64	35.62
Weighted average equity shares used in computing earnings per equity share					
Basic	2.18	4,36,77,59,601	4,36,81,61,336	4,36,82,12,119	4,53,26,87,604
Diluted	2.18	4,36,98,24,380	4,36,92,84,588	4,37,04,12,348	4,53,47,85,242

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

As per our report of even date attached

for Deloitte Haskins & Sells LLP
Chartered Accountants
Firm's Registration Number:
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for and on behalf of the Board of Directors of Infosys Limited

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Bengaluru
April 12, 2019

D. Sundaram
Director

Nilanjan Roy
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						
		Securities Premium	Retained earnings	General reserve	Share Options Outstanding Account	Special Economic Zone Re-investment reserve (1)	Capital reserve	Business transfer adjustment reserve(2)	Capital redemption reserve	Equity Instruments through other comprehensive income	Effective portion of Cash flow hedges	Other items of other comprehensive income / (loss)	
Balance as at April 1, 2017	**1,148**	**2,208**	**49,957**	**11,087**	**120**	**-**	**54**	**3,448**	**-**	**(5)**	**39**	**(39)**	**68,017**
Changes in equity for the year ended March 31, 2018													
Profit for the year	-	-	16,155	-	-	-	-	-	-	-	-	-	16,155
Remeasurement of the net defined benefit liability/asset*	-	-	-	-	-	-	-	-	-	-	-	52	52
Equity instruments through other comprehensive income* (Refer note no. 2.2)	-	-	-	-	-	-	-	-	-	7	-	-	7
Fair value changes on derivatives designated as cash flow hedge* (Refer note no. 2.8)	-	-	-	-	-	-	-	-	-	-	(39)	-	(39)
Fair value changes on investments, net* (refer note no. 2.2)	-	-	-	-	-	-	-	-	-	-	-	1	1
Total comprehensive income for the year	**-**	**-**	**16,155**	**-**	**-**	**-**	**-**	**-**	**-**	**7**	**(39)**	**53**	**16,176**
Transfer to general reserve	-	-	(1,382)	1,382	-	-	-	-	-	-	-	-	-
Transferred to Special Economic Zone Re-investment reserve	-	-	(2,141)	-	-	2,141	-	-	-	-	-	-	-
Transferred from Special Economic Zone Re-investment reserve on utilization	-	-	582	-	-	(582)	-	-	-	-	-	-	-
Exercise of stock options (refer note no. 2.9)	-	67	-	2	(69)	-	-	-	-	-	-	-	-
Shares issued on exercise of employee stock options (Refer to note 2.9)	-	5	-	-	-	-	-	-	-	-	-	-	5
Share based payment to employees of the group (refer note no. 2.9)	-	-	-	-	79	-	-	-	-	-	-	-	79
Dividends (including dividend distribution tax)	-	-	(7,500)	-	-	-	-	-	-	-	-	-	(7,500)
Amount paid upon buyback (refer note no. 2.9)	(56)	(2,206)	-	(10,738)	-	-	-	-	-	-	-	-	(13,000)
Transaction costs related to buyback (refer note no. 2.9)	-	(46)	-	-	-	-	-	-	-	-	-	-	(46)
Amount transferred to capital redemption reserve upon buyback (refer note no. 2.9)	-	-	-	(56)	-	-	-	-	56	-	-	-	-
Loss recorded upon business transfer (refer note 2.2)	-	-	-	-	-	-	-	(229)	-	-	-	-	(229)
Balance as at March 31, 2018	**1,092**	**28**	**55,671**	**1,677**	**130**	**1,559**	**54**	**3,219**	**56**	**2**	**-**	**14**	**63,502**

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						
		Securities Premium	Retained earnings	General reserve	Share Options Outstanding Account	Special Economic Zone Re-investment reserve [(1)]	Capital reserve	Business transfer adjustment reserve[(2)]	Capital redemption reserve	Equity Instruments through other comprehensive income	Effective portion of Cash flow hedges	Other items of other comprehensive income / (loss)	
Balance as at April 1, 2018	**1,092**	**28**	**55,671**	**1,677**	**130**	**1,559**	**54**	**3,219**	**56**	**2**	**-**	**14**	**63,502**
Changes in equity for the year ended March 31, 2019													
Profit for the year	-	-	14,702	-	-	-	-	-	-	-	-	-	14,702
Remeasurement of the net defined benefit liability/asset*	-	-	-	-	-	-	-	-	-	-	-	(21)	(21)
Equity instruments through other comprehensive income* (refer note no. 2.2)	-	-	-	-	-	-	-	-	-	78	-	-	78
Fair value changes on derivatives designated as cash flow hedge* (refer note no. 2.8)	-	-	-	-	-	-	-	-	-	-	21	-	21
Fair value changes on investments* (refer note no.2.2)	-	-	-	-	-	-	-	-	-	-	-	1	1
Total comprehensive income for the year	**-**	**-**	**14,702**	**-**	**-**	**-**	**-**	**-**	**-**	**78**	**21**	**(20)**	**14,781**
Transfer to general reserve	-	-	(1,615)	1,615	-	-	-	-	-	-	-	-	-
Transferred to Special Economic Zone Re-investment reserve	-	-	(2,306)	-	-	2,306	-	-	-	-	-	-	-
Transferred from Special Economic Zone Re-investment reserve on utilization	-	-	1,386	-	-	(1,386)	-	-	-	-	-	-	-
Amount transferred to capital redemption reserve upon buyback (refer note no. 2.9)	-	-	-	(5)	-	-	-	-	5	-	-	-	-
Exercise of stock options (refer note no.2.9)	-	99	-	-	(99)	-	-	-	-	-	-	-	-
Transfer on account of options not exercised	-	-	-	1	(1)	-	-	-	-	-	-	-	-
Increase in share capital on account of Bonus issue (refer note no. 2.9)	1,092	-	-	-	-	-	-	-	-	-	-	-	1,092
Amount utilized for Bonus issue (refer note no. 2.9)	-	-	-	(1,092)	-	-	-	-	-	-	-	-	(1,092)
Shares issued on exercise of employee stock options (Refer to note 2.9)	-	3	-	-	-	-	-	-	-	-	-	-	3
Share based payments to employees (refer to note no. 2.9)	-	-	-	-	197	-	-	-	-	-	-	-	197
Income tax benefit arising on exercise of stock options	-	8	-	-	-	-	-	-	-	-	-	-	8
Buyback of equity shares (refer note no. 2.9 and 2.10)	(6)	-	-	(1,994)	-	-	-	-	-	-	-	-	(2,000)
Transaction cost relating to buyback* (refer note no 2.9)	-	-	-	(12)	-	-	-	-	-	-	-	-	(12)
Equity instruments through other comprehensive income* (refer note 2.2)	-	-	-	-	-	-	-	-	-	-	-	-	-
Dividends (including dividend distribution tax)	-	-	(13,768)	-	-	-	-	-	-	-	-	-	(13,768)
Balance as at March 31, 2019	**2,178**	**138**	**54,070**	**190**	**227**	**2,479**	**54**	**3,219**	**61**	**80**	**21**	**(6)**	**62,711**

**net of tax*

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

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

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

As per our report of even date attached

for Deloitte Haskins & Sells LLP
Chartered Accountants
Firm's Registration Number:
117366W/W-100018

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

P. R. Ramesh
Partner
Membership No. 70928

Nandan M. Nilekani
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Chief Executive officer
and Managing Director

U. B. Pravin Rao
Chief Operating Officer
and Whole-time Director

Bengaluru
April 12, 2019

D. Sundaram
Director

Nilanjan Roy
Chief Financial Officer

A. G. S. Manikantha
Company Secretary

INFOSYS LIMITED

Condensed Statement of Cash Flows

Accounting Policy

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

(In ₹ crore)

Particulars	Note No.	Year ended March 31, 2019	Year ended March 31, 2018
Cash flow from operating activities:			
Profit for the period		14,702	16,155
Adjustments to reconcile net profit to net cash provided by operating activities:			
Depreciation and amortization		1,599	1,408
Income tax expense	2.14	5,225	3,753
Impairment loss recognized / (reversed) under expected credit loss model		176	18
Interest and dividend income		(1,996)	(3,169)
Other adjustments		57	40
Reduction in the fair value of assets held for sale	2.2.4	265	589
Adjustment in respect of excess of carrying amount over recoverable amount on reclassification from "Held for Sale"	2.2.4	469	-
Exchange differences on translation of assets and liabilities		80	3
Changes in assets and liabilities			
Trade receivables and unbilled revenue		(2,268)	(1,579)
Other financial assets and other assets		(581)	(207)
Trade payables	2.11	866	466
Other financial liabilities, other liabilities and provisions		1,666	1,052
Cash generated from operations		**20,260**	**18,529**
Income taxes paid		(6,271)	(6,054)
Net cash generated by operating activities		**13,989**	**12,475**
Cash flow from investing activities:			
Expenditure on property, plant and equipment		(2,306)	(1,842)
Deposits placed with corporations	2.4	(116)	(106)
Loans to employees	2.3	4	19
Loan given to subsidiaries		(678)	(106)
Loan repaid by subsidiary		20	-
Proceeds from redemption of debentures	2.2	335	349
Investment in subsidiaries	2.2	(228)	(212)
Proceeds from return of investment		33	-
Proceeds on liquidation of Noah	2.2	-	316
Payment towards acquisition of business	2.2.3	(261)	(295)
Payment of contingent consideration pertaining to acquisition		(6)	(33)
Escrow and other deposits pertainning to buyback	2.4	(257)	-
Payments to acquire investments			
Preference, equity securities and others		(18)	(13)
Liquid mutual fund units and fixed maturity plan securities		(72,889)	(57,250)
Tax free bonds and Government bonds		(11)	(1)
Certificates of deposit		(2,052)	(6,290)
Commercial paper		(491)	(291)
Non Convertible debentures		(100)	-
Government Securities		(838)	-
Proceeds on sale of investments			
Preference and equity securities		115	10
Liquid mutual fund units and fixed maturity plan securities		71,337	59,364
Tax free bonds and Government bonds		1	-
Non-convertible debentures		602	100
Certificates of deposit		5,150	9,411
Commercial paper		300	-
Government Securities		123	-
Interest and dividend received		1,644	1,708
Dividend received from subsidiary		-	846
Net cash used in investing activities		**(587)**	**5,684**

(In ₹ crore)

Particulars	Note No.	Year ended March 31, 2019	Year ended March 31, 2018
Cash flow from financing activities:			
Buyback of equity shares including transaction cost		(813)	(13,046)
Payment of dividends including dividend distribution tax		(13,761)	(7,495)
Shares issued on exercise of employee stock options		3	5
Net cash used in financing activities		**(14,571)**	**(20,536)**
Effect of exchange differences on translation of foreign currency cash and cash equivalents		(50)	(6)
Net increase / (decrease) in cash and cash equivalents		(1,169)	(2,377)
Cash and cash equivalents at the beginning of the period		16,770	19,153
Cash and cash equivalents at the end of the period		**15,551**	**16,770**
Supplementary information:			
Restricted cash balance		143	375

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

As per our report of even date attached
for Deloitte Haskins & Sells LLP
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for and on behalf of the Board of Directors of Infosys Limited

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Bengaluru
April 12, 2019

D. Sundaram
Director

Nilanjan Roy
Chief Financial officer

A. G. S. Manikantha
Company Secretary

INFOSYS LIMITED

Notes to the interim condensed standalone financial statements

1. Overview

1.1 Company overview

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

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

Further, the Company's ADS were also listed on the Euronext London and Euronext Paris. On July 5, 2018, the Company voluntarily delisted its ADS from the said exchanges due to low average daily trading volume of its ADS on these exchanges.

The interim condensed standalone financial statements are approved for issue by the Company's Board of Directors on April 12, 2019.

1.2 Basis of preparation of financial statements

These interim condensed standalone financial statements are prepared in accordance with Indian Accounting Standard 34 (Ind AS 34), under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values, the provisions of the Companies Act, 2013 ('the Act') (to the extent notified) and guidelines issued by the Securities and Exchange Board of India (SEBI). The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued there after.

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

Accordingly, these interim condensed standalone financial statements do not include all the information required for a complete set of financial statements. These interim condensed financial statements should be read in conjunction with the complete set of financial statements and related notes included in the Company's annual financial statements for the year ended March 31, 2018. Accounting policies have been applied consistently to all periods presented in these interim condensed standalone financial statements.

As the quarter and 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 figures reported in this statement.

1.3 Use of estimates and judgments

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

1.4 Critical accounting estimates

a. Revenue recognition

The Company uses the percentage-of-completion method in accounting for its fixed-price contracts. Use of the percentage-of-completion method requires the Company to estimate the efforts or costs expended to date as a proportion of the total efforts or costs to be expended. Efforts or costs expended have been used to measure progress towards completion as there is a direct relationship between input and productivity.

Further, the Company uses significant judgments while determining the transaction price allocated to performance obligations using the expected cost plus margin approach.

Provisions for estimated losses, if any, on uncompleted contracts are recorded in the period in which such losses become probable based on the expected contract estimates at the reporting date.

b. Income taxes

The Company's two major tax jurisdictions are India and the U.S., though the Company also files tax returns in other overseas jurisdictions. Significant judgments are involved in determining the provision for income taxes, including amount expected to be paid/recovered for uncertain tax positions. Also refer note no.2.14 and note no. 2.19.

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

c. Property, plant and equipment

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

d. Non-current assets held for sale

Assets held for sale are measured at the lower of carrying amount or fair value less costs to sell. The determination of fair value less costs to sell includes use of management estimates and assumptions. The fair value of the assets held for sale has been estimated using valuation techniques (including income and market approach) which includes unobservable inputs. Non-current assets and Disposal Group that ceases to be classified as held for sale shall be measured at the lower of carrying amount before the non-current asset and Disposal Group was classified as held for sale and its recoverable amount at the date of the subsequent decision not to sell (Refer note no. 2.2.4). Recoverable amounts of assets reclassified from held for sale have been estimated using management's assumptions which consist of significant unobservable inputs.

1.5 Recent accounting pronouncements

Ind AS 116 Leases : On March 30, 2019, Ministry of Corporate Affairs has notified Ind AS 116, Leases. Ind AS 116 will replace the existing leases Standard, Ind AS 17 Leases, and related Interpretations. The Standard sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lessor. Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than twelve months, unless the underlying asset is of low value. Currently, operating lease expenses are charged to the statement of Profit & Loss. The Standard also contains enhanced disclosure requirements for lessees. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17.

The effective date for adoption of Ind AS 116 is annual periods beginning on or after April 1, 2019. The standard permits two possible methods of transition:
• Full retrospective – Retrospectively to each prior period presented applying Ind AS 8 Accounting Policies, Changes in Accounting Estimates and Errors

• Modified retrospective – Retrospectively, with the cumulative effect of initially applying the Standard recognized at the date of initial application

Under modified retrospective approach, the lessee records the lease liability as the present value of the remaining lease payments, discounted at the incremental borrowing rate and the right of use asset either as:
• Its carrying amount as if the standard had been applied since the commencement date, but discounted at lessee's incremental borrowing rate at the date of initial application or
• An amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments related to that lease recognized under Ind AS 17 immediately before the date of initial application

Certain practical expedients are available under both the methods.

On completion of evaluation of the effect of adoption of Ind AS 116, the Company is proposing to use the 'Modified Retrospective Approach' for transitioning to Ind AS 116, and take the cumulative adjustment to retained earnings, on the date of initial application (April 1, 2019). Accordingly, comparatives for the year ending or ended March 31, 2019 will not be retrospectively adjusted. The Company has elected certain available practical expedients on transition.

The effect of adoption as on transition date would majorly result in an increase in Right of use asset approximately by ₹1,300 crore, net lease receivable on account of sub lease approximately by ₹550 Crore and an increase in lease liability approximately by ₹2,000 crore.

Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments : On March 30, 2019, Ministry of Corporate Affairs has notified Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments which is to be applied while performing the determination of taxable profit (or loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. According to the appendix, companies need to determine the probability of the relevant tax authority accepting each tax treatment, or group of tax treatments, that the companies have used or plan to use in their income tax filing which has to be considered to compute the most likely amount or the expected value of the tax treatment when determining taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates.

The standard permits two possible methods of transition - i) Full retrospective approach – Under this approach, Appendix C will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors, without using hindsight and ii) Retrospectively with cumulative effect of initially applying Appendix C recognized by adjusting equity on initial application, without adjusting comparatives.

The effective date for adoption of Ind AS 12 Appendix C is annual periods beginning on or after April 1, 2019. The Company will adopt the standard on April 1, 2019 and has decided to adjust the cumulative effect in equity on the date of initial application i.e. April 1, 2019 without adjusting comparatives.

The effect on adoption of Ind AS 12 Appendix C would be insignificant in the standalone financial statements.

Amendment to Ind AS 12 – Income taxes : On March 30, 2019, Ministry of Corporate Affairs issued amendments to the guidance in Ind AS 12, 'Income Taxes', in connection with accounting for dividend distribution taxes.

The amendment clarifies that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events.

Effective date for application of this amendment is annual period beginning on or after April 1, 2019. The Company is currently evaluating the effect of this amendment on the standalone financial statements.

Amendment to Ind AS 19 – plan amendment, curtailment or settlement- On March 30, 2019, Ministry of Corporate Affairs issued amendments to Ind AS 19, 'Employee Benefits', in connection with accounting for plan amendments, curtailments and settlements.

The amendments require an entity:
• to use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement; and
• to recognise in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognised because of the impact of the asset ceiling.

Effective date for application of this amendment is annual period beginning on or after April 1, 2019. The Company does not have any impact on account of this amendment.

2.1 PROPERTY, PLANT AND EQUIPMENT

Accounting Policy

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

Building[(1)]	22-25 years
Plant and machinery[(1)(2)]	5 years
Office equipment	5 years
Computer equipment[(1)]	3-5 years
Furniture and fixtures[(1)]	5 years
Vehicles[(1)]	5 years
Leasehold improvements	Over lease term

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

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

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

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

Impairment

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

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

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

Particulars	**Land-Freehold**	**Land-Leasehold**	**Buildings[(1)(2)]**	**Plant and machinery[(2)]**	**Office Equipment[(2)]**	**Computer equipment[(2)]**	**Furniture and fixtures[(2)]**	**Leasehold Improvements**	**Vehicles**	**Total**
Gross carrying value as at January 1, 2019	**1,269**	**640**	**7,784**	**2,341**	**908**	**4,746**	**1,344**	**305**	**34**	**19,371**
Additions/adjustments	36	-	402	325	58	419	131	111	3	1,485
Deletions/adjustments	-	(47)	(116)	(54)	(28)	(113)	(21)	(2)	-	(381)
Gross carrying value as at March 31, 2019	**1,305**	**593**	**8,070**	**2,612**	**938**	**5,052**	**1,454**	**414**	**37**	**20,475**
Accumulated depreciation as at January 1, 2019	**-**	**(34)**	**(2,827)**	**(1,739)**	**(665)**	**(3,534)**	**(1,011)**	**(133)**	**(20)**	**(9,963)**
Depreciation	-	(1)	(73)	(69)	(28)	(184)	(44)	(22)	(1)	(422)
Accumulated depreciation on deletions	-	3	103	46	21	113	16	2	-	304
Accumulated depreciation as at March 31, 2019	**-**	**(32)**	**(2,797)**	**(1,762)**	**(672)**	**(3,605)**	**(1,039)**	**(153)**	**(21)**	**(10,081)**
Carrying value as at March 31, 2019	**1,305**	**561**	**5,273**	**850**	**266**	**1,447**	**415**	**261**	**16**	**10,394**
Carrying value as at January 1, 2019	**1,269**	**606**	**4,957**	**602**	**243**	**1,212**	**333**	**172**	**14**	**9,408**

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

Particulars	**Land-Freehold**	**Land-Leasehold**	**Buildings[(1)(2)]**	**Plant and machinery[(2)]**	**Office Equipment[(2)]**	**Computer equipment[(2)]**	**Furniture and fixtures[(2)]**	**Leasehold Improvements**	**Vehicles**	**Total**
Gross carrying value as at January 1, 2018	**1,135**	**659**	**6,856**	**2,116**	**818**	**4,133**	**1,208**	**215**	**27**	**17,167**
Additions	92	2	416	95	24	108	40	20	2	799
Deletions	-	-	(1)	(2)	(1)	(12)	(1)	-	-	(17)
Gross carrying value as at March 31, 2018	**1,227**	**661**	**7,271**	**2,209**	**841**	**4,229**	**1,247**	**235**	**29**	**17,949**
Accumulated depreciation as at January 1, 2018	**-**	**(29)**	**(2,558)**	**(1,460)**	**(555)**	**(3,005)**	**(860)**	**(97)**	**(17)**	**(8,581)**
Depreciation	-	(1)	(63)	(67)	(28)	(150)	(37)	(10)	-	(356)
Accumulated depreciation on deletions	-	-	-	1	1	12	1	-	-	15
Accumulated depreciation as at March 31, 2018	**-**	**(30)**	**(2,621)**	**(1,526)**	**(582)**	**(3,143)**	**(896)**	**(107)**	**(17)**	**(8,922)**
Carrying value as at March 31, 2018	**1,227**	**631**	**4,650**	**683**	**259**	**1,086**	**351**	**128**	**12**	**9,027**
Carrying value as at January 1, 2018	**1,135**	**630**	**4,298**	**656**	**263**	**1,128**	**348**	**118**	**10**	**8,586**

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

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

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

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

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

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

Gross carrying value of leasehold land represents amounts paid under certain lease-cum-sale agreements to acquire land including agreements where the Company has an option to purchase or renew the properties on expiry of the lease period.

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

Tangible assets provided on operating lease to subsidiaries as at March 31, 2019 and March 31, 2018 are as follows:

(In ₹ crore)

Particulars	Cost	Accumulated depreciation	Net book value
Buildings	186	84	102
	190	*82*	*108*
Plant and machinery	30	28	2
	33	*25*	*8*
Furniture and fixtures	24	23	1
	25	*20*	*5*
Computer Equipment	3	3	-
	3	*2*	*1*
Office equipment	16	15	1
	18	*13*	*5*

(In ₹ crore)

Particulars	Three months ended March 31,		Year ended March 31,	
	2019	**2018**	**2019**	**2018**
Aggregate depreciation charged on above assets	4	5	19	20
Rental income from subsidiaries	16	17	63	67

2.2 INVESTMENTS AND ASSETS HELD FOR SALE

(In ₹ crore)

Particulars	As at March 31, 2019	As at March 31, 2018
Non-current investments		
Equity instruments of subsidiaries	6,349	5,013
Debentures of subsidiary	1,445	1,780
Preference securities and equity instruments	90	117
Others	16	7
Tax free bonds	1,828	1,831
Fixed maturity plans securities	401	376
Non-convertible debentures	1,209	2,869
Government Securities	724	-
Total non-current investments	**12,062**	**11,993**
Current investments		
Liquid mutual fund units	1,701	-
Certificates of deposit	2,123	4,901
Government bonds	12	1
Non-convertible debentures	1,746	711
Commercial paper	495	293
Total current investments	**6,077**	**5,906**
Total carrying value	**18,139**	**17,899**

(In ₹ crore, except as otherwise stated)

Particulars	As at March 31, 2019	As at March 31, 2018
Non-current investments		
Unquoted		
Investment carried at cost		
Investments in equity instruments of subsidiaries		
Infosys BPM Limited (formerly Infosys BPO Limited)	659	659
3,38,22,319 (3,38,22,319) equity shares of ₹10/- each, fully paid		
Infosys Technologies (China) Co. Limited	333	333
Infosys Technologies (Australia) Pty Limited (1)	5	38
1,01,08,869 (1,01,08,869) equity shares of AUD 0.11 par value, fully paid		
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 Technologia do Brasil Ltda	276	149
12,84,20,748 (5,91,24,348) shares of BRL 1.00 par value, fully paid		
Infosys Technologies (Shanghai) Company Limited	900	900
Infosys Public Services, Inc.	99	99
3,50,00,000 (3,50,00,000) shares of USD 0.50 par value, fully paid		
Infosys Consulting Holding AG	1,323	1,323
23,050 (23,350) - Class A shares of CHF 1,000 each and 26,460		
(29,400) - Class B Shares of CHF 100 each, fully paid up		
Infosys Americas Inc.	1	1
10,000 (10,000) shares of USD 10 per share, fully paid up		
EdgeVerve Systems Limited	1,312	1,312
1,31,18,40,000 (1,31,18,40,000) equity shares of ₹10/- each, fully paid		
Infosys Nova Holdings LLC * (1)	-	-
Noah Consulting LLC (refer note 2.2.1)	-	-
Infosys Consulting Pte Ltd (formerly Lodestone Management Consultants 'Pte Ltd)	10	10
1,09,90,000 (1,09,90,000) shares of SGD 1.00 par value, fully paid		
Brilliant Basics Holding Limited (refer note 2.2.2)	59	46
1,346 (1,170) shares of GBP 0.005 each, fully paid up		
Infosys Arabia Limited	2	2
70 (70) shares		
Kallidus Inc. (refer note no. 2.2.4)	150	-
10,21,35,416 (10,21,35,416) shares		
Skava Systems Private Limited (refer note no. 2.2.4)	59	-
25,000 (25,000) shares of ₹10/- per share, fully paid up		
Panaya Inc. (refer note no. 2.2.4)	582	-
2 (2) shares of USD 0.01 per share, fully paid up		
Infosys Chile SpA	7	-
100 (Nil) shares		
Wongdoody Holding Company Inc (refer note no. 2.2.3)	350	-
2,000 (Nil) shares		
Infosys Luxembourg S.a r.l.	4	-
3,700 (Nil) shares		
Infosys Austria GmBH (formerly known as Lodestone Management Consultants GmbH)	-	-
80,000 (80,000) shares of EUR 1 par value, fully paid up		
Infosys Consulting Brazil	43	-
8,26,56,605 (Nil) shares of BRL 1 per share, fully paid up		
Infosys Romania	34	-
99,183 (Nil) shares of RON 100 per share, fully paid up		
	6,349	**5,013**
Investment carried at amortized cost		
Investment in debentures of subsidiary		
EdgeVerve Systems Limited		
14,45,00,000 (17,80,00,000) Unsecured redeemable, non-convertible debentures of ₹ 100/- each fully paid up	1,445	1,780
	1,445	**1,780**
Investments carried at fair value through profit or loss		
Others	16	7
	16	**7**
Investment carried at fair value through other comprehensive income (FVOCI)		
Preference securities	89	116
Equity instruments	1	1
	90	**117**

(In ₹ crore, except as otherwise stated)

Particulars	As at March 31, 2019	As at March 31, 2018
Quoted		
Investments carried at amortized cost		
Tax free bonds	1,828	1,831
	1,828	**1,831**
Investments carried at fair value through profit or loss		
Fixed maturity plans securities	401	376
	401	**376**
Investments carried at fair value through other comprehensive income		
Non-convertible debentures	1,209	2,869
Government Securities	724	-
	1,933	**2,869**
Total non-current investments	**12,062**	**11,993**
Current investments		
Unquoted		
Investments carried at fair value through profit or loss		
Liquid mutual fund units	1,701	-
	1,701	**-**
Investments carried at fair value through other comprehensive income		
Commercial paper	495	293
Certificates of deposit	2,123	4,901
	2,618	**5,194**
Quoted		
Investments carried at amortized cost		
Government bonds	12	1
	12	**1**
Investments carried at fair value through other comprehensive income		
Non-convertible debentures	1,746	711
	1,746	**711**
Total current investments	**6,077**	**5,906**
Total investments	**18,139**	**17,899**
Aggregate amount of quoted investments	5,920	5,788
Market value of quoted investments (including interest accrued)	6,131	6,045
Aggregate amount of unquoted investments	12,219	12,111
[(1)] Aggregate amount of impairment in value of investments	122	122
Reduction in the fair value of assets held for sale (refer note no 2.2.4)	854	589
Adjustment in respect of excess of carrying amount over recoverable amount on reclassification from "Held for Sale" (refer note no 2.2.4)	469	-
Investments carried at cost	6,349	5,013
Investments carried at amortized cost	3,285	3,612
Investments carried at fair value through other comprehensive income	6,387	8,891
Investments carried at fair value through profit or loss	2,118	383

Note: Uncalled capital commitments outstanding as of March 31, 2019 and March 31, 2018 was ₹17 crore and ₹36 crore, respectively.

** During the three months ended June 30, 2017, Infosys Nova Holding LLC, a wholly-owned subsidiary, has written down the entire carrying value of its investment in its associate DWA Nova LLC. Consequently, the Company has written down the entire carrying value of the investment in its subsidiary Infosys Nova Holdings LLC, amounting to ₹94 crore*

Refer note no. 2.8 for accounting policies on financial instruments.

Details of amounts recorded in Other comprehensive income:

(In ₹ crore)

	Year ended					
	March 31, 2019			March 31, 2018		
	Gross	Tax	Net	Gross	Tax	Net
Net Gain/(loss) on						
Non-convertible debentures	1	-	1	(11)	2	(9)
Government Securities	4	(1)	3	-	-	-
Certificate of deposits	(5)	2	(3)	15	(5)	10
Equity and preference securities	73	5	78	4	3	7

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

Class of investment	Method	Fair value as at	
		March 31, 2019	March 31, 2018
Liquid mutual fund units	Quoted price	1,701	-
Fixed maturity plan securities	Market observable inputs	401	376
Tax free bonds and government bonds	Quoted price and market observable inputs	2,048	2,079
Non-convertible debentures	Quoted price and market observable inputs	2,955	3,580
Government Securities	Quoted price and market observable inputs	724	-
Certificate of deposits	Market observable inputs	2,123	4,901
Commercial paper	Market observable inputs	495	293
Unquoted equity and preference securities	Discounted cash flows method, Market multiples method, Option pricing model, etc.	90	117
Others	Discounted cash flows method, Market multiples method, Option pricing model, etc.	16	7

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

2.2.1 Business transfer- Noah Consulting LLC

On July 14, 2017, the Board of Directors of Infosys authorized the Company to execute a Business Transfer Agreement and related documents with Noah Consulting LLC, a wholly owned subsidiary, to transfer the business of Noah Consulting LLC to Infosys Limited, subject to securing the requisite regulatory approvals for a consideration based on an independent valuation. Subsequently on October 17, 2017 , the company entered into a business transfer agreement to transfer the business for a consideration of $41 million (₹266 crore) and the transfer was with effect from October 25, 2017.

The transaction was between a holding company and a wholly owned subsidiary, the resultant impact on account of business transfer was recorded in 'Business Transfer Adjustment Reserve' during the year ended March 31, 2018. The table below details out the assets and liabilities taken over upon business transfer:

(In ₹ crore)

Particulars	Amount
Goodwill	29
Trade name	16
Customer contracts	80
Other intangibles	16
Deferred tax assets	13
Net assets / (liabilities), others	(117)
Total	**37**
Less: Consideration paid	266
Business transfer reserve	**(229)**

Subsequently, in November 2017, Noah Consulting LLC has been liquidated and the Company received ₹316 crore as proceeds on liquidation.

2.2.2 Brilliant Basics Holdings Limited.

On September 8, 2017, Infosys acquired 100% of the voting interests in Brilliant Basics Holdings Limited., UK, (Brilliant Basics) a product design and customer experience innovator with experience in executing global programs. The business acquisition was conducted by entering into a share purchase agreement for cash consideration of ₹29 crore, contingent consideration of up to ₹20 crore and an additional consideration of upto ₹13 crore, referred to as retention bonus, payable to the employees of Brilliant Basics at each anniversary year over the next two years, subject to their continuous employment with the group at each anniversary. The fair value of contingent consideration on the date of acquisition is ₹17 crore.

2.2.3 Wongdoody Holding Company Inc

On May 22, 2018, Infosys acquired 100% of the voting interests in WongDoody Holding Company Inc., (WongDoody) an US-based, full-service creative and consumer insights agency. The business acquisition was conducted by entering into a share purchase agreement for a total consideration of up to $75 million (approximately ₹514 crore on acquisition date), which includes a cash consideration of $38 million (approximately `261 crore), contingent consideration of up to $28 million (approximately ₹192 crore on acquisition date) and an additional consideration of up to $9 million (approximately `61 crore on acquisition date), referred to as retention bonus, payable to the employees of WongDoody over the next three years, subject to their continuous employment with the group. The fair value of contingent consideration on the date of acquisition is ₹89 crore.

2.2.4 Assets held for sale

Accounting policy

Non-current assets and Disposal Group are classified as held for sale if their carrying amount is intended to be recovered principally through sale rather than through continuing use. The condition for classification of held for sale is met when the non-current asset or the Disposal Group is available for immediate sale and the same is highly probable of being completed within one year from the date of classification as held for sale. Non-current assets and Disposal Group held for sale are measured at the lower of carrying amount and fair value less cost to sell. Non-current assets and Disposal Group that ceases to be classified as held for sale shall be measured at the lower of carrying amount before the non-current asset and Disposal Group was classified as held for sale adjusted for any depreciation/ amortization and its recoverable amount at the date when the Disposal Group no longer meets the "Held for sale" criteria.

In the three months ended March 2018, the Company had initiated identification and evaluation of potential buyers for the sale of its investment in subsidiaries, Kallidus and Skava (together referred to as "Skava”) and Panaya. The investment in these subsidiaries was classified and presented separately as “held for sale” and was carried at the lower of carrying value and fair value. Consequently, the Company has recognized a reduction in the fair value of investment amounting to ₹589 crore during the three months and year ended March 31, 2018 in respect of Panaya in the standalone financial statements of Infosys. During the three months ended June 30, 2018, on remeasurement, including consideration of progress in negotiations on offers from prospective buyers for Panaya, the Company has recorded a reduction in the fair value of investment amounting to ₹265 crore in respect of Panaya.

During the three months ended December 31, 2018, based on evaluation of proposals received and progress of negotiations with potential buyers, the Company concluded that the investments in Panaya and Skava does not meet the criteria for “Held for Sale’ classification because it is no longer highly probable that sale would be consummated by March 31, 2019 (twelve months from date of initial classification “ as held for sale”) Accordingly, in accordance with Ind AS 105 -" Non current Assets held for Sale and Discontinued Operations", the investment in subsidiaries, Panaya and Skava have been included in non-current investments line item in the standalone financial statements as at December 31, 2018 and March 31, 2019.

On reclassification from “Held for sale”, the investment in subsidiaries, Panaya and Skava have been remeasured in the quarter ended December 31, 2018 at the lower of cost and recoverable amount resulting in recognition of an adjustment in respect of excess of carrying amount over recoverable amount on reclassification from "Held for Sale" of ₹469 crore in respect of Skava in the standalone statement of profit and loss for the three months and nine months ended December 31, 2018.

2.3 LOANS

(In ₹ crore)

Particulars	As at	
	March 31, 2019	**March 31, 2018**
Non- Current		
Unsecured, considered good		
Other Loans		
Loans to employees	16	19
	16	**19**
Unsecured, considered doubtful		
Loans to employees	18	12
	34	**31**
Less: Allowance for doubtful loans to employees	18	12
Total non - current loans	**16**	**19**
Current		
Loan receivables considered good - Unsecured		
Loans to subsidiaries *(Refer note no.2.20)*	841	185
Other Loans		
Loans to employees	207	208
Total current loans	**1,048**	**393**
Total Loans	**1,064**	**412**

2.4 OTHER FINANCIAL ASSETS

(In ₹ crore)

Particulars	As at	
	March 31, 2019	**March 31, 2018**
Non-current		
Security deposits (1)	47	48
Rental deposits (1)	149	129
Total non-current other financial assets	**196**	**177**
Current		
Security deposits (1)	1	2
Rental deposits (1)	3	6
Restricted deposits (1)*	1,531	1,415
Unbilled revenues (1)(5)#	1,541	3,573
Interest accrued but not due (1)	865	739
Foreign currency forward and options contracts (2)(3)	321	16
Escrow and other deposits pertainning to buyback (refer to note 2.9)(1)	257	-
Others (1)(4)	315	155
Total current other financial assets	**4,834**	**5,906**
Total other financial assets	**5,030**	**6,083**
(1) Financial assets carried at amortized cost	4,709	6,067
(2) Financial assets carried at fair value through other comprehensive income	37	12
(3) Financial assets carried at fair value through Profit or Loss	284	4
(4) Includes dues from subsidiaries (Refer note no. 2.20)	34	40
(5) Includes dues from subsidiaries (Refer note no. 2.20)	51	32

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

Classified as financial asset as right to consideration is unconditional upon passage of time.

2.5 TRADE RECEIVABLES

(In ₹ crore)

Particulars	As at	
	March 31, 2019	**March 31, 2018**
Current		
Unsecured		
Considered good(2)	13,370	12,151
Considered doubtful	431	315
	13,801	12,466
Less: Allowances for credit losses	431	315
Total trade receivables(1)	**13,370**	**12,151**
(1) Includes dues from companies where directors are interested	-	-
(2) Includes dues from subsidiaries (refer note no. 2.20)	325	335

2.6 CASH AND CASH EQUIVALENTS

(In ₹ crore)

Particulars	As at March 31, 2019	As at March 31, 2018
Balances with banks		
In current and deposit accounts	10,957	10,789
Cash on hand	-	-
Others		
Deposits with financial institutions	4,594	5,981
Total Cash and cash equivalents	**15,551**	**16,770**
Balances with banks in unpaid dividend accounts	29	22
Deposit with more than 12 months maturity	6,048	6,187
Balances with banks held as margin money deposits against guarantees	114	353

Cash and cash equivalents as at March 31, 2019 and March 31, 2018 include restricted cash and bank balances of ₹143 crore and ₹375 crore, respectively. The restrictions are primarily on account of bank balances held as margin money deposits against guarantees and balances held in unpaid dividend bank accounts.

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

The table below provides details of cash and cash equivalents:

(In ₹ crore)

Particulars	As at March 31, 2019	As at March 31, 2018
In current accounts		
ANZ Bank, Taiwan	1	9
Bank of America, USA	780	814
Bank of Baroda, Mauritius	1	1
BNP Paribas Bank, Norway	24	88
Citibank N.A., Australia	55	184
Citibank N.A., Dubai	5	5
Citibank N.A., EEFC (U.S. Dollar account)	2	4
Citibank N.A., Hungary	1	6
Citibank N.A., India	2	3
Citibank N.A., Japan	22	18
Citibank N.A., New Zealand	3	8
Citibank N.A., South Africa	18	33
Citibank N.A., South Korea	17	2
Deutsche Bank, Belgium	6	27
Deutsche Bank, EEFC (Australian Dollar account)	3	2
Deutsche Bank, EEFC (Euro account)	19	14
Deutsche Bank, EEFC (Swiss Franc account)	5	2
Deutsche Bank, EEFC (U.S. Dollar account)	212	27
Deutsche Bank, EEFC (United Kingdom Pound Sterling account)	6	8
Deutsche Bank, France	11	19
Deutsche Bank, Germany	57	70
Deutsche Bank, India	40	40
Deutsche Bank, Malaysia	1	5
Deutsche Bank, Netherlands	8	8
Deutsche Bank, Philippines	1	14
Deutsche Bank, Russia	3	3
Deutsche Bank, Russia (U.S. Dollar account)	-	5
Deutsche Bank, Singapore	15	17
Deutsche Bank, Spain	1	1
Deutsche Bank, Switzerland	4	18
Deutsche Bank, Switzerland (U.S. Dollar Account)	1	-
Deutsche Bank, United Kingdom	17	74
HSBC Bank, Hong Kong	1	2
HSBC, India	3	-
ICICI Bank, EEFC (U.S. Dollar account)	18	5
ICICI Bank, India	24	33
Nordbanken, Sweden	21	26
Punjab National Bank, India	2	12
Royal Bank of Canada, Canada	28	9
Splitska Banka D.D., Société Générale Group, Croatia	14	8
State Bank of India, India	2	-
	1,454	**1,624**

(In ₹ crore)

Particulars	As at	
	March 31, 2019	March 31, 2018
In deposit accounts		
Axis Bank	700	-
Barclays Bank	500	200
HDFC Bank	-	2,423
HSBC Bank	200	-
ICICI Bank	3,060	3,467
IDFC Bank	2,100	1,500
IndusInd Bank	300	1,000
Kotak Mahindra Bank	500	-
South Indian Bank	-	200
Standard Chartered Bank	2,000	-
	9,360	**8,790**
In unpaid dividend accounts		
Axis Bank - Unpaid dividend account	4	1
HDFC Bank - Unpaid dividend account	-	1
ICICI Bank - Unpaid dividend account	25	20
	29	**22**
In margin money deposits against guarantees		
Canara Bank	45	151
ICICI Bank	69	202
	114	**353**
Deposits with financial institution		
HDFC Limited	3,594	4,781
LIC Housing Finance Limited	1,000	1,200
	4,594	**5,981**
Total cash and cash equivalents	**15,551**	**16,770**

2.7 OTHER ASSETS

(In ₹ crore)

Particulars	As at	
	March 31, 2019	March 31, 2018
Non-current		
Capital advances	486	420
Advances other than capital advance		
Prepaid gratuity (Refer note 2.17.1)	25	23
Others		
Prepaid expenses	95	49
Deferred contract cost	226	262
Withholding taxes and others	908	1,407
Total non-current other assets	**1,740**	**2,161**
Current		
Advances other than capital advance		
Payment to vendors for supply of goods	94	103
Others		
Unbilled revenues[(2)]	2,904	-
Prepaid expenses [(1)]	580	449
Deferred contract cost	52	44
Withholding taxes and others	1,290	843
Others	-	-
Total current other assets	**4,920**	**1,439**
Total other assets	**6,660**	**3,600**
[(1)] *Includes dues from subsidiaries (Refer note no. 2.20)*	109	115

[(2)] *Classified as non financial asset as the contractual right to consideration is dependent on completion of contractual milestones.*

Deferred contract costs are upfront costs incurred for the contract and are amortized over the term of the contract. Withholding taxes and others primarily consist of input tax credits and Cenvat recoverable from Government of India. Cenvat recoverable includes `503 crore which are pending adjudication. The Company expects these amounts to be sustainable on adjudication and recoverable on final resolution.

2.8 FINANCIAL INSTRUMENTS

Accounting Policy

2.8.1 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.

2.8.2 Subsequent measurement

a. Non-derivative financial instruments

(i) Financial assets carried at amortized cost

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

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

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. The Company has made an irrevocable election for its investments which are classified as equity instruments to present the subsequent changes in fair value in other comprehensive income based on its business model.

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

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

(iv) Financial liabilities

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

(v) Investment in subsidiaries

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

b. Derivative financial instruments

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

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

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

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

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

(ii) Cash flow hedge

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

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

c. Share capital

Ordinary Shares

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

2.8.3 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.

2.8.4 Fair value of financial instruments

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

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

2.8.5 Impairment

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

Financial instruments by category

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

(In ₹ crore)

Particulars	**Amortized cost**	**Financial assets/ liabilities at fair value through profit or loss**		**Financial assets/liabilities at fair value through OCI**		**Total carrying value**	**Total fair value**
		Designated upon initial recognition	**Mandatory**	**Equity instruments designated upon initial recognition**	**Mandatory**		
Assets:							
Cash and cash equivalents (Refer Note no. 2.6)	15,551	-	-	-	-	15,551	15,551
Investments (Refer note no.2.2)							
Preference securities, Equity instruments and others	-	-	16	90	-	106	106
Tax free bonds and government bonds	1,840	-	-	-	-	1,840	2,048 [2]
Liquid mutual fund units	-	-	1,701	-	-	1,701	1,701
Redeemable, non-convertible debentures [1]	1,445	-	-	-	-	1,445	1,445
Fixed maturity plan securities	-	-	401	-	-	401	401
Commercial Paper	-	-	-	-	495	495	495
Certificates of deposit	-	-	-	-	2,123	2,123	2,123
Non convertible debentures	-	-	-	-	2,955	2,955	2,955
Government Securities	-	-	-	-	724	724	724
Trade receivables (Refer Note no. 2.5)	13,370	-	-	-	-	13,370	13,370
Loans (Refer note no. 2.3)	1,064	-	-	-	-	1,064	1,064
Other financial assets (Refer Note no. 2.4) [4]	4,709	-	284	-	37	5,030	4,948 [3]
Total	**37,979**	**-**	**2,402**	**90**	**6,334**	**46,805**	**46,931**
Liabilities:							
Trade payables (Refer Note no. 2.11)	1,604	-	-	-	-	1,604	1,604
Other financial liabilities (Refer Note no. 2.10)	7,067	-	128	-	1	7,196	7,196
Total	**8,671**	**-**	**128**	**-**	**1**	**8,800**	**8,800**

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

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

[3] *Excludes interest accrued on tax free bonds*

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

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

(In ₹ crore)

Particulars	**Amortized cost**	**Financial assets/ liabilities at fair 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. 2.6)	16,770	-	-	-	-	16,770	16,770
Investments (Refer Note no. 2.2)							
Preference securities, Equity instruments and others	-	-	7	117	-	124	124
Tax free bonds and government bonds	1,832	-	-	-	-	1,832	2,079 [2]
Redeemable, non-convertible debentures [1]	1,780	-	-	-	-	1,780	1,780
Fixed maturity plan securities	-	-	376	-	-	376	376
Certificates of deposit	-	-	-	-	4,901	4,901	4,901
Non convertible debentures	-	-	-	-	3,580	3,580	3,580
Commercial paper	-	-	-	-	293	293	293
Trade receivables (Refer Note no. 2.5)	12,151	-	-	-	-	12,151	12,151
Loans (Refer note no. 2.3)	412	-	-	-	-	412	412
Other financial assets (Refer Note no. 2.4)	6,067	-	4	-	12	6,083	6,001 [3]
Total	**39,012**	**-**	**387**	**117**	**8,786**	**48,302**	**48,467**
Liabilities:							
Trade payables (Refer note no. 2.11)	738	-	-	-	-	738	738
Other financial liabilities (Refer Note no. 2.10)	4,241	-	91	-	3	4,335	4,335
Total	**4,979**	**-**	**91**	**-**	**3**	**5,073**	**5,073**

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

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

[3] *Excludes interest accrued on tax free bonds*

Fair value hierarchy

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

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

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

The fair value hierarchy of assets and liabilities as at March 31, 2019 is as follows:

(In ₹ crore)

Particulars	**March 31, 2019**	**Fair value measurement at end of the reporting period using**		
		Level 1	**Level 2**	**Level 3**
Assets				
Investments in tax free bonds (Refer note no. 2.2)	2,036	1,765	271	-
Investments in government bonds (Refer note no. 2.2)	12	12	-	-
Investments in liquid mutual fund units (Refer note no. 2.2)	1,701	1,701	-	-
Investments in equity instruments (Refer note no. 2.2)	1	-	-	1
Investments in preference securities (Refer note no. 2.2)	89	-	-	89
Investments in fixed maturity plan securities (Refer note no. 2.2)	401	-	401	-
Investments in certificates of deposit (Refer note no. 2.2)	2,123	-	2,123	-
Investments in non convertible debentures (Refer note no. 2.2)	2,955	1,612	1,343	-
Investments in government securities (Refer note no. 2.2)	724	724	-	-
Investments in commercial paper (Refer note no. 2.2)	495	-	495	-
Other investments (Refer note no. 2.2)	16	-	-	16
Derivative financial instruments - gain on outstanding foreign currency forward and option contracts (Refer note no. 2.4)	321	-	321	-
Liabilities				
Derivative financial instruments - loss on outstanding foreign currency forward and option contracts (Refer note no. 2.10)	13	-	13	-
Liability towards contingent consideration (Refer note no. 2.10)(1)(2)	116	-	-	116

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

(2) Discount rate pertaining to contingent consideration ranges from 10% to 16%

During the year ended March 31, 2019, tax free bonds and non-convertible debentures of ₹336 crore were transferred from Level 2 to Level 1 of fair value hierarchy, since these were valued based on Quoted price, and ₹746 crore were transferred from Level 1 to Level 2 of fair value hierarchy, since these were valued based on market observable inputs.

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

(In ₹ crore)

Particulars	**March 31, 2018**	**Fair value measurement at end of the reporting period using**		
		Level 1	**Level 2**	**Level 3**
Assets				
Investments in tax free bonds (Refer Note no. 2.2)	2,078	1,806	272	-
Investments in government bonds (Refer Note no. 2.2)	1	1	-	-
Investments in equity instruments (Refer Note no. 2.2)	1	-	-	1
Investments in preference securities (Refer Note no. 2.2)	116	-	-	116
Investments in fixed maturity plan securities (Refer Note no. 2.2)	376	-	376	-
Investments in certificates of deposit (Refer Note no. 2.2)	4,901	-	4,901	-
Investments in non convertible debentures (Refer Note no. 2.2)	3,580	2,493	1,087	-
Investments in commercial paper (Refer Note no. 2.2)	293	-	293	-
Other investments (Refer Note no. 2.2)	7	-	-	7
Derivative financial instruments - gain on outstanding foreign currency forward and option contracts (Refer Note no. 2.4)	16	-	16	-
Liabilities				
Derivative financial instruments - loss on outstanding foreign currency forward and option contracts (Refer note 2.10)	40	-	40	-
Liability towards contingent consideration (Refer note no. 2.10)(1)(2)	54	-	-	54

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

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

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

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

Financial risk management

Financial risk factors

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

Market risk

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

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

(In ₹ crore)

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

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

(In ₹ crore)

Particulars	**U.S. dollars**	**Euro**	**United Kingdom Pound Sterling**	**Australian dollars**	**Other currencies**	**Total**
Cash and cash equivalents	858	139	82	186	271	1,536
Trade Receivables	7,776	1,522	871	743	550	11,462
Other financials assets (including loans)	2,196	597	335	159	305	3,592
Trade payables	(312)	(60)	(168)	(36)	(22)	(598)
Other financial liabilities	(1,962)	(252)	(148)	(220)	(162)	(2,744)
Net assets / (liabilities)	**8,556**	**1,946**	**972**	**832**	**942**	**13,248**

Sensitivity analysis between Indian Rupee and USD

Particulars	**Three months ended March 31,**		**Year ended March 31,**	
	2019	**2018**	**2019**	**2018**
Impact on the Company's incremental Operating Margins	0.47%	0.52%	0.48%	0.52%

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

Derivative financial instruments

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

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

Particulars	As at March 31, 2019		As at March 31, 2018	
	In million	In ₹ crore	In million	In ₹ crore
Derivatives designated as cash flow hedges				
Option Contracts				
In Australian dollars	120	588	60	300
In Euro	135	1,049	100	808
In United Kingdom Pound Sterling	25	226	20	184
Other derivatives				
Forward contracts				
In Canadian dollars	13	68	20	99
In Euro	166	1,289	86	695
In Japanese Yen	550	34	550	34
In New Zealand dollars	16	75	16	76
In Norwegian Krone	40	32	40	34
In South African Rand	-	-	25	14
In Singapore dollars	140	716	5	25
In Swedish Krona	50	37	50	40
In Swiss Franc	25	172	21	146
In U.S. dollars	855	5,910	556	3,624
In United Kingdom Pound Sterling	70	634	45	415
Option Contracts				
In Australian dollars	10	49	20	100
In Canadian Dollars	13	69	-	-
In Euro	60	466	45	363
In Swiss Franc	5	35	5	33
In U.S. dollars	433	2,995	320	2,086
In United Kingdom Pound Sterling	10	91	25	231
Total forwards and option contracts		**14,535**		**9,307**

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

(In ₹ crore)

Particulars	As at March 31, 2019	As at March 31, 2018
Not later than one month	4,082	2,693
Later than one month and not later than three months	6,368	4,274
Later than three months and not later than one year	4,085	2,340
	14,535	**9,307**

During the year ended March 31, 2019, the Company has designated certain foreign exchange forward and option contracts as cash flow hedges to mitigate the risk of foreign exchange exposure on highly probable forecast cash transactions. The related hedge transactions for balance in cash flow hedge reserve as at March 31, 2019 are expected to occur and reclassified to statement of profit and loss within 3 months.

Hedge effectiveness is determined at the inception of the hedge relationship, and through periodic prospective effectiveness assessments to ensure that an economic relationship exists between the hedged item and hedging instrument, including whether the hedging instrument is expected to offset changes in cash flows of hedged items.

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

The following table provides the reconciliation of cash flow hedge reserve for the three months and year ended March 31, 2019 and March 31, 2018 :

(In ₹ crore)

Particulars	Three months ended March 31,		Year ended March 31,	
	2019	2018	2019	2018
Gain / (Loss)				
Balance at the beginning of the period	36	(2)	-	39
Gain / (Loss) recognized in other comprehensive income during the period	25	(9)	118	(93)
Amount reclassified to profit and loss during the period	(45)	11	(90)	41
Tax impact on above	5	-	(7)	13
Balance at the end of the period	**21**	**-**	**21**	**-**

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

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

(In ₹ crore)

Particulars	As at March 31, 2019		As at March 31, 2018	
	Derivative financial asset	Derivative financial liability	Derivative financial asset	Derivative financial liability
Gross amount of recognized financial asset / liability	323	(15)	20	(44)
Amount set off	(2)	2	(4)	4
Net amount presented in Balance Sheet	**321**	**(13)**	**16**	**(40)**

Credit risk

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

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

(In %)

Particulars	Three months ended March 31,		Year ended March 31,	
	2019	2018	2019	2018
Revenue from top customer	3.7	4.1	4.0	3.9
Revenue from top 10 customers	21.1	20.8	20.3	21.0

Credit risk exposure

The allowance for lifetime expected credit loss on customer balances for the three months ended March 31, 2019 was ₹9 crore and reversal of allowance of lifetime expected credit loss on customer balances for the three months ended March 31, 2018 is ₹23 crore, respectively.

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

Movement in credit loss allowance:

(In ₹ crore)

Particulars	Three months ended March 31,		Year ended March 31,	
	2019	2018	2019	2018
Balance at the beginning	511	418	401	379
Impairment loss recognized/ (reversed)	9	(23)	176	18
Amounts written off	-	-	(67)	(3)
Translation differences	1	6	11	7
Balance at the end	**521**	**401**	**521**	**401**

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

Liquidity risk

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

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

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

Under the company's ongoing buyback program the maximum buyback size is ₹8,260 crore. The company has bought back shares amounting to ₹797 crore (including transaction costs) till March 31, 2019. (Refer to note 2.9)

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

(In ₹ crore)

Particulars	Less than 1 year	1-2 years	2-4 years	4-7 years	Total
Trade payables	1,604	-	-	-	1,604
Other financial liabilities (excluding liability towards acquisition) (Refer Note no. 2.10)	7,067	-	-	-	7,067
Liability towards acquisitions on an undiscounted basis (including contingent consideration)	82	53	-	-	135

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

(In ₹ crore)

Particulars	Less than 1 year	1-2 years	2-4 years	4-7 years	Total
Trade payables	738	-	-	-	738
Other financial liabilities (excluding liability towards acquisition) (Refer Note no. 2.10)	4,241	-	-	-	4,241
Liability towards acquisitions on an undiscounted basis (including contingent consideration)	41	7	7	-	55

2.9 EQUITY

EQUITY SHARE CAPITAL

(In ₹ crore, except as otherwise stated)

Particulars	As at	
	March 31, 2019	**March 31, 2018**
Authorized		
Equity shares, ₹5/- par value		
4,80,00,00,000 (2,40,00,00,000) equity shares	2,400	1,200
Issued, Subscribed and Paid-Up		
Equity shares, ₹5/- par value [(1)]	2,178	1,092
4,35,62,79,444 (2,18,41,14,257) equity shares fully paid-up		
	2,178	**1,092**

[(1)] *Refer note no. 2.18 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.

Update on capital allocation policy and buyback

In line with the capital allocation policy announced in April 2018, the Board, in its meeting held on January 11, 2019, approved the following :

(a) Declared a special dividend of ₹4/- per equity share;

(b) Recommended buyback of Equity Shares from the open market route through Indian stock exchanges of up to ₹8,260 crore (Maximum Buyback Size) at a price not exceeding ₹800 /- per share (Maximum Buyback Price) subject to shareholders' approval by way of Postal Ballot. After the execution of the above, along with the special dividend (including dividend distribution tax) of ₹2,633 crore already paid in June 2018, the Company would complete the distribution of ₹13,000 crore, which was announced as part of its capital allocation policy in April 2018.

The shareholders approved the proposal of buyback of Equity Shares recommended by its Board of Directors in its meeting held on January 11, 2019 through the postal ballot that concluded on March 12, 2019. At the Maximum buyback price of ₹800/- per Equity share and the Maximum buyback size of ₹8,260 crore, the indicative maximum number of Equity shares bought back would be 10,32,50,000 Equity Shares (Maximum buyback shares) comprising approximately 2.36% of the paid-up equity share capital of the Company as of March 12, 2019 (the date of conclusion of postal ballot for approval for buyback).

The buyback was offered to all eligible equity shareholders of the Company (other than the Promoters, the Promoter Group and Persons in Control of the Company) under the open market route through the stock exchange. The Company will fund the buyback from its free reserves. The buyback of equity shares through the stock exchange commenced on March 20, 2019 and is expected to be completed by September, 2019. During the year ended March 31, 2019, 1,26,52,000 equity shares were purchased from the stock exchange which includes 18,18,000 shares which have been purchased but not extinguished as of March 31, 2019 and 36,36,000 shares which have been purchased but have not been settled and therefore not extinguished as of March 31, 2019. In accordance with section 69 of the Companies Act, 2013, during the year ended March 31, 2019 , the Company has created 'Capital Redemption Reserve' of ₹5 crore equal to the nominal value of the shares bought back as an appropriation from general reserve.

The Board, at its meeting on August 19, 2017, approved a proposal for the Company to buyback its fully paid-up equity shares of face value of ₹5/- each from the eligible equity shareholders of the Company for an amount not exceeding ₹13,000 crore. The shareholders approved the said proposal of buyback of Equity Shares through the postal ballot that concluded on October 7, 2017. The Buyback offer comprised a purchase of 11,30,43,478 Equity Shares aggregating 4.92% of the paid-up equity share capital of the Company at a price of ₹1,150/- per Equity share. The buyback was offered to all eligible equity shareholders (including those who became equity shareholders as on the Record date by cancelling American Depository Shares and withdrawing underlying Equity shares) of the Company as on the Record Date (i.e. November 1, 2017) on a proportionate basis through the "Tender offer" route. The Company concluded the buyback procedures on December 27, 2017 and 11,30,43,478 equity shares were extinguished. The company has utilized its securities premium and general reserve for the buyback of its equity shares. In accordance with section 69 of the Companies Act, 2013, the company has created 'Capital Redemption Reserve' of ₹56 crore equal to the nominal value of the shares bought back as an appropriation from general reserve during the year ended March 31, 2018.

The Company's objective when managing capital is to safeguard its ability to continue as a going concern and to maintain an optimal capital structure so as to maximize shareholder value. In order to maintain or achieve an optimal capital structure, the Company may adjust the amount of dividend payment, return capital to shareholders, issue new shares or buy back issued shares. As of March 31, 2019, the Company has only one class of equity shares and has no debt. Consequent to the above capital structure there are no externally imposed capital requirements.

Dividends

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

The Company declares and pays dividends in Indian rupees. The remittance of dividends outside India is governed by Indian law on foreign exchange and is subject to applicable distribution taxes. Dividend distribution tax paid by subsidiaries may be reduced / available as a credit against dividend distribution tax payable by Infosys Limited.

Effective from Fiscal 2018, the Company's policy is to payout up to 70% of the free cash flow of the corresponding Financial Year in such manner (including by way of dividend and / or share buyback) as may be decided by the Board from time to time, subject to applicable laws and requisite approvals, if any. Free cash flow is defined as net cash provided by operating activities less capital expenditure as per the consolidated statement of cash flows prepared under International Financial Reporting standards(IFRS). Dividend payout includes dividend distribution tax.

The amount of per share dividend recognized as distribution to equity shareholders is as follows: *(in ₹)*

Particulars	**Year ended March 31,**	
	2019	**2018**
Final Dividend for fiscal 2018	10.25	-
Special dividend for fiscal 2018	5.00	-
Interim dividend for fiscal 2019	7.00	-
Special dividend for fiscal 2019	4.00	-
Final dividend for fiscal 2017	-	7.38
Interim dividend for fiscal 2018	-	6.50

Note: Dividend per equity share disclosed in the above table represents dividends declared previously, retrospectively adjusted for September 2018 bonus issue.

During the year ended March 31, 2019 on account of the final dividend for fiscal 2018, special divided for fiscal 2018 and fiscal 2019 and interim dividend for fiscal 2019 the Company has incurred a net cash outflow of ₹13,761 crore inclusive of dividend distribution tax.

The Board of Directors in their meeting on April 12, 2019 recommended a final dividend of ₹10.50/- per equity share for the financial year ended March 31, 2019. This payment is subject to the approval of shareholders in the ensuing Annual General Meeting of the Company, to be held on June 22, 2019 and if approved would result in a net cash outflow of approximately ₹5,504 crore, including dividend distribution tax. The final dividend of ₹10.50/- per equity share and the resultant expected cash outflow is based on the outstanding number of shares after considering shares bought back by the Company subsequent to the year ended March 31, 2019.

Bonus issue

The Company has allotted 2,18,41,91,490 fully paid up equity shares of face value ₹5/- each during the three months ended September 30, 2018 pursuant to a bonus issue approved by the shareholders through postal ballot. Record date fixed by the Board of Directors was September 5, 2018. The bonus shares were issued by capitalization of profits transferred from general reserve. Bonus share of one equity share for every equity share held, and a bonus issue, viz., a stock dividend of one American Depositary Share (ADS) for every ADS held, respectively, has been allotted. Consequently, the ratio of equity shares underlying the ADSs held by an American Depositary Receipt holder remains unchanged. Options granted under the stock option plan have been adjusted for bonus shares.

The reconciliation of the number of shares outstanding and the amount of share capital as at March 31, 2019 and March 31, 2018 is set out below:

in ₹ crore, except as stated otherwise

Particulars	**As at March 31, 2019**		**As at March 31, 2018**	
	Number of shares	**Amount**	**Number of shares**	**Amount**
Number of shares at the beginning of the period	2,18,41,14,257	1,092	2,29,69,44,664	1,148
Add: Shares issued on exercise of employee stock options -before bonus issue	77,233	-	213,071	-
Add: Bonus shares issued	2,18,41,91,490	1,092	-	-
Add: Shares issued on exercise of employee stock options -after bonus issue	548,464	-	-	-
Less: Shares bought back(1)(2)	12,652,000	6	11,30,43,478	56
Number of shares at the end of the period	**4,35,62,79,444**	**2,178**	**2,18,41,14,257**	**1,092**

(1) Includes 18,18,000 shares which have been purchased on account of buyback during the three months ended March 31, 2019 and have not been extinguished as of March 31, 2019

(2) Includes 36,36,000 shares which have been purchased on account of buyback during the three months ended March 31, 2019 but have not been settled and therefore not extinguished as of March 31, 2019

Employee Stock Option Plan (ESOP):

Accounting Policy

The Company recognizes compensation expense relating to share-based payments in net profit using fair-value in accordance with Ind AS 102, Share-Based Payment. The estimated fair value of awards is charged to income on a straight-line basis over the requisite service period for each separately vesting portion of the award as if the award was in-substance, multiple awards with a corresponding increase to share options outstanding account.

2015 Stock Incentive Compensation Plan (the 2015 Plan) (formerly 2011 RSU Plan):

On March 31, 2016, pursuant to the approval by the shareholders through postal ballot, the Board has been authorized to introduce, offer, issue and allot share-based incentives to eligible employees of the Company and its subsidiaries under the 2015 Stock Incentive Compensation Plan (the 2015 Plan). The maximum number of shares under the 2015 plan shall not exceed 2,40,38,883 equity shares (this includes 1,12,23,576 equity shares which are held by the trust towards the 2011 Plan as at March 31, 2016). Out of this 1,70,38,883 equity shares will be issued as RSUs at par value and 70,00,000 equity shares will be issued as stock options at market price on the date of the grant. These instruments will generally vest over a period of 4 years and the Company expects to grant the instruments under the 2015 Plan over the period of 4 to 7 years. The plan numbers mentioned above would further be adjusted for the September 2018 bonus issue.

Consequent to the September 2018 bonus issue, all outstanding options granted under the stock option plan have been adjusted for bonus shares. Unless otherwise stated , all the prior period share numbers, share prices and weighted average exercise prices in this note have been adjusted to give effect to the September 2018 bonus issue.

Controlled trust holds 2,03,24,982 and 1,08,01,956 shares (not adjusted for September 2018 bonus issue) as at March 31, 2019 and March 31, 2018, respectively under the 2015 plan. Out of these shares 2,00,000 and 1,00,000 (not adjusted for September 2018 bonus issue) equity shares have been earmarked for welfare activities of the employees as at March 31, 2019 and March 31, 2018, respectively.

The following is the summary of grants during the three months and year ended March 31, 2019 and March 31, 2018 under the 2015 Plan:

Particulars	**Three months ended**		**Year ended**	
	March 31, 2019	**March 31, 2018**	**March 31, 2019**	**March 31, 2018**
RSU				
Salil Parekh, CEO and MD - Refer note 1 below	42,930	226,048	2,60,130	226,048
U.B. Pravin Rao, COO and WTD	68,250	-	68,250	54,500
Dr. Vishal Sikka*	-	-	-	5,40,448
Other KMPs	347,150	429,900	347,150	5,46,200
Employees other than KMPs	1,878,050	3,119,840	36,65,170	31,94,020
	2,336,380	**3,775,788**	**4,340,700**	**45,61,216**
ESOP				
U.B. Pravin Rao, COO and WTD	-	-	-	86,000
Dr. Vishal Sikka*	-	-	-	6,61,050
Other KMPs	-	-	-	88,900
Employees other than KMPs	-	-	-	1,47,200
	-	**-**	**-**	**9,83,150**
Incentive units - cash settled				
Other employees	21,500	85,180	74,090	1,00,080
	21,500	**85,180**	**74,090**	**1,00,080**
Total grants	**2,357,880**	**3,860,968**	**4,414,790**	**56,44,446**

Information in the table above is adjusted for September 2018 bonus issue.

** Upon Dr. Vishal Sikka's resignation from the roles of the company, the unvested RSUs and ESOPs have been forfeited*

1. Stock incentives granted to Salil Parekh, CEO and MD

Pursuant to the approval of the shareholders through a postal ballot on February 20, 2018, Salil Parekh (CEO & MD) is eligible to receive under the 2015 Plan:

a) an annual grant of RSUs of fair value ₹3.25 crore which will vest over time in 3 equal annual installments upon completion of each year of service from the respective grant date

b) a one-time grant of RSUs of fair value ₹9.75 crore which will vest over time in 2 equal annual installments upon completion of each year of service from the grant date and

c) annual grant of performance based RSUs of fair value ₹13 crore which will vest after completion of three years the first of which concludes on March 31, 2021, subject to achievement of performance targets set by the Board or its committee.

The Board based on the recommendations of the Nomination and Remuneration committee approved on February 27, 2018, the annual time based grant for fiscal 2018 of 56,512 RSUs (adjusted for September 2018 bonus issue) and the one-time time based grant of 1,69,536 RSUs (adjusted for September 2018 bonus issue). The grants were made effective February 27, 2018.

Further, the Board, based on the recommendations of the Nomination and Remuneration Committee, granted 217,200 (adjusted for September 2018 bonus issue) performance based RSUs to Salil Parekh with an effective date of May 2, 2018. The grants would vest upon successful completion of three full fiscal years with the Company concluding on March 31, 2021 and will be determined based on achievement of certain performance targets for the said three-year period.

The Board based on the recommendations of the Nomination and Remuneration committee approved on January 11, 2019, the annual time based grant for fiscal 2019 of 42,930 RSUs. The grant was made effective February 1, 2019.

Though the annual time based grants for the remaining employment term ending on March 31, 2023 have not been granted as of March 31, 2019, since the service commencement date precedes the grant date, the company has recorded employment stock compensation expense in accordance with Ind AS 102, Share based payments.

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

As at March 31, 2019 and March 31, 2018, incentive units outstanding (net of forfeitures) were 1,77,454 and 2,23,514 (adjusted for September 2018 bonus issue), respectively.

Break-up of employee stock compensation expense

(in ₹ crore)

Particulars	Three months ended March 31,		Year ended March 31,	
	2019	**2018**	**2019**	**2018**
Granted to:				
KMP[2]	10	1	33	(13)
Employees other than KMP	43	22	149	85
Total [1]	**53**	**23**	**182**	**72**
[1] *Cash settled stock compensation expense included in the above*	1	-	2	1

[2] *Included a reversal of stock compensation cost of ₹35 crore recorded during the three months ended September 30, 2017 towards forfeiture of stock incentives granted to Dr. Vishal Sikka upon his resignation.*

The carrying value of liability towards cash settled share based payments was ₹9 crore and ₹6 crore as at March 31, 2019 and March 31, 2018, respectively.

The activity in the 2015 Plan (formerly 2011 RSU Plan) for equity-settled share based payment transactions during the three months ended March 31, 2019 and March 31, 2018 is set out below:

Particulars	Three months ended March 31, 2019		Three months ended March 31, 2018	
	Shares arising out of options	**Weighted average exercise price (₹)**	**Shares arising out of options**	**Weighted average exercise price (₹)**
2015 Plan: RSU				
Outstanding at the beginning	76,59,466	2.50	41,68,568	2.50
Granted	23,36,380	5.00	37,75,788	2.50
Exercised	6,60,078	2.50	2,31,992	2.50
Forfeited and expired	1,54,570	2.67	2,11,546	2.50
Outstanding at the end	**9,181,198**	**3.13**	**75,00,818**	**2.50**
Exercisable at the end	235,256	2.50	48,410	2.50
2015 Plan: Employee Stock Options (ESOPs)				
Outstanding at the beginning	16,41,600	519	23,16,800	496
Granted	-	-	-	-
Exercised	8,224	499	104,824	492
Forfeited and expired	10,200	499	2,78,150	482
Outstanding at the end	**1,623,176**	**516**	**19,33,826**	**493**
Exercisable at the end	6,98,500	517	393,824	496

Information in the table above is adjusted for September 2018 bonus issue.

The activity in the 2015 Plan (formerly 2011 RSU Plan) for equity-settled share based payment transactions during the year ended March 31, 2019 and March 31, 2018 is set out below:

Particulars	Year ended March 31, 2019		Year ended March 31, 2018	
	Shares arising out of options	**Weighted average exercise price (₹)**	**Shares arising out of options**	**Weighted average exercise price (₹)**
2015 Plan: RSU				
Outstanding at the beginning	75,00,818	2.50	59,22,746	2.50
Granted	43,40,700	3.84	45,61,216	2.50
Exercised	18,64,510	2.50	12,96,434	2.50
Forfeited and expired	7,95,810	2.61	16,86,710	2.50
Outstanding at the end	**9,181,198**	**3.13**	**75,00,818**	**2.50**
Exercisable at the end	235,256	2.50	48,410	2.50
2015 Plan: Employee Stock Options (ESOPs)				
Outstanding at the beginning	19,33,826	493	23,95,300	496
Granted	-	-	983,150	472
Exercised	1,17,350	515	104,824	492
Forfeited and expired	1,93,300	521	13,39,800	481
Outstanding at the end	**1,623,176**	**516**	**19,33,826**	**493**
Exercisable at the end	6,98,500	517	3,93,824	496

Information in the table above is adjusted for September 2018 bonus issue.

During the three months ended March 31, 2019 and March 31, 2018 the weighted average share price of options exercised under the 2015 Plan on the date of exercise was ₹732 and ₹560 (adjusted for September 2018 bonus issue) respectively.

During the year ended March 31, 2019 and March 31, 2018 the weighted average share price of options exercised under the 2015 Plan on the date of exercise was ₹701 and ₹496 (adjusted for September 2018 bonus issue) respectively.

The following table summarizes information about equity settled RSUs and ESOPs outstanding as at March 31, 2019

Range of exercise prices per share (₹)	Options outstanding		
	No. of shares arising out of options	**Weighted average remaining contractual life**	**Weighted average exercise price (₹)**
2015 Plan:			
0 - 5 (RSU)	9,181,198	1.70	3.13
450 - 600 (ESOP)	1,623,176	5.04	516
	10,804,374	**2.20**	**80**

Information in the table above is adjusted for September 2018 bonus issue.

The following table summarizes information about equity settled RSUs and ESOPs outstanding as at March 31, 2018:

Range of exercise prices per share (₹)	Options outstanding		
	No. of shares arising out of options	**Weighted average remaining contractual life**	**Weighted average exercise price (₹)**
2015 Plan:			
0 - 2.50 (RSU)	75,00,818	1.89	2.50
450 - 600 (ESOP)	19,33,826	6.60	493
	94,34,644	**2.57**	**104**

Information in the table above is adjusted for September 2018 bonus issue.

The fair value of each equity settled award is estimated on the date of grant using the Black-Scholes-Merton model with the following assumptions:

Particulars	**For options granted in**	
	Fiscal 2019-Equity Shares-RSU	**Fiscal 2019-ADS-RSU**
Weighted average share price (₹) / ($- ADS)[1]	696	10.77
Exercise price (₹)/ ($- ADS)[1]	3.31	0.06
Expected volatility (%)	21-25	22-26
Expected life of the option (years)	1-4	1-4
Expected dividends (%)	2.65	2.65
Risk-free interest rate (%)	7-8	2-3
Weighted average fair value as on grant date (₹) / ($- ADS)[1]	648	10.03

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

[1] *Adjusted for September 2018 bonus issue.*

The expected life of the RSU / ESOP is estimated based on the vesting term and contractual term of the RSU / ESOP, as well as expected exercise behaviour of the employee who receives the RSU / ESOP. Expected volatility during the expected term of the RSU / ESOP is based on historical volatility of the observed market prices of the Company's publicly traded equity shares during a period equivalent to the expected term of the RSU / ESOP.

2.10 OTHER FINANCIAL LIABILITIES

(In ₹ crore)

Particulars	As at	
	March 31, 2019	March 31, 2018
Non-current		
Others		
Compensated absences	38	42
Payable for acquisition of business- Contingent consideration	41	13
Total non-current other financial liabilities	**79**	**55**
Current		
Unpaid dividends	29	22
Others		
Accrued compensation to employees	2,006	2,048
Accrued expenses [(1)]	2,310	1,776
Retention monies	60	63
Payable for acquisition of business - Contingent consideration	75	41
Capital creditors	653	148
Financial liability relating to buyback (refer to note 2.9)	1,202	-
Compensated absences	1,373	1,218
Other payables [(2)]	807	184
Foreign currency forward and options contracts	13	40
Total current other financial liabilities	**8,528**	**5,540**
Total other financial liabilities	8,607	**5,595**
Financial liability carried at amortized cost	7,067	4,241
Financial liability carried at fair value through profit or loss	128	91
Financial liability carried at fair value through other comprehensive income	1	3
Contingent consideration on undiscounted basis	135	55
[(1)] *Includes dues to subsidiaries (Refer note no. 2.20)*	6	9
[(2)] *Includes dues to subsidiaries (Refer note no. 2.20)*	13	19

In accordance with Ind AS 32 Financial Instruments: Presentation, the Company has recorded a financial liability of ₹1,202 crore for the obligation to acquire its own equity shares to the extent of standing instructions provided to its registered broker for the buyback as of March 31, 2019 (refer to note 2.9). The financial liability is recognised at the present value of the maximum amount that the Company would be required to pay to the registered broker for buy back, with a corresponding debit in general reserve / retained earnings.

2.11 TRADE PAYABLES

(In ₹ crore)

Particulars	As at	
	March 31, 2019	March 31, 2018
Trade payables[(1)]	1,604	738
Total trade payables	**1,604**	**738**
[(1)] *Includes dues to subsidiaries (refer note no. 2.20)*	220	178

2.12 OTHER LIABILITIES

(In ₹ crore)

Particulars	As at	
	March 31, 2019	March 31, 2018
Non current		
Others		
Deferred income	29	36
Deferred rent	140	117
Total non - current other liabilities	**169**	**153**
Current		
Unearned revenue	2,094	1,887
Client deposits	19	32
Others		
Withholding taxes and others	1,168	1,029
Deferred rent	54	24
Total current other liabilities	**3,335**	**2,972**
Total other liabilities	**3,504**	**3,125**

2.13 PROVISIONS

Accounting Policy

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

a. Post sales client support

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

b. Onerous contracts

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

Provision for post-sales client support and others

(In ₹ crore)

Particulars	**As at**	
	March 31, 2019	**March 31, 2018**
Current		
Others		
Post-sales client support and others	505	436
Total provisions	**505**	**436**

The movement in the provision for post-sales client support and others is as follows : *(In ₹ crore)*

Particulars	**Three months ended March 31, 2019**	**Year ended March 31, 2019**
Balance at the beginning	522	436
Provision recognized/(reversed)	8	141
Provision utilized	(20)	(97)
Exchange difference	(5)	25
Balance at the end	**505**	**505**

Provision for post-sales client support and others are expected to be utilized over a period of 6 months to 1 year.

2.14 INCOME TAXES

Accounting Policy

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

Deferred income tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect of changes in tax rates on deferred income tax assets and liabilities is recognized as income or expense in the period that includes the enactment or the substantive enactment date. A deferred income tax asset is recognized to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilized. Deferred income taxes are not provided on the undistributed earnings of subsidiaries and branches where it is expected that the earnings of the subsidiary or branch will not be distributed in the foreseeable future. The Company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously. 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 securities premium.

Income tax expense in the statement of profit and loss comprises: *(In ₹ crore)*

Particulars	**Three months ended March 31,**		**Year ended March 31,**	
	2019	**2018**	**2019**	**2018**
Current taxes	1,053	1,397	5,189	4,003
Deferred taxes	80	(164)	36	(250)
Income tax expense	**1,133**	**1,233**	**5,225**	**3,753**

During the quarter ended March 31, 2019, the Company entered into Advance Pricing Agreement (APA) in overseas jurisdictions resulting in a reversal of income tax expense of ₹94 crore which pertained to prior periods.

In December 2017, the Company had concluded an Advance Pricing Agreement (“APA”) with the US Internal Revenue Service ("IRS") for the US branch covering the years ending March 2011 to March 2021. Under the APA, the Company and the IRS have agreed on the methodology to allocate revenues and compute the taxable income of the Company’s US Branch operations. In accordance with the APA, the company had reversed income tax expense provision of $225 million (₹1,432 crore) which pertained to previous periods which are no longer required. The Company had to pay an adjusted amount of $223 million (approximately ₹1,424 crore) due to the difference between the taxes payable for prior periods as per the APA and the actual taxes paid for such periods. The Company has paid $215 million (₹1,455 crore).

Further, the “Tax Cuts and Jobs Act (H.R. 1)” was signed into law on December 22, 2017 (“US Tax Reforms”). The US tax reforms has reduced federal tax rates from 35% to 21% effective January 1, 2018 amongst other measures.

Income tax expense for the three months ended March 31, 2019 and March 31, 2018 includes reversal (net of provisions) of ₹73 crore and ₹82 crore, respectively. Income tax expense for the year ended March 31, 2019 and March 31, 2018 includes reversal (net of provisions) of ₹97 crore and ₹240 crore, respectively. These reversals pertain to prior periods on account of adjudication of certain disputed matters in favor of the company across various jurisdictions.

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.

Infosys is subject to a 15% Branch Profit Tax (BPT) in the U.S. to the extent its U.S. branch's net profit during the year is greater than the increase in the net assets of the U.S. branch during the year, computed in accordance with the Internal Revenue Code. As at March 31, 2019, Infosys' U.S. branch net assets amounted to approximately ₹5,196 crore. As at March 31, 2019, the Company has a deferred tax liability for branch profit tax of ₹201 crore (net of credits), as the Company estimates that these branch profits are expected to be distributed in the foreseeable future.

Entire deferred income tax for the three months and year ended March 31, 2019 and March 31, 2018, relates to origination and reversal of temporary differences except for a credit of ₹155 crore (on account of US Tax Reforms explained above), for the year ended March 31, 2018.

Other income for the three months and year ended March 31, 2019 includes interest on income tax refund of ₹50 crore each, respectively and for the three months and year ended March 31, 2018 includes interest on income tax refund of Nil and ₹257 crore, respectively.

2.15 REVENUE FROM OPERATIONS

Accounting Policy

The Company derives revenues primarily from business IT services comprising of software development and related services, consulting and package implementation and from the licensing of software products and platforms across our core and digital offerings ("together called as software related services").

Effective April 1, 2018, the Company adopted Ind AS 115 "Revenue from Contracts with Customers" using the cumulative catch-up transition method, applied to contracts that were not completed as of April 1, 2018. In accordance with the cumulative catch-up transition method , the comparatives have not been retrospectively adjusted. The following is a summary of new and/or revised significant accounting policies related to revenue recognition. Refer Note 1 "Significant Accounting Policies," in the Company's 2018 Annual Report for the policies in effect for revenue prior to April 1, 2018. The effect on adoption of Ind AS 115 was insignificant.

Revenue is recognized upon transfer of control of promised products or services to customers in an amount that reflects the consideration we expect to receive in exchange for those products or services.

Arrangements with customers for software related services are either on a fixed-price, fixed-timeframe or on a time-and-material basis.

Revenue on time-and-material contracts are recognized as the related services are performed and revenue from the end of the last invoicing to the reporting date is recognized as unbilled revenue. Revenue from fixed-price, fixed-timeframe contracts, where the performance obligations are satisfied over time and where there is no uncertainty as to measurement or collectability of consideration, is recognized as per the percentage-of-completion method. When there is uncertainty as to measurement or ultimate collectability, revenue recognition is postponed until such uncertainty is resolved. Efforts or costs expended have been used to measure progress towards completion as there is a direct relationship between input and productivity. Maintenance revenue is recognized ratably over the term of the underlying maintenance arrangement.

Revenues in excess of invoicing are classified as contract assets (which we refer as unbilled revenue) while invoicing in excess of revenues are classified as contract liabilities (which we refer to as unearned revenues).

In arrangements for software development and related services and maintenance services, the Company has applied the guidance in Ind AS 115, Revenue from contract with customer, by applying the revenue recognition criteria for each distinct performance obligation. The arrangements with customers generally meet the criteria for considering software development and related services as distinct performance obligations. For allocating the transaction price, the Company has measured the revenue in respect of each performance obligation of a contract at its relative standalone selling price. The price that is regularly charged for an item when sold separately is the best evidence of its standalone selling price. In cases where the company is unable to determine the standalone selling price, the company uses the expected cost plus margin approach in estimating the standalone selling price. For software development and related services, the performance obligations are satisfied as and when the services are rendered since the customer generally obtains control of the work as it progresses.

Revenue from licenses where the customer obtains a "right to use" the licenses is recognized at the time the license is made available to the customer. Revenue from licenses where the customer obtains a "right to access" is recognized over the access period. Arrangements to deliver software products generally have three elements: license, implementation and Annual Technical Services (ATS). The company has applied the principles under Ind AS 115 to account for revenues from these performance obligations. When implementation services are provided in conjunction with the licensing arrangement and the license and implementation have been identified as two separate performance obligations, the transaction price for such contracts are allocated to each performance obligation of the contract based on their relative standalone selling prices. In the absence of standalone selling price for implementation, the performance obligation is estimated using the expected cost plus margin approach. Where the license is required to be substantially customized as part of the implementation service the entire arrangement fee for license and implementation is considered to be a single performance obligation and the revenue is recognized using the percentage-of-completion method as the implementation is performed. Revenue from client training, support and other services arising due to the sale of software products is recognized as the performance obligations are satisfied. ATS revenue is recognized ratably over the period in which the services are rendered.

The company accounts for volume discounts and pricing incentives to customers as a reduction of revenue based on the ratable allocation of the discounts/ incentives to each of the underlying performance obligation that corresponds to the progress by the customer towards earning the discount/ incentive. Also, when the level of discount varies with increases in levels of revenue transactions, the company recognizes the liability based on its estimate of the customer's future purchases. If it is probable that the criteria for the discount will not be met, or if the amount thereof cannot be estimated reliably, then discount is not recognized until the payment is probable and the amount can be estimated reliably. The company recognizes changes in the estimated amount of obligations for discounts in the period in which the change occurs.

Deferred contract costs are incremental costs of obtaining a contract which are recognized as assets and amortized over the term of the contract.

Contract modifications are accounted for when additions, deletions or changes are approved either to the contract scope or contract price. The accounting for modifications of contracts involves assessing whether the services added to an existing contract are distinct and whether the pricing is at the standalone selling price. Services added that are not distinct are accounted for on a cumulative catch up basis, while those that are distinct are accounted for prospectively, either as a separate contract, if the additional services are priced at the standalone selling price, or as a termination of the existing contract and creation of a new contract if not priced at the standalone selling price.

The Company presents revenues net of indirect taxes in its condensed statement of Profit and loss.

Revenue from operations for the three months and year ended March 31, 2019 and March 31, 2018 is as follows: *(In ₹ crore)*

Particulars	Three months ended March 31,		Year ended March 31,	
	2019	2018	2019	2018
Revenue from software services	18,870	15,938	72,845	61,733
Revenue from products and platforms	65	46	262	208
Total revenue from operations	**18,935**	**15,984**	**73,107**	**61,941**

Disaggregate revenue information

The table below presents disaggregated revenues from contracts with customers for the three months and year ended March 31, 2019 by offerings and contract-type. The Company believe that this disaggregation best depicts how the nature, amount, timing and uncertainty of our revenues and cash flows are affected by industry, market and other economic factors.

(In ₹ crore)

Particulars	Three months ended March 31, 2019	Year ended March 31, 2019
Revenue by offerings		
Core	12,386	49,463
Digital	6,549	23,644
Total	**18,935**	**73,107**
Revenues by contract type		
Fixed Price	10,538	39,383
Time & Materials	8,397	33,724
Total	**18,935**	**73,107**

Digital Services

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

Core Services

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

Products & platforms

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

Trade receivables and Contract Balances

The company classifies the right to consideration in exchange for deliverables as either a receivable or as unbilled revenue.

A receivable is a right to consideration that is unconditional upon passage of time. Revenue for time and material contracts are recognized as related service are performed. Revenue for fixed price maintenance contracts is recognized on a straight line basis over the period of the contract. Revenues in excess of billings is recorded as unbilled revenue and is classified as a financial asset for these cases as right to consideration is unconditional upon passage of time .

Revenue recognition for fixed price development contracts is based on percentage of completion method. Invoicing to the clients is based on milestones as defined in the contract. This would result in the timing of revenue recognition being different from the timing of billing the customers. Unbilled revenue for fixed price development contracts is classified as non financial asset as the contractual right to consideration is dependent on completion of contractual milestones.

Invoicing in excess of earnings are classified as unearned revenue.

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

During the year ended March 31, 2019 , ₹2,355 crore of unbilled revenue pertaining to fixed price development contracts as of April 1, 2018 has been reclassified to Trade receivables upon billing to customers on completion of milestones.

During the year ended March 31, 2019 , the company recognized revenue of ₹1,776 crore arising from opening unearned revenue as of April 1, 2018.

Performance obligations and remaining performance obligations

The remaining performance obligation disclosure provides the aggregate amount of the transaction price yet to be recognized as at the end of the reporting period and an explanation as to when the Company expects to recognize these amounts in revenue. Applying the practical expedient as given in Ind AS 115, the Company has not disclosed the remaining performance obligation related disclosures for contracts where the revenue recognized corresponds directly with the value to the customer of the entity's performance completed to date, typically those contracts where invoicing is on time and material basis. Remaining performance obligation estimates are subject to change and are affected by several factors, including terminations, changes in the scope of contracts, periodic revalidations, adjustment for revenue that has not materialized and adjustments for currency.

The aggregate value of performance obligations that are completely or partially unsatisfied as at March 31, 2019, other than those meeting the exclusion criteria mentioned above, is ₹44,904 crore. Out of this, the Company expects to recognize revenue of around 50% within the next one year and the remaining thereafter. This includes contracts that can be terminated for convenience without a substantive penalty since, based on current assessment, the occurrence of the same is expected to be remote.

The impact on account of applying the erstwhile Ind AS 18 Revenue instead of Ind AS 115 Revenue from contract with customers on the financials results of the Company for the three months and year ended and as at March 31, 2019 is insignificant. On account of adoption of Ind AS 115, unbilled revenues of ₹2,904 crore as at March 31, 2019 has been considered as a non financial asset.

2.16 OTHER INCOME, NET

2.16.1 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.

2.16.2 Foreign currency - Accounting Policy

Functional currency

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

Transactions and translations

Foreign-currency denominated monetary assets and liabilities are translated into the relevant functional currency at exchange rates in effect at the Balance Sheet date. The gains or losses resulting from such translations are included in net profit in the Statement of Profit and Loss. Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at fair value are translated at the exchange rate prevalent at the date when the fair value was determined. Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of the transaction.

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

Effective April 1, 2018, the company has adopted Appendix B to Ind AS 21- Foreign Currency Transactions and Advance Consideration which clarifies the date of transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income when an entity has received or paid advance consideration in a foreign currency. The effect on account of adoption of this amendment was insignificant.

Other income for the three months and year ended March 31, 2019 and March 31, 2018 is as follows: *(In ₹ crore)*

Particulars	**Three months ended March 31,**		**Year ended March 31,**	
	2019	**2018**	**2019**	**2018**
Interest income on financial assets carried at amortized cost				
Tax free bonds and government bonds	34	34	137	138
Deposit with Bank and others	317	353	1,276	1,540
Interest income on financial assets fair valued through other comprehensive income				
Non-convertible debentures, commercial paper, certificates of deposit and government securities	128	122	581	642
Income on investments carried at fair value through profit or loss				
Dividend income on liquid mutual funds	1	-	2	3
Gain / (loss) on liquid mutual funds	57	35	175	227
Dividend income from subsidiaries	-	-	-	846
Write down of investment in subsidiary (refer note no 2.2)	-	(28)	-	(122)
Exchange gains/(losses) on foreign currency forward and options contracts	185	(125)	184	(12)
Exchange gains/(losses) on translation of assets and liabilities	(139)	189	144	265
Miscellaneous income, net	56	56	353	492
Total other income	**639**	**636**	**2,852**	**4,019**

2.17 EXPENSES

Accounting Policy

2.17.1 Gratuity

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

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

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

2.17.2 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.

2.17.3 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.

2.17.4 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.

(In ₹ crore)

Particulars	**Three months ended March 31,**		**Year ended March 31,**	
	2019	**2018**	**2019**	**2018**
Employee benefit expenses				
Salaries including bonus	9,896	8,185	37,185	31,618
Contribution to provident and other funds	208	179	797	695
Share based payments to employees (Refer note no. 2.9)	53	23	182	72
Staff welfare	41	31	132	87
	10,198	**8,418**	**38,296**	**32,472**
Cost of software packages and others				
For own use	187	195	793	774
Third party items bought for service delivery to clients	205	125	853	496
	392	**320**	**1,646**	**1,270**
Other expenses				
Power and fuel	37	39	171	162
Brand and Marketing	114	58	406	247
Operating lease payments	96	77	339	328
Rates and taxes	25	(12)	110	116
Repairs and Maintenance	295	227	1,051	902
Consumables	10	6	33	22
Insurance	15	13	55	47
Provision for post-sales client support and others	(31)	48	(6)	127
Commission to non-whole time directors	2	2	7	9
Impairment loss recognized / (reversed) under expected credit loss model	11	(21)	184	24
Auditor's remuneration				
Statutory audit fees	1	1	4	3
Tax matters	1	-	1	1
Other services	-	-	-	-
Contributions towards Corporate Social Responsibility	61	17	245	142
Others	40	(26)	170	54
	677	**429**	**2,770**	**2,184**

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

Accounting Policy

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

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

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

Particulars	Three months ended March 31,		Year ended March 31,	
	2019	2018	2019	2018
Basic earnings per equity share - weighted average number of equity shares outstanding	4,36,77,59,601	4,36,81,61,336	4,36,82,12,119	4,53,26,87,604
Effect of dilutive common equivalent shares - share options outstanding	20,64,779	11,23,252	22,00,229	20,97,638
Diluted earnings per equity share - weighted average number of equity shares and common equivalent shares outstanding	**4,36,98,24,380**	**4,36,92,84,588**	**4,37,04,12,348**	**4,53,47,85,242**

** Information in above table is adjusted for September 2018 Bonus issue.(refer note no.2.9)*

For the three months and year ended March 31, 2019, no options to purchase equity shares that had an anti-dilutive effect.

For the three months and year ended March 31, 2018, 1,148 and 55,752 (adjusted for September 2018 bonus issue) number of options to purchase equity shares that had an anti-dilutive effect respectively.

2.19 CONTINGENT LIABILITIES AND COMMITMENTS

(In ₹ crore)

Particulars	As at	
	March 31, 2019	March 31, 2018
Contingent liabilities :		
Claims against the Company, not acknowledged as debts[(1)]	2,947	4,627
[Amount paid to statutory authorities ₹5,861 crore (*₹6,486 crore*)]		
Commitments :		
Estimated amount of contracts remaining to be executed on capital contracts and not provided for (net of advances and deposits)	1,653	1,405
Other Commitments*	17	36

**Uncalled capital pertaining to investments*

[(1)] As at March 31, 2019, claims against the company not acknowledged as debts in respect of income tax matters amounted to ₹2,811 crore. These matters are pending before various Appellate Authorities and the management including its tax advisors expect that its position will likely be upheld on ultimate resolution and will not have a material adverse effect on the Company's financial position and results of operations.

Amount paid to statutory authorities against the above tax claims amounted to ₹5,860 crore.

Subsequent to March 31, 2018, the Supreme Court of India ruled favorably in respect of certain income tax claims which have been given effect in the above disclosure of claims as of March 31, 2019.

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

2.20 RELATED PARTY TRANSACTIONS

Refer to the Company's Annual Report for the year ended March 31, 2018 for the full names and other details of the Company's subsidiaries, associate and controlled trusts.

Changes in Subsidiaries

During the year ended March 31, 2019, the following are the changes in the subsidiaries:

- Lodestone Management Consultants Inc has been liquidated effective May 17, 2018
- On May 22, 2018, Infosys acquired 100% voting rights in WongDoody Holding Company Inc., along with its two subsidiaries, WDW Communications, Inc and WongDoody, Inc.
- Lodestone Management Consultants GmbH name changed to Infosys Austria GmbH
- On August 6, 2018, Infosys Luxembourg SARL was incorporated as a wholly-owned subsidiary of Infosys Limited
- Infosys Consulting Ltda became the majority owned and controlled subsidiary of Infosys Limited.
- On October 11, 2018, Infosys Consulting Pte Ltd, a wholly-owned subsidiary of Infosys Limited, acquired 100% voting interest in Fluido Oy along with its five subsidiaries Fluido Sweden AB (Extero), Fluido Norway A/S, Fluido Denmark A/S, Fluido Slovakia s.r.o and Fluido Newco AB.
- On November 16, 2018, Infosys Consulting Pte. Ltd, a wholly-owned subsidiary of Infosys Limited, acquired 60% of the voting interest in Infosys Compaz Pte. Ltd (formerly Trusted Source Pte. Ltd)
- On November 27, 2018, Infosys Canada Public Services Inc was incorporated as a wholly-owned subsidiary of Infosys Public Services Inc which is a wholly-owned subsidiary of Infosys Limited.
- On November 29, 2018, Infosys CIS LLC was incorporated as a wholly-owned subsidiary of Infosys Limited.
- On December 19, 2018, Infosys South Africa (Pty) Ltd was incorporated as a wholly owned subsidiary of Infosys Consulting Pte Ltd which is a wholly-owned subsidiary of Infosys Limited.
- S.C. Infosys Consulting S.R.L. became wholly owned subsidiary of Infosys Ltd.
- Lodestone Management Consultants Co., Ltd, name has been changed to "Infosys Consulting (Shanghai) Co. Ltd."

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

The details of amounts due to or due from related parties as at March 31, 2019 and March 31, 2018 are as follows:

(In ₹ crore)

Particulars	As at March 31, 2019	As at March 31, 2018
Investment in debentures		
EdgeVerve[(1)]	1,445	1,780
	1,445	**1,780**
Trade receivables		
EdgeVerve	3	-
Infosys China	23	29
Infosys Mexico	3	4
Infosys Brasil	1	1
Infosys BPM	10	5
Infy Consulting Company Ltd.	13	77
Infosys Public Services	57	53
Infosys Shanghai	6	7
Infosys Sweden	-	1
Kallidus	-	13
Infosys McCamish Systems LLC	89	70
Panaya Ltd	115	75
Infosys Compaz Pte. Ltd	5	-
	325	**335**
Loans		
Infosys China [(2)]	82	73
Infosys Consulting Holding AG[(3)]	89	104
Brilliant Basics Holdings Limited [(4)]	7	8
Infosys Consulting Pte Ltd[(5)]	663	-
	841	**185**
Prepaid expense and other assets		
Panaya Ltd.	109	114
Brilliant Basics Limited	-	1
	109	**115**
Other financial assets		
Infosys BPM	10	10
Panaya Ltd.	3	2
Infosys Consulting GmbH	2	1
Infosys China	2	2
Infosys Shanghai	1	-
Infy Consulting Company Ltd.	3	9
Infosys Consulting AG	1	1
Infosys Public Services	3	6
Infosys Consulting Pte Ltd.	-	1
Kallidus	2	1
Infosys Consulting Ltda.	1	1
Skava Systems Pvt. Ltd.	1	1
Lodestone Management Consultants Co., Ltd	-	1
Infosys Brasil	1	-
Edgeverve	-	3
Brilliant Basics Limited	1	-
Infosys Mexico	1	1
McCamish Systems LLC	1	-
Infosys Compaz Pte. Ltd	1	-
	34	**40**
Unbilled revenues		
EdgeVerve	40	32
Kallidus	11	-
	51	**32**
Trade payables		
Infosys China	8	7
Infosys BPM	50	54
Infosys (Czech Republic) Limited s.r.o.	6	3
Infosys Mexico	6	6
Infosys Sweden	3	5
Infosys Shanghai	6	6
Infosys Management Consulting Pty Limited	9	8
Infosys Consulting Pte Ltd.	4	2
Infy Consulting Company Ltd.	87	67
Infosys Brasil	2	2
Brilliant Basics Limited	7	7
Panaya Ltd.	4	6
Infosys Public Services	4	2
Kallidus	2	-
Portland Group Pty Ltd	1	-
Infosys Chile SpA	1	-
Infosys Middle East FZ-LLC	12	-
Infosys Poland Sp Z.o.o	1	3
McCamish Systems LLC	1	-
WDW Communications, Inc.	6	-
	220	**178**

Other financial liabilities		
Infosys BPM	4	2
Infosys Mexico	2	1
Infosys Public Services	-	5
Infosys China	1	1
Infosys Consulting GmbH	5	1
Infosys Middle East FZ-LLC	-	8
Infosys Consulting AG	1	1
	13	**19**
Accrued expenses		
Infosys BPM	6	9
	6	**9**

(1) At an interest rate of 8.39% per annum.
(2) Interest at the rate of 6% per annum repayable on demand
(3) Interest at the rate of 2.5% per annum repayable on demand
(4) Interest at the rate of 3.5% per annum repayable on demand
(5) Interest at the rate of 3% per annum repayable on demand.

The details of the related parties transactions entered into by the Company for the three months and year ended March 31, 2019 and March 31, 2018 are as follows:

(In ₹ crore)

Particulars	**Three months ended March 31,**		**Year ended March 31,**	
	2019	**2018**	**2019**	**2018**
Capital transactions:				
Financing transactions				
Equity				
Infosys Consulting Brazil	-	-	43	-
Wongdoody Holding Company Inc[1]	-	-	261	-
Infosys Chile SpA	-	-	7	-
Panaya Inc.	-	-	-	38
Brilliant Basics Holding Limited	-	-	13	29
Infosys Arabia Limited	-	-	-	2
Infosys China	-	-	-	97
Infosys Luxembourg S.a r.l.	-	-	4	-
Infosys Australia [3]	-	-	(33)	-
Infosys Shanghai	-	-	-	74
Infosys Brazil	-	-	127	-
S. C. Infosys Consulting S.R.L	34	-	34	-
	34	**-**	**456**	**240**
Debentures (net of repayment)				
Edgeverve	(125)	(170)	(335)	(349)
	(125)	**(170)**	**(335)**	**(349)**
Loans (net of repayment)				
Infosys China	-	(2)	-	-
Infosys Consulting Holding AG	(20)	-	(20)	99
Brilliant Basics Holdings Limited	-	-	-	7
Infosys Consulting Pte Ltd.	253	-	678	-
	233	**(2)**	**658**	**106**
Revenue transactions:				
Purchase of services				
Infosys China	24	20	85	88
Infosys Management Consulting Pty Limited	26	22	94	99
Infy Consulting Company Limited	257	189	857	729
Infosys Consulting Pte Ltd.	10	7	40	41
Portland Group Pty Ltd	4	-	16	9
Infosys (Czech Republic) Limited s.r.o.	17	11	56	40
Infosys BPM	168	137	655	502
Infosys Sweden	7	14	52	56
Infosys Shanghai	19	20	74	65
Infosys Mexico	18	9	71	27
Infosys Public Services	13	4	39	22
Panaya Ltd.	23	21	94	84
Infosys Brasil	4	3	13	13
Infosys Poland Sp Z.o.o	5	6	29	14
Kallidus	7	(4)	51	7
Brilliant Basics Limited	19	18	74	24
Brilliant Basics (MENA)	-	-	3	-
Infosys Chile SpA	2	-	5	-
Infosys Middle East FZ-LLC	25	22	95	22
Noah Consulting, LLC[2]	-	-	-	91
McCamish Systems LLC	2	1	7	3
Noah Canada	-	-	-	2
WDW Communications, Inc.	9	-	11	-
WongDoody, Inc.	-	-	2	-
	659	**500**	**2,423**	**1,938**

Purchase of shared services including facilities and personnel				
Brilliant Basics Limited	2	1	7	1
Infosys BPM	1	7	3	21
Kallidus Inc	-	4	-	4
Infosys Consulting AG	-	1	-	1
Infosys Mexico	-	-	-	2
WDW Communications, Inc.	-	-	1	-
	3	**13**	**11**	**29**
Interest income				
Infosys China	1	1	5	4
Infosys Consulting Holding AG	-	1	2	2
Infosys Consulting Pte Ltd.	3	-	6	-
EdgeVerve	32	36	141	156
	36	**38**	**154**	**162**
Dividend Income				
Infosys BPM	-	-	-	846
	-	**-**	**-**	**846**
Sale of services				
Infosys China	8	7	31	27
Infosys Mexico	4	6	20	22
Infy Consulting Company Limited	13	10	54	40
Infosys Brasil	3	1	6	5
Infosys BPM	29	19	101	70
McCamish Systems LLC	70	37	238	113
Infosys Sweden	-	2	3	11
Infosys Shanghai	2	3	8	7
EdgeVerve	129	104	469	407
Kallidus Inc	-	-	-	2
Infosys Public Services	184	153	766	628
Infosys Compaz Pte Ltd	12	-	13	-
	454	**342**	**1,709**	**1,332**
Sale of shared services including facilities and personnel				
EdgeVerve	9	10	36	40
Panaya Ltd.	8	12	45	48
Infosys Consulting SAS	-	1	-	1
Infy Consulting Company Limited	-	-	-	3
Infy Consulting B.V	-	-	-	1
Infosys BPM	7	19	27	67
Infosys Public Services	-	-	-	2
	24	**42**	**108**	**162**

(1) *Excludes contingent consideration*

(2) *Refer note no. 2.2*

(3) *Represents redemption of investment*

Changes in Key Management personnel

The following were the changes in key management personnel:-

• Nilanjan Roy has been appointed as Chief Financial Officer effective March 01, 2019.

• Jayesh Sanghrajka was appointed as Interim Chief Financial Officer effective November 17, 2018. He resumed his responsibilities as Deputy Chief Financial Officer effective March 1, 2019.

• M. D. Ranganath resigned as Chief Financial Officer effective November 16, 2018.

• Michael Nelson Gibbs appointed as an Independent Director effective July 13, 2018.

• Ravi Venkatesan, resigned from his position as Co-Chairman effective August 24, 2017 and resigned as member of the Board effective May 11, 2018.

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,**	
	2019	**2018**	**2019**	**2018**
Salaries and other employee benefits to whole-time directors and executive officers (1)(2)(3)	29	19	96	48
Commission and other benefits to non-executive/independent directors	2	2	7	10
Total	**31**	**21**	**103**	**58**

(1) *Total employee stock compensation expense for the three months and year ended March 31, 2019 includes a charge of ₹10 crore and ₹33 crore, respectively towards key managerial personnel. For the three months and year ended March 31, 2018 includes a charge of ₹1 crore and reversal of ₹13 crore, respectively was recorded towards key managerial personnel. (Refer note no. 2.9)*

(2) *Includes reversal of stock compensation cost of ₹35 crore for the quarter ended September 30, 2017 towards forfeiture of stock incentive granted to Dr. Vishal Sikka upon his resignation (Refer to note 2.9)*

(3) *On December 2, 2017, the Board appointed Salil Parekh as the Chief Executive Officer and Managing Director of the Company with effect from January 2, 2018.*

2.21 SEGMENT REPORTING

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

2.22 FUNCTION-WISE CLASSIFICATION OF CONDENSED STATEMENT OF PROFIT AND LOSS

(In ₹ crore)

Particulars	Note No.	Three months ended March 31,		Year ended March 31,	
		2019	2018	2019	2018
Revenue from operations	2.15	18,935	15,984	73,107	61,941
Cost of sales		12,530	10,074	47,412	39,138
Gross Profit		**6,405**	**5,910**	**25,695**	**22,803**
Operating expenses					
Selling and marketing expenses		1,004	747	3,661	2,763
General and administration expenses		1,087	820	4,225	3,562
Total operating expenses		2,091	1,567	7,886	6,325
Operating profit		**4,314**	**4,343**	**17,809**	**16,478**
Reduction in the fair value of assets held for sale	2.2.4	-	589	265	589
Adjustment in respect of excess of carrying amount over recoverable amount on reclassification from "Held for Sale"	2.2.4	-	-	469	-
Other income, net	2.16	639	636	2,852	4,019
Profit before tax		**4,953**	**4,390**	**19,927**	**19,908**
Tax expense:					
Current tax	2.14	1,053	1,397	5,189	4,003
Deferred tax	2.14	80	(164)	36	(250)
Profit for the period		**3,820**	**3,157**	**14,702**	**16,155**
Other comprehensive income					
Items that will not be reclassified subsequently to profit or loss					
Remeasurement of the net defined benefit liability/asset, net		(3)	31	(21)	52
Equity instruments through other comprehensive income, net		9	7	78	7
Items that will be reclassified subsequently to profit or loss					
Fair value changes on derivatives designated as cash flow hedge, net		(15)	2	21	(39)
Fair value changes on investments, net	2.2	22	(12)	1	1
Total other comprehensive income/(loss), net of tax		**13**	**28**	**79**	**21**
Total comprehensive income for the period		**3,833**	**3,185**	**14,781**	**16,176**

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

Nandan M. Nilekani
Chairman

Salil Parekh
Chief Executive officer
and Managing Director

U. B. Pravin Rao
Chief Operating Officer
and Whole-time Director

D. Sundaram
Director

Nilanjan Roy
Chief Financial Officer

A. G. S. Manikantha
Company Secretary

Bengaluru
April 12, 2019

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, 2019, the 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') and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, the profit and 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 (SAs) 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 Standalone Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the ICAI together with the independence 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 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 standalone financial statements.

Management Responsibility 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, 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 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 are 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 skepticism 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 the Company's internal financial 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 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 financial statements.

We also communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings 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)

P. R. RAMESH
Partner
(Membership No.70928)

Bengaluru, April 12, 2019

INFOSYS LIMITED AND SUBSIDIARIES

Consolidated Financial Statements under Indian Accounting Standards (Ind AS) for the year ended March 31, 2019

Index **Page No.**

INFOSYS LIMITED AND SUBSIDIARIES

(In ₹ crore)

Consolidated Balance Sheets as at	Note No.	March 31, 2019	March 31, 2018
ASSETS			
Non-current assets			
Property, plant and equipment	2.2	11,479	10,116
Capital work-in-progress		1,388	1,606
Goodwill	2.3.1 and 2.1	3,540	2,211
Other intangible assets	2.3.2	691	247
Investment in associate	2.23	-	-
Financial assets:			
Investments	2.4	4,634	5,756
Loans	2.5	19	36
Other financial assets	2.6	312	284
Deferred tax assets (net)	2.15	1,372	1,282
Income tax assets (net)	2.15	6,320	6,070
Other non-current assets	2.9	2,105	2,265
Total non-current assets		**31,860**	**29,873**
Current assets			
Financial assets:			
Investments	2.4	6,627	6,407
Trade receivables	2.7	14,827	13,142
Cash and cash equivalents	2.8	19,568	19,818
Loans	2.5	241	239
Other financial assets	2.6	5,505	6,684
Income tax assets (net)	2.15	423	-
Other Current assets	2.9	5,687	1,667
		52,878	**47,957**
Assets held for sale	2.1.2	-	2,060
Total current assets		**52,878**	**50,017**
Total assets		**84,738**	**79,890**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	2.11	2,170	1,088
Other equity		62,778	63,835
Total equity attributable to equity holders of the Company		64,948	64,923
Non-controlling interests		58	1
Total equity		**65,006**	**64,924**
Liabilities			
Non-current liabilities			
Financial Liabilities			
Other financial liabilities	2.12	147	61
Deferred tax liabilities (net)	2.15	672	541
Other non-current liabilities	2.13	275	259
Total non-current liabilities		**1,094**	**861**
Current liabilities			
Financial Liabilities			
Trade payables		1,655	694
Other financial liabilities	2.12	10,452	6,946
Other current liabilities	2.13	4,388	3,606
Provisions	2.14	576	492
Income tax liabilities (net)	2.15	1,567	2,043
		18,638	**13,781**
Liabilities directly associated with assets held for sale	2.1.2	-	324
Total current liabilities		**18,638**	**14,105**
Total equity and liabilities		**84,738**	**79,890**

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

P. R. Ramesh
Partner
Membership No. 70928

Nandan M. Nilekani
Chairman

Salil Parekh
Chief Executive officer and Managing Director

U. B. Pravin Rao
Chief Operating Officer and Whole-time Director

Bengaluru
April 12, 2019

D. Sundaram
Director

Nilanjan Roy
Chief Financial Officer

A. G. S. Manikantha
Company Secretary

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, 2019	2018
Revenue from operations	2.16	82,675	70,522
Other income, net	2.17	2,882	3,311
Total income		**85,557**	**73,833**
Expenses			
Employee benefit expenses	2.18	45,315	38,893
Cost of technical sub-contractors		6,033	4,297
Travel expenses		2,433	1,995
Cost of software packages and others	2.18	2,553	1,870
Communication expenses		471	489
Consultancy and professional charges		1,324	1,043
Depreciation and amortisation expenses	2.2 and 2.3.2	2,011	1,863
Other expenses	2.18	3,655	2,924
Reduction in the fair value of Disposal Group held for sale	2.1.2	270	118
Adjustment in respect of excess of carrying amount over recoverable amount on reclassification from "Held for Sale"	2.1.2	451	-
Total expenses		**64,516**	**53,492**
Profit before non-controlling interests/share in net profit/(loss) of associate		**21,041**	**20,341**
Share in net profit/(loss) of associate, including impairment	2.23	-	(71)
Profit before tax		**21,041**	**20,270**
Tax expense:			
Current tax	2.15	5,727	4,581
Deferred tax	2.15	(96)	(340)
Profit for the period		**15,410**	**16,029**
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss			
Remeasurement of the net defined benefit liability/asset. net	2.20 and 2.15	(22)	55
Equity instruments through other comprehensive income, net	2.4 and 2.15	70	7
		48	**62**
Items that will be reclassified subsequently to profit or loss			
Fair value changes on derivatives designated as cash flow hedge, net	2.10 and 2.15	21	(39)
Exchange differences on translation of foreign operations		63	321
Fair value changes on investments, net	2.4 and 2.15	2	(1)
		86	**281**
Total other comprehensive income /(loss), net of tax		**134**	**343**
Total comprehensive income for the period		**15,544**	**16,372**
Profit attributable to:			
Owners of the Company		15,404	16,029
Non-controlling interests		6	-
		15,410	**16,029**
Total comprehensive income attributable to:			
Owners of the Company		15,538	16,372
Non-controlling interests		6	-
		15,544	**16,372**
Earnings per Equity share			
Equity shares of par value ₹5/- each			
Basic (₹)		35.44	35.53
Diluted (₹)		35.38	35.50
Weighted average equity shares used in computing earnings per equity share	2.21		
Basic		4,347,130,157	4,510,664,644
Diluted		4,353,420,772	4,515,147,740

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

P. R. Ramesh	Nandan M. Nilekani	Salil Parekh	U. B. Pravin Rao
Partner	*Chairman*	*Chief Executive officer and Managing Director*	*Chief Operating Officer and Whole-time Director*
Membership No. 70928			
Bengaluru	D. Sundaram	Nilanjan Roy	A. G. S. Manikantha
April 12, 2019	*Director*	*Chief Financial Officer*	*Company Secretary*

INFOSYS LIMITED AND SUBSIDIARIES

Consolidated Statement of Changes in Equity

(In ₹ crore)

Particulars	Equity Share capital (1)	OTHER EQUITY: RESERVES & SURPLUS: Securities Premium	Retained earnings	Capital reserve	General reserve	Share Options Outstanding Account	Special Economic Zone Re-investment reserve (2)	Other reserves(3)	Capital redemption reserve	Other comprehensive income: Equity instruments through other comprehensive income	Exchange differences on translating the financial statements of a foreign	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, 2017	**1,144**	**2,216**	**52,882**	**54**	**12,135**	**120**	**-**	**5**	**-**	**(5)**	**458**	**39**	**(66)**	**68,982**	**-**	**68,982**
Changes in equity for the year ended March 31, 2018																
Profit for the period	-	-	16,029	-	-	-	-	-	-	-	-	-	-	16,029	-	16,029
Remeasurement of the net defined benefit liability/asset* (refer note no. 2.20.1 and 2.15)	-	-	-	-	-	-	-	-	-	-	-	-	55	55	-	55
Equity instruments through other comprehensive income* (refer to note no.2.4)	-	-	-	-	-	-	-	-	-	7	-	-	-	7	-	7
Fair value changes on derivatives designated as cash flow hedge*(refer note no. 2.10)	-	-	-	-	-	-	-	-	-	-	-	(39)	-	(39)	-	(39)
Exchange differences on translation of foreign operations	-	-	-	-	-	-	-	-	-	-	321	-	-	321	-	321
Fair value changes on investments* (refer to note no.2.4)	-	-	-	-	-	-	-	-	-	-	-	-	(1)	(1)	-	(1)
Total Comprehensive income for the period	**-**	**-**	**16,029**	**-**	**-**	**-**	**-**	**-**	**-**	**7**	**321**	**(39)**	**54**	**16,372**	**-**	**16,372**
Exercise of stock options (refer note no. 2.11)	-	67	-	-	2	(69)	-	-	-	-	-	-	-	-	-	-
Dividends (including dividend distribution tax)	-	-	(7,469)	-	-	-	-	-	-	-	-	-	-	(7,469)	-	(7,469)
Non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1	1
Transfer to general reserve	-	-	(1,382)	-	1,382	-	-	-	-	-	-	-	-	-	-	-
Amount paid upon buyback (refer to note no. 2.11)	(56)	(2,206)	-	-	(10,738)	-	-	-	-	-	-	-	-	(13,000)	-	(13,000)
Amount transferred to capital redemption reserve upon buyback (refer to note no. 2.11)	-	-	-	-	(56)	-	-	-	56	-	-	-	-	-	-	-
Transaction costs related to buyback* (refer to note no.2.11)	-	(46)	-	-	-	-	-	-	-	-	-	-	-	(46)	-	(46)
Transferred to Special Economic Zone Re-investment reserve	-	-	(2,200)	-	-	-	2,200	-	-	-	-	-	-	-	-	-
Transferred from Special Economic Zone Re-investment reserve on utilization	-	-	617	-	-	-	(617)	-	-	-	-	-	-	-	-	-
Share issued on exercise of stock options (Refer to 2.11)	-	5	-	-	-	-	-	-	-	-	-	-	-	5	-	5
Share based payments to employees (refer note no. 2.11)	-	-	-	-	-	79	-	-	-	-	-	-	-	79	-	79
Balance as at March 31, 2018	**1,088**	**36**	**58,477**	**54**	**2,725**	**130**	**1,583**	**5**	**56**	**2**	**779**	**-**	**(12)**	**64,923**	**1**	**64,924**

Consolidated Statement of Changes in Equity (contd.)

(In ₹ crore)

Particulars	Equity Share capital [(1)]	OTHER EQUITY: RESERVES & SURPLUS: Securities Premium	Retained earnings	Capital reserve	General reserve	Share Options Outstanding Account	Special Economic Zone Re-investment reserve [(2)]	Other reserves[(3)]	Capital redemption reserve	Other comprehensive income: Equity instruments through Other comprehensive income	Exchange differences on translating the financial statements of a foreign	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, 2018	**1,088**	**36**	**58,477**	**54**	**2,725**	**130**	**1,583**	**5**	**56**	**2**	**779**	**-**	**(12)**	**64,923**	**1**	**64,924**
Changes in equity for the year ended March 31, 2019																
Profit for the period	-	-	15,404	-	-	-	-	-	-	-	-	-	-	15,404	6	15,410
Remeasurement of the net defined benefit liability/asset* (refer note no. 2.20.1 and 2.15)	-	-	-	-	-	-	-	-	-	-	-	-	(22)	(22)	-	(22)
Equity instruments through other comprehensive income* (refer to note no.2.4)	-	-	-	-	-	-	-	-	-	70	-	-	-	70	-	70
Fair value changes on derivatives designated as cash flow hedge* (refer note no. 2.10)	-	-	-	-	-	-	-	-	-	-	-	21	-	21	-	21
Exchange differences on translation of foreign operations	-	-	-	-	-	-	-	-	-	-	63	-	-	63	-	63
Fair value changes on investments* (refer to note no.2.4)	-	-	-	-	-	-	-	-	-	-	-	-	2	2	-	2
Total Comprehensive income for the period	**-**	**-**	**15,404**	**-**	**-**	**-**	**-**	**-**	**-**	**70**	**63**	**21**	**(20)**	**15,538**	**6**	**15,544**
Share based payments to employees (Refer to note 2.11)	-	-	-	-	-	197	-	-	-	-	-	-	-	197	-	197
Increase in Equity share capital on account of bonus issue (Refer to note 2.11)	1,088	-	-	-	-	-	-	-	-	-	-	-	-	1,088	-	1,088
Shares issued on exercise of employee stock options - after bonus issue (Refer to note 2.11)	-	6	-	-	-	-	-	-	-	-	-	-	-	6	-	6
Buyback of equity shares (Refer to note 2.11 & 2.12)	(6)	-	-	-	(1,994)	-	-	-	-	-	-	-	-	(2,000)		(2,000)
Transaction costs relating to buyback * (Refer to note 2.11)	-	-	-	-	(12)	-	-	-	-	-	-	-	-	(12)		(12)
Amount transferred to capital redemption reserve upon buyback (Refer to note 2.11)	-	-	-	-	(5)	-	-	-	5	-	-	-	-	-		-
Amounts utilized for bonus issue (refer to note no. 2.11)	-	-	-	-	(1,088)	-	-	-	-	-	-	-	-	(1,088)	-	(1,088)
Exercise of stock options (refer to note no. 2.11)	-	99	-	-	-	(99)	-	-	-	-	-	-	-	-	-	-
Transfer on account of options not exercised	-	-	-	-	1	(1)	-	-	-	-	-	-	-	-	-	-
Income tax benefit arising on exercise of stock options	-	8	-	-	-	-	-	-	-	-	-	-	-	8	-	8
Amount transferred to other reserves	-	-	(1)	-	-	-	-	1	-	-	-	-	-	-	-	-
Dividends (including dividend distribution tax)	-	-	(13,712)	-	-	-	-	-	-	-	-	-	-	(13,712)	-	(13,712)
Non-controlling interests on acquisition of subsidiary (refer to note no.2.11)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	51	51
Transfer to general reserve	-	-	(1,615)	-	1,615	-	-	-	-	-	-	-	-	-	-	-
Transferred to Special Economic Zone Re-investment reserve	-	-	(2,417)	-	-	-	2,417	-	-	-	-	-	-	-	-	-
Transferred from Special Economic Zone Re-investment reserve on utilization	-	-	1,430	-	-	-	(1,430)	-	-	-	-	-	-	-	-	-
Balance as at March 31, 2019	**2,170**	**149**	**57,566**	**54**	**1,242**	**227**	**2,570**	**6**	**61**	**72**	**842**	**21**	**(32)**	**64,948**	**58**	**65,006**

** Net of tax*

[(1)] Net of treasury shares

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

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

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

As per our report of even date attached

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

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

P. R. Ramesh
Partner
Membership No. 70928

Nandan M. Nilekani
Chairman

Salil Parekh
Chief Executive officer and Managing Director

U. B. Pravin Rao
Chief Operating Officer and Whole-time Director

Bengaluru
April 12, 2019

D. Sundaram
Director

Nilanjan Roy
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		**Year ended March 31,**	
	Note No.	**2019**	**2018**
Cash flow from operating activities			
Profit for the period		15,410	16,029
Adjustments to reconcile net profit to net cash provided by operating activities:			
Income tax expense	2.15	5,631	4,241
Depreciation and amortization	2.2 and 2.3.2	2,011	1,863
Interest and dividend income		(2,052)	(2,360)
Impairment loss recognized / (reversed) under expected credit loss model		239	34
Exchange differences on translation of assets and liabilities		66	16
Reduction in the fair value of Disposal Group held for sale	2.1.2	270	118
Adjustment in respect of excess of carrying amount over recoverable amount on reclassification from "Held for Sale"	2.1.2	451	-
Share in net profit/(loss) of associate, including impairment		-	71
Stock compensation expense	2.11	202	84
Other adjustments		(102)	(133)
Changes in assets and liabilities			
Trade receivables and unbilled revenue		(2,881)	(1,523)
Loans, other financial assets and other assets		(700)	(186)
Trade payables		916	328
Other financial liabilities, other liabilities and provisions		2,212	1,465
Cash generated from operations		**21,673**	**20,047**
Income taxes paid		(6,832)	(6,829)
Net cash generated by operating activities		**14,841**	**13,218**
Cash flows from investing activities			
Expenditure on property, plant and equipment		(2,445)	(1,998)
Loans to employees		14	28
Deposits placed with corporation		(24)	(130)
Interest and dividend received		1,557	1,768
Payment towards acquisition of business, net of cash acquired		(550)	(33)
Payment of contingent consideration pertaining to acquisition of business		(18)	(27)
Advance payment towards acquisition of business		(206)	-
Escrow and other deposits pertaining to Buyback	2.6	(257)	-
Payments to acquire Investments			
Preference and equity securities		(21)	(23)
Tax free bonds and government bonds		(17)	(2)
Liquid mutual funds and fixed maturity plan securities		(78,355)	(62,063)
Non convertible debentures		(160)	(104)
Certificates of deposit		(2,393)	(6,653)
Government securities		(838)	-
Commercial paper		(491)	(291)
Others		(19)	(23)
Proceeds on sale of financial assets			
Tax free bonds and government bonds		1	15
Non-convertible debentures		738	100
Government securities		123	-
Others		300	-
Certificates of deposit		5,540	9,690
Liquid mutual funds and fixed maturity plan securities		76,821	64,163
Preference and equity securities		115	35
Others		10	-
Net cash (used in)/from in investing activities		**(575)**	**4,452**

Cash flows from financing activities:			
Payment of dividends (including dividend distribution tax)		(13,705)	(7,464)
Shares issued on exercise of employee stock options		6	5
Buyback of equity shares including transaction cost		(813)	(13,046)
Net cash used in financing activities		**(14,512)**	**(20,505)**
Net increase / (decrease) in cash and cash equivalents		(246)	(2,835)
Cash and cash equivalents at the beginning of the period	2.8	19,871	22,625
Effect of exchange rate changes on cash and cash equivalents		(57)	81
Cash and cash equivalents at the end of the period	2.8	**19,568**	**19,871**
Supplementary information:			
Restricted cash balance	2.8	358	533

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

P. R. Ramesh
Partner
Membership No. 70928

Nandan M. Nilekani
Chairman

Salil Parekh
Chief Executive officer and Managing Director

U. B. Pravin Rao
Chief Operating Officer and Whole-time Director

Bengaluru
April 12, 2019

D. Sundaram
Director

Nilanjan Roy
Chief Financial Officer

A. G. S. Manikantha
Company Secretary

INFOSYS LIMITED AND SUBSIDIARIES

Notes to the consolidated financial statements

1. Overview

1.1 Company overview

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

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 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).

Further, the Company's ADS were also listed on the Euronext London and Euronext Paris. On July 5, 2018, the Company voluntarily delisted its ADS from the said exchanges due to low average daily trading volume of its ADS on these exchanges.

The Group's consolidated financial statements are approved for issue by the Company's Board of Directors on April 12, 2019.

1.2 Basis of preparation of financial statements

These 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 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 no. 2.23. Control exists when the parent has power over the entity, is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns by using its power over the entity. Power is demonstrated through existing rights that give the ability to direct relevant activities, those which significantly affect the entity's returns. Subsidiaries are consolidated from the date control commences until the date control ceases.

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

1.4 Use of estimates and judgements

The preparation of the financial statements in conformity with Ind AS requires the management to make estimates, judgements and assumptions. These estimates, judgements and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the period. Application of accounting policies that require critical accounting estimates involving complex and subjective judgements and the use of assumptions in these financial statements have been disclosed in Note no. 1.5. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the consolidated financial statements.

1.5 Critical accounting estimates

a. Revenue recognition

The group uses the percentage-of-completion method in accounting for its fixed-price contracts. Use of the percentage-of-completion method requires the group to estimate the efforts or costs expended to date as a proportion of the total efforts or costs to be expended. Efforts or costs expended have been used to measure progress towards completion as there is a direct relationship between input and productivity.

Further, the Group uses significant judgements while determining the transaction price allocated to performance obligations using the expected cost plus margin approach.

Provisions for estimated losses, if any, on uncompleted contracts are recorded in the period in which such losses become probable based on the expected contract estimates at the reporting date.

b. Income taxes

The Company's two major tax jurisdictions are India and the U.S., though the Company also files tax returns in other overseas jurisdictions. Significant judgements are involved in determining the provision for income taxes, including amount expected to be paid/recovered for uncertain tax positions. Also refer to Note no. 2.15 and 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 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.

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. Significant estimates are required to be made in determining the value of contingent consideration and intangible assets. These valuations are conducted by independent valuation experts (Refer to Note no 2.1 and 2.3).

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 no 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 based on a number of factors including operating results, business plans, future cash flows and economic conditions. The recoverable amount of CGUs is determined based on higher of value-in-use and fair value less cost to sell. The goodwill impairment test is performed at the level of the CGU or groups of cash-generating units which are benefiting from the synergies of the acquisition and which represents the lowest level at which goodwill is monitored for internal management purposes.

Market related information and estimates are used to determine the recoverable amount. Key assumptions on which management has based its determination of recoverable amount include estimated long term growth rates, weighted average cost of capital and estimated operating margins. Cash flow projections take into account past experience and represent management's best estimate about future developments (Refer to Note no 2.3).

f. Non-current assets and Disposal Group held for sale

Assets and liabilities of Disposal Groups held for sale are measured at the lower of carrying amount and fair value less costs to sell. The determination of fair value less costs to sell includes use of management estimates and assumptions. The fair value of the Disposal Groups have been estimated using valuation techniques including income and market approach which includes unobservable inputs.

Non-current assets and Disposal Group that ceases to be classified as held for sale shall be measured at the lower of carrying amount before the Non-current asset and Disposal Group was classified as held for sale adjusted for any depreciation/ amortization and its recoverable amount at the date when the Disposal Group no longer meets the " Held for sale" criteria. Recoverable amounts of assets reclassified from held for sale have been estimated using management's assumptions which consist of significant unobservable inputs (Refer to Note no 2.1.2).

1.6 Recent accounting pronouncements

Ind AS 116 Leases : On March 30, 2019, Ministry of Corporate Affairs has notified Ind AS 116, Leases. Ind AS 116 will replace the existing leases Standard, Ind AS 17 Leases, and related Interpretations. The Standard sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lessor. Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. Currently, operating lease expenses are charged to the statement of profit & loss. The Standard also contains enhanced disclosure requirements for lessees. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17.

The effective date for adoption of Ind AS 116 is annual periods beginning on or after April 1, 2019. The standard permits two possible methods of transition:

• Full retrospective – Retrospectively to each prior period presented applying Ind AS 8 Accounting Policies, Changes in Accounting Estimates and Errors
• Modified retrospective – Retrospectively, with the cumulative effect of initially applying the Standard recognized at the date of initial application either by:

Under modified retrospective approach, the lessee records the lease liability as the present value of the remaining lease payments, discounted at the incremental borrowing rate and the right of use asset either as:

• Its carrying amount as if the standard had been applied since the commencement date, but discounted at lessee's incremental borrowing rate at the date of initial application or
• An amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments related to that lease recognized under Ind AS 17 immediately before the date of initial application

Certain practical expedients are available under both the methods.

On completion of evaluation of the effect of adoption of Ind AS 116, the Group is proposing to use the 'Modified Retrospective Approach' for transitioning to Ind AS 116, and take the cumulative adjustment to retained earnings, on the date of initial application (April 1, 2019). Accordingly, comparatives for the year ended March 31, 2019 will not be retrospectively adjusted. The Group has elected certain available practical expedients on transition.

The effect of adoption as on transition date would majorly result in an increase in right of use asset approximately by ₹2,300 crore, net lease receivable on account of sub lease approximately by ₹440 crore and an increase in lease liability approximately by ₹3,050 crore.

Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments : On March 30, 2019, Ministry of Corporate Affairs has notified Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments which is to be applied while performing the determination of taxable profit (or loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. According to the appendix, companies need to determine the probability of the relevant tax authority accepting each tax treatment, or group of tax treatments, that the companies have used or plan to use in their income tax filing which has to be considered to compute the most likely amount or the expected value of the tax treatment when determining taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates.

The standard permits two possible methods of transition - i) Full retrospective approach – Under this approach, Appendix C will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors, without using hindsight and ii) Retrospectively with cumulative effect of initially applying Appendix C recognized by adjusting equity on initial application, without adjusting comparatives.

The effective date for adoption of Ind AS 12 Appendix C is annual periods beginning on or after April 1, 2019. The Group will adopt the standard on April 1, 2019 and has decided to adjust the cumulative effect in equity on the date of initial application i.e. April 1, 2019 without adjusting comparatives.

The effect on adoption of Ind AS 12 Appendix C would be insignificant in the consolidated financial statements.

Amendment to Ind AS 12 – Income taxes : On March 30, 2019, Ministry of Corporate Affairs issued amendments to the guidance in Ind AS 12, 'Income Taxes', in connection with accounting for dividend distribution taxes.

The amendment clarifies that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events.

Effective date for application of this amendment is annual period beginning on or after April 1, 2019. The Group is currently evaluating the effect of this amendment on the consolidated financial statements.

Amendment to Ind AS 19 – plan amendment, curtailment or settlement- On March 30, 2019, Ministry of Corporate Affairs issued amendments to Ind AS 19, 'Employee Benefits', in connection with accounting for plan amendments, curtailments and settlements.

The amendments require an entity:
• to use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement; and
• to recognise in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognised because of the impact of the asset ceiling.

Effective date for application of this amendment is annual period beginning on or after 1 April 2019. The Group does not have any impact on account of this amendment.

2.1 BUSINESS COMBINATIONS AND DISPOSAL GROUP HELD FOR SALE

2.1.1 Business combinations

Accounting policy

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

The cost of an acquisition is measured at the fair value of the assets transferred, equity instruments issued and liabilities incurred or assumed at the date of acquisition, which is the date on which control is transferred to the Group. The cost of acquisition also includes the fair value of any contingent consideration. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair value on the date of acquisition.

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.

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.

Brilliant Basics Holdings Limited.

On September 8, 2017, Infosys acquired 100% of the voting interests in Brilliant Basics Holdings Limited., UK, (Brilliant Basics) a product design and customer experience innovator with experience in executing global programs. The business acquisition was conducted by entering into a share purchase agreement for cash consideration of ₹29 crore, a contingent consideration of up to ₹20 crore and an additional consideration of upto ₹13 crore, referred to as retention bonus, payable to the employees of Brilliant Basics at each anniversary year over the next two years, subject to their continuous employment with the group at each anniversary.

The payment of contingent consideration to sellers of Brilliant Basics is dependent upon the achievement of certain financial targets by Brilliant Basics over a period of 3 years ending on March 2020.

The fair value of contingent consideration is determined by discounting the estimated amount payable to the sellers of Brilliant Basics on achievement of certain financial targets. The key inputs used in determination of the fair value of contingent consideration are the discount rate of 10% and the probabilities of achievement of the financial targets. The undiscounted value of contingent consideration as at March 31, 2019 is ₹14 crore.

The excess of the purchase consideration paid over the fair value of assets acquired has been attributed to goodwill.

The purchase price has been allocated based on the management's estimates and independent appraisal of fair values as follows:

(In ₹ crore)

Component	**Acquiree's carrying amount**	**Fair value adjustments**	**Purchase price allocated**
Net assets(*)	1	–	1
Intangible assets - customer relationships	–	12	12
Deferred tax liabilities on intangible assets	–	(2)	(2)
	1	**10**	**11**
Goodwill			35
Total purchase price			**46**

*Includes cash and cash equivalents acquired of ₹2 crore

The goodwill is not tax deductible.

The gross amount of trade receivables acquired and its fair value is ₹3 crore and the amount has been substantially collected.

The fair value of each major class of consideration as at the acquisition date is as follows:

(In ₹ crore)

Component	**Consideration settled**
Cash paid	29
Fair value of contingent consideration	17
Total purchase price	**46**

The transaction costs of ₹2 crore related to the acquisition have been included in the statement of profit and loss for the year ended March 31, 2018.

Wongdoody Holding Company Inc

On May 22, 2018, Infosys acquired 100% of the voting interests in WongDoody Holding Company Inc., (WongDoody) an US-based, full-service creative and consumer insights agency. The business acquisition was conducted by entering into a share purchase agreement for a total consideration of up to $75 million (approximately ₹514 crore on acquisition date), which includes a cash consideration of $38 million (approximately ₹261 crore), contingent consideration of up to $28 million (approximately ₹192 crore on acquisition date) and an additional consideration of up to $9 million (approximately ₹61 crore on acquisition date), referred to as retention bonus, payable to the employees of WongDoody over the next three years, subject to their continuous employment with the group.

WongDoody, brings to Infosys the creative talent and marketing and brand engagement expertise. Further the acquisition is expected to strengthen Infosys' creative, branding and customer experience capabilities to bring innovative thinking, talent and creativity to clients.

The purchase price has been allocated based on management's estimates and independent appraisal of fair values as follows:

(in ₹ crore)

Component	Acquiree's carrying amount	Fair value adjustments	Purchase price allocated
Net assets(*)	37	-	37
Intangible assets - customer relationships	-	132	132
Intangible assets - trade name	-	8	8
	37	140	177
Goodwill			173
Total purchase price			**350**

** Includes cash and cash equivalents acquired of ₹51 crore.*

Goodwill is tax deductible

The fair value of each major class of consideration as at the acquisition date is as follows:

(in ₹ crore)

Component	Consideration settled
Cash consideration	261
Fair value of contingent consideration	89
Total purchase price	**350**

The gross amount of trade receivables acquired and its fair value is ₹12 crore and the amount has been fully collected.

The payment of contingent consideration to sellers of WondDoody is dependent upon the achievement of certain financial targets by WongDoody. At the acquisition date, the key inputs used in determination of the fair value of contingent consideration are the discount rate of 16% and the probabilities of achievement of the financial targets. The undiscounted value of contingent consideration as at March 31, 2019 is $17 million (₹121 crore).

The transaction costs of ₹3 crore related to the acquisition have been included in the statement of profit and loss for the year ended March 31, 2019.

Infosys Compaz Pte Limited (formerly Trusted Source Pte Ltd)

On November 16, 2018, Infosys Consulting Pte Limited (a wholly owned subsidiary of Infosys Limited) acquired 60% stake in Infosys Compaz Pte. Ltd, a Singapore based IT services company. The business acquisition was conducted by entering into a share purchase agreement for a total consideration of up to SGD 17 million (approximately ₹91 crore on acquisition date), which includes a cash consideration of SGD 10 million (approximately ₹54 crore) and a contingent consideration of up to SGD 7 million (approximately ₹37 crore on acquisition date).

The purchase price has been allocated based on management's estimates and independent appraisal of fair values as follows:

(in ₹ crore)

Component	Acquiree's carrying amount	Fair value adjustments	Purchase price allocated
Net assets(*)	92	-	92
Intangible assets - Customer contracts and relationships	-	44	44
Deferred tax liabilities on intangible assets	-	(7)	(7)
	92	37	129
Non-controlling interests			(51)
Total purchase price			**78**

** Includes cash and cash equivalents acquired of ₹65 crore.*

The fair value of each major class of consideration as at the acquisition date is as follows:

(in ₹ crore)

Component	Consideration settled
Cash consideration	54
Fair value of contingent consideration	24
Total purchase price	**78**

The gross amount of trade receivables acquired and its fair value is ₹50 crore and the amount has been substantially collected.

The payment of contingent consideration to sellers of Infosys Compaz Pte. Ltd is dependent upon the achievement of certain revenue targets by Infosys Compaz Pte. Ltd. At the acquisition date, the key inputs used in determination of the fair value of contingent consideration are the discount rate of 9% and the probabilities of achievement of the financial targets. The undiscounted value of contingent consideration as at March 31, 2019 is SGD 7 million (₹36 crore).

The transaction costs of ₹3 crore related to the acquisition have been included in the statement of profit and loss for the year ended March 31, 2019.

Fluido Oy

On October 11, 2018, Infosys Consulting Pte Limited (a wholly owned subsidiary of Infosys Limited) acquired 100% of voting interests in Fluido Oy (Fluido), a Nordic-based salesforce advisor and consulting partner in cloud consulting, implementation and training services for a total consideration of upto Euro 65 million (approximately ₹560 crore), comprising of cash consideration of Euro 45 million (approximately ₹388 crore), contingent consideration of upto Euro 12 million (approximately ₹103 crore) and retention payouts of upto Euro 8 million (approximately ₹69 crore), payable to the employees of Fluido over the next three years, subject to their continuous employment with the group.

Fluido brings to Infosys the Salesforce expertise, alongside an agile delivery process that simplifies and scales digital efforts across channels and touchpoints. Further, Fluido strengthens Infosys' presence across the Nordics region with developed assets and client relationships. The excess of the purchase consideration paid over the fair value of assets acquired has been attributed to goodwill.

The purchase price has been allocated based on management's estimates and independent appraisal of fair values as follows:

(in ₹ crore)

Component	Acquiree's carrying amount	Fair value adjustments	Purchase price allocated
Net assets[(*)]	12	-	12
Intangible assets - Customer contracts and relationships	-	158	158
Intangible assets - Salesforce Relationships	-	62	62
Intangible assets - Brand	-	28	28
Deferred tax liabilities on intangible assets	-	(52)	(52)
	12	**196**	**208**
Goodwill			240
Total purchase price			**448**

** Includes cash and cash equivalents acquired of ₹28 crore.*

Goodwill is not tax deductible

The fair value of each major class of consideration as of the acquisition date is as follows:

(in ₹ crore)

Component	Consideration settled
Cash consideration	388
Fair value of contingent consideration	60
Total purchase price	**448**

The gross amount of trade receivables acquired and its fair value is ₹27 crore and the amount has been fully collected.

The payment of contingent consideration to sellers of Fluido is dependent upon the achievement of certain financial targets by Fluido. At the acquisition date, the key inputs used in determination of the fair value of contingent consideration are the discount rate of 16% and the probabilities of achievement of the financial targets. The undiscounted value of contingent consideration as at March 31, 2019 was EUR 8 million (₹62 crore).

The transaction costs of ₹5 crore related to the acquisition have been included in the Consolidated Statement of Profit and Loss for the year ended March 31, 2019

Hitachi Procurement Service Co. Ltd

On April 1, 2019, Infosys Consulting Pte Limited (a wholly owned subsidiary of Infosys Limited) acquired 81% of voting interests in Hitachi Procurement Service Co., Ltd., (HIPUS), Japan, a wholly owned subsidiary of Hitachi Ltd, Japan for a total cash consideration of JPY 3.29 billion (approximately ₹206 crore) on fulfilment of closing conditions. The company has paid an advance of JPY 3.29 billion (approximately ₹206 crore) to Hitachi towards cash consideration on March 29, 2019. HIPUS handles indirect materials purchasing functions for the Hitachi Group.

As of April 12, 2019 (i.e., the date of adoption of financial statements by the Board of Directors), the Company is in the process of finalising the accounting for acquisition of HIPUS, including allocation of purchase consideration to identifiable assets and liabilities.

Proposed Acquisition

Stater N.V.

On March 28, 2019, Infosys Consulting Pte Limited (a wholly owned subsidiary of Infosys Limited) entered into a definitive agreement to acquire 75% of the shareholding in Stater N.V., a wholly-owned subsidiary of ABN AMRO Bank N.V., Netherlands, for a consideration including base purchase price of up to EUR 127.5 million (approximately ₹990 crore) and customary closing adjustments, subject to regulatory approvals and fulfilment of closing conditions.

2.1.2. Disposal group held for sale

Accounting policy

Non-current assets and Disposal Group are classified as held for sale if their carrying amount is intended to be recovered principally through sale rather than through continuing use. The condition for classification of held for sale is met when the non-current asset or the Disposal Group is available for immediate sale and the same is highly probable of being completed within one year from the date of classification as held for sale. Non-current assets and Disposal Group held for sale are measured at the lower of carrying amount and fair value less cost to sell. Non-current assets and Disposal Group that ceases to be classified as held for sale shall be measured at the lower of carrying amount before the non-current asset and Disposal Group was classified as held for sale adjusted for any depreciation/ amortization and its recoverable amount at the date when the Disposal Group no longer meets the "Held for sale" criteria.

In the three months ended March 2018, the Company had initiated identification and evaluation of potential buyers for its subsidiaries, Kallidus and Skava (together referred to as "Skava") and Panaya, collectively referred to as the "Disposal Group". The Disposal Group was classified and presented separately as "held for sale" and was carried at the lower of carrying value and fair value. Consequently, a reduction in the fair value of Disposal Group held for sale amounting to ₹118 crore in respect of Panaya had been recognized in the consolidated statement of profit and loss for the three months and year ended March 31, 2018. During the three months ended June 30, 2018, on remeasurement, including consideration of progress in negotiations on offers from prospective buyers for Panaya, the Company has recorded a reduction in the fair value of Disposal Group held for sale amounting to ₹270 crore in respect of Panaya.

During the three months ended December 31, 2018, based on evaluation of proposals received and progress of negotiations with potential buyers, the Company concluded that the Disposal Group does not meet the criteria for "Held for Sale' classification because it is no longer highly probable that sale would be consummated by March 31, 2019 (twelve months from date of initial classification as "held for sale"). Accordingly, in accordance with Ind AS 105 -" Non current Assets held for Sale and Discontinued Operations", the assets and liabilities of Panaya and Skava have been included on a line by line basis in the consolidated financial statements for the period and as at December 31, 2018 and March 31, 2019.

On reclassification from "Held for sale", the assets of Panaya and Skava have been remeasured in the quarter ended December 31, 2018 at the lower of cost and recoverable amount resulting in recognition of additional depreciation and amortization expenses of ₹88 crore and an adjustment in respect of excess of carrying amount over recoverable amount on reclassification from "Held for Sale" of ₹451 crore (comprising of ₹358 crore towards goodwill and ₹93 crore towards value of customer relationships) in respect of Skava in the consolidated statement of profit and loss for the three months and nine months ended December 31, 2018.

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 management. The Group depreciates property, plant and equipment over their estimated useful lives using the straight-line method. The estimated useful lives of assets are as follows:

Buildings [(1)]	22-25 years
Plant and machinery [(1)(2)]	5 years
Office equipment	5 years
Computer equipment [(1)]	3-5 years
Furniture and fixtures [(1)]	5 years
Vehicles[(1)]	5 years
Leasehold improvements	Over lease term

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

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

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

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

Impairment

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

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

Following are the changes in the carrying value of property, plant and equipment for the year ended March 31, 2019:

(In ₹ crore)

Particulars	Land - Freehold	Land - Leasehold	Buildings [(1)]	Plant and machinery	Office Equipment	Computer equipment	Furniture and fixtures	Leasehold Improvements	Vehicles	Total
Gross carrying value as at April 1, 2018	**1,229**	**673**	**8,130**	**2,306**	**1,002**	**4,884**	**1,393**	**531**	**31**	**20,179**
Additions	78	-	916	462	136	1,129	254	209	9	3,193
Additions - Business Combination	-	-	-	1	2	34	7	3	-	47
Deletions	-	(68)	(116)	(60)	(40)	(239)	(40)	(21)	(2)	(586)
Reclassified from assets held for sale (Refer note 2.1.2)	-	-	-	1	2	40	8	17	-	68
Translation difference	-	-	(4)	(1)	(1)	(2)	(2)	-	-	(10)
Gross carrying value as at March 31, 2019	**1,307**	**605**	**8,926**	**2,709**	**1,101**	**5,846**	**1,620**	**739**	**38**	**22,891**
Accumulated depreciation as at April 1, 2018	**-**	**(31)**	**(2,719)**	**(1,597)**	**(719)**	**(3,632)**	**(1,017)**	**(330)**	**(18)**	**(10,063)**
Depreciation	-	(5)	(313)	(293)	(125)	(766)	(185)	(89)	(6)	(1,782)
Accumulated depreciation on deletions	-	3	103	50	32	229	36	20	2	475
Reclassified from assets held for sale (Refer note 2.1.2)	-	-	-	(1)	(1)	(25)	(5)	(15)	-	(47)
Translation difference	-	-	2	-	-	2	1	-	-	5
Accumulated depreciation as at March 31, 2019	**-**	**(33)**	**(2,927)**	**(1,841)**	**(813)**	**(4,192)**	**(1,170)**	**(414)**	**(22)**	**(11,412)**
Carrying value as at April 1, 2018	**1,229**	**642**	**5,411**	**709**	**283**	**1,252**	**376**	**201**	**13**	**10,116**
Carrying value as at March 31, 2019	**1,307**	**572**	**5,999**	**868**	**288**	**1,654**	**450**	**325**	**16**	**11,479**

Following are the changes in the carrying value of property, plant and equipment for the year ended March 31, 2018:

(In ₹ crore)

	Land-Freehold	Land-Leasehold	Buildings (1)	Plant and machinery	Office Equipment	Computer equipment	Furniture and fixtures	Leasehold Improvements	Vehicles	Total
Gross carrying value as at April 1, 2017	**1,095**	**671**	**7,279**	**2,048**	**922**	**4,540**	**1,277**	**469**	**31**	**18,332**
Additions	134	2	789	264	86	471	130	74	5	1,955
Deletions	-	-	(1)	(8)	(8)	(109)	(10)	(12)	(5)	(153)
Reclassified as assets held for sale (Refer to note no. 2.1.2)	-	-	-	(1)	(2)	(40)	(8)	(17)	-	(68)
Translation difference	-	-	63	3	4	22	4	17	-	113
Gross carrying value as at March 31, 2018	**1,229**	**673**	**8,130**	**2,306**	**1,002**	**4,884**	**1,393**	**531**	**31**	**20,179**
Accumulated depreciation as at April 1, 2017	**-**	**(27)**	**(2,440)**	**(1,337)**	**(599)**	**(3,053)**	**(869)**	**(239)**	**(17)**	**(8,581)**
Depreciation	-	(4)	(276)	(266)	(125)	(693)	(160)	(105)	(5)	(1,634)
Accumulated depreciation on deletions	-	-	-	7	6	107	9	11	4	144
Reclassified as assets held for sale (Refer to note no. 2.1.2)	-	-	-	1	1	25	5	15	-	47
Translation difference	-	-	(3)	(2)	(2)	(18)	(2)	(12)	-	(39)
Accumulated depreciation as at March 31, 2018	**-**	**(31)**	**(2,719)**	**(1,597)**	**(719)**	**(3,632)**	**(1,017)**	**(330)**	**(18)**	**(10,063)**
Carrying value as at April 1, 2017	**1,095**	**644**	**4,839**	**711**	**323**	**1,487**	**408**	**230**	**14**	**9,751**
Carrying value as at March 31, 2018	**1,229**	**642**	**5,411**	**709**	**283**	**1,252**	**376**	**201**	**13**	**10,116**

Notes: (1) Buildings include ₹250/- being the value of 5 shares of ₹50/- each in Mittal Towers Premises Co-operative Society Limited.

Gross carrying value of lease hold land represents amounts paid under certain lease-cum-sale agreements to acquire land including agreements where the Group has an option to purchase or renew the properties on expiry of the lease period.

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

2.3 GOODWILL AND OTHER INTANGIBLE ASSETS

2.3.1 Goodwill

Accounting policy

Goodwill represents the cost of business acquisition 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 cost of business acquisition, the bargain purchase excess is recognized after reassessing the fair value of net assets acquired in the 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 goodwill may be impaired, relying on a number of factors including operating results, business plans and future cash flows. For the purpose of impairment testing, goodwill acquired in a business combination is allocated to the Group's cash generating units (CGU) or groups of CGU's expected to benefit from the synergies arising from the business combination. A CGU is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or group of assets. Impairment occurs when the carrying amount of a CGU including the goodwill, exceeds the estimated recoverable amount of the CGU. The recoverable amount of a CGU is the higher of its fair value less cost to sell and its value-in-use. Value-in-use is the present value of future cash flows expected to be derived from the CGU.

Total impairment loss of a CGU is allocated first to reduce the carrying amount of goodwill allocated to the CGU and then to the other assets of the CGU pro-rata on the basis of the carrying amount of each asset in the CGU. An impairment loss on goodwill is recognized in net profit 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, 2019	**March 31, 2018**
Carrying value at the beginning	2,211	3,652
Goodwill on Brilliant Basics acquisition (Refer note no. 2.1.1)	-	35
Goodwill on WongDoody acquisition (refer note no. 2.1.1)	173	-
Goodwill on Fluido Oy acquisition (refer note no. 2.1.1)	240	-
Goodwill reclassified under assets held for sale (refer note no 2.1.2)	-	(1,609)
Goodwill reclassified from assets held for sale, net of reduction in recoverable amount (Refer note 2.1.2)	863	-
Translation differences	53	133
Carrying value at the end	**3,540**	**2,211**

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 chief operating decision maker reviews the goodwill for any impairment at the operating segment level, which is represented through groups of CGUs.

During the three months ended June 30, 2018, the Group internally reorganized some of its business segments to deepen customer relationships, improve focus of sales investments and increase management oversight. Consequent to the internal reorganization, there were changes in the business segments based on "Management approach" as defined under Ind AS 108, Operating Segments.(Refer Note 2.24). Accordingly the goodwill has been allocated to the new operating segments as at March 31, 2019.

The following table presents the allocation of goodwill to operating segments as at March 31, 2019 :

(In ₹ crore)

Segment	As at March 31, 2019
Financial services	743
Retail	437
Communication	389
Energy, Utilities, Resources and Services	374
Manufacturing	239
	2,182
Operating segments without significant goodwill	417
Total	**2,599**

Consequent to reclassification from held for sale (refer note no 2.1.2) goodwill pertaining to Panaya, Kallidus and Skava acquistions are tested for impairment at the respective entity Level which amounts to ₹941 crore as at March 31, 2019.

The following table presents the allocation of goodwill to operating segments (prior to internal reorganisation) as at March 31, 2018:

(In ₹ crore)

Segment	As at March 31, 2018
Financial services	474
Manufacturing	252
Retail, Consumer packaged goods and Logistics	314
Life Sciences, Healthcare and Insurance	446
Energy & Utilities, Communication and Services	470
	1,956
Operating segments without significant goodwill	255
Total	**2,211**

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. The value-in-use is determined based on specific calculations. These calculations use cash flow projections over a period of five years. An average of the range of each assumption used is mentioned below. As at March 31, 2019 and March 31, 2018, the estimated recoverable amount of the CGU exceeded its carrying amount. The key assumptions used for the calculations are as follows:

(in %)

	As at March 31,	
	2019	**2018**
Long term growth rate	8-10	8-10
Operating margins	17-20	17-20
Discount rate	12.5	13.5

The above discount rate is based on the Weighted Average Cost of Capital (WACC) of the Company. Management believes that any reasonable possible changes in the key assumptions would not cause the carrying amount to exceed the recoverable amount of the cash generating unit.

2.3.2 Other intangible assets

Accounting policy

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

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

Impairment

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

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

Following are the changes in the carrying value of acquired intangible assets for the year ended March 31, 2019:

(In ₹ crore)

Particulars	**Customer related**	**Software related**	**Sub-contracting rights related**	**Intellectual property rights related**	**Land use-rights related**	**Brand or Trademark Related**	**Others**	**Total**
Gross carrying value as at April 1, 2018	**445**	**19**	**-**	**-**	**73**	**26**	**27**	**590**
Reclassified from assets held for sale (Refer note 2.1.2)	157	388	-	1	-	37	-	583
Additions/adjustments	-	9	-	-	-	-	-	9
Acquisition through business combination (Refer note no. 2.1.1)	334	-	-	-	-	36	62	432
Deletions/adjustments during the period	-	-	-	-	-	-	-	-
Translation difference	1	25	-	-	-	-	(6)	20
Gross carrying value as at March 31, 2019	**937**	**441**	**-**	**1**	**73**	**99**	**83**	**1,634**
Accumulated amortization as at April 1, 2018	**(289)**	**(19)**	**-**	**-**	**(10)**	**(12)**	**(13)**	**(343)**
Reclassified from assets held for sale (Refer note 2.1.2)	(56)	(182)	-	(1)	-	(21)	-	(260)
Amortization expense	(112)	(90)	-	-	(2)	(10)	(15)	(229)
Reduction in value (Refer note 2.1.2)	(93)	-	-	-	-	-	-	(93)
Deletion/adjustments during the period	-	-	-	-	-	-	-	-
Translation differences	(7)	(11)	-	-	1	(1)	-	(18)
Accumulated amortization as at March 31, 2019	**(557)**	**(302)**	**-**	**(1)**	**(11)**	**(44)**	**(28)**	**(943)**
Carrying value as at April 1, 2018	**156**	**-**	**-**	**-**	**63**	**14**	**14**	**247**
Carrying value as at March 31, 2019	**380**	**139**	**-**	**-**	**62**	**55**	**55**	**691**
Estimated Useful Life *(in years)*	1-10	3-8	-	-	50	5-10	3-5	
Estimated Remaining Useful Life *(in years)*	0-7	1	-	-	43	2-8	2-3	

Following are the changes in the carrying value of acquired intangible assets for the year ended March 31, 2018:

(In ₹ crore)

Particulars	**Customer related**	**Software related**	**Sub-contracting rights related**	**Intellectual property rights related**	**Land use-rights related**	**Brand or Trademark Related**	**Others**	**Total**
Gross carrying value as at April 1, 2017	**750**	**405**	**21**	**1**	**66**	**90**	**62**	**1,395**
Acquisition through business combination (Refer note no. 2.1.1)	12	-	-	-	-	-	-	12
Deletions / retirals during the period	(172)	-	(21)	-	-	(29)	(35)	(257)
Reclassified under assets held for sale (Refer note no 2.1.2)	(157)	(388)	-	(1)	-	(37)	-	(583)
Translation difference	12	2	-	-	7	2	-	23
Gross carrying value as at March 31, 2018	**445**	**19**	**-**	**-**	**73**	**26**	**27**	**590**
Accumulated amortization as at April 1, 2017	**(382)**	**(121)**	**(21)**	**(1)**	**(7)**	**(49)**	**(38)**	**(619)**
Amortization expense	(127)	(79)	-	-	(1)	(12)	(10)	(229)
Deletion / retirals during the period	172	-	21	-	-	29	35	257
Reclassified under assets held for sale (Refer note no 2.1.2)	56	182	-	1	-	21	-	260
Translation differences	(8)	(1)	-	-	(2)	(1)	-	(12)
Accumulated amortization as at March 31, 2018	**(289)**	**(19)**	**-**	**-**	**(10)**	**(12)**	**(13)**	**(343)**
Carrying value as at April 1, 2017	**368**	**284**	**-**	**-**	**59**	**41**	**24**	**776**
Carrying value as at March 31, 2018	**156**	**-**	**-**	**-**	**63**	**14**	**14**	**247**
Estimated Useful Life *(in years)*	2-10	-	-	-	50	5	5	
Estimated Remaining Useful Life *(in years)*	1-5	-	-	-	43	3	3	

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 net profit in the consolidated Statement of Profit and Loss for the year ended March 31, 2019 and March 31, 2018 was ₹769 crore and ₹748 crore respectively.

2.4 INVESTMENTS

(In ₹ crore)

Particulars	As at	
	March 31, 2019	March 31, 2018
Non-current		
Unquoted		
Investments carried at fair value through other comprehensive income (*refer note no. 2.4.1*)		
Preference securities	89	116
Equity instruments	11	22
	100	**138**
Investments carried at fair value through profit and loss (*refer note no. 2.4.1*)		
Convertible promissory note	-	12
Preference securities	23	-
Others	16	66
	39	**78**
Quoted		
Investments carried at amortized cost *(refer note no. 2.4.2)*		
Tax free bonds	1,893	1,896
	1,893	**1,896**
Investments carried at fair value through profit and loss (*refer note no. 2.4.3*)		
Fixed maturity plan securities	458	429
	458	**429**
Investments carried at fair value through other comprehensive income (*refer note no. 2.4.4*)		
Non convertible debentures	1,420	3,215
Government securities	724	-
	2,144	**3,215**
Total non-current investments	**4,634**	**5,756**
Current		
Unquoted		
Investments carried at fair value through profit or loss *(refer note no. 2.4.3)*		
Liquid mutual fund units	1,786	81
	1,786	**81**
Investments carried at fair value through other comprehensive income		
Commercial Paper *(refer note no. 2.4.4)*	495	293
Certificates of deposit *(refer note no. 2.4.4)*	2,482	5,269
	2,977	**5,562**
Quoted		
Investment carried at amortized cost *(refer note no.2.4.2)*		
Government Bonds	18	1
	18	**1**
Investments carried at fair value through other comprehensive income (*refer note no. 2.4.4*)		
Non convertible debentures	1,846	763
	1,846	**763**
Total current investments	**6,627**	**6,407**
Total investments	**11,261**	**12,163**
Aggregate amount of quoted investments	6,359	6,304
Market value of quoted investments (including interest accrued)	6,573	6,568
Aggregate amount of unquoted investments	4,902	5,859
Aggregate amount of impairment made for non-current unquoted investments (including investment in associate)	-	71
Investments carried at amortized cost	1,911	1,897
Investments carried at fair value through other comprehensive income	7,067	9,678
Investments carried at fair value through profit or loss	2,283	588

Uncalled capital commitments outstanding as at March 31, 2019 and March 31, 2018 was ₹86 crore and ₹81 crore, respectively.

Refer to Note no 2.10 for Accounting policies on Financial Instruments.

Details of amounts recorded in Other comprehensive income during the year ended March 31, 2019 and March 31, 2018 are as follows:

(In ₹ crore)

	Year ended March 31, 2019			Year ended March 31, 2018		
	Gross	**Tax**	**Net**	**Gross**	**Tax**	**Net**
Net Gain/(loss) on						
Non-convertible debentures	1	-	1	(13)	2	(11)
Certificates of deposit	(5)	2	(3)	16	(6)	10
Government securities	5	(1)	4	-	-	-
Equity and preference securities	63	7	70	4	3	7

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

Class of investment	**Method**	**Fair value as at**	
		March 31, 2019	**March 31, 2018**
Liquid mutual fund units	Quoted price	1,786	81
Fixed maturity plan securities	Market observable inputs	458	429
Tax free bonds and government bonds	Quoted price and market observable inputs	2,125	2,151
Non-convertible debentures	Quoted price and market observable inputs	3,265	3,978
Government securities	Quoted price and market observable inputs	724	-
Commercial Papers	Market observable inputs	495	293
Certificate of deposits	Market observable inputs	2,482	5,269
Unquoted equity and preference securities - carried at fair value through other comprehensive income	Discounted cash flows method, Market multiples method, Option pricing model, etc.	100	138
Unquoted equity and preference securities - carried at fair value through profit and loss	Discounted cash flows method, Market multiples method, Option pricing model, etc.	23	-
Unquoted convertible promissory note	Discounted cash flows method, Market multiples method, Option pricing model, etc.	-	12
Others	Discounted cash flows method, Market multiples method, Option pricing model, etc.	16	66
Total		**11,474**	**12,417**

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

2.4.1 Details of investments

The details of investments in preference, equity and other instruments at March 31, 2019 and March 31, 2018 are as follows:

(In ₹ crore, except otherwise stated)

Particulars	**As at**	
	March 31, 2019	**March 31, 2018**
Preference securities		
Airviz Inc.	3	6
2,82,279 (2,82,279) Series A Preferred Stock, fully paid up, par value USD 0.001 each		
Whoop Inc	14	20
16,48,352 (16,48,352) Series B Preferred Stock, fully paid up, par value USD 0.0001 each		
CloudEndure Ltd.	-	26
25,59,290 (25,59,290) Series B Preferred Shares, fully paid up, par value ILS 0.01 each		
Nivetti Systems Private Limited	10	10
2,28,501 (2,28,501) Preferred Stock, fully paid up, par value ₹1/- each		
Waterline Data Science, Inc	25	23
39,33,910 (39,33,910) Series B Preferred Shares, fully paid up, par value USD 0.00001 each		
13,35,707 (Nil) Series C Preferred Shares, fully paid up, par value USD 0.00001 each		
Trifacta Inc.	27	21
11,80,358 (11,80,358) Series C-1 Preferred Stock		
Tidalscale	23	-
36,74,269 (Nil) Series B Preferred Stock		
Ideaforge	10	10
5,402 (5,402) Series A compulsorily convertible cumulative Preference shares of ₹10 each, fully paid up		
Total investment in preference securities	**112**	**116**
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	1	1
15,000 (15,000) equity shares at ₹1,000 each, fully paid up, par value ₹1,000/- each		
Unsilo A/S	10	21
69,894 (69,894) Equity Shares, fully paid up, par value DKK 1 each		
Ideaforge	-	-
100 (100) equity shares at ₹10/-, fully paid up		
Total investment in equity instruments	**11**	**22**
Others		
Stellaris Venture Partners India	16	7
Vertex Ventures US Fund L.L.P	-	59
Total investment in others	**16**	**66**
Convertible promissory note		
Tidalscale*	-	12
Total investment in convertible promissory note	**-**	**12**
Total	**139**	**216**

** During the quarter ended September 30, 2018; Investment in Convertible promissory note of Tidalscale was converted into Series B Preferred Stock*

2.4.2 Details of investments in tax free bonds and government bonds

The balances held in tax free bonds as at March 31, 2019 and March 31, 2018 are as follows: *(In ₹ crore, except as otherwise stated)*

Particulars	As at March 31, 2019			As at March 31, 2018	
	Face Value ₹	Units	Amount	Units	Amount
7.04% Indian Railway Finance Corporation Limited Bonds 03MAR2026	1,000,000	470	50	470	50
7.16% Power Finance Corporation Limited Bonds 17JUL2025	1,000,000	1,000	105	1,000	106
7.18% Indian Railway Finance Corporation Limited Bonds 19FEB2023	1,000	2,000,000	201	2,000,000	201
7.28% Indian Railway Finance Corporation Limited Bonds 21DEC2030	1,000	422,800	42	422,800	42
7.28% National Highways Authority of India Limited Bonds 18SEP2030	1,000,000	3,300	342	3,300	343
7.34% Indian Railway Finance Corporation Limited Bonds 19FEB2028	1,000	2,100,000	210	2,100,000	211
7.35% National Highways Authority of India Limited Bonds 11JAN2031	1,000	571,396	57	571,396	57
7.93% Rural Electrification Corporation Limited Bonds 27MAR2022	1,000	200,000	21	200,000	21
8.00% Indian Railway Finance Corporation Limited Bonds 23FEB2022	1,000	150,000	15	150,000	15
8.10% Indian Railway Finance Corporation Limited Bonds 23FEB2027	1,000	500,000	52	500,000	52
8.20% Power Finance Corporation Limited Bonds 01FEB2022	1,000	500,000	50	500,000	50
8.26% India Infrastructure Finance Company Limited Bonds 23AUG2028	1,000,000	1,000	100	1,000	100
8.30% National Highways Authority of India Limited Bonds 25JAN2027	1,000	500,000	53	500,000	53
8.35% National Highways Authority of India Limited Bonds 22NOV2023	1,000,000	1,500	150	1,500	150
8.46% India Infrastructure Finance Company Limited Bonds 30AUG2028	1,000,000	2,000	200	2,000	200
8.46% Power Finance Corporation Limited Bonds 30AUG2028	1,000,000	1,500	150	1,500	150
8.48% India Infrastructure Finance Company Limited Bonds 05SEP2028	1,000,000	450	45	450	45
8.54% Power Finance Corporation Limited Bonds 16NOV2028	1,000	500,000	50	500,000	50
Total investments in tax-free bonds			**1,893**		**1,896**

The balances held in government bonds as at March 31, 2019 and March 31, 2018 are as follows: *(In ₹ crore, except as otherwise stated)*

Particulars	As at March 31, 2019			As at March 31, 2018	
	Face Value PHP	Units	Amount	Units	Amount
Treasury Notes Phillippines Govt. 29MAY2019	100	45,000	6	-	-
Treasury Notes PIBL1217E082 MAT DATE 09 May 2018	100	-	-	1,00,000	1
Treasury Notes Phillippines Govt. 17APRIL2019	100	90,000	12	-	-
Total investments in government bonds		**135,000**	**18**	**100,000**	**1**

2.4.3 Details of investments in liquid mutual fund units and fixed maturity plans

The balances held in liquid mutual fund units as at March 31, 2019 and March 31, 2018 are as follows: *(In ₹ crore, except as otherwise stated)*

Particulars	As at March 31, 2019		As at March 31, 2018	
	Units	Amount	Units	Amount
Aditya Birla Sun liquid fund - Growth-Direct Plan	13,32,847	40	16,31,554	45
Aditya Birla Sun life Corporate Bond Fund -Growth -Direct Plan	1,96,00,407	141	-	-
Aditya Birla Sun life Money Manager Fund -Growth -Direct Plan	79,75,385	201	-	-
BSL Cash Manager - Growth	1,11,344	5	-	-
HDFC Money market Fund- Direct Plan- Growth Option	7,72,637	303	-	-
HDFC Liquid fund-Direct Plan growth option	68,035	25	-	-
ICICI Prudential Liquid –Direct plan –Growth	-	-	13,65,687	36
ICICI Prudential Savings Fund- Direct Plan-Growth	83,40,260	301	-	-
IDFC Corporate Bond - Fund Direct Plan	13,14,84,437	169	-	-
Kotak Money Market Fund- Direct Plan- Growth Option	9,73,751	301	-	-
SBI Premier Liquid Fund -Direct Plan -Growth	10,25,678	300	-	-
Total investments in liquid mutual fund units	**17,16,84,781**	**1,786**	**29,97,241**	**81**

The balances held in fixed maturity plans as at March 31, 2019 and March 31, 2018 are as follows: *(In ₹ crore, except as otherwise stated)*

Particulars	As at March 31, 2019		As at March 31, 2018	
	Units	Amount	Units	Amount
Aditya Birla Sun Life Fixed Term Plan- Series OD 1145 Days- GR Direct	6,00,00,000	70	6,00,00,000	65
Aditya Birla Sun Life Fixed Term Plan- Series OE 1153 Days- GR Direct	2,50,00,000	29	2,50,00,000	27
HDFC FMP 1155D Feb 2017- Direct Growth- Series 37	3,80,00,000	44	3,80,00,000	41
HDFC FMP 1169D Feb 2017- Direct- Quarterly Dividend- Series 37	4,50,00,000	45	4,50,00,000	45
ICICI FMP Series 80-1194 D Plan F Div	5,50,00,000	63	5,50,00,000	59
ICICI Prudential Fixed Maturity Plan Series 80- 1187 Days Plan G Direct Plan	4,20,00,000	49	4,20,00,000	45
ICICI Prudential Fixed Maturity Plan Series 80- 1253 Days Plan J Direct Plan	3,00,00,000	35	3,00,00,000	32
IDFC Fixed Term Plan Series 129 Direct Plan- Growth 1147 Days	1,00,00,000	12	1,00,00,000	11
IDFC Fixed Term Plan Series 131 Direct Plan- Growth 1139 Days	1,50,00,000	17	1,50,00,000	16
Kotak FMP Series 199 Direct- Growth	3,50,00,000	40	3,50,00,000	37
Reliance Fixed Horizon Fund- XXXII Series 8- Dividend Plan	5,00,00,000	54	5,00,00,000	51
Total investments in fixed maturity plan securities	**40,50,00,000**	**458**	**40,50,00,000**	**429**

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

The balances held in non convertible debenture units as at March 31, 2019 and March 31, 2018 is as follows: *(In ₹ crore, except as otherwise stated)*

Particulars		As at March 31, 2019		As at March 31, 2018	
	Face Value ₹	Units	Amount	Units	Amount
7.48% Housing Development Finance Corporation Ltd 18NOV2019	1,00,00,000/-	50	51	50	51
7.58% LIC Housing Finance Ltd 28FEB2020	10,00,000/-	1,000	101	1,000	101
7.58% LIC Housing Finance Ltd 11JUN2020	10,00,000/-	500	51	500	52
7.59% LIC Housing Finance Ltd 14OCT2021	10,00,000/-	3,000	306	3,000	306
7.75% LIC Housing Finance Ltd 27AUG2021	10,00,000/-	1,250	127	1,250	129
7.78% Housing Development Finance Corporation Ltd 24MAR2020	1,00,00,000/-	100	100	100	99
7.79% LIC Housing Finance Ltd 19JUN2020	10,00,000/-	500	53	500	53
7.80% Housing Development Finance Corporation Ltd 11NOV2019	1,00,00,000/-	150	154	150	153
7.81% LIC Housing Finance Ltd 27APR2020	10,00,000/-	2,000	214	2,000	214
7.95% Housing Development Finance Corporation Ltd 23SEP2019	1,00,00,000/-	50	52	50	53
8.02% LIC Housing Finance Ltd 18FEB2020	10,00,000/-	500	51	500	50
8.26% Housing Development Finance Corporation Ltd 12AUG2019	1,00,00,000/-	100	105	100	105
8.34% Housing Development Finance Corporation Ltd 06MAR2019	1,00,00,000/-	-	-	200	215
8.37% LIC Housing Finance Ltd 03OCT2019	10,00,000/-	2,000	216	2,000	216
8.37% LIC Housing Finance Ltd 10MAY2021	10,00,000/-	500	54	500	54
8.46% Housing Development Finance Corporation Ltd 11MAR2019	1,00,00,000/-	-	-	50	54
8.47% LIC Housing Finance Ltd 21JAN2020	10,00,000/-	500	51	500	51
8.49% Housing Development Finance Corporation Ltd 27APR2020	5,00,000/-	900	49	900	49
8.50% Housing Development Finance Corporation Ltd 31AUG2020	1,00,00,000/-	100	105	100	108
8.54% IDFC Bank Ltd 30MAY2018	10,00,000/-	-	-	1,500	194
8.59% Housing Development Finance Corporation Ltd 14JUN2019	1,00,00,000/-	50	51	50	51
8.60% LIC Housing Finance Ltd 22JUL2020	10,00,000/-	1,000	107	1,000	107
8.60% LIC Housing Finance Ltd 29JUL2020	10,00,000/-	1,750	186	1,750	188
8.61% LIC Housing Finance Ltd 11DEC2019	10,00,000/-	1,000	103	1,000	104
8.66% IDFC Bank Ltd 25JUN2018	10,00,000/-	-	-	1,520	196
8.66% IDFC Bank Ltd 27DEC2018	10,00,000/-	-	-	400	52
8.72% Housing Development Finance Corporation Ltd 15APR2019	1,00,00,000/-	75	75	75	76
8.75% Housing Development Finance Corporation Ltd 13JAN2020	5,00,000/-	5,000	256	5,000	256
8.75% LIC Housing Finance Ltd 14JAN2020	10,00,000/-	1,070	110	1,070	112
8.75% LIC Housing Finance Ltd 21DEC2020	10,00,000/-	1,000	101	1,000	102
8.80% LIC Housing Finance Ltd 24Dec2020	10,00,000/-	650	67	-	-
8.97% LIC Housing Finance Ltd 29OCT2019	10,00,000/-	500	52	500	52
9.45% Housing Development Finance Corporation Ltd 21AUG2019	10,00,000/-	3,000	318	3,000	323
9.65% Housing Development Finance Corporation Ltd 19JAN2019	10,00,000/-	-	-	500	52
Total investments in non-convertible debentures		**28,295**	**3,266**	**31,815**	**3,978**

The balances held in government securities as at March 31, 2019 and March 31, 2018 are as follows: *(In ₹ crore, except as otherwise stated)*

Particulars		As at March 31, 2019		As at March 31, 2018	
	Face Value ₹	Units	Amount	Units	Amount
7.17% Government of India 8JAN2028	10,000/-	6,75,000	672	-	-
7.95% Government of India 28AUG2032	10,000/-	50,000	52	-	-
Total investments in government securities		**7,25,000**	**724**	-	-

The balances held in certificates of deposit as at March 31, 2019 and March 31, 2018 are as follows: *(In ₹ crore, except as otherwise stated)*

Particulars		As at March 31, 2019		As at March 31, 2018	
	Face Value ₹	Units	Amount	Units	Amount
Axis Bank	1,00,000/-	90,000	872	2,08,000	1,985
HDFC Bank	1,00,000/-	-	-	15,000	147
ICICI Bank	1,00,000/-	75,000	738	1,26,000	1,186
IndusInd Bank	1,00,000/-	-	-	1,35,000	1,271
Kotak Bank	1,00,000/-	77,000	747	70,000	680
Vijaya Bank	1,00,000/-	12,500	125	-	-
Total investments in certificates of deposit		**2,54,500**	**2,482**	**5,54,000**	**5,269**

The balances held in commercial paper as at March 31, 2019 and March 31, 2018 are as follows: *(In ₹ crore, except as otherwise stated)*

Particulars		As at March 31, 2019		As at March 31, 2018	
	Face Value ₹	Units	Amount	Units	Amount
LIC	5,00,000/-	10,000	495	6,000	293
Total investments in commercial paper		**10,000**	**495**	**6,000**	**293**

2.5 LOANS

(In ₹ crore)

Particulars	As at	
	March 31, 2019	March 31, 2018
Non Current		
Unsecured, considered good		
Other loans		
Loans to employees	19	36
	19	**36**
Unsecured, considered doubtful		
Other loans		
Loans to employees	24	17
	43	**53**
Less: Allowance for doubtful loans to employees	**24**	17
Total non-current loans	**19**	**36**
Current		
Unsecured, considered good		
Other loans		
Loans to employees	241	239
Total current loans	**241**	**239**
Total loans	**260**	**275**

2.6 OTHER FINANCIAL ASSETS

(In ₹ crore)

Particulars	As at	
	March 31, 2019	March 31, 2018
Non Current		
Security deposits [1]	52	53
Rental deposits [1]	193	171
Restricted deposits[1]	67	60
Total non-current other financial assets	**312**	**284**
Current		
Security deposits [1]	4	9
Rental deposits [1]	15	13
Restricted deposits [1]	1,671	1,535
Unbilled revenues [1]#	2,093	4,261
Interest accrued but not due [1]	905	766
Foreign currency forward and options contracts [2] [3]	336	16
Escrow and other deposits pertaining to buyback (Refer note 2.11)[1]	257	-
Others [1]	224	84
Total current other financial assets	**5,505**	**6,684**
Total other financial assets	**5,817**	**6,968**
[1] Financial assets carried at amortized cost	5,481	6,952
[2] Financial assets carried at fair value through other comprehensive income	37	12
[3] Financial assets carried at fair value through profit or loss	299	4

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 upon passage of time.

2.7 TRADE RECEIVABLES

(In ₹ crore)

Particulars	As at	
	March 31, 2019	March 31, 2018
Current		
Unsecured		
Considered good [1]	14,827	13,142
Considered doubtful	483	354
	15,310	13,496
Less: Allowance for credit loss	483	354
Total trade receivables	14,827	**13,142**
[1] Includes dues from companies where directors are interested	-	-

2.8 CASH AND CASH EQUIVALENTS

(In ₹ crore)

Particulars	As at	
	March 31, 2019	March 31, 2018
Balances with banks		
In current and deposit accounts	14,197	13,168
Cash on hand	-	-
Others		
Deposits with financial institutions	5,371	6,650
Total cash and cash equivalents	**19,568**	**19,818**
Cash and cash equivalents included under assets classified under held for sale (refer note no 2.1.2)	-	53
	19,568	**19,871**
Balances with banks in unpaid dividend accounts	29	22
Deposit with more than 12 months maturity	6,582	6,332
Balances with banks held as margin money deposits against guarantees	114	356

Cash and cash equivalents as at March 31, 2019 and March 31, 2018 include restricted cash and bank balances of ₹358 crore and ₹533 crore, respectively. The restrictions are primarily on account of bank balances held by irrevocable trusts controlled by the company, bank balances held as margin money deposits against guarantees and balances held in unpaid dividend bank accounts.

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.

The details of balances as on Balance Sheet dates with banks are as follows:

(In ₹ crore)

Particulars	As at	
	March 31, 2019	March 31, 2018
Current accounts		
ANZ Bank, Taiwan	1	9
Axis Bank, India	1	-
Banamex Bank, Mexico	8	2
Banamex Bank, Mexico (U.S. Dollar account)	27	13
Bank of America, Mexico	102	25
Bank of America, USA	1,162	1,172
Bank of Baroda, Mauritius	1	1
Bank of Leumni , Israel	6	-
Bank of Tokyo-Mitsubishi UFJ Ltd., Japan	1	1
Bank Zachodni WBK S.A, Poland	-	17
Barclays Bank, UK	39	40
BNP Paribas Bank, Norway	24	88
China Merchants Bank, China	2	6
Citibank N.A., Australia	91	223
Citibank N.A., Brazil	31	14
Citibank N.A., China	65	116
Citibank N.A., China (U.S. Dollar account)	14	9
Citibank N.A., Costa Rica	1	1
Citibank N.A., Dubai	10	6
Citibank N.A., EEFC (U.S. Dollar account)	2	4
Citibank N.A., Europe	1	-
Citibank N.A., Hungary	1	6
Citibank N.A., India	2	2
Citibank N.A., Japan	22	18
Citibank N.A., New Zealand	3	11
Citibank N.A., Portugal	10	8
Citibank N.A., Romania	1	2
Citibank N.A., Singapore	77	4
Citibank N.A., South Africa	18	33
Citibank N.A., South Africa (Euro account)	1	1
Citibank N.A., South Korea	17	2
Citibank N.A., USA	8	4
Citibank N.A., Luxemberg	4	-
Commercial Bank, Germany	1	-
Danske Bank, Sweden	1	1
Deutsche Bank, Belgium	16	27
Deutsche Bank, Czech Republic	20	16
Deutsche Bank, Czech Republic (Euro account)	6	3
Deutsche Bank, Czech Republic (U.S. Dollar account)	24	2
Deutsche Bank, EEFC (Australian Dollar account)	3	2
Deutsche Bank, EEFC (Euro account)	23	34
Deutsche Bank, EEFC (Swiss Franc account)	5	2
Deutsche Bank, EEFC (U.S. Dollar account)	217	32
Deutsche Bank, EEFC (United Kingdom Pound Sterling account)	8	9
Deutsche Bank, France	20	19

Deutsche Bank, Germany	111	100
Deutsche Bank, Hong Kong	1	1
Deutsche Bank, India	45	44
Deutsche Bank, Malaysia	1	5
Deutsche Bank, Netherlands	34	15
Deutsche Bank, Philippines	4	25
Deutsche Bank, Philippines (U.S. Dollar account)	1	3
Deutsche Bank, Poland	28	18
Deutsche Bank, Poland (Euro account)	8	8
Deutsche Bank, Russia	3	3
Deutsche Bank, Russia (U.S. Dollar account)	-	5
Deutsche Bank, Singapore	15	17
Deutsche Bank, Spain	1	1
Deutsche Bank, Switzerland	33	29
Deutsche Bank, United Kingdom	42	79
Deutsche Bank, USA	61	2
Deutsche Bank, Switzerland (US Dollar account)	1	-
HSBC Bank, (U.S. Dollar account)	1	-
Hua Xia Bank, RMB	1	-
HSBC Bank, Dubai	-	2
HSBC Bank, Hong Kong	1	2
HSBC Bank, United Kingdom	19	6
HSBC Bank, India	3	-
ICICI Bank, EEFC (Euro account)	7	1
ICICI Bank, EEFC (U.S. Dollar account)	34	40
ICICI Bank, EEFC (United Kingdom Pound Sterling account)	6	11
ICICI Bank, India	42	52
Nordbanken, Sweden	45	50
Nordea	17	-
Punjab National Bank, India	2	12
Kotak Bank	5	-
Raiffeisen Bank, Czech Republic	-	5
Raiffeisen Bank, Romania	-	3
Royal Bank of Canada, Canada	136	166
Santander Bank, Argentina	-	1
Silicon Valley Bank, USA	13	-
Splitska Banka D.D., Société Générale Group, Croatia	14	8
State Bank of India, India	3	1
The Saudi British Bank, Saudi Arabia	3	3
Washington Trust Bank	48	-
	2,886	**2,703**

(In ₹ crore)

Particulars	**As at**	
	March 31, 2019	**March 31, 2018**
Deposit accounts		
Axis Bank	925	-
Bank BGZ BNP Paribas S.A.	235	144
Barclays Bank	500	200
Canara Bank	85	84
Citibank	176	224
Deutsche Bank, AG	-	24
Deutsche Bank, Poland	126	211
HDFC Bank	50	2,498
HSBC Bank	200	-
ICICI Bank	3,177	3,497
IDBI Bank	-	250
IDFC Bank	2,450	1,500
IndusInd Bank	550	1,000
Kotak Mahindra Bank	500	-
South Indian Bank	173	450
Standard Chartered Bank	2,000	-
Washington trust bank	21	-
Yes Bank	-	5
	11,168	**10,087**
Unpaid dividend accounts		
Axis Bank - Unpaid dividend account	4	1
HDFC Bank - Unpaid dividend account	-	1
ICICI Bank - Unpaid dividend account	25	20
	29	**22**
Margin money deposits against guarantees		
Canara Bank	45	151
Citibank	-	3
ICICI Bank	69	202
	114	**356**
Deposits with financial institutions		
HDFC Limited	4,146	5,450
LIC Housing Finance Limited	1,225	1,200
	5,371	**6,650**
Total cash and cash equivalents	**19,568**	**19,818**

2.9 OTHER ASSETS

(In ₹ crore)

Particulars	As at	
	March 31, 2019	March 31, 2018
Non Current		
Capital advances	489	421
Advances other than capital advances		
Prepaid gratuity (*refer note no. 2.20.1*)	42	43
Others		
Withholding taxes and others	929	1,428
Prepaid expenses	162	111
Deferred Contract Cost	277	262
Advance for business acqusition *(refer note no. 2.1.1)*	206	-
Total Non-Current other assets	**2,105**	**2,265**
Current		
Advances other than capital advances		
Payment to vendors for supply of goods	109	119
Others		
Unbilled revenues #	3,281	-
Withholding taxes and others	1,488	1,032
Prepaid expenses	751	472
Deferred Contract Cost	58	44
Total Current other assets	**5,687**	**1,667**
Total other assets	**7,792**	**3,932**

Deferred contract costs are upfront costs incurred for the contract and are amortized over the term of the contract. Withholding taxes and others primarily consist of input tax credits and Cenvat recoverable from Government of India. Cenvat recoverable includes ₹523 crore which are pending adjudication. The Group expects these amounts to be sustainable on adjudication and recoverable on final resolution.

Classified as non financial asset as the contractual right to consideration is dependent on completion of contractual milestones.

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 recognized in a business combination which is subsequently measured at fair value through profit or loss. For trade and other payables maturing within one year from the Balance Sheet date, the carrying amounts approximate the fair value due to the short maturity of these instruments.

b. Derivative financial instruments

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

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

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

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

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

(ii) Cash flow hedge

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

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

c. Share capital and treasury shares

(i) Ordinary Shares

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

(ii) 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.

2.10.3 Derecognition of financial instruments

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

2.10.4 Fair value of financial instruments

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

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

2.10.5 Impairment

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

Financial instruments by category

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

(In ₹ crore)

Particulars	Amortized cost	Financial assets/ liabilities at fair value through profit or loss		Financial assets/liabilities at fair value through OCI		Total carrying value	Total fair value
		Designated upon initial recognition	Mandatory	Equity instruments designated upon initial recognition	Mandatory		
Assets:							
Cash and cash equivalents (Refer Note no. 2.8)	19,568	-	-	-	-	19,568	19,568
Investments (Refer Note no. 2.4)							
Equity and preference securities	-	-	23	100	-	123	123
Tax-free bonds and government bonds	1,911	-	-	-	-	1,911	2,125 [1]
Liquid mutual fund units	-	-	1,786	-	-	1,786	1,786
Non convertible debentures	-	-	-	-	3,266	3,266	3,266
Government securities	-	-	-	-	724	724	724
Commercial paper	-	-	-	-	495	495	495
Certificates of deposit	-	-	-	-	2,482	2,482	2,482
Other investments	-	-	16	-	-	16	16
Fixed maturity plan securities	-	-	458	-	-	458	458
Trade receivables (Refer Note no. 2.7)	14,827	-	-	-	-	14,827	14,827
Loans (Refer Note no. 2.5)	260	-	-	-	-	260	260
Other financials assets (Refer Note no. 2.6)[3]	5,481	-	299	-	37	5,817	5,733 [2]
Total	**42,047**	**-**	**2,582**	**100**	**7,004**	**51,733**	**51,863**
Liabilities:							
Trade payables	1,655	-	-	-	-	1,655	1,655
Other financial liabilities (Refer Note no. 2.12)	8,731	-	205	-	-	8,936	8,936
Total	**10,386**	**-**	**205**	**-**	**-**	**10,591**	**10,591**

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

[2] *Excludes interest accrued on tax free bonds and government bonds*

[3] *Excludes unbilled revenue for fixed price development contracts where right to consideration is conditional on factors other than passage of time*

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

(In ₹ crore)

	Amortised cost	Financial assets/ liabilities at fair value through profit		Financial assets/liabilities at fair value through OCI		Total carrying value	Total fair value
		Designated upon initial recognition	Mandatory	Equity instruments designated upon initial	Mandatory		
Assets:							
Cash and cash equivalents (Refer Note no. 2.8)	19,818	-	-	-	-	19,818	19,818
Investments (Refer Note no. 2.4)							
Equity and preference securities	-	-	-	138	-	138	138
Tax-free bonds and government bonds	1,897	-	-	-	-	1,897	2,151 [1]
Liquid mutual fund units	-	-	81	-	-	81	81
Non convertible debentures	-	-	-	-	3,978	3,978	3,978
Certificates of deposit	-	-	-	-	5,269	5,269	5,269
Commercial paper	-	-	-	-	293	293	293
Convertible promissory note	-	-	12	-	-	12	12
Other investments	-	-	66	-	-	66	66
Fixed maturity plan securities	-	-	429	-	-	429	429
Trade receivables (Refer Note no. 2.7)	13,142	-	-	-	-	13,142	13,142
Loans (Refer Note no. 2.5)	275	-	-	-	-	275	275
Other financials assets (Refer Note no. 2.6)	6,952	-	4	-	12	6,968	6,884 [2]
Total	**42,084**	**-**	**592**	**138**	**9,552**	**52,366**	**52,536**
Liabilities:							
Trade payables	694	-	-	-	-	694	694
Other financial liabilities (Refer Note no. 2.12)	5,442	-	93	-	3	5,538	5,538
Total	**6,136**	**-**	**93**	**-**	**3**	**6,232**	**6,232**

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

[2] *Excludes interest accrued on tax free bonds and government bonds*

Fair value hierarchy

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

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

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, 2019:

(In ₹ crore)

	As at March 31, 2019	Fair value measurement at end of the reporting period using		
		Level 1	Level 2	Level 3
Assets				
Investments in liquid mutual funds (Refer Note no. 2.4)	1,786	1,786	-	-
Investments in tax-free bonds (Refer Note no. 2.4)	2,107	1,836	271	-
Investments in government bonds (Refer Note no. 2.4)	18	18	-	-
Investments in equity instruments (Refer Note no. 2.4)	11	-	-	11
Investments in preference securities (Refer Note no. 2.4)	112	-	-	112
Investments in non convertible debentures (Refer Note no. 2.4)	3,266	1,780	1,486	-
Investments in certificates of deposit (Refer Note no. 2.4)	2,482	-	2,482	-
Investment in Government securities	724	724	-	-
Investments in fixed maturity plan securities (Refer Note no. 2.4)	458	-	458	-
Investment in Commercial paper	495	-	495	-
Other investments (Refer Note no. 2.4)	16	-	-	16
Derivative financial instruments - gain on outstanding foreign currency forward and option contracts (Refer Note no. 2.6)	336	-	336	-
Liabilities				
Derivative financial instruments - loss on outstanding foreign currency forward and option contracts (Refer Note no. 2.12)	15	-	15	-
Liability towards contingent consideration (Refer note no. 2.12)[1]	190	-	-	190

[1] *Discount rate pertaining to contingent consideration ranges from 9% to 16% .*

During the year ended March 31, 2019, tax free bonds and non-convertible debentures of ₹336 crore were transferred from Level 2 to Level 1 of fair value hierarchy, since these were valued based on quoted price and ₹746 crore 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, 2018 was as follows:

(In ₹ crore)

	As at March 31, 2018	Fair value measurement at end of the reporting period using		
		Level 1	Level 2	Level 3
Assets				
Investments in liquid mutual funds (Refer Note no. 2.4)	81	81	-	-
Investments in tax free bonds (Refer Note no. 2.4)	2,150	1,878	272	-
Investments in government bonds (Refer Note no. 2.4)	1	1	-	-
Investments in equity instruments (Refer Note no. 2.4)	22	-	-	22
Investments in preference securities (Refer Note no. 2.4)	116	-	-	116
Investments in non convertible debentures (Refer Note no. 2.4)	3,978	2,695	1,283	-
Investments in certificates of deposit (Refer Note no. 2.4)	5,269	-	5,269	-
Investments in commercial paper (Refer Note no. 2.4)	293	-	293	-
Investments in fixed maturity plan securities (Refer Note no. 2.4)	429	-	429	-
Investments in convertible promissory note (Refer Note no. 2.4)	12	-	-	12
Other investments (Refer Note no. 2.4)	66	-	-	66
Derivative financial instruments - gain on outstanding foreign currency forward and option	16	-	16	-
Liabilities				
Derivative financial instruments - loss on outstanding foreign currency forward and option	42	-	42	-
Liability towards contingent consideration (Refer note no. 2.12)(1)	54	-	-	54

(1) Discounted contingent consideration at 10%

During the year ended March 31, 2018, tax free bonds and non-convertible debentures of ₹1,797 crore were transferred from Level 2 to Level 1 of fair value hierarchy, since these were valued based on quoted price and ₹850 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.

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 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 monetary assets and liabilities as at March 31, 2019:

(In ₹ crore)

Particulars	U.S. dollars	Euro	United Kingdom	Australian dollars	Other currencies	Total
Cash and cash equivalents	1,640	266	110	213	1,113	3,342
Trade receivables	9,950	1,844	1,025	527	971	14,317
Other financial assets , loans and other current assets	4,189	873	285	310	748	6,405
Trade payables	(708)	(128)	(139)	(80)	(107)	(1,162)
Other financial liabilities	(4,201)	(560)	(217)	(382)	(759)	(6,119)
Net assets / (liabilities)	**10,870**	**2,295**	**1,064**	**588**	**1,966**	**16,783**

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

(In ₹ crore)

	U.S. dollars	Euro	United Kingdom	Australian dollars	Other currencies	Total
Cash and cash equivalents	1,287	218	147	353	1,192	3,197
Trade receivables	8,317	1,751	845	788	781	12,482
Other financial assets (including loans)	2,636	663	330	173	470	4,272
Trade payables	(273)	(81)	(114)	(30)	(58)	(556)
Other financial liabilities	(2,289)	(417)	(215)	(273)	(596)	(3,790)
Net assets / (liabilities)	**9,678**	**2,134**	**993**	**1,011**	**1,789**	**15,605**

Sensitivity analysis between Indian rupee and U.S. Dollar

Particulars	Year ended March 31,	
	2019	2018
Impact on the Group's incremental operating margins	0.47%	0.50%

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:

	As at March 31, 2019		As at March 31, 2018	
	In million	In ₹ crore	In million	In ₹ crore
Derivatives designated as cash flow hedges				
Option Contracts				
In Australian dollars	120	588	60	300
In Euro	135	1,049	100	808
In United Kingdom Pound Sterling	25	226	20	184
Other derivatives				
Forward contracts				
In Australian dollars	8	37	5	25
In Canadian dollars	13	68	20	99
In Euro	176	1,367	91	735
In Japanese Yen	550	34	550	34
In New Zealand dollars	16	75	16	76
In Norwegian Krone	40	32	40	34
In Singapore dollars	140	716	5	25
In South African Rand	-	-	25	14
In Swedish Krona	50	37	50	40
In Swiss Franc	25	172	21	146
In U.S. dollars	955	6,608	623	4,061
In United Kingdom Pound Sterling	80	724	51	466
Option Contracts				
In Australian dollars	10	49	20	100
In Canadian Dollars	13	69		
In Euro	60	466	45	363
In Swiss Franc	5	35	5	33
In U.S. dollars	433	2,995	320	2,086
In United Kingdom Pound Sterling	10	91	25	231
Total forwards and options contracts		**15,438**		**9,860**

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

(In ₹ crore)

Particulars	As at	
	March 31, 2019	March 31, 2018
Not later than one month	4,432	2,828
Later than one month and not later than three months	6,921	4,568
Later than three months and not later than one year	4,085	2,464
	15,438	**9,860**

During the year ended March 31, 2019, 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 at March 31, 2019 are expected to occur and reclassified to the statement of profit or loss within 3 months.

Hedge effectiveness is determined at the inception of the hedge relationship, and through periodic prospective effectiveness assessments to ensure that an economic relationship exists between the hedged item and hedging instrument, including whether the hedging instrument is expected to offset changes in cash flows of hedged items.

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

The following table provides the reconciliation of cash flow hedge reserve for the year ended March 31, 2019: *(In ₹ crore)*

	Year ended March 31,	
	2019	**2018**
Gain/(Loss)		
Balance at the beginning of the period	-	39
Gain / (Loss) recognised in other comprehensive income during the period	118	(93)
Amount reclassified to profit or loss during the period	(90)	41
Tax impact on above	(7)	13
Balance at the end of the period	**21**	**-**

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)

	As at		As at	
	March 31, 2019		March 31, 2018	
	Derivative financial asset	**Derivative financial liability**	**Derivative financial asset**	**Derivative financial liability**
Gross amount of recognized financial asset/liability	338	(17)	20	(46)
Amount set off	(2)	2	(4)	4
Net amount presented in Balance Sheet	**336**	**(15)**	**16**	**(42)**

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 ₹ 14,827 crore and ₹13,142 crore as at March 31, 2019 and March 31, 2018, respectively and unbilled revenues amounting to ₹5,374 crore and ₹4,261 crore as at March 31, 2019 and March 31, 2018, respectively. Trade receivables and unbilled revenues are typically unsecured and are derived from revenue earned from customers primarily located in the United States. Credit risk has always been managed by the 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 expected credit loss model to assess the impairment loss or gain. The Group uses a provision matrix to compute the expected credit loss allowance for trade receivables and unbilled revenues. The provision matrix takes into account available external and internal credit risk factors such as credit default swap quotes, credit ratings from international credit rating agencies and the Group's historical experience for customers.

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

(In %)

	Year ended March 31,	
	2019	**2018**
Revenue from top customer	3.6	3.4
Revenue from top 10 customers	19.0	19.3

Credit risk exposure

The allowance for lifetime ECL on customer balances for year ended March 31, 2019 and March 31, 2018 was ₹239 crore and ₹34 crore, respectively.

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

(In ₹ crore)

	Year ended March 31,	
	2019	**2018**
Balance at the beginning	449	411
Impairment loss recognized	239	34
Write-offs	(73)	(5)
Reclassified from held for sale (Refer note 2.1.2)	0	(1)
Translation differences	12	10
Balance at the end	**627**	**449**

Credit exposure

The Group's credit period generally ranges from 30-60 days.

(In ₹crore except otherwise stated)

	As at	
	March 31, 2019	**March 31, 2018**
Trade receivables	14,827	13,142
Unbilled revenues	5,374	4,261

Days sales outstanding was 66 days and 67 days as at March 31, 2019 and March 31, 2018, respectively.

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

Liquidity risk

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, 2019, the Group had a working capital of ₹34,240 crore including cash and cash equivalents of ₹19,568 crore and current investments of ₹6,627 crore. As at March 31, 2018, the Group had a working capital of ₹34,176 crore including cash and cash equivalents of ₹19,818 crore and current investments of ₹6,407 crore.

As at March 31, 2019 and March 31, 2018, the outstanding compensated absences were ₹1,663 crore and ₹1,469 crore, respectively, which have been substantially funded. Accordingly no liquidity risk is perceived.

Under the company's ongoing buyback programme the maximum buy-back size is ₹8,260 crore. The company has bought back shares amounting to ₹797 crore (including transaction costs) till March 31, 2019. *(Refer note 2.11)*

The table below provides details regarding the contractual maturities of significant financial liabilities as at March 31, 2019:

(In ₹ crore)

Particulars	**Less than 1 year**	**1-2 years**	**2-4 years**	**4-7 years**	**Total**
Trade payables	1,655	-	-	-	1,655
Other financial liabilities (excluding liability towards acquisition) (Refer Note no. 2.12)	8,716	11	4	-	8,731
Liability towards acquisitions on an undiscounted basis (including contingent consideration) (Refer Note no. 2.12)	114	83	-	36	233

The table below provides details regarding the contractual maturities of significant financial liabilities as at March 31, 2018:

(In ₹ crore)

Particulars	**Less than 1 year**	**1-2 years**	**2-4 years**	**4-7 years**	**Total**
Trade payables	694	-	-	-	694
Other financial liabilities (excluding liability towards acquisition) (Refer Note no. 2.12)	5,442	-	-	-	5,442
Liability towards acquisitions on an undiscounted basis (including contingent consideration) (Refer Note no. 2.12)	41	7	7	-	55

2.11 EQUITY

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

Particulars	As at March 31, 2019	March 31, 2018
Authorized		
Equity shares, ₹5 par value		
4,80,00,00,000 (2,40,00,00,000) equity shares	2,400	1,200
Issued, Subscribed and Paid-Up		
Equity shares, ₹5 par value[(1)]	2,170	1,088
4,33,59,54,462 (2,17,33,12,301) equity shares fully paid-up[(2)]		
	2,170	**1,088**

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

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

[(2)] *Net of treasury shares 2,03,24,982 (1,08,01,956)*

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.

In the period of five years immediately preceding March 31, 2019:

Bonus Issue

The Company has allotted 2,18,41,91,490 fully paid up equity shares (including treasury shares) of face value ₹5/- each during the three months ended September 30, 2018 pursuant to a bonus issue approved by the shareholders through postal ballot. Record date fixed by the Board of Directors was September 5, 2018. The bonus shares were issued by capitalization of profits transferred from general reserve. Bonus share of one equity share for every equity share held, and a bonus issue, viz., a stock dividend of one American Depositary Share (ADS) for every ADS held, respectively, has been allotted. Consequently, the ratio of equity shares underlying the ADSs held by an American Depositary Receipt holder remains unchanged. Options granted under the stock option plan have been adjusted for bonus shares.

The Company has allotted 1,14,84,72,332 and 57,42,36,166 fully paid-up shares of face value ₹5/- each during the quarter ended June 30, 2015 and December 31, 2014, pursuant to bonus issue approved by the shareholders through postal ballot. For both the bonus issues, bonus share of one equity share for every equity share held, and a stock dividend of one ADS for every ADS held, respectively, has been allotted. Consequently, the ratio of equity shares underlying the ADSs held by an American Depositary Receipt holder remains unchanged. Options granted under the restricted stock unit plan (RSU) have been adjusted for bonus shares.

The bonus shares once allotted shall rank pari passu in all respects and carry the same rights as the existing equity shareholders and shall be entitled to participate in full, in any dividend and other corporate action, recommended and declared after the new equity shares are allotted.

Update on capital allocation policy and buyback

In line with the capital allocation policy announced in April 2018, the Board, in its meeting held on January 11, 2019, approved the following :

(a) Declared a special dividend of ₹4/- per equity share;

(b) Recommended buyback of Equity Shares from the open market route through Indian stock exchanges of up to ₹8,260 crore (Maximum Buyback Size) at a price not exceeding ₹800 per share (Maximum Buyback Price) subject to shareholders' approval by way of Postal Ballot. After the execution of the above, along with the special dividend (including dividend distribution tax) of ₹2,633 crore ($386 million) already paid in June 2018, the Company would complete the distribution of ₹13,000 crore, which was announced as part of its capital allocation policy in April 2018.

The shareholders approved the proposal of buyback of Equity Shares recommended by its Board of Directors in its meeting held on January 11, 2019 through the postal ballot that concluded on March 12, 2019. At the Maximum buyback price of ₹800/- per equity share and the Maximum buyback size of ₹8,260 crore the indicative maximum number of Equity shares bought back would be 10,32,50,000 Equity Shares (Maximum buyback shares) comprising approximately 2.36% of the paid-up equity share capital of the Company as of March 12, 2019 (the date of conclusion of postal ballot for approval for buyback).

The buyback was offered to all eligible equity shareholders of the Company (other than the Promoters, the Promoter Group and Persons in Control of the Company) under the open market route through the stock exchange. The Company will fund the buyback from its free reserves. The buyback of equity shares through the stock exchange commenced on March 20, 2019 and is expected to be completed by September 2019. During the year ended March 31, 2019, 1,26,52,000 equity shares were purchased from the stock exchange which includes 18,18,000 shares which have been purchased but not extinguished as of March 31, 2019 and 36,36,000 shares which have been purchased but have not been settled and therefore not extinguished as of March 31, 2019. In accordance with section 69 of the Companies Act, 2013, during the year ended March 31, 2019, the Company has created 'Capital Redemption Reserve' of ₹5 crore equal to the nominal value of the shares bought back as an appropriation from general reserve.

The Board, at its meeting on August 19, 2017, approved a proposal for the Company to buyback its fully paid-up equity shares of face value of ₹5 each from the eligible equity shareholders of the Company for an amount not exceeding ₹13,000 crore. The shareholders approved the said proposal of buyback of Equity Shares through the postal ballot that concluded on October 7, 2017. The Buyback offer comprised a purchase of 11,30,43,478 Equity Shares aggregating 4.92% of the paid-up equity share capital of the Company at a price of ₹1,150 per Equity share. The buyback was offered to all eligible equity shareholders (including those who became equity shareholders as on the Record date by cancelling American Depository Shares and withdrawing underlying Equity shares) of the Company as on the Record Date (i.e November 1, 2017) on a proportionate basis through the "Tender offer" route. The Company concluded the buyback procedures on December 27, 2017 and 11,30,43,478 equity shares were extinguished. The Company has utilized its securities premium and general reserve for the buyback of its shares. In accordance with Section 69 of the Companies Act, 2013, the Company has created a Capital Redemption Reserve of ₹56 crore equal to the nominal value of the shares bought back as an appropriation from the general reserve during the year ended March 31, 2018.

The Company's objective when managing capital is to safeguard its ability to continue as a going concern and to maintain an optimal capital structure so as to maximize shareholder value. In order to maintain or achieve an optimal capital structure, the Company may adjust the amount of dividend payment, return capital to shareholders, issue new shares or buy back issued shares. As at March 31, 2019, the Company has only one class of equity shares and has no debt. Consequent to the above capital structure there are no externally imposed capital requirements.

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.

The Company declares and pays dividends in Indian rupees. The remittance of dividends outside India is governed by Indian law on foreign exchange and is subject to applicable distribution taxes. Dividend distribution tax paid by subsidiaries may be reduced / available as credit against dividend distribution tax payable by Infosys Limited.

Effective from Financial Year 2018, the Company's policy is to payout up to 70% of the free cash flow of the corresponding Financial Year in such manner (including by way of dividend and / or share buyback) as may be decided by the Board from time to time, subject to applicable laws and requisite approvals, if any. Free cash flow is defined as net cash provided by operating activities less capital expenditure as per the consolidated statement of cash flows prepared under IFRS. Dividend payout includes dividend distribution tax.

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

(in ₹)

Particulars	Year ended March 31,	
	2019	2018
Special dividend for fiscal 2019	4.00	-
Interim dividend fiscal 2019	7.00	-
Final dividend for fiscal 2018	10.25	-
Special dividend for fiscal 2018	5.00	-
Interim dividend for fiscal 2018	-	6.50
Final Dividend for fiscal 2017	-	7.38

Note: Dividend per equity share disclosed in the above table represents dividends declared previously, retrospectively adjusted for September 2018 bonus issue.

During the year ended March 31, 2019 on account of the final dividend for fiscal 2018 , special divided for fiscal 2018 and fiscal 2019 and interim dividend for fiscal 2019 the Company has incurred a net cash outflow of ₹13,705 crore (excluding dividend paid on treasury shares) inclusive of dividend distribution tax.

The Board of Directors in their meeting on April 12, 2019 recommended a final dividend of ₹10.50/- per equity share for the financial year ended March 31, 2019. This payment is subject to the approval of shareholders in the ensuing Annual General Meeting of the Company, to be held on June 22, 2019 and if approved would result in a net cash outflow of approximately ₹5,483 crore, (excluding dividend paid on treasury shares) including dividend distribution tax. The final dividend of ₹10.50/- per equity share and the resultant expected cash outflow is based on the outstanding number of shares after considering shares bought back by the Company subsequent to the year ended March 31, 2019.

The details of shareholder holding more than 5% shares as at March 31, 2019 and March 31, 2018 are as follows :

Name of the shareholder	As at March 31, 2019		As at March 31, 2018	
	Number of shares	% held	Number of shares	% held
Deutsche Bank Trust Company Americas (Depository of ADR's - legal ownership)	746,254,648	17.11	75,98,11,718	17.39
Life Insurance Corporation of India	254,332,376	5.83	29,90,28,034	6.85

Information in the table above is adjusted for September, 2018 bonus issue

The reconciliation of the number of shares outstanding and the amount of share capital as at March 31, 2019 and March 31, 2018 are as follows:

(In ₹ crore, except as stated otherwise)

Particulars	As at March 31, 2019		As at March 31, 2018	
	Number of shares	Amount	Number of shares	Amount
Number of shares at the beginning of the period	217,33,12,301	1,088	228,56,55,150	1,144
Add: Shares issued on exercise of employee stock options - before bonus issue	392,528	-	7,00,629	-
Add: Bonus shares issued	2,173,704,829	1,088	-	-
Add: Shares issued on exercise of employee stock options - after bonus issue	1,196,804	-	-	-
Less: Shares bought back (1)(2)	12,652,000	6.00	113,043,478	56
Number of shares at the end of the period	**433,59,54,462**	**2,170**	**217,33,12,301**	**1,088**

(1) Includes 18,18,000 shares which have been purchased on account of buyback during the three months ended March 31, 2019 and have not been extinguished as of March 31, 2019

(2) Includes 36,36,000 shares which have been purchased on account of buyback during the three months ended March 31, 2019 but have not been settled and therefore not extinguished as of March 31, 2019

Securities premium

The amount received in excess of the par value has been classified as securities premium. Additionally, share-based compensation recognized in net profit in the consolidated statement of profit and loss is credited to securities premium.

Employee Stock Option Plan (ESOP):

Accounting policy

The Group recognizes compensation expense relating to share-based payments in net profit using fair value in accordance with Ind AS 102, Share-Based Payment. The estimated fair value of awards is charged to income on a straight-line basis over the requisite service period for each separately vesting portion of the award as if the award was in-substance, multiple awards with a corresponding increase to share options outstanding account.

2015 Stock Incentive Compensation Plan (the 2015 Plan) (Formerly 2011 RSU Plan):

On March 31, 2016, pursuant to the approval by the shareholders through postal ballot, the Board has been authorized to introduce, offer, issue and allot share-based incentives to eligible employees of the Company and its subsidiaries under the 2015 Stock Incentive Compensation Plan (the 2015 Plan). The maximum number of shares under the 2015 plan shall not exceed 2,40,38,883 equity shares (this includes 1,12,23,576 equity shares which are held by the trust towards the 2011 Plan as at March 31, 2016). Out of this 1,70,38,883 equity shares will be issued as RSUs at par value and 70,00,000 equity shares will be issued as stock options at market price on the date of the grant. These instruments will vest over a period of 4 years and the Company expects to grant the instruments under the 2015 Plan over the period of 4 to 7 years. The plan numbers mentioned above would further be adjusted for the September 2018 bonus issue.

Consequent to the September, 2018 bonus issue, all outstanding options granted under the stock option plan have been adjusted for bonus shares. Unless otherwise stated, all the prior period share numbers, share prices and weighted average exercise prices in this note have been adjusted to give effect to the September 2018 bonus issue.

Controlled trust holds 2,03,24,982 and 1,08,01,956 shares (not adjusted for September, 2018 bonus issue) as at March 31, 2019 and March 31, 2018, respectively under the 2015 plan. Out of these shares 2,00,000 and 1,00,000 (not adjusted for September, 2018 bonus issue) equity shares have been earmarked for welfare activities of the employees as at March 31, 2019 and March 31, 2018, respectively.

The following is the summary of grants during the year ended March 31, 2019 and March 31, 2018 under the 2015 Plan:

Particulars	**Year ended March 31,**	
	2019	**2018**
RSU		
Salil Parekh, CEO and MD - *Refer note 1 below*	260,130	226,048
U.B. Pravin Rao, COO and WTD	68,250	54,500
Dr. Vishal Sikka*	-	540,448
Other KMPs	347,150	546,200
Employees other than KMP	3,665,170	3,194,020
	4,340,700	**4,561,216**
ESOP		
U.B. Pravin Rao, COO and WTD	-	86,000
Dr. Vishal Sikka*	-	661,050
Other KMPs	-	88,900
Employees other than KMP	-	147,200
	-	**983,150**
Incentive units - cash settled		
Other employees	74,090	100,080
	74,090	**100,080**
Total grants	**4,414,790**	**5,644,446**

Information in the table above is adjusted for September, 2018 bonus issue

** Upon Dr. Vishal Sikka's resignation from the roles of the company, the unvested RSUs and ESOPs have been forfeited*

1. Stock incentives granted to Salil Parekh, CEO and MD

Pursuant to the approval of the shareholders through a postal ballot on February 20, 2018, Salil Parekh (CEO & MD) is eligible to receive under the 2015 Plan:

a) an annual grant of RSUs of fair value ₹3.25 crore which will vest over time in 3 equal annual installments upon completion of each year of service from the respective grant date

b) a one-time grant of RSUs of fair value ₹9.75 crore which will vest over time in 2 equal annual installments upon completion of each year of service from the grant date and

c) annual grant of performance based RSUs of fair value ₹13 crore which will vest after completion of three years the first of which concludes on March 31, 2021, subject to achievement of performance targets set by the Board or its committee.

The Board based on the recommendations of the Nomination and Remuneration committee approved on February 27, 2018, the annual time based grant for fiscal 2018 of 56,512 RSUs (adjusted for September 2018 bonus issue) and the one-time time based grant of 1,69,536 RSUs (adjusted for September 2018 bonus issue) The grants were made effective February 27, 2018.

Further, the Board, based on the recommendations of the Nomination and Remuneration Committee, granted 217,200 (adjusted for September 2018 bonus issue) performance based RSUs to Salil Parekh with an effective date of May 2, 2018. The grants would vest upon successful completion of three full fiscal years with the Company concluding on March 31, 2021 and will be determined based on achievement of certain performance targets for the said three-year period.

The Board based on the recommendations of the Nomination and Remuneration committee approved on January 11, 2019, the annual time based grant for fiscal 2019 of 42,930 RSUs. The grants was made effective February 1, 2019.

Though the annual time based grants for the remaining employment term ending on March 31, 2023 have not been granted as at March 31, 2019, since the service commencement date precedes the grant date, the company has recorded employment stock compensation expense in accordance with Ind AS 102, Share based payments.

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

As at March 31, 2019 and March 31, 2018, incentive units were outstanding (net of forfeitures) 1,77,454 and 2,23,514 (adjusted for September, 2018 bonus issue), respectively.

Break-up of employee stock compensation expense:

(in ₹ crore)

Particulars	Year ended March 31,	
	2019	2018
Granted to:		
KMP[(2)]	33	(13)
Employees other than KMP	169	97
Total [(1)]	**202**	**84**
[(1)] *Cash-settled stock compensation expense included above*	5	5

[(2)] *Included a reversal of stock compensation cost of ₹35 crore recorded during the three months ended September 30, 2017 towards forfeiture of stock incentives granted to Dr. Vishal Sikka upon his resignation*

The carrying value of liability towards cash settled share based payments was ₹9 crore and ₹6 crore as at March 31, 2019 and March 31, 2018 respectively.

The activity in the 2015 Plan (formerly 2011 RSU Plan) for equity-settled share based payment transactions during the year ended March 31, 2019 and March 31, 2018 is set out below:

Particulars	Year ended March 31, 2019		Year ended March 31, 2018	
	Shares arising out of options	Weighted average exercise price (₹)	Shares arising out of options	Weighted average exercise price (₹)
2015 Plan: RSU				
Outstanding at the beginning	7,500,818	2.50	5,922,746	2.50
Granted	4,340,700	3.84	4,561,216	2.50
Exercised	1,864,510	2.50	1,296,434	2.50
Forfeited and expired	795,810	2.61	1,686,710	2.50
Outstanding at the end	**9,181,198**	**3.13**	**7,500,818**	**2.50**
Exercisable at the end	235,256	2.50	48,410	2.50
2015 Plan: Employee Stock Options (ESOPs)				
Outstanding at the beginning	1,933,826	493	2,395,300	496
Granted	-	-	983,150	472
Exercised	117,350	515	104,824	492
Forfeited and expired	193,300	521	1,339,800	481
Outstanding at the end	**1,623,176**	**516**	**1,933,826**	**493**
Exercisable at the end	698,500	517	393,824	496

Information in the table above is adjusted for September, 2018 bonus issue

During the year ended March 31, 2019 and March 31, 2018 the weighted average share price of options exercised under the 2015 Plan on the date of exercise was ₹701 and ₹496 (adjusted for September 2018 bonus issue) respectively.

The summary of information about equity settled RSUs and ESOPs outstanding as at March 31, 2019 is as follows:

Range of exercise prices per share (₹)	Options outstanding		
	No. of shares arising out of options	Weighted average remaining contractual life	Weighted average exercise price (₹)
2015 Plan:			
0 - 5 (RSU)	9,181,198	1.70	3.13
450 - 600 (ESOP)	1,623,176	5.04	516
	10,804,374	**2.20**	**80**

Information in the table above is adjusted for September, 2018 bonus issue

The summary of information about equity settled RSUs and ESOPs outstanding as at March 31, 2018 was as follows:

Range of exercise prices per share (₹)	Options outstanding		
	No. of shares arising out of options	Weighted average remaining contractual life	Weighted average exercise price (₹)
2015 Plan:			
0 - 2.50 (RSU)	7,500,818	1.89	2.50
450 - 600 (ESOP)	1,933,826	6.60	493
	9,434,644	**2.57**	**104**

Information in the table above is adjusted for September, 2018 bonus issue

The fair value of each equity settled award is estimated on the date of grant using the Black-Scholes-Merton model with the following assumptions:

Particulars	For options granted in	
	Fiscal 2019-Equity Shares RSU	Fiscal 2019-ADS RSU
Weighted average share price (₹) / ($- ADS) [(1)]	696	10.77
Exercise price (₹)/ ($- ADS) [(1)]	3.31	0.06
Expected volatility (%)	21-25	22-26
Expected life of the option (years)	1-4	1-4
Expected dividends (%)	2.65	2.65
Risk-free interest rate (%)	7-8	2-3
Weighted average fair value as on grant date (₹) / ($- ADS) [(1)]	648	10.03

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

[(1)] Adjusted for September, 2018 bonus issue

The expected life of the RSU / ESOP is estimated based on the vesting term and contractual term of the RSU / ESOP, as well as expected exercise behavior of the employee who receives the RSU / ESOP. Expected volatility during the expected term of the RSU / ESOP is based on historical volatility of the observed market prices of the Company's publicly traded equity shares during a period equivalent to the expected term of the RSU / ESOP.

2.12 OTHER FINANCIAL LIABILITIES

(In ₹ crore)

Particulars	As at	
	March 31, 2019	March 31, 2018
Non-current		
Others		
Accrued compensation to employees [1]	15	-
Compensated absences	44	48
Payable for acquisition of business (refer note no. 2.1.1) [2]		
Contingent consideration	88	13
Total non-current other financial liabilities	**147**	**61**
Current		
Unpaid dividends [1]	29	22
Others		
Accrued compensation to employees [1]	2,572	2,509
Accrued expenses [1]	3,319	2,452
Retention monies [1]	112	132
Payable for acquisition of business		
Contingent consideration (refer note no. 2.1.1) [2]	102	41
Payable by controlled trusts [1]	168	139
Financial liability relating to buyback (refer to note 2.11)[1]	1,202	-
Compensated absences	1,619	1,421
Foreign currency forward and options contracts [2][3]	15	42
Capital creditors [1]	676	155
Other payables [1]	638	33
Total current other financial liabilities	**10,452**	**6,946**
Total other financial liabilities	**10,599**	**7,007**
[1] Financial liability carried at amortized cost	8,731	5,442
[2] Financial liability carried at fair value through profit or loss	205	93
[3] Financial liability carried at fair value through other comprehensive income	-	3
Contingent consideration on undiscounted basis	233	55

In accordance with Ind AS 32, Financial Instruments : Presentation, the Company has recorded a financial liability of ₹1,202 crore for the obligation to acquire its own equity shares to the extent of standing instructions provided to its registered broker for the buyback as of March 31, 2019 (refer to note 2.11). The financial liability is recognised at the present value of the maximum amount that the Company would be required to pay to the registered broker for buyback, with a corresponding debit in general reserve / retained earnings.

2.13 OTHER LIABILITIES

(In ₹ crore)

Particulars	As at	
	March 31, 2019	March 31, 2018
Non-current		
Others		
Deferred income - government grant on land use rights	42	44
Accrued gratuity (Refer to Note No. 2.20.1)	30	28
Deferred rent	174	151
Deferred income	29	36
Total non-current other liabilities	**275**	**259**
Current		
Unearned revenue	2,809	2,295
Client deposit	26	38
Others		
Withholding taxes and others	1,487	1,240
Accrued gratuity (refer note no. 2.20.1)	2	-
Deferred rent	63	32
Deferred income - government grant on land use rights	1	1
Total current other liabilities	**4,388**	**3,606**
Total other liabilities	**4,663**	**3,865**

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

b. Onerous contracts

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

Provision for post-sales client support and other provisions *(In ₹ crore)*

Particulars	As at	
	March 31, 2019	**March 31, 2018**
Current		
Others		
Post-sales client support and other provisions	576	492
Total provisions	**576**	**492**

The movement in the provision for post-sales client support and other provisions is as follows : *(In ₹ crore)*

Particulars	Year ended March 31, 2019
Balance at the beginning	492
Provision recognized/(reversed)	168
Provision utilized	(112)
Exchange difference	28
Balance at the end	**576**

Provision for post-sales client support and other provisions are expected to be utilized over a period of 6 months to 1 year.

2.15 INCOME TAXES

Accounting policy

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

Deferred income tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect of changes in tax rates on deferred income tax assets and liabilities is recognized as income or expense in the period that includes the enactment or the substantive enactment date. A deferred income tax asset is recognized to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilized. Deferred income taxes are not provided on the undistributed earnings of subsidiaries and branches where it is expected that the earnings of the subsidiary or branch will not be distributed in the foreseeable future. The Group offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously. 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 securities premium.

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

(In ₹ crore)

	Year ended March 31,	
	2019	**2018**
Current taxes	5,727	4,581
Deferred taxes	(96)	(340)
Income tax expense	**5,631**	**4,241**

During the quarter ended March 31, 2019, the Company entered into Advance Pricing Agreement (APA) in overseas jurisdictions resulting in a reversal of income tax expense of ₹94 crore which pertained to prior periods.

In December 2017, the Company had concluded an Advance Pricing Agreement ("APA") with the US Internal Revenue Service ("IRS") for the US branch covering the years ending March 2011 to March 2021. Under the APA, the Company and the IRS have agreed on the methodology to allocate revenues and compute the taxable income of the Company's US Branch operations. In accordance with the APA, the company had reversed income tax expense provision of $225 million (₹1,432 crore) which pertained to previous periods which are no longer required. The Company had to pay an adjusted amount of $223 million (approximately ₹1,424 crore) due to the difference between the taxes payable for prior periods as per the APA and the actual taxes paid for such periods. The company has paid $215 million (₹1,455 crore).

Further, the "Tax Cuts and Jobs Act (H.R. 1)" was signed into law on December 22, 2017 ("US Tax Reforms"). The US tax reforms has reduced federal tax rates from 35% to 21% effective January 1, 2018 amongst other measures.

Income tax expense for the year ended March 31, 2019 and March 31, 2018 includes reversals (net of provisions) of ₹129 crore and ₹291 crore respectively. These reversals pertain to prior periods on account of adjudication of certain disputed matters in favor of the company across various jurisdictions.

A reconciliation of the income tax provision to the amount computed by applying the statutory income tax rate to the income before income taxes is summarized below:

(In ₹ crore)

	Year ended March 31,	
	2019	**2018**
Profit before income taxes	21,041	20,270
Enacted tax rates in India	34.94%	34.61%
Computed expected tax expense	7,353	7,015
Tax effect due to non-taxable income for Indian tax purposes	(2,705)	(2,068)
Overseas taxes	719	701
Tax provision (reversals)	(176)	(1,617)
Effect of exempt non-operating income	(58)	(66)
Effect of unrecognized deferred tax assets	92	188
Effect of differential overseas tax rates	(1)	52
Effect of non-deductible expenses	353	57
Branch profit tax (net of credits)	25	(210)
Subsidiary dividend distribution tax	-	172
Others	29	17
Income tax expense	**5,631**	**4,241**

The applicable Indian corporate statutory tax rate for the year ended March 31, 2019 and March 31, 2018 is 34.94% and 34.61%, respectively. The increase in the corporate statutory tax rate to 34.94% is consequent to changes made in the Finance Act, 2018.

The foreign tax expense is due to income taxes payable overseas principally in the United States. In India, the 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.

Entire deferred income tax for the year ended March 31, 2019 and March 31, 2018 relates to origination and reversal of temporary differences except for a credit of ₹155 crore (on account of US Tax Reforms explained above), for year ended March 31, 2018.

During the year ended March 31, 2018, the Company received ₹846 crore as dividend from its majority owned subsidiary. Dividend distribution tax paid by the subsidiary on such dividend has been reduced as credit against dividend distribution tax payable by Infosys. Accordingly, the Group has recorded a charge of ₹172 crore as income tax expense during the year ended March 31, 2018.

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, 2019, Infosys' U.S. branch net assets amounted to approximately ₹5,196 crore. As at March 31, 2019, the Company has a deferred tax liability for branch profit tax of ₹201 crore (net of credits), as the Company estimates that these branch profits are expected to be distributed in the foreseeable future.

Other income for the year ended March 31, 2019 and March 31, 2018 includes interest on income tax refund of ₹51 crore and ₹262 crore, respectively.

Deferred income tax liabilities have not been recognized on temporary differences amounting to ₹6,007 crore and ₹5,045 crore as at March 31, 2019 and March 31, 2018, respectively, associated with investments in subsidiaries and branches as it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred income tax assets have not been recognized on accumulated losses of ₹2,624 crore and ₹1,936 crore as at March 31, 2019 and March 31, 2018, 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 balance as at March 31, 2018 excludes the accumulated losses of Disposal Groups classified as held for sale. (Refer note 2.1.2)

The following table provides details of expiration of unused tax losses:

(In ₹ crore)

Year	**As at March 31, 2019**
2020	173
2021	80
2022	142
2023	198
2024	187
Thereafter	1,844
Total	**2,624**

The following table provides the details of income tax assets and income tax liabilities as at March 31, 2019 and March 31, 2018:

(In ₹ crore)

Particulars	**As at**	
	March 31, 2019	**March 31, 2018**
Income tax assets	6,743	6,070
Current income tax liabilities	1,567	2,043
Net current income tax asset / (liability) at the end	**5,176**	**4,027**

The gross movement in the current income tax asset/ (liability) for the year ended March 31, 2019 and March 31, 2018 is as follows:

(In ₹ crore)

Particulars	**Year ended March 31,**	
	2019	**2018**
Net current income tax asset/ (liability) at the beginning	4,027	1,831
Translation differences	(1)	-
Income tax paid	6,832	6,829
Current income tax expense	(5,727)	(4,581)
Reclassified under assets held for sale (refer note no. 2.1.2)	23	(35)
Reclassified from held for sale (Refer note 2.1.2)	13	-
Income tax benefit arising on exercise of stock options	8	-
Additions through business combination	(9)	-
Tax impact on buyback expenses	4	-
Income tax on other comprehensive income	6	(17)
Net current income tax asset/ (liability) at the end	**5,176**	**4,027**

The movement in gross deferred income tax assets and liabilities (before set off) for the year ended March 31, 2019 is as follows:

(In ₹ crore)

Particulars	**Carrying value as at April 1, 2018**	**Changes through profit and loss**	**Addition through business combination**	**Changes through OCI**	**Reclassified from Held for Sale, net**	**Translation difference**	**Carrying value as at March 31, 2019**
Deferred income tax assets							
Property, plant and equipment	215	46	-	-	1	-	262
Accrued compensation to employees	12	16	-	-	2	1	31
Trade receivables	141	35	-	-	-	-	176
Compensated absences	366	29	-	-	2	-	397
Post sales client support	98	5	-	-	-	1	104
Derivative financial instruments	13	(14)	-	4	-	1	4
Intangibles	9	6	-	-	-	1	16
Credits related to branch profits	341	(22)	-	-	-	21	340
Others	117	75	-	9	33	(8)	226
Total deferred income tax assets	**1,312**	**176**	**-**	**13**	**38**	**17**	**1,556**
Deferred income tax liabilities							
Intangible asset	(38)	63	(56)	-	(86)	(11)	(128)
Branch profit tax	(505)	(3)	-	-	-	(33)	(541)
Derivative financial instruments	(2)	(97)	-	(11)	-	-	(110)
Others	(26)	(43)	(8)	(1)	(5)	6	(77)
Total Deferred income tax liabilities	**(571)**	**(80)**	**(64)**	**(12)**	**(91)**	**(38)**	**(856)**

The movement in gross deferred income tax assets and liabilities (before set off) for the year ended March 31, 2018 is as follows:

(In ₹ crore)

Particulars	**Carrying value as at April 1, 2017**	**Changes through profit and loss**	**Addition through business combination**	**Changes through OCI**	**Reclassified as Held for Sale, net**	**Translation difference**	**Carrying value as at March 31, 2018**
Deferred income tax assets							
Property, plant and equipment	138	78	-	-	(1)	-	215
Computer software	40	(41)	-	-	-	1	-
Accrued compensation to employees	57	(42)	-	-	(2)	(1)	12
Trade receivables	136	4	-	-	-	1	141
Compensated absences	374	(10)	-	-	(2)	4	366
Post sales client support	97	2	-	-	-	(1)	98
Derivative financial instruments	-	13	-	-	-	-	13
Intangibles	22	(14)	-	-	-	1	9
Credits related to branch profits	-	334	-	-	-	7	341
Others	229	(70)	-	(14)	(33)	5	117
Total deferred income tax assets	**1,093**	**254**	**-**	**(14)**	**(38)**	**17**	**1,312**
Deferred income tax liabilities							
Intangible asset	(206)	85	(2)	-	86	(1)	(38)
Branch profit tax	(327)	(172)	-	-	-	(6)	(505)
Derivative financial instruments	(86)	72	-	13	-	(1)	(2)
Others	(141)	101	-	13	5	(4)	(26)
Total Deferred income tax liabilities	**(760)**	**86**	**(2)**	**26**	**91**	**(12)**	**(571)**

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

(In ₹ crore)

Particulars	**As at**	
	March 31, 2019	**March 31, 2018**
Deferred income tax assets after set off	1,372	1,282
Deferred income tax liabilities after set off	(672)	(541)

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.

2.16 REVENUE FROM OPERATIONS

Accounting policy

The Group derives revenues primarily from business IT services comprising of software development and related services, consulting and package implementation and from the licensing of software products and platforms across our core and digital offerings ("together called as software related services").

Effective April 1, 2018, the Group adopted Ind AS 115 "Revenue from Contracts with Customers" using the cumulative catch-up transition method, applied to contracts that were not completed as at April 1, 2018. In accordance with the cumulative catch-up transition method , the comparatives have not been retrospectively adjusted. The following is a summary of new and/or revised significant accounting policies related to revenue recognition. Refer Note 1 "Significant Accounting Policies," in the Company's 2018 Annual Report for the policies in effect for revenue prior to April 1, 2018. The effect on adoption of Ind AS 115 was insignificant.

Revenue is recognized upon transfer of control of promised products or services to customers in an amount that reflects the consideration we expect to receive in exchange for those products or services.

Arrangements with customers for software related services are either on a fixed-price, fixed-timeframe or on a time-and-material basis.

Revenue on time-and-material contracts are recognized as the related services are performed and revenue from the end of the last invoicing to the reporting date is recognized as unbilled revenue. Revenue from fixed-price, fixed-timeframe contracts, where the performance obligations are satisfied over time and where there is no uncertainty as to measurement or collectability of consideration, is recognized as per the percentage-of-completion method. When there is uncertainty as to measurement or ultimate collectability, revenue recognition is postponed until such uncertainty is resolved. Efforts or costs expended have been used to measure progress towards completion as there is a direct relationship between input and productivity. Maintenance revenue is recognized ratably over the term of the underlying maintenance arrangement.

Revenues in excess of invoicing are classified as contract assets (which we refer as unbilled revenue) while invoicing in excess of revenues are classified as contract liabilities (which we refer to as unearned revenues).

In arrangements for software development and related services and maintenance services, the Group has applied the guidance in Ind AS 115, Revenue from contract with customer, by applying the revenue recognition criteria for each distinct performance obligation. The arrangements with customers generally meet the criteria for considering software development and related services as distinct performance obligations. For allocating the transaction price, the Group has measured the revenue in respect of each performance obligation of a contract at its relative standalone selling price. The price that is regularly charged for an item when sold separately is the best evidence of its standalone selling price. In cases where the Group is unable to determine the standalone selling price, the Group uses the expected cost plus margin approach in estimating the standalone selling price. For software development and related services, the performance obligations are satisfied as and when the services are rendered since the customer generally obtains control of the work as it progresses.

Revenue from licenses where the customer obtains a "right to use" the licenses is recognized at the time the license is made available to the customer. Revenue from licenses where the customer obtains a "right to access" is recognized over the access period. Arrangements to deliver software products generally have three elements: license, implementation and Annual Technical Services (ATS). The Group has applied the principles under Ind AS 115 to account for revenues from these performance obligations. When implementation services are provided in conjunction with the licensing arrangement and the license and implementation have been identified as two separate performance obligations, the transaction price for such contracts are allocated to each performance obligation of the contract based on their relative standalone selling prices. In the absence of standalone selling price for implementation, the performance obligation is estimated using the expected cost plus margin approach. Where the license is required to be substantially customized as part of the implementation service the entire arrangement fee for license and implementation is considered to be a single performance obligation and the revenue is recognized using the percentage-of-completion method as the implementation is performed. Revenue from client training, support and other services arising due to the sale of software products is recognized as the performance obligations are satisfied. ATS revenue is recognized ratably over the period in which the services are rendered.

The Group accounts for volume discounts and pricing incentives to customers as a reduction of revenue based on the ratable allocation of the discounts/ incentives to each of the underlying performance obligation that corresponds to the progress by the customer towards earning the discount/ incentive. Also, when the level of discount varies with increases in levels of revenue transactions, the company recognizes the liability based on its estimate of the customer's future purchases. If it is probable that the criteria for the discount will not be met, or if the amount thereof cannot be estimated reliably, then discount is not recognized until the payment is probable and the amount can be estimated reliably. The Group recognizes changes in the estimated amount of obligations for discounts in the period in which the change occurs.

Deferred contract costs are incremental costs of obtaining a contract which are recognised as assets and amortized over the term of the contract.

Contract modifications are accounted for when additions, deletions or changes are approved either to the contract scope or contract price. The accounting for modifications of contracts involves assessing whether the services added to an existing contract are distinct and whether the pricing is at the standalone selling price. Services added that are not distinct are accounted for on a cumulative catch up basis, while those that are distinct are accounted for prospectively, either as a separate contract, if the additional services are priced at the standalone selling price, or as a termination of the existing contract and creation of a new contract if not priced at the standalone selling price.

The Group presents revenues net of indirect taxes in its statement of Profit and loss.

Revenues for the year ended March 31, 2019 and March 31, 2018 are as follows:

(In ₹ crore)

Particulars	**Year ended March 31,**	
	2019	**2018**
Revenue from software services	78,359	66,857
Revenue from products and platforms	4,316	3,665
Total revenue from operations	**82,675**	**70,522**

Disaggregate revenue information

The table below presents disaggregated revenues from contracts with customers by geography, offerings and contract-type 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, 2019

(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	16,052	8,792	5,579	5,867	4,336	5,914	3,066	432	50,038
Europe	4,890	3,836	1,897	3,550	3,497	106	2,011	155	19,942
India	1,209	23	56	3	86	137	12	522	2,048
Rest of the world	4,326	905	2,894	970	233	20	114	1,185	10,647
Total	**26,477**	**13,556**	**10,426**	**10,390**	**8,152**	**6,177**	**5,203**	**2,294**	**82,675**
Revenue by offerings									
Services									
Digital	7,543	4,410	3,421	2,993	2,291	1,998	1,085	308	24,049
Core	16,064	8,795	6,822	7,190	5,644	4,087	3,780	1,928	54,310
Subtotal	***23,607***	***13,205***	***10,243***	***10,183***	***7,935***	***6,085***	***4,865***	***2,236***	***78,359***
Products and platforms									
Digital	734	305	177	68	136	86	204	38	1,748
Core	2,136	46	6	139	81	6	134	20	2,568
Subtotal	***2,870***	***351***	***183***	***207***	***217***	***92***	***338***	***58***	***4,316***
Total	**26,477**	**13,556**	**10,426**	**10,390**	**8,152**	**6,177**	**5,203**	**2,294**	**82,675**
Digital	8,277	4,715	3,598	3,061	2,427	2,084	1,289	346	25,797
Core	18,200	8,841	6,828	7,329	5,725	4,093	3,914	1,948	56,878
Revenues by contract type									
Fixed Price	11,600	8,571	6,330	6,033	4,178	3,148	2,430	1,136	43,426
Time & Materials	14,877	4,985	4,096	4,357	3,974	3,029	2,773	1,158	39,249
Total	**26,477**	**13,556**	**10,426**	**10,390**	**8,152**	**6,177**	**5,203**	**2,294**	**82,675**

[(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

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 and Infosys McCamish- insurance platform.

Trade Receivables and Contract Balances

The Group classifies the right to consideration in exchange for deliverables as either a receivable or as unbilled revenue.

A receivable is a right to consideration that is unconditional upon passage of time. Revenue for time and material contracts are recognised as related service are performed. Revenue for fixed price maintenance contracts is recognized on a straight line basis over the period of the contract. Revenues in excess of billings is recorded as unbilled revenue and is classified as a financial asset for these cases as right to consideration is unconditional upon passage of time .

Revenue recognition for fixed price development contracts is based on percentage of completion method. Invoicing to the clients is based on milestones as defined in the contract. This would result in the timing of revenue recognition being different from the timing of billing the customers. Unbilled revenue for fixed price development contracts is classified as non financial asset as the contractual right to consideration is dependent on completion of contractual milestones.

Invoicing in excess of earnings are classified as unearned revenue.

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

During the year ended March 31, 2019 , the company recognized revenue of ₹2,237 crore arising from opening unearned revenue as of April 1, 2018.

During the year ended March 31, 2019 , ₹2,685 crore of unbilled revenue pertaining to fixed price development contracts as of April 1, 2018 has been reclassified to Trade receivables upon billing to customers on completion of milestones.

Performance obligations and remaining performance obligations

The remaining performance obligation disclosure provides the aggregate amount of the transaction price yet to be recognized as at the end of the reporting period and an explanation as to when the 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 basis. Remaining performance obligation estimates are subject to change and are affected by several factors, including terminations, changes in the scope of contracts, periodic revalidations, adjustment for revenue that has not materialized and adjustments for currency.

The aggregate value of performance obligations that are completely or partially unsatisfied as at March 31, 2019, other than those meeting the exclusion criteria mentioned above, is ₹51,274 crore. Out of this, the Group expects to recognize revenue of around 50% within the next one year and the remaining thereafter. This includes contracts that can be terminated for convenience without a substantive penalty since, based on current assessment, the occurrence of the same is expected to be remote.

The impact on account of applying the erstwhile Ind AS 18 Revenue standard instead of Ind AS 115 Revenue from contract with customers on the financials results of the Group for the year ended March 31, 2019 and as at March 31, 2019 is insignificant. On account of adoption of Ind AS 115, unbilled revenues of ₹3,281 crore as at March 31, 2019 has been considered as a Non financial asset.

2.17 OTHER INCOME, NET

Accounting policy

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

Foreign currency

Accounting policy

Functional currency

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

Transactions and translations

Foreign-currency denominated monetary assets and liabilities are translated into the relevant functional currency at exchange rates in effect at the Balance Sheet date. The gains or losses resulting from such translations are included in net profit in the Consolidated Statement of Profit and Loss. Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at fair value are translated at the exchange rate prevalent at the date when the fair value was determined. Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of transaction.

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

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.

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.

Effective April 1, 2018, the Group has adopted Appendix B to Ind AS 21- Foreign Currency Transactions and Advance Consideration which clarifies the date of transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income when an entity has received or paid advance consideration in a foreign currency. The effect on account of adoption of this amendment was insignificant.

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, 2019 and March 31, 2018 are as follows:

(In ₹ crore)

Particulars	**Year ended March 31,**	
	2019	**2018**
Interest income on financial assets carried at amortized cost:		
Tax free bonds and Government bonds	143	143
Deposit with Bank and others	1,261	1,531
Interest income on financial assets carried at fair value through other comprehensive income:		
Non-convertible debentures and certificates of deposit and commercial paper	646	682
Income on investments carried at fair value through profit or loss		
Dividend income on liquid mutual funds	2	4
Gain / (loss) on liquid mutual funds	196	253
Exchange gains/ (losses) on foreign currency forward and options contracts	185	1
Exchange gains/ (losses) on translation of assets and liabilities	133	233
Miscellaneous Income, net	316	464
Total other income	**2,882**	**3,311**

2.18 EXPENSES

(In ₹ crore)

Particulars	**Year ended March 31,**	
	2019	**2018**
Employee benefit expenses		
Salaries including bonus	43,894	37,764
Contribution to provident and other funds	946	828
Share based payments to employees *(Refer note no. 2.11)*	202	84
Staff welfare	273	217
	45,315	**38,893**
Cost of software packages and others		
For own use	930	887
Third party items bought for service delivery to clients	1,623	983
	2,553	**1,870**

Other expenses		
Repairs and maintenance	1,269	1,089
Power and fuel	221	207
Brand and marketing	489	305
Operating lease payments (Refer to Note 2.19)	585	528
Rates and taxes	184	166
Consumables	47	30
Insurance	67	59
Provision for post-sales client support and others	1	142
Commission to non-whole time directors	8	9
Impairment loss recognized / (reversed) under expected credit loss model	248	71
Contributions towards Corporate Social responsibility	266	156
Others	270	162
	3,655	**2,924**

2.19 LEASES

Accounting policy

Leases under which the group assumes substantially all the risks and rewards of ownership are classified as finance leases. When acquired, such assets are capitalized at fair value or present value of the minimum lease payments at the inception of the lease, whichever is lower. Lease payments under operating leases are recognized as an expense on a straight line basis in net profit in the Consolidated Statement of Profit and Loss over the lease term.

The lease rentals charged during the period is as follows:

(In ₹ crore)

Particulars	**Year ended March 31,**	
	2019	**2018**
Lease rentals recognized during the period	585	528

The obligations on long-term, non-cancellable operating leases payable as per the rentals stated in the respective agreements are as follows:

(In ₹ crore)

	As at	
Future minimum lease payable	**March 31, 2019**	**March 31, 2018**
Not later than 1 year	620	456
Later than 1 year and not later than 5 years	1,794	1,388
Later than 5 years	885	874

The operating lease arrangements, are renewable on a periodic basis and for most of the leases extend upto a maximum of ten years from their respective dates of inception and relates to rented premises. Some of these lease agreements have price escalation clauses.

2.20 EMPLOYEE BENEFITS

Accounting policy

Gratuity

The Group provides for gratuity, a defined benefit retirement plan ('the Gratuity Plan') covering eligible employees 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.

Liabilities with regard to the Gratuity Plan are determined by actuarial valuation, performed by an independent actuary, at each Balance Sheet date using the projected unit credit method. The Company fully contributes all ascertained liabilities to the Infosys Limited Employees' Gratuity Fund Trust (the Trust). 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 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 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. 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.

2.20.1 Gratuity

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

(In ₹ crore)

Particulars	As at	
	March 31, 2019	**March 31, 2018**
Change in benefit obligations		
Benefit obligations at the beginning	1,201	1,117
Service cost	157	150
Interest expense	85	73
Remeasurements - Actuarial (gains) / losses	32	(59)
Transfer in	-	28
Curtailment gain	-	-
Benefits paid	(128)	(107)
Translation difference	2	-
Reclassified under held for sale (refer note no 2.1.2)	-	(1)
Reclassified from held for sale (refer note no 2.1.2)	2	
Benefit obligations at the end	**1,351**	**1,201**
Change in plan assets		
Fair value of plan assets at the beginning	1,216	1,195
Interest income	90	80
Remeasurements- Return on plan assets excluding amounts included in interest income	4	13
Contributions	174	35
Benefits paid	(123)	(107)
Fair value of plan assets at the end	**1,361**	**1,216**
Funded status	10	15
Prepaid gratuity benefit	42	43
Accrued gratuity	(32)	(28)

Amount for the year ended March 31, 2019 and March 31, 2018 recognized in the Consolidated Statement of Profit and Loss under employee benefit expense:

(In ₹ crore)

Particulars	Year ended March 31,	
	2019	**2018**
Service cost	157	150
Net interest on the net defined benefit liability/asset	(5)	(7)
Net gratuity cost	**152**	**143**

Amount for the year ended March 31, 2019 and March 31, 2018 recognized in the Consolidated Statement of other comprehensive income:

(In ₹ crore)

Particulars	Year ended March 31,	
	2019	**2018**
Remeasurements of the net defined benefit liability/ (asset)		
Actuarial (gains) / losses	32	(59)
(Return) / loss on plan assets excluding amounts included in the net interest on the net defined benefit liability/(asset)	(4)	(13)
	28	**(72)**

(In ₹ crore)

Particulars	Year ended March 31,	
	2019	**2018**
(Gain)/loss from change in demographic assumptions	(4)	-
(Gain)/loss from change in financial assumptions	30	(41)
(Gain)/loss from experience adjustment	6	(18)
	32	**(59)**

The weighted-average assumptions used to determine benefit obligations as at March 31, 2019 and March 31, 2018 are set out below:

Particulars	As at	
	March 31, 2019	**March 31, 2018**
Discount rate	7.1%	7.5%
Weighted average rate of increase in compensation levels	8.0%	8.0%

The weighted-average assumptions used to determine net periodic benefit cost for the year ended March 31, 2019 and March 31, 2018 are set out below:

Particulars	Year ended March 31,	
	2019	**2018**
Discount rate(%)	7.5	6.9
Weighted average rate of increase in compensation levels(%)	8.0	8.0
Weighted average duration of defined benefit obligation (years)	5.9 years	6.1 years

Assumptions regarding future mortality experience are set in accordance with the published statistics by the Life Insurance Corporation of India.

The Company assesses these assumptions with its projected long-term plans of growth and prevalent industry standards. The discount rate is based on the government securities yield.

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

(in ₹ crore)

Impact from percentage point increase / decrease in	**As at March 31, 2019**
Discount rate	67
Weighted average rate of increase in compensation levels	59

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.

Gratuity is applicable only to employees drawing a salary in Indian rupees and there are no other significant foreign defined benefit gratuity plans.

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, 2019 and March 31, 2018, the plan assets have been primarily invested in insurer managed funds.

Actual return on assets for the year ended March 31, 2019 and March 31, 2018 were ₹95 crore and ₹93 crore, respectively.

The Group expects to contribute ₹162 crore to the gratuity trusts during the remainder of fiscal 2019.

Maturity profile of defined benefit obligation:

(In ₹ crore)

Within 1 year	198
1-2 year	207
2-3 year	216
3-4 year	223
4-5 year	235
5-10 years	1,163

2.20.2 Provident fund

Infosys has an obligation to fund any shortfall on the yield of the trust's investments over the administered interest rates on an annual basis. These administered rates are determined annually predominantly considering the social rather than economic factors and in most cases the actual return earned by the Company has been higher in the past years. The actuary has provided a valuation for provident fund liabilities on the basis of guidance issued by Actuarial Society of India and based on the assumptions provided below there is no shortfall as at March 31, 2019 and March 31, 2018, respectively.

The details of fund and plan asset position are as follows:

(In ₹ crore)

Particulars	As at	
	March 31, 2019	March 31, 2018
Benefit obligation at the period end	5,989	5,160
Net liability recognized in balance sheet	-	-

The plan assets have been primarily invested in government securities.

Assumptions used in determining the present value obligation of the interest rate guarantee under the Deterministic Approach:

Particulars	As at	
	March 31, 2019	March 31, 2018
Government of India (GOI) bond yield	7.1%	7.50%
Remaining term to maturity of portfolio	5.47 years	5.9 years
Expected guaranteed interest rate		
First year	8.65%	8.55%
Thereafter	8.60%	8.55%

The Group contributed ₹543 crore and ₹484 crore to the provident fund during the year ended March 31, 2019 and March 31, 2018, respectively. The same has been recognized in the Consolidated Statement of Profit and Loss under the head employee benefit expense.

2.20.3 Superannuation

The group contributed ₹215 crore and ₹173 crore to the superannuation plan during the year ended March 31, 2019 and March 31, 2018, respectively. The same has been recognized in the Statement of profit and loss account under the head employee benefit expense.

The provident plans are applicable only to employees drawing a salary in Indian rupees and there are no other significant foreign defined benefit plans.

2.20.4 Employee benefit costs include:

(In ₹ crore)

Particulars	Year ended March 31,	
	2019	2018
Salaries and bonus[(1)(2)]	44,405	38,093
Defined contribution plans	307	260
Defined benefit plans	603	540
	45,315	**38,893**

(1) Includes an employee stock compensation cost of ₹202 crore, for the year ended March 31, 2019. Similarly, includes employee stock compensation expense of ₹84 crore for the year ended March 31, 2018 respectively.

(2) Included in the above is a reversal of stock compensation cost of ₹35 crore recorded during the three months ended December 31, 2017 towards forfeiture of stock incentives granted to Dr. Vishal Sikka upon his resignation. Refer note no. 2.11.

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

Accounting policy

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

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

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

Particulars	**Year ended March 31,**	
	2019	**2018**
Basic earnings per equity share - weighted average number of equity shares outstanding[1]	4,347,130,157	4,510,664,644
Effect of dilutive common equivalent shares - share options outstanding	6,290,615	4,483,096
Diluted earnings per equity share - weighted average number of equity shares and common equivalent shares outstanding	**435,34,20,772**	**451,51,47,740**

Information in the table above is adjusted for September 2018 bonus issue (Refer note no 2.11)

[1] *Excludes treasury shares*

For the year ended March 31, 2019 and March 31, 2018, Nil and 3,10,372 (adjusted for September 2018 bonus issue) number of options to purchase equity shares had an anti-dilutive effect respectively.

2.22 CONTINGENT LIABILITIES AND COMMITMENTS (TO THE EXTENT NOT PROVIDED FOR)

(In ₹ crore)

Particulars	**As at**	
	March 31, 2019	**March 31, 2018**
Contingent liabilities :		
Claims against the Company, not acknowledged as debts[1] [Amount paid to statutory authorities ₹5,925 crore (₹6,551 crore)]	3,081	4,802
Commitments :		
Estimated amount of contracts remaining to be executed on capital contracts and not provided for (net of advances and deposits)	1,724	1,452
Other commitments*	86	81

**Uncalled capital pertaining to investments*

[1] As at March 31, 2019, claims against the Group not acknowledged as debts in respect of income tax matters amounted to ₹2,851 crore. These matters are pending before various Appellate Authorities and the management including its tax advisors expect that its position will likely be upheld on ultimate resolution and will not have a material adverse effect on the Group's financial position and results of operations.

Amount paid to statutory authorities against the above tax claims amounted to ₹5,924 crore.

Subsequent to March 31, 2018, the Supreme Court of India ruled favorably in respect of certain income tax claims which have been given effect in the above disclosure of claims as at March 31, 2019.

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

2.23 RELATED PARTY TRANSACTIONS

List of related parties:

Name of subsidiaries	**Country**	**Holdings as at**	
		March 31, 2019	**March 31, 2018**
Infosys Technologies (China) Co. Limited (Infosys China)	China	100%	100%
Infosys Technologies S. de R. L. de C. V. (Infosys Mexico)	Mexico	100%	100%
Infosys Technologies (Sweden) AB. (Infosys Sweden)	Sweden	100%	100%
Infosys Technologies (Shanghai) Company Limited (Infosys Shanghai)	China	100%	100%
Infosys Tecnologia DO Brasil LTDA. (Infosys Brasil)	Brazil	100%	100%
Infosys Nova Holdings LLC. (Infosys Nova)	U.S.	100%	100%
EdgeVerve Systems Limited (EdgeVerve)	India	100%	100%
Infosys Austria GmbH[(1)] (formerly Lodestone Management Consultants GmbH)	Austria	100%	100%
Skava Systems Pvt. Ltd. (Skava Systems)	India	100%	100%
Kallidus Inc. (Kallidus)	U.S.	100%	100%
Infosys Chile SpA[(2)]	Chile	100%	100%
Infosys Arabia Limited[(3)]	Saudi Arabia	70%	70%
Infosys Consulting Ltda.[(3)]	Brazil	99.99%	99.99%
Infosys CIS LLC[(1)(22)]	Russia	-	-
Infosys Luxembourg S.a.r.l [(1)(17)]	Luxembourg	100%	-
Infosys Americas Inc., (Infosys Americas)	U.S.	100%	100%
Infosys Technologies (Australia) Pty. Limited (Infosys Australia)[(4)]	Australia	100%	100%
Infosys Public Services, Inc. USA (Infosys Public Services)	U.S.	100%	100%
Infosys Canada Public Services Inc[(23)]	Canada	-	-
Infosys Canada Public Services Ltd[(24)]	Canada	-	-
Infosys BPM Limited (formerly Infosys BPO Limited)	India	99.98%	99.98%
Infosys (Czech Republic) Limited s.r.o.[(5)]	Czech Republic	99.98%	99.98%
Infosys Poland, Sp z.o.o[(5)]	Poland	99.98%	99.98%
Infosys McCamish Systems LLC [(5)]	U.S.	99.98%	99.98%
Portland Group Pty Ltd[(5)]	Australia	99.98%	99.98%
Infosys BPO Americas LLC.[(5)]	U.S.	99.98%	99.98%
Infosys Consulting Holding AG (Infosys Lodestone)	Switzerland	100%	100%
Lodestone Management Consultants Inc.[(6)(15)]	U.S.	-	100%
Infosys Management Consulting Pty Limited[(6)]	Australia	100%	100%
Infosys Consulting AG[(6)]	Switzerland	100%	100%
Infosys Consulting GmbH[(6)]	Germany	100%	100%
Infosys Consulting SAS[(6)]	France	100%	100%
Infosys Consulting s.r.o.[(6)]	Czech Republic	100%	100%
Infosys Consulting (Shanghai) Co., Ltd.(*formerly Lodestone Management Consultants Co., Ltd)* [(6)]	China	100%	100%
Infy Consulting Company Ltd[(6)]	U.K.	100%	100%
Infy Consulting B.V.[(6)]	The Netherlands	100%	100%
Infosys Consulting Sp. z.o.o[(6)]	Poland	100%	100%
Lodestone Management Consultants Portugal, Unipessoal, Lda. [(6)]	Portugal	100%	100%
S.C. Infosys Consulting S.R.L.[(1)]	Romania	100%	100%
Infosys Consulting S.R.L.[(6)]	Argentina	100%	100%
Infosys Consulting (Belgium) NV (formerly Lodestone Management Consultants (Belgium) S.A.)[(7)]	Belgium	99.90%	99.90%
Panaya Inc. (Panaya)	U.S.	100%	100%
Panaya Ltd. [(8)]	Israel	100%	100%
Panaya GmbH[(8)]	Germany	100%	100%
Panaya Japan Co. Ltd[(4)(8)]	Japan	100%	100%
Noah Consulting LLC (Noah)[(9)]	U.S.	-	-
Noah Information Management Consulting Inc. (Noah Canada)[(10)]	Canada	-	-
Brilliant Basics Holdings Limited (Brilliant Basics)[(11)]	U.K.	100%	100%
Brilliant Basics Limited[(12)]	U.K.	100%	100%
Brilliant Basics (MENA) DMCC[(12)]	Dubai	100%	100%
Infosys Consulting Pte Limited (Infosys Singapore)[(1)]	Singapore	100%	100%
Infosys Middle East FZ LLC[(13)]	Dubai	100%	100%
Fluido Oy[(13)(18)]	Finland	100%	-
Fluido Sweden AB (Extero)[(19)]	Sweden	100%	-
Fluido Norway A/S[(19)]	Norway	100%	-
Fluido Denmark A/S[(19)]	Denmark	100%	-
Fluido Slovakia s.r.o[(19)]	Slovakia	100%	-
Fluido Newco AB[(19)]	Sweden	100%	-
Infosys Compaz PTE. Ltd (formerly Trusted Source Pte. Ltd) [(13)(20)]	Singapore	60%	-
Infosys South Africa (Pty) Ltd[(13)(21)]	South Africa	-	-
WongDoody Holding Company Inc. (WongDoody) [(14)]	U.S.	100%	-
WDW Communications, Inc[(16)]	U.S.	100%	-
WongDoody, Inc[(16)]	U.S.	100%	-

[1] *Wholly-owned subsidiary of Infosys Limited*
[2] *Incorporated effective November 20, 2017*
[3] *Majority owned and controlled subsidiary of Infosys Limited*
[4] *Under liquidation*
[5] *Wholly owned subsidiary of Infosys BPM*
[6] *Wholly owned subsidiaries of Infosys Consulting Holding AG (formerly Lodestone Holding AG)*
[7] *Majority owned and controlled subsidiaries of Infosys Consulting Holding AG (formerly Lodestone Holding AG)*
[8] *Wholly owned subsidiary of Panaya Inc*
[9] *Liquidated effective November 9, 2017*
[10] *Wholly owned subsidiary of Noah. Liquidated effective December 20, 2017*
[11] *On September 8, 2017, Infosys acquired 100% of the voting interests in Brilliant Basics Holding Limited*
[12] *Wholly-owned subsidiary of Brilliant Basics Holding Limited.*
[13] *Wholly-owned subsidiary of Infosys Consulting Pte Ltd*
[14] *On May 22, 2018, Infosys acquired 100% of the voting interest in WongDoody*
[15] *Liquidated effective May 17, 2018*
[16] *Wholly-owned subsidiary of WongDoody*
[17] *Incorporated effective August 6, 2018*
[18] *On October 11, 2018, Infosys Consulting Pte. Ltd, acquired 100% of the voting interests in Fluido Oy and its subsidiaries*
[19] *Wholly-owned subsidiary of Fluido Oy*
[20] *On November 16, 2018 , Infosys Consulting Pte. Ltd, acquired 60% of the voting interest in Infosys Compaz Pte. Ltd*
[21] *Incorporated effective December 19,2018*
[22] *Incorporated effective November 29, 2018*
[23] *Incorporated effective November 27, 2018, wholly owned subsidiary Infosys Public Services Inc*
[24] *Liquidated effective May 9, 2017, wholly owned subsidiary Infosys Public Services Inc*

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

Associate

During the year ended March 31, 2018, the Company has written down the entire carrying value of the investment in its associate DWA Nova LLC amounting to ₹71 crore. DWA Nova LLC has been liquidated w.e.f November 17, 2017

List of other related party

Particulars	**Country**	**Nature of relationship**
Infosys Limited Employees' Gratuity Fund Trust	India	Post-employment benefit plan of Infosys
Infosys Limited Employees' Provident Fund Trust	India	Post-employment benefit plan of Infosys
Infosys Limited Employees' Superannuation Fund Trust	India	Post-employment benefit plan of Infosys
Infosys BPM Limited Employees' Superannuation Fund Trust *(formerly Infosys BPO Limited Employees Superannuation Fund Trust)*	India	Post-employment benefit plan of Infosys BPM
Infosys BPM Limited Employees' Gratuity Fund Trust *(formerly Infosys BPO 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

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

List of key management personnel

Whole-time directors

Salil Parekh appointed as Chief Executive Officer and Managing Director effective January 2, 2018. The appointment is for a term of 5 years with effect from January 2, 2018 to January 1, 2023 and the remuneration is approved by shareholders through postal ballot dated February 20, 2018.

U. B. Pravin Rao, Chief Operating officer appointed as Interim-Chief Executive Officer and Managing Director effective August 18, 2017. Subsequently he stepped down as the interim CEO and Managing Director effective January 2, 2018 and continues as Chief Operating Officer and a whole-time director of the Company.

Dr. Vishal Sikka resigned as Chief Executive Officer and Managing Director effective August 18, 2017 and as Executive Vice Chairman effective August 24, 2017

Non-whole-time directors

Nandan M. Nilekani (appointed as Non-Executive, Non-Independent Chairman effective August 24, 2017)

Micheal Gibbs (appointed as Independent director effective July 13, 2018)

Ravi Venkatesan (resigned from his position as Co-Chairman effective August 24, 2017 and resigned as member of the Board effective May 11, 2018)

Kiran Mazumdar-Shaw

Roopa Kudva

Dr. Punita Kumar-Sinha

D. N. Prahlad

D. Sundaram (appointed effective July 14, 2017)

Prof. Jeffrey Lehman, (resigned effective August 24, 2017)

R. Seshasayee (resigned effective August 24, 2017)

Prof. John Etchemendy (resigned effective August 24, 2017)

Executive Officers

Nilanjan Roy (appointed as Chief Financial Officer effective March 1, 2019)

Jayesh Sanghrajka (appointed as Interim-Chief Financial Officer effective November 17, 2018. He resumed his responsibilities as Deputy Chief Financial Officer effective March 1, 2019)

M.D. Ranganath (resigned as Chief Financial Officer effective November 16, 2018)

Mohit Joshi, President

Rajesh K. Murthy, President (appointed effective October 13, 2016 and resigned effective January 31, 2018)

Ravi Kumar S, President and Deputy Chief Operating Officer

Sandeep Dadlani, President (resigned effective July 14, 2017)

Krishnamurthy Shankar, Group Head - Human Resources

Gopi Krishnan Radhakrishnan - Acting General Counsel (resigned effective June 24, 2017)

Inderpreet Sawhney, Group General Counsel and Chief Compliance Officer (appointed as executive officer effective July 14, 2017)

Company Secretary

A. G. S. Manikantha

Transaction 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,**	
	2019	**2018**
Salaries and other employee benefits to whole-time directors and executive officers [(1)(2)(3)]	96	48
Commission and other benefits to non-executive/independent directors	8	10
Total	**104**	**58**

[(1)] Total employee stock compensation expense for the year ended March 31, 2019 and March 31, 2018, an employee stock compensation charge of ₹33 crore and a reversal of ₹13 crore, respectively, was recorded towards key managerial personnel. (Refer to note 2.11)

[(2)] Includes reversal of stock compensation cost of ₹35 crore recorded during the three months ended September 30, 2017 towards forfeiture of stock incentive granted to Dr. Vishal Sikka upon his resignation (Refer to note 2.11)

[(3)] On December 2, 2017, the Board appointed Salil Parekh as the Chief Executive Officer and Managing Director of the Company with effect from January 2, 2018.

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.	91.63%	62,711	94.5%	14,702	109.7%	79	94.6%	14,781
Indian Subsidiaries								
Infosys BPM	5.89%	4,034	3.83%	596	(4.17%)	(3)	3.80%	593
EdgeVerve	(1.44%)	(988)	2.60%	405	4.17%	3	2.61%	408
Skava Systems	0.07%	49	0.07%	11	0.00%	-	0.07%	11
Foreign Subsidiaries								
Brilliant Basics (MENA)	0.00%	1	0.01%	2	0.00%	-	0.01%	2
Brilliant Basics Holdings	0.02%	12	(0.01%)	(1)	0.00%	-	(0.01%)	(1)
Brilliant Basics Limited	(0.00%)	(2)	0.02%	3	0.00%	-	0.02%	3
Infosys Middle East FZ - LLC	(0.03%)	(21)	0.03%	5	1.39%	1	0.04%	6
Infosys BPO (Poland) SpZ.o.o	0.84%	575	0.18%	28	0.00%	-	0.18%	28
Fluido Denmark A/S	(0.00%)	(3)	(0.01%)	(1)	0.00%	-	(0.01%)	(1)
Fluido Newco AB	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Fluido Norway AS	(0.01%)	(7)	(0.06%)	(10)	0.00%	-	(0.06%)	(10)
Fluido Oy	0.06%	38	0.06%	9	0.00%	-	0.06%	9
Fluido Slovakia s.r.o	0.00%	2	(0.01%)	(1)	0.00%	-	(0.01%)	(1)
Fluido Sweden AB	0.00%	2	(0.01%)	(2)	0.00%	-	(0.01%)	(2)
Infosys America	0.00%	1	0.00%	-	0.00%	-	0.00%	-
Infosys Arabia Limited	0.00%	3	0.00%	-	0.00%	-	0.00%	-
Infosys Australia	0.01%	6	0.00%	-	0.00%	-	0.00%	-
Infosys BPO Americas	0.01%	10	(0.01%)	(2)	0.00%	-	(0.01%)	(2)
Infosys (Czech republic) Limited s.r.o	0.10%	68	0.03%	4	(11.11%)	(8)	(0.03%)	(4)
Infosys Brasil	0.23%	155	(0.53%)	(82)	0.00%	-	(0.52%)	(82)
Infosys China	0.22%	149	(0.01%)	(1)	0.00%	-	(0.01%)	(1)
Infosys Chile	0.01%	5	(0.01%)	(1)	0.00%	-	(0.01%)	(1)
Infosys Luxembourg S.a.r.	0.01%	4	0.00%	-	0.00%	-	0.00%	-
Infosys Mexico	0.28%	193	0.19%	30	0.00%	-	0.19%	30
Infosys Nova	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Infosys Shanghai	1.05%	716	(0.57%)	(89)	0.00%	-	(0.57%)	(89)
Infosys Sweden	0.03%	23	0.00%	-	0.00%	-	0.00%	-
Infosys Public Services	0.67%	456	(0.24%)	(37)	0.00%	-	(0.24%)	(37)
Kallidus	(0.04%)	(27)	(0.53%)	(82)	0.00%	-	(0.52%)	(82)
Infosys Consulting S.R.L.	(0.00%)	(1)	(0.01%)	(2)	0.00%	-	(0.01%)	(2)
Infosys Management Consulting Pty Limited	0.02%	17	0.04%	6	0.00%	-	0.04%	6
Lodestone Management GmbH	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Infosys Consulting (Belgium) SA	(0.03%)	(21)	0.02%	3	0.00%	-	0.02%	3
Infosys Consulting Ltda	(0.18%)	(125)	(0.39%)	(61)	0.00%	-	(0.39%)	(61)
Lodestone Management Consultants China Co., Ltd	(0.25%)	(170)	(0.22%)	(34)	0.00%	-	(0.22%)	(34)
Infosys Consulting s.r.o.	0.00%	1	0.00%	-	0.00%	-	0.00%	-
Infosys Consulting SAS	0.01%	7	0.01%	1	0.00%	-	0.01%	1
Infosys Consulting GmbH	(0.00%)	(1)	0.03%	5	0.00%	-	0.03%	5
Infosys Lodestone	0.34%	234	0.01%	1	0.00%	-	0.01%	1
Infy Consulting B.V.	0.02%	15	0.04%	6	0.00%	-	0.04%	6
Infosys Consulting Sp. z o.o.	0.02%	14	0.05%	8	0.00%	-	0.05%	8
Lodestone Management Consultants Portugal, Unip	0.01%	4	0.01%	1	0.00%	-	0.01%	1
S.C. Infosys Consulting S.R.L.	0.03%	22	0.02%	3	0.00%	-	0.02%	3
Infosys Consulting Pte Ltd	(0.01%)	(6)	(0.03%)	(4)	0.00%	-	(0.03%)	(4)
Infosys Consulting AG	0.20%	137	0.37%	58	0.00%	-	0.37%	58
Infy Consulting Company Ltd.	0.05%	33	0.16%	25	0.00%	-	0.16%	25
Lodestone management Consultants Inc	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Infosys McCamish Systems LLC	0.39%	264	0.55%	86	0.00%	-	0.55%	86
Noah	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Noah Canada	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Panaya GmbH	(0.00%)	(1)	0.01%	1	0.00%	-	0.01%	1
Panaya Inc	0.18%	122	0.02%	3	0.00%	-	0.02%	3
Panaya Japan Co Ltd	(0.00%)	(1)	0.00%	-	0.00%	-	0.00%	-
Panaya Limited	(0.80%)	(546)	(0.54%)	(84)	0.00%	-	(0.54%)	(84)
Portland Group Pty Ltd	0.17%	114	0.05%	8	0.00%	-	0.05%	8
Trusted Source Private Ltd	0.15%	106	0.10%	16	0.00%	-	0.10%	16
WDW Communications, Inc.	(0.22%)	(153)	(0.11%)	(17)	0.00%	-	(0.11%)	(17)
WongDoody Holding Company	(0.00%)	(1)	(0.01%)	(2)	0.00%	-	(0.01%)	(2)
WongDoody, Inc.	0.31%	210	0.24%	37	0.00%	-	0.24%	37
Subtotal	**100.00%**	**68,439**	**100%**	**15,550**	**100%**	**72**	**100%**	**15,622**
Adjustment arising out of consolidation		(3,648)		(175)		62		(113)
Minority interest in subsidiaries		58		(6)		-		(6)
Controlled Trusts		157		41		-		41
Total		**65,006**		**15,410**		**134**		**15,544**

2.24 SEGMENT REPORTING

Ind AS 108 establishes standards for the way that public business enterprises report information about operating segments and related disclosures about products and services, geographic areas, and major customers. The Group's operations predominantly relate to providing end-to-end business solutions to enable clients to enhance business performance.

During the three months ended June 30, 2018, the Group internally reorganized some of its business segments to deepen customer relationships, improve focus of sales investments and increase management oversight. Consequent to the internal reorganization, there were changes in the reportable business segments based on "Management approach" as defined under Ind AS 108, Operating Segments. Therefore, enterprises in Insurance which was earlier considered under the Life Sciences, Healthcare and Insurance business segment are now considered under the Financial Services business segment and enterprises in Communication, Telecom OEM and Media which was earlier under Energy & Utilities, Communication and Services is now shown as a separate business segment. Segmental operating income has changed in line with these as well as changes in the allocation method. The 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. Consequent to the above change in the composition of reportable business segments, the prior year comparatives for the year ended March 31, 2018 have been restated.

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 centres and on-site expenses, which are categorized in relation to the associated efforts of the segment. Certain expenses such as depreciation, 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.

Business Segments

Year ended March 31, 2019 and March 31, 2018:

(In ₹ crore)

Particulars	Financial Services	Retail	Communication	Energy, Utilities, Resources and Services	Manufacturing	Hi-Tech	Life Sciences	All other segments	Total
Revenue from operations	26,477	13,556	10,426	10,390	8,152	6,177	5,203	2,294	**82,675**
	23,172	*11,345*	*8,883*	*8,297*	*6,671*	*5,131*	*4,698*	*2,325*	*70,522*
Identifiable operating expenses	14,164	6,823	5,720	5,661	4,513	3,546	2,756	1,415	**44,598**
	12,107	*5,668*	*4,527*	*4,204*	*3,881*	*2,774*	*2,447*	*1,342*	*36,950*
Allocated expenses	5,435	2,699	2,189	2,187	1,786	1,083	1,028	763	**17,170**
	4,695	*2,374*	*1,737*	*1,682*	*1,516*	*911*	*860*	*784*	*14,559*
Segmental operating income	**6,878**	**4,034**	**2,517**	**2,542**	**1,853**	**1,548**	**1,419**	**116**	**20,907**
	6,370	*3,303*	*2,619*	*2,411*	*1,274*	*1,446*	*1,391*	*199*	*19,013*
Unallocable expenses									2,027
									1,865
Other income, net									2,882
									3,311
Reduction in the fair value of Disposal Group held for sale (Refer to note 2.1.2)									(270)
									(118)
Adjustment in respect of excess of carrying amount over recoverable amount on reclassification from "Held for Sale" (Refer to note 2.1.2)									(451)
									-
Share in net profit/(loss) of associate, including impairment									-
									(71)
Profit before tax									**21,041**
									20,270
Tax expense									5,631
									4,241
Profit for the period									**15,410**
									16,029
Depreciation and amortization expense									2,011
									1,863
Non-cash expenses other than depreciation and amortization									740
									191

2.14.3 The following table sets forth our revenue by geography for the year ended March 31, 2019 and March 31, 2018

(In ₹ crore)

	North America	Europe	India	Rest of the World	Total
2019	**50,038**	**19,942**	**2,048**	**10,647**	**82,675**
2018	*42,575*	*16,738*	*2,231*	*8,978*	*70,522*

Significant clients

No client individually accounted for more than 10% of the revenues in the year ended March 31, 2019 and March 31, 2018.

2.25 FUNCTION WISE CLASSIFICATION OF CONSOLIDATED STATEMENT OF PROFIT AND LOSS

(In ₹ crore)

Particulars	Note no	Year ended March 31,	
		2019	**2018**
Revenue from operations	2.16	82,675	70,522
Cost of Sales		53,867	45,130
Gross profit		**28,808**	**25,392**
Operating expenses			
Selling and marketing expenses		4,473	3,560
General and administration expenses		5,455	4,684
Total operating expenses		9,928	8,244
Operating profit		**18,880**	**17,148**
Reduction in the fair value of Disposal Group held for sale	2.1.2	(270)	(118)
Adjustment in respect of excess of carrying amount over recoverable amount on reclassification from "Held for Sale"	2.1.2	(451)	-
Other income, net	2.17 and 2.1.2	2,882	3,311
Profit before non controlling interest / Share in net profit / (loss) of associate		**21,041**	**20,341**
Share in net profit/(loss) of associate, including impairment	2.23	-	(71)
Profit before tax		**21,041**	**20,270**
Tax expense:			
Current tax		5,727	4,581
Deferred tax		(96)	(340)
Profit for the period		**15,410**	**16,029**
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss			
Remeasurement of the net defined benefit liability/asset	2.20 and 2.15	(22)	55
Equity instruments through other comprehensive income, net	2.4 and 2.15	70	7
		48	**62**
Items that will be reclassified subsequently to profit or loss			
Fair value changes on derivatives designated as cash flow hedge, net	2.10 and 2.15	21	(39)
Exchange differences on translation of foreign operations, net		63	321
Fair value changes on investments, net	2.4 and 2.15	2	(1)
		86	**281**
Total other comprehensive income / (loss), net of tax		**134**	**343**
Total comprehensive income for the period		**15,544**	**16,372**
Profit attributable to:			
Owners of the Company		15,404	16,029
Non-controlling interests		6	-
		15,410	**16,029**
Total comprehensive income attributable to:			
Owners of the Company		15,538	16,372
Non-controlling interests		6	-
		15,544	**16,372**

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

Nandan M. Nilekani	Salil Parekh	U. B. Pravin Rao
Chairman	*Chief Executive officer and Managing Director*	Chief Operating Officer *and Whole-time Director*
D. Sundaram	Nilanjan Roy	A. G. S. Manikantha
Director	*Chief Financial Officer*	Company Secretary

Bengaluru
April 12, 2019

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, 2019, 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 ended on that date, and a summary of the 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 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, 2019, the consolidated profit, 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 consolidated financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act (SAs). 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 independence 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 we have obtained 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	***Accuracy of recognition, measurement, presentation and disclosures of revenues and other related balances in view of adoption of Ind AS 115 "Revenue from Contracts with Customers" (new revenue accounting standard)***
	
	The application of the new revenue accounting standard involves certain key judgements relating to identification of distinct performance obligations, determination of transaction price of the identified performance obligations, the appropriateness of the basis used to measure revenue recognised over a period. Additionally, new revenue accounting standard contains disclosures which involves collation of information in respect of disaggregated revenue and periods over which the remaining performance obligations will be satisfied subsequent to the balance sheet date.
	
	Refer Notes 1.5a and 2.16 to the Consolidated Financial Statements
		<u>Principal Audit Procedures</u>
		
		We assessed the Group's process to identify the impact of adoption of the new revenue accounting standard.
		Our audit approach consisted testing of the design and operating effectiveness of the internal controls and substantive testing as follows:
		• Evaluated the design of internal controls relating to implementation of the new revenue accounting standard.
		• Selected a sample of continuing and new contracts, and tested the operating effectiveness of the internal control, relating to identification of the distinct performance obligations and determination of transaction price. We carried out a combination of procedures involving enquiry and observation, reperformance and inspection of evidence in respect of operation of these controls.
		• Tested the relevant information technology systems' access and change management controls relating to contracts and related information used in recording and disclosing revenue in accordance with the new revenue accounting standard.
		• Selected a sample of continuing and new contracts and performed the following procedures:
		   • Read, analysed and identified the distinct performance obligations in these contracts.
		   • Compared these performance obligations with that identified and recorded by the Group.
		   • Considered the terms of the contracts to determine the transaction price including any variable consideration to verify the transaction price used to compute revenue and to test the basis of estimation of the variable consideration.
		   • Samples in respect of revenue recorded for time and material contracts were tested using a combination of approved time sheets including customer acceptances, subsequent invoicing and historical trend of collections and disputes.
		   • In respect of samples relating to fixed price contracts, progress towards satisfaction of performance obligation used to compute recorded revenue was verified with actual and estimated efforts from the time recording and budgeting systems. We also tested the access and change management controls relating to these systems.
		   • Sample of revenues disaggregated by type and service offerings was tested with the performance obligations specified in the underlying contracts.
		   • Performed analytical procedures for reasonableness of revenues disclosed by type and service offerings.
		   • We reviewed the collation of information and the logic of the report generated from the budgeting system used to prepare the disclosure relating to the periods over which the remaining performance obligations will be satisfied subsequent to the balance sheet date.

2	***Accuracy of revenues and onerous obligations in respect of fixed price***	***<u>Principal Audit Procedures</u>*** Our audit approach was a combination of test of internal controls and substantive procedures which included the following:

	contracts involves critical estimates Estimated effort is a critical estimate to determine revenues and liability for onerous obligations. This estimate has a high inherent uncertainty as it requires consideration of progress of the contract, efforts incurred till date and efforts required to complete the remaining contract performance obligations. Refer Notes 1.5a and 2.16 to the Consolidated Financial Statements.	• Evaluated the design of internal controls relating to recording of efforts incurred and estimation of efforts required to complete the performance obligations. • Tested the access and application controls pertaining to time recording, allocation and budgeting systems which prevents unauthorised changes to recording of efforts incurred. • Selected a sample of contracts and through inspection of evidence of performance of these controls, tested the operating effectiveness of the internal controls relating to efforts incurred and estimated. • Selected a sample of contracts and performed a retrospective review of efforts incurred with estimated efforts to identify significant variations and verify whether those variations have been considered in estimating the remaining efforts to complete the contract. • Reviewed a sample of contracts with unbilled revenues to identify possible delays in achieving milestones, which require change in estimated efforts to complete the remaining performance obligations. • Performed analytical procedures and test of details for reasonableness of incurred and estimated efforts.
3	***Evaluation of uncertain tax positions*** The Group has material uncertain tax positions including matters under dispute which involves significant judgment to determine the possible outcome of these disputes. Refer Notes 1.5b and 2.22 to the Consolidated Financial Statements	***Principal Audit Procedures*** Obtained details of completed tax assessments and demands for the year ended March 31, 2019 from management. We involved our internal experts to challenge the management's underlying assumptions in estimating the tax provision and the possible outcome of the disputes. Our internal experts also considered legal precedence and other rulings in evaluating management's position on these uncertain tax positions. Additionally, we considered the effect of new information in respect of uncertain tax positions as at April 1, 2018 to evaluate whether any change was required to management's position on these uncertainties.
4	***Recoverability of Indirect tax receivables*** As at March 31, 2019, non-current assets in respect of withholding tax and others includes Cenvat recoverable amounting to ₹ 523 crores which are pending adjudication. Refer Note 2.9 to the Consolidated Financial Statements.	***Principal Audit Procedures*** We have involved our internal experts to review the nature of the amounts recoverable, the sustainability and the likelihood of recoverability upon final resolution.

Information Other than the Consolidated 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 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 and, in doing so, 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 Responsibility 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 preparation of these 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 and other accounting principles generally accepted in India . The respective Board of Directors of the companies included in the Group are responsible for maintenance of the 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 consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error..

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the Group'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 Group or to cease operations, or has no realistic alternative but to do so.

The respective Board 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 skepticism 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 controls 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 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 or business activities within the Group to express an opinion on the 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 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 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 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 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 (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, read with Rule 7 of the Companies (Accounts) Rules, 2014.

e) On the basis of the written representations received from the directors of the Company as on March 31, 2019 taken on record by the Board of Directors of the Company and its subsidiaries incorporated in India 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, 2019 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 auditor's reports of the Company and its subsidiary companies incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the internal financial control over financial reporting of those companies, for reasons stated therein.

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 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.

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

P. R. RAMESH
(Membership No. 70928)

Bengaluru, April 12, 2019

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, 2019, we have audited the internal financial controls over financial reporting of **INFOSYS LIMITED** (hereinafter referred to as "Company") and its subsidiary companies, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The Board 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 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 financ ial 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, 2019, 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.

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

P. R. RAMESH
Partner
(Membership No. 70928)

Bengaluru, April 12, 2019

INFOSYS LIMITED AND SUBSIDIARIES

Consolidated Financial Statements under Indian Accounting Standards (Ind AS) for the three months and year ended March 31, 2019

Index **Page No.**

INFOSYS LIMITED AND SUBSIDIARIES

(In ₹ crore)

Consolidated Balance Sheets as at	Note No.	March 31, 2019	March 31, 2018
ASSETS			
Non-current assets			
Property, plant and equipment	2.2	11,479	10,116
Capital work-in-progress		1,388	1,606
Goodwill	2.3.1 and 2.1	3,540	2,211
Other intangible assets	2.3.2	691	247
Investment in associate	2.23	-	-
Financial assets:			
Investments	2.4	4,634	5,756
Loans	2.5	19	36
Other financial assets	2.6	312	284
Deferred tax assets (net)	2.15	1,372	1,282
Income tax assets (net)	2.15	6,320	6,070
Other non-current assets	2.9	2,105	2,265
Total non-current assets		**31,860**	**29,873**
Current assets			
Financial assets:			
Investments	2.4	6,627	6,407
Trade receivables	2.7	14,827	13,142
Cash and cash equivalents	2.8	19,568	19,818
Loans	2.5	241	239
Other financial assets	2.6	5,505	6,684
Income tax assets (net)	2.15	423	-
Other Current assets	2.9	5,687	1,667
		52,878	**47,957**
Assets held for sale	2.1.2	-	2,060
Total current assets		**52,878**	**50,017**
Total assets		**84,738**	**79,890**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	2.11	2,170	1,088
Other equity		62,778	63,835
Total equity attributable to equity holders of the Company		64,948	64,923
Non-controlling interests		58	1
Total equity		**65,006**	**64,924**
Liabilities			
Non-current liabilities			
Financial Liabilities			
Other financial liabilities	2.12	147	61
Deferred tax liabilities (net)	2.15	672	541
Other non-current liabilities	2.13	275	259
Total non-current liabilities		**1,094**	**861**
Current liabilities			
Financial Liabilities			
Trade payables		1,655	694
Other financial liabilities	2.12	10,452	6,946
Other current liabilities	2.13	4,388	3,606
Provisions	2.14	576	492
Income tax liabilities (net)	2.15	1,567	2,043
		18,638	**13,781**
Liabilities directly associated with assets held for sale	2.1.2	-	324
Total current liabilities		**18,638**	**14,105**
Total equity and liabilities		**84,738**	**79,890**

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

P. R. Ramesh
Partner
Membership No. 70928

Nandan M. Nilekani
Chairman

Salil Parekh
Chief Executive officer and Managing Director

U. B. Pravin Rao
Chief Operating Officer and Whole-time Director

Bengaluru
April 12, 2019

D. Sundaram
Director

Nilanjan Roy
Chief Financial Officer

A. G. S. Manikantha
Company Secretary

INFOSYS LIMITED AND SUBSIDIARIES

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

Consolidated Statement of Profit and Loss		Three months ended March 31,		Year ended March 31,	
	Note No.	2019	2018	2019	2018
Revenue from operations	2.16	21,539	18,083	82,675	70,522
Other income, net	2.17	665	652	2,882	3,311
Total income		**22,204**	**18,735**	**85,557**	**73,833**
Expenses					
Employee benefit expenses	2.18	12,074	10,054	45,315	38,893
Cost of technical sub-contractors		1,601	1,107	6,033	4,297
Travel expenses		603	492	2,433	1,995
Cost of software packages and others	2.18	689	466	2,553	1,870
Communication expenses		115	113	471	489
Consultancy and professional charges		376	282	1,324	1,043
Depreciation and amortization expenses	2.2 and 2.3.2	531	458	2,011	1,863
Other expenses	2.18	932	639	3,655	2,924
Reduction in the fair value of Disposal Group held for sale	2.1.2	-	118	270	118
Adjustment in respect of excess of carrying amount over recoverable amount on reclassification from "Held for Sale"	2.1.2	-	-	451	-
Total expenses		**16,921**	**13,729**	**64,516**	**53,492**
Profit before non-controlling interests/share in net profit/(loss) of associate		**5,283**	**5,006**	**21,041**	**20,341**
Share in net profit/(loss) of associate, including impairment	2.23	-	-	-	(71)
Profit before tax		**5,283**	**5,006**	**21,041**	**20,270**
Tax expense:					
Current tax	2.15	1,193	1,466	5,727	4,581
Deferred tax	2.15	12	(150)	(96)	(340)
Profit for the period		**4,078**	**3,690**	**15,410**	**16,029**
Other comprehensive income					
Items that will not be reclassified subsequently to profit or loss					
Remeasurement of the net defined benefit liability/asset. net	2.20 and 2.15	(3)	34	(22)	55
Equity instruments through other comprehensive income, net	2.4 and 2.15	1	9	70	7
		(2)	**43**	**48**	**62**
Items that will be reclassified subsequently to profit or loss					
Fair value changes on derivatives designated as cash flow hedge, net	2.10 and 2.15	(15)	2	21	(39)
Exchange differences on translation of foreign operations		(70)	200	63	321
Fair value changes on investments, net	2.4 and 2.15	25	(15)	2	(1)
		(60)	**187**	**86**	**281**
Total other comprehensive income /(loss), net of tax		**(62)**	**230**	**134**	**343**
Total comprehensive income for the period		**4,016**	**3,920**	**15,544**	**16,372**
Profit attributable to:					
Owners of the Company		4,074	3,690	15,404	16,029
Non-controlling interests		4	-	6	-
		4,078	**3,690**	**15,410**	**16,029**
Total comprehensive income attributable to:					
Owners of the Company		4,012	3,920	15,538	16,372
Non-controlling interests		4	-	6	-
		4,016	**3,920**	**15,544**	**16,372**
Earnings per Equity share					
Equity shares of par value ₹5/- each					
Basic (₹)		9.37	8.49	35.44	35.53
Diluted (₹)		9.36	8.48	35.38	35.50
Weighted average equity shares used in computing earnings per equity share	2.21				
Basic		4,347,129,592	4,346,554,120	4,347,130,157	4,510,664,644
Diluted		4,353,023,863	4,349,617,024	4,353,420,772	4,515,147,740

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

P. R. Ramesh
Partner
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Bengaluru
April 12, 2019

D. Sundaram
Director

Nilanjan Roy
Chief Financial Officer

A. G. S. Manikantha
Company Secretary

INFOSYS LIMITED AND SUBSIDIARIES

Consolidated Statement of Changes in Equity

(In ₹ crore)

Particulars		OTHER EQUITY														
		RESERVES & SURPLUS								Other comprehensive income						
	Equity Share capital (1)	Securities Premium	Retained earnings	Capital reserve	General reserve	Share Options Outstanding Account	Special Economic Zone Re-investment reserve (2)	Other reserves(3)	Capital redemption reserve	Equity instruments through other comprehensive income	Exchange differences on translating the financial statements of a foreign operation	Effective portion of Cash Flow Hedges	Other items of other comprehensive income / (loss)	Total equity attributable to equity holders of the Company	Non-controlling interest	Total equity
Balance as at April 1, 2017	**1,144**	**2,216**	**52,882**	**54**	**12,135**	**120**	**-**	**5**	**-**	**(5)**	**458**	**39**	**(66)**	**68,982**	**-**	**68,982**
Changes in equity for the year ended March 31, 2018																
Profit for the period	-	-	16,029	-	-	-	-	-	-	-	-	-	-	16,029	-	16,029
Remeasurement of the net defined benefit liability/asset* (refer note no. 2.20.1 and 2.15)	-	-	-	-	-	-	-	-	-	-	-	-	55	55	-	55
Equity instruments through other comprehensive income* (refer to note no.2.4)	-	-	-	-	-	-	-	-	-	7	-	-	-	7	-	7
Fair value changes on derivatives designated as cash flow hedge*(refer note no. 2.10)	-	-	-	-	-	-	-	-	-	-	-	(39)	-	(39)	-	(39)
Exchange differences on translation of foreign operations	-	-	-	-	-	-	-	-	-	-	321	-	-	321	-	321
Fair value changes on investments, net* (refer to note no.2.4)	-	-	-	-	-	-	-	-	-	-	-	-	(1)	(1)	-	(1)
Total Comprehensive income for the period	**-**	**-**	**16,029**	**-**	**-**	**-**	**-**	**-**	**-**	**7**	**321**	**(39)**	**54**	**16,372**	**-**	**16,372**
Exercise of stock options (refer note no. 2.11)	-	67	-	-	2	(69)	-	-	-	-	-	-	-	-	-	-
Dividends (including dividend distribution tax)	-	-	(7,469)	-	-	-	-	-	-	-	-	-	-	(7,469)	-	(7,469)
Non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1	1
Transfer to general reserve	-	-	(1,382)	-	1,382	-	-	-	-	-	-	-	-	-	-	-
Amount paid upon buyback (refer to note no. 2.11)	(56)	(2,206)	-	-	(10,738)	-	-	-	-	-	-	-	-	(13,000)	-	(13,000)
Amount transferred to capital redemption reserve upon buyback (refer to note no. 2.11)	-	-	-	-	(56)	-	-	-	56	-	-	-	-	-	-	-
Transaction costs related to buyback* (refer to note no.2.11)	-	(46)	-	-	-	-	-	-	-	-	-	-	-	(46)	-	(46)
Transferred to Special Economic Zone Re-investment reserve	-	-	(2,200)	-	-	-	2,200	-	-	-	-	-	-	-	-	-
Transferred from Special Economic Zone Re-investment reserve on utilization	-	-	617	-	-	-	(617)	-	-	-	-	-	-	-	-	-
Share issued on exercise of stock options (Refer to 2.11)	-	5	-	-	-	-	-	-	-	-	-	-	-	5	-	5
Share based payments to employees (refer note no. 2.11)	-	-	-	-	-	79	-	-	-	-	-	-	-	79	-	79
Balance as at March 31, 2018	**1,088**	**36**	**58,477**	**54**	**2,725**	**130**	**1,583**	**5**	**56**	**2**	**779**	**-**	**(12)**	**64,923**	**1**	**64,924**

Consolidated Statement of Changes in Equity (contd.)

(In ₹ crore)

Particulars	Equity Share capital [(1)]	OTHER EQUITY: RESERVES & SURPLUS: Securities Premium	Retained earnings	Capital reserve	General reserve	Share Options Outstanding Account	Special Economic Zone Re-investment reserve [(2)]	Other reserves[(3)]	Capital redemption reserve	Other comprehensive income: Equity instruments through Other comprehensive income	Exchange differences on translating the financial statements of a foreign operation	Effective portion of Cash Flow Hedges	Other items of other comprehensive income / (loss)	Total equity attributable to equity holders of the Company	Non-controlling interest	Total equity
Balance as at April 1, 2018	**1,088**	**36**	**58,477**	**54**	**2,725**	**130**	**1,583**	**5**	**56**	**2**	**779**	**-**	**(12)**	**64,923**	**1**	**64,924**
Changes in equity for the year ended March 31, 2019																
Profit for the period	-	-	15,404	-	-	-	-	-	-	-	-	-	-	15,404	6	15,410
Remeasurement of the net defined benefit liability/asset* (refer note no. 2.20.1 and 2.15)	-	-	-	-	-	-	-	-	-	-	-	-	(22)	(22)	-	(22)
Equity instruments through other comprehensive income* (refer to note no.2.4)	-	-	-	-	-	-	-	-	-	70	-	-	-	70	-	70
Fair value changes on derivatives designated as cash flow hedge* (refer note no. 2.10)	-	-	-	-	-	-	-	-	-	-	-	21	-	21	-	21
Exchange differences on translation of foreign operations	-	-	-	-	-	-	-	-	-	-	63	-	-	63	-	63
Fair value changes on investments* (refer to note no.2.4)	-	-	-	-	-	-	-	-	-	-	-	-	2	2	-	2
Total Comprehensive income for the period	**-**	**-**	**15,404**	**-**	**-**	**-**	**-**	**-**	**-**	**70**	**63**	**21**	**(20)**	**15,538**	**6**	**15,544**
Share based payments to employees (refer to note no. 2.11)	-	-	-	-	-	197	-	-	-	-	-	-	-	197	-	197
Increase in Equity share capital on account of bonus issue (refer to note no. 2.11)	1,088	-	-	-	-	-	-	-	-	-	-	-	-	1,088	-	1,088
Shares issued on exercise of employee stock options - after bonus issue (Refer to note 2.11)	-	6	-	-	-	-	-	-	-	-	-	-	-	6	-	6
Buyback of equity shares (Refer to note 2.11 & 2.12)	(6)	-	-	-	(1,994)	-	-	-	-	-	-	-	-	(2,000)	-	(2,000)
Transaction costs relating to buyback* (refer to note no.2.11)	-	-	-	-	(12)	-	-	-	-	-	-	-	-	(12)	-	(12)
Amount transferred to capital redemption reserve upon buyback (refer to note no. 2.11)	-	-	-	-	(5)	-	-	-	5	-	-	-	-	-	-	-
Amounts utilized for bonus issue (refer to note no. 2.11)	-	-	-	-	(1,088)	-	-	-	-	-	-	-	-	(1,088)	-	(1,088)
Exercise of stock options (refer to note no. 2.11)	-	99	-	-	-	(99)	-	-	-	-	-	-	-	-	-	-
Transfer on account of options not exercised	-	-	-	-	1	(1)	-	-	-	-	-	-	-	-	-	-
Income tax benefit arising on exercise of stock options	-	8	-	-	-	-	-	-	-	-	-	-	-	8	-	8
Amount transferred to other reserves	-	-	(1)	-	-	-	-	1	-	-	-	-	-	-	-	-
Dividends (including dividend distribution tax)	-	-	(13,712)	-	-	-	-	-	-	-	-	-	-	(13,712)	-	(13,712)
Non-controlling interests on acquisition of subsidiary (refer to note no.2.11)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	51	51
Transfer to general reserve	-	-	(1,615)	-	1,615	-	-	-	-	-	-	-	-	-	-	-
Transferred to Special Economic Zone Re-investment reserve	-	-	(2,417)	-	-	-	2,417	-	-	-	-	-	-	-	-	-
Transferred from Special Economic Zone Re-investment reserve on utilization	-	-	1,430	-	-	-	(1,430)	-	-	-	-	-	-	-	-	-
Balance as at March 31, 2019	**2,170**	**149**	**57,566**	**54**	**1,242**	**227**	**2,570**	**6**	**61**	**72**	**842**	**21**	**(32)**	**64,948**	**58**	**65,006**

** Net of tax*

[(1)] Net of treasury shares

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

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

The accompanying notes form an integral part of the 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

P. R. Ramesh
Partner
Membership No. 70928

Nandan M. Nilekani
Chairman

Salil Parekh
Chief Executive officer and Managing Director

U. B. Pravin Rao
Chief Operating Officer and Whole-time Director

Bengaluru
April 12, 2019

D. Sundaram
Director

Nilanjan Roy
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, 2019**	**2018**
Cash flow from operating activities			
Profit for the period		15,410	16,029
Adjustments to reconcile net profit to net cash provided by operating activities:			
Income tax expense	2.15	5,631	4,241
Depreciation and amortization	2.2 and 2.3.2	2,011	1,863
Interest and dividend income		(2,052)	(2,360)
Impairment loss recognized / (reversed) under expected credit loss model		239	34
Exchange differences on translation of assets and liabilities		66	16
Reduction in the fair value of Disposal Group held for sale	2.1.2	270	118
Adjustment in respect of excess of carrying amount over recoverable amount on reclassification from "Held for Sale"	2.1.2	451	-
Share in net profit/(loss) of associate, including impairment		-	71
Stock compensation expense	2.11	202	84
Other adjustments		(102)	(133)
Changes in assets and liabilities			
Trade receivables and unbilled revenue		(2,881)	(1,523)
Loans, other financial assets and other assets		(700)	(186)
Trade payables		916	328
Other financial liabilities, other liabilities and provisions		2,212	1,465
Cash generated from operations		**21,673**	**20,047**
Income taxes paid		(6,832)	(6,829)
Net cash generated by operating activities		**14,841**	**13,218**
Cash flows from investing activities			
Expenditure on property, plant and equipment		(2,445)	(1,998)
Loans to employees		14	28
Deposits placed with corporation		(24)	(130)
Interest and dividend received		1,557	1,768
Payment towards acquisition of business, net of cash acquired		(550)	(33)
Payment of contingent consideration pertaining to acquisition of business		(18)	(27)
Advance payment towards acquisition of business		(206)	-
Escrow and other deposits pertaining to buyback	2.6	(257)	-
Payments to acquire Investments			
Preference and equity securities		(21)	(23)
Tax free bonds and government bonds		(17)	(2)
Liquid mutual funds and fixed maturity plan securities		(78,355)	(62,063)
Non convertible debentures		(160)	(104)
Certificates of deposit		(2,393)	(6,653)
Government securities		(838)	-
Commercial paper		(491)	(291)
Others		(19)	(23)
Proceeds on sale of financial assets			
Tax free bonds and government bonds		1	15
Non-convertible debentures		738	100
Government security		123	-
Commercial paper		300	-
Certificates of deposit		5,540	9,690
Liquid mutual funds and fixed maturity plan securities		76,821	64,163
Preference and equity securities		115	35
Others		10	-
Net cash (used in)/from in investing activities		**(575)**	**4,452**

Cash flows from financing activities:			
Payment of dividends (including dividend distribution tax)		(13,705)	(7,464)
Shares issued on exercise of employee stock options		6	5
Buyback of equity shares including transaction cost		(813)	(13,046)
Net cash used in financing activities		**(14,512)**	**(20,505)**
Net increase / (decrease) in cash and cash equivalents		(246)	(2,835)
Cash and cash equivalents at the beginning of the period	2.8	19,871	22,625
Effect of exchange rate changes on cash and cash equivalents		(57)	81
Cash and cash equivalents at the end of the period	2.8	**19,568**	**19,871**
Supplementary information:			
Restricted cash balance	2.8	358	533

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

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Bengaluru
April 12, 2019

D. Sundaram
Director

Nilanjan Roy
Chief Financial Officer

A. G. S. Manikantha
Company Secretary

INFOSYS LIMITED AND SUBSIDIARIES

Notes to the interim consolidated financial statements

1. Overview

1.1 Company overview

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

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 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).

Further, the Company's ADS were also listed on the Euronext London and Euronext Paris. On July 5, 2018, the Company voluntarily delisted its ADS from the said exchanges due to low average daily trading volume of its ADS on these exchanges.

The Group's interim consolidated financial statements are approved for issue by the Company's Board of Directors on April 12, 2019.

1.2 Basis of preparation of financial statements

These interim consolidated financial statements are prepared in accordance with Indian Accounting Standard 34 (Ind AS 34), 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 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-end figures reported in this statement.

1.3 Basis of consolidation

Infosys consolidates entities which it owns or controls. The interim consolidated financial statements comprise the financial statements of the Company, its controlled trusts and its subsidiaries, as disclosed in Note no. 2.23. Control exists when the parent has power over the entity, is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns by using its power over the entity. Power is demonstrated through existing rights that give the ability to direct relevant activities, those which significantly affect the entity's returns. Subsidiaries are consolidated from the date control commences until the date control ceases.

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

1.4 Use of estimates and judgements

The preparation of the financial statements in conformity with Ind AS requires the management to make estimates, judgements and assumptions. These estimates, judgements and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the period. Application of accounting policies that require critical accounting estimates involving complex and subjective judgements and the use of assumptions in these financial statements have been disclosed in Note no. 1.5. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the consolidated financial statements.

1.5 Critical accounting estimates

a. Revenue recognition

The group uses the percentage-of-completion method in accounting for its fixed-price contracts. Use of the percentage-of-completion method requires the group to estimate the efforts or costs expended to date as a proportion of the total efforts or costs to be expended. Efforts or costs expended have been used to measure progress towards completion as there is a direct relationship between input and productivity.

Further, the Group uses significant judgements while determining the transaction price allocated to performance obligations using the expected cost plus margin approach.

Provisions for estimated losses, if any, on uncompleted contracts are recorded in the period in which such losses become probable based on the expected contract estimates at the reporting date.

b. Income taxes

The Company's two major tax jurisdictions are India and the U.S., though the Company also files tax returns in other overseas jurisdictions. Significant judgements are involved in determining the provision for income taxes, including amount expected to be paid/recovered for uncertain tax positions. Also refer to Note no. 2.15 and 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 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.

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. Significant estimates are required to be made in determining the value of contingent consideration and intangible assets. These valuations are conducted by independent valuation experts (Refer to Note no 2.1 and 2.3).

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 no 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 based on a number of factors including operating results, business plans, future cash flows and economic conditions. The recoverable amount of CGUs is determined based on higher of value-in-use and fair value less cost to sell. The goodwill impairment test is performed at the level of the CGU or groups of cash-generating units which are benefiting from the synergies of the acquisition and which represents the lowest level at which goodwill is monitored for internal management purposes.

Market related information and estimates are used to determine the recoverable amount. Key assumptions on which management has based its determination of recoverable amount include estimated long term growth rates, weighted average cost of capital and estimated operating margins. Cash flow projections take into account past experience and represent management's best estimate about future developments (Refer to Note no 2.3).

f. Non-current assets and Disposal Group held for sale

Assets and liabilities of Disposal Groups held for sale are measured at the lower of carrying amount and fair value less costs to sell. The determination of fair value less costs to sell includes use of management estimates and assumptions. The fair value of the Disposal Groups have been estimated using valuation techniques including income and market approach which includes unobservable inputs.

Non-current assets and Disposal Group that ceases to be classified as held for sale shall be measured at the lower of carrying amount before the Non-current asset and Disposal Group was classified as held for sale adjusted for any depreciation/ amortization and its recoverable amount at the date when the Disposal Group no longer meets the " Held for sale" criteria. Recoverable amounts of assets reclassified from held for sale have been estimated using management's assumptions which consist of significant unobservable inputs (Refer to Note no 2.1.2).

1.6 Recent accounting pronouncements

Ind AS 116 Leases : On March 30, 2019, Ministry of Corporate Affairs has notified Ind AS 116, Leases. Ind AS 116 will replace the existing leases Standard, Ind AS 17 Leases, and related Interpretations. The Standard sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lessor. Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than twelve months, unless the underlying asset is of low value. Currently, operating lease expenses are charged to the statement of Profit & Loss. The Standard also contains enhanced disclosure requirements for lessees. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17.

The effective date for adoption of Ind AS 116 is annual periods beginning on or after April 1, 2019. The standard permits two possible methods of transition:

• Full retrospective – Retrospectively to each prior period presented applying Ind AS 8 Accounting Policies, Changes in Accounting Estimates and Errors

• Modified retrospective – Retrospectively, with the cumulative effect of initially applying the Standard recognized at the date of initial application. Under modified retrospective approach, the lessee records the lease liability as the present value of the remaining lease payments, discounted at the incremental borrowing rate and the right of use asset either as:

• Its carrying amount as if the standard had been applied since the commencement date, but discounted at lessee's incremental borrowing rate at the date

Certain practical expedients are available under both the methods.

On completion of evaluation of the effect of adoption of Ind AS 116, the Group is proposing to use the 'Modified Retrospective Approach' for transitioning to Ind AS 116, and take the cumulative adjustment to retained earnings, on the date of initial application (April 1, 2019). Accordingly, comparatives for the year ended March 31, 2019 will not be retrospectively adjusted. The Group has elected certain available practical expedients on transition.

The effect of adoption as on transition date would majorly result in an increase in right of use asset approximately by ₹2,300 crore, net lease receivable on account of sub lease approximately by ₹440 crore and an increase in lease liability approximately by ₹3,050 crore.

Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments : On March 30, 2019, Ministry of Corporate Affairs has notified Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments which is to be applied while performing the determination of taxable profit (or loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. According to the appendix, companies need to determine the probability of the relevant tax authority accepting each tax treatment, or group of tax treatments, that the companies have used or plan to use in their income tax filing which has to be considered to compute the most likely amount or the expected value of the tax treatment when determining taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates.

The standard permits two possible methods of transition - i) Full retrospective approach – Under this approach, Appendix C will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors, without using hindsight and ii) Retrospectively with cumulative effect of initially applying Appendix C recognized by adjusting equity on initial application, without adjusting comparatives.

The effective date for adoption of Ind AS 12 Appendix C is annual periods beginning on or after April 1, 2019. The Group will adopt the standard on April 1, 2019 and has decided to adjust the cumulative effect in equity on the date of initial application i.e. April 1, 2019 without adjusting comparatives.

The effect on adoption of Ind AS 12 Appendix C would be insignificant in the consolidated financial statements.

Amendment to Ind AS 12 – Income taxes : On March 30, 2019, Ministry of Corporate Affairs issued amendments to the guidance in Ind AS 12, 'Income Taxes', in connection with accounting for dividend distribution taxes.

The amendment clarifies that an entity shall recognize the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognized those past transactions or events.

Effective date for application of this amendment is annual period beginning on or after April 1, 2019. The Group is currently evaluating the effect of this amendment on the consolidated financial statements.

Amendment to Ind AS 19 – plan amendment, curtailment or settlement- On March 30, 2019, Ministry of Corporate Affairs issued amendments to Ind AS 19, 'Employee Benefits', in connection with accounting for plan amendments, curtailments and settlements.

The amendments require an entity:

• to use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement; and

• to recognize in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognized because of the impact of the asset ceiling.

Effective date for application of this amendment is annual period beginning on or after 1 April 2019. The Group does not have any impact on account of

2.1 BUSINESS COMBINATIONS AND DISPOSAL GROUP HELD FOR SALE

2.1.1 Business combinations

Accounting policy

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

The cost of an acquisition is measured at the fair value of the assets transferred, equity instruments issued and liabilities incurred or assumed at the date of acquisition, which is the date on which control is transferred to the Group. The cost of acquisition also includes the fair value of any contingent consideration. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair value on the date of acquisition.

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.

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.

Brilliant Basics Holdings Limited.

On September 8, 2017, Infosys acquired 100% of the voting interests in Brilliant Basics Holdings Limited., UK, (Brilliant Basics) a product design and customer experience innovator with experience in executing global programs. The business acquisition was conducted by entering into a share purchase agreement for cash consideration of ₹29 crore, a contingent consideration of up to ₹20 crore and an additional consideration of upto ₹13 crore, referred to as retention bonus, payable to the employees of Brilliant Basics at each anniversary year over the next two years, subject to their continuous employment with the group at each anniversary.

The payment of contingent consideration to sellers of Brilliant Basics is dependent upon the achievement of certain financial targets by Brilliant Basics over a period of 3 years ending on March 2020.

The fair value of contingent consideration is determined by discounting the estimated amount payable to the sellers of Brilliant Basics on achievement of certain financial targets. The key inputs used in determination of the fair value of contingent consideration are the discount rate of 10% and the probabilities of achievement of the financial targets. The undiscounted value of contingent consideration as at March 31, 2019 is ₹14 crore.

The excess of the purchase consideration paid over the fair value of assets acquired has been attributed to goodwill.

The purchase price has been allocated based on the management's estimates and independent appraisal of fair values as follows:

(In ₹ crore)

Component	Acquiree's carrying amount	Fair value adjustments	Purchase price allocated
Net assets(*)	1	–	1
Intangible assets - customer relationships	–	12	12
Deferred tax liabilities on intangible assets	–	(2)	(2)
	1	**10**	**11**
Goodwill			35
Total purchase price			**46**

*Includes cash and cash equivalents acquired of ₹2 crore

The goodwill is not tax deductible.

The gross amount of trade receivables acquired and its fair value is ₹3 crore and the amount has been substantially collected.

The fair value of each major class of consideration as at the acquisition date is as follows:

(In ₹ crore)

Component	Consideration settled
Cash paid	29
Fair value of contingent consideration	17
Total purchase price	**46**

The transaction costs of ₹2 crore related to the acquisition have been included in the statement of profit and loss for the year ended March 31, 2018.

Wongdoody Holding Company Inc

On May 22, 2018, Infosys acquired 100% of the voting interests in WongDoody Holding Company Inc., (WongDoody) an US-based, full-service creative and consumer insights agency. The business acquisition was conducted by entering into a share purchase agreement for a total consideration of up to $75 million (approximately ₹514 crore on acquisition date), which includes a cash consideration of $38 million (approximately ₹261 crore), contingent consideration of up to $28 million (approximately ₹192 crore on acquisition date) and an additional consideration of up to $9 million (approximately ₹61 crore on acquisition date), referred to as retention bonus, payable to the employees of WongDoody over the next three years, subject to their continuous employment with the group.

WongDoody, brings to Infosys the creative talent and marketing and brand engagement expertise. Further the acquisition is expected to strengthen Infosys' creative, branding and customer experience capabilities to bring innovative thinking, talent and creativity to clients.

The purchase price has been allocated based on management's estimates and independent appraisal of fair values as follows:

(in ₹ crore)

Component	Acquiree's carrying amount	Fair value adjustments	Purchase price allocated
Net assets(*)	37	-	37
Intangible assets - customer relationships	-	132	132
Intangible assets - trade name	-	8	8
	37	140	177
Goodwill			173
Total purchase price			**350**

** Includes cash and cash equivalents acquired of ₹51 crore.*

Goodwill is tax deductible

The fair value of each major class of consideration as at the acquisition date is as follows:

(in ₹ crore)

Component	Consideration settled
Cash consideration	261
Fair value of contingent consideration	89
Total purchase price	**350**

The gross amount of trade receivables acquired and its fair value is ₹12 crore and the amount has been fully collected.

The payment of contingent consideration to sellers of WondDoody is dependent upon the achievement of certain financial targets by WongDoody. At the acquisition date, the key inputs used in determination of the fair value of contingent consideration are the discount rate of 16% and the probabilities of achievement of the financial targets. The undiscounted value of contingent consideration as at March 31, 2019 is $17 million (₹121 crore).

The transaction costs of ₹3 crore related to the acquisition have been included in the statement of profit and loss for the year ended March 31, 2019.

Infosys Compaz Pte Limited (formerly Trusted Source Pte Ltd)

On November 16, 2018, Infosys Consulting Pte Limited (a wholly owned subsidiary of Infosys Limited) acquired 60% stake in Infosys Compaz Pte. Ltd, a Singapore based IT services company. The business acquisition was conducted by entering into a share purchase agreement for a total consideration of up to SGD 17 million (approximately ₹91 crore on acquisition date), which includes a cash consideration of SGD 10 million (approximately ₹54 crore) and a contingent consideration of up to SGD 7 million (approximately ₹37 crore on acquisition date).

The purchase price has been allocated based on management's estimates and independent appraisal of fair values as follows:

(in ₹ crore)

Component	Acquiree's carrying amount	Fair value adjustments	Purchase price allocated
Net assets(*)	92	-	92
Intangible assets - Customer contracts and relationships	-	44	44
Deferred tax liabilities on intangible assets	-	(7)	(7)
	92	37	129
Non-controlling interests			(51)
Total purchase price			**78**

** Includes cash and cash equivalents acquired of ₹65 crore.*

The fair value of each major class of consideration as at the acquisition date is as follows:

(in ₹ crore)

Component	Consideration settled
Cash consideration	54
Fair value of contingent consideration	24
Total purchase price	**78**

The gross amount of trade receivables acquired and its fair value is ₹50 crore and the amount has been substantially collected.

The payment of contingent consideration to sellers of Infosys Compaz Pte. Ltd is dependent upon the achievement of certain revenue targets by Infosys Compaz Pte. Ltd. At the acquisition date, the key inputs used in determination of the fair value of contingent consideration are the discount rate of 9% and the probabilities of achievement of the financial targets. The undiscounted value of contingent consideration as at March 31, 2019 is SGD 7 million (₹36 crore).

The transaction costs of ₹3 crore related to the acquisition have been included in the statement of profit and loss for the year ended March 31, 2019.

Fluido Oy

On October 11, 2018, Infosys Consulting Pte Limited (a wholly owned subsidiary of Infosys Limited) acquired 100% of voting interests in Fluido Oy (Fluido), a Nordic-based salesforce advisor and consulting partner in cloud consulting, implementation and training services for a total consideration of upto Euro 65 million (approximately ₹560 crore), comprising of cash consideration of Euro 45 million (approximately ₹388 crore), contingent consideration of upto Euro 12 million (approximately ₹103 crore) and retention payouts of upto Euro 8 million (approximately ₹69 crore), payable to the employees of Fluido over the next three years, subject to their continuous employment with the group.

Fluido brings to Infosys the Salesforce expertise, alongside an agile delivery process that simplifies and scales digital efforts across channels and touchpoints. Further, Fluido strengthens Infosys' presence across the Nordics region with developed assets and client relationships. The excess of the purchase consideration paid over the fair value of assets acquired has been attributed to goodwill.

The purchase price has been allocated based on management's estimates and independent appraisal of fair values as follows:

(in ₹ crore)

Component	Acquiree's carrying amount	Fair value adjustments	Purchase price allocated
Net assets(*)	12	-	12
Intangible assets - Customer contracts and relationships	-	158	158
Intangible assets - Salesforce Relationships	-	62	62
Intangible assets - Brand	-	28	28
Deferred tax liabilities on intangible assets	-	(52)	(52)
	12	**196**	**208**
Goodwill			240
Total purchase price			**448**

** Includes cash and cash equivalents acquired of ₹28 crore.*

Goodwill is not tax deductible

The fair value of each major class of consideration as of the acquisition date is as follows:

(in ₹ crore)

Component	Consideration settled
Cash consideration	388
Fair value of contingent consideration	60
Total purchase price	**448**

The gross amount of trade receivables acquired and its fair value is ₹27 crore and the amount has been fully collected.

The payment of contingent consideration to sellers of Fluido is dependent upon the achievement of certain financial targets by Fluido. At the acquisition date, the key inputs used in determination of the fair value of contingent consideration are the discount rate of 16% and the probabilities of achievement of the financial targets. The undiscounted value of contingent consideration as at March 31, 2019 was EUR 8 million (₹62 crore).

The transaction costs of ₹5 crore related to the acquisition have been included in the Consolidated Statement of Profit and Loss for the year ended ended March 31, 2019

Hitachi Procurement Service Co. Ltd

On April 1, 2019, Infosys Consulting Pte Limited (a wholly owned subsidiary of Infosys Limited) acquired 81% of voting interests in Hitachi Procurement Service Co., Ltd., (HIPUS), Japan, a wholly owned subsidiary of Hitachi Ltd, Japan for a total cash consideration of JPY 3.29 billion (approximately ₹206 crore) on fulfilment of closing conditions. The company has paid an advance of JPY 3.29 billion (approximately ₹206 crore) to Hitachi towards cash consideration on March 29, 2019. HIPUS handles indirect materials purchasing functions for the Hitachi Group.

As of April 12, 2019 (i.e., the date of adoption of financial statements by the Board of Directors), the Company is in the process of finalizing the accounting for acquisition of HIPUS, including allocation of purchase consideration to identifiable assets and liabilities.

Proposed acquisition
Stater N.V.

On March 28, 2019, Infosys Consulting Pte Limited (a wholly owned subsidiary of Infosys Limited) entered into a definitive agreement to acquire 75% of the shareholding in Stater N.V., a wholly-owned subsidiary of ABN AMRO Bank N.V., Netherlands, for a consideration including base purchase price of up to EUR 127.5 million (approximately ₹990 crore) and customary closing adjustments, subject to regulatory approvals and fulfilment of closing conditions.

2.1.2. Disposal group held for sale

Accounting policy

Non-current assets and Disposal Group are classified as held for sale if their carrying amount is intended to be recovered principally through sale rather than through continuing use. The condition for classification of held for sale is met when the non-current asset or the Disposal Group is available for immediate sale and the same is highly probable of being completed within one year from the date of classification as held for sale. Non-current assets and Disposal Group held for sale are measured at the lower of carrying amount and fair value less cost to sell. Non-current assets and Disposal Group that ceases to be classified as held for sale shall be measured at the lower of carrying amount before the non-current asset and Disposal Group was classified as held for sale adjusted for any depreciation/ amortization and its recoverable amount at the date when the Disposal Group no longer meets the "Held for sale" criteria.

In the three months ended March 2018, the Company had initiated identification and evaluation of potential buyers for its subsidiaries, Kallidus and Skava (together referred to as "Skava") and Panaya, collectively referred to as the "Disposal Group". The Disposal Group was classified and presented separately as "held for sale" and was carried at the lower of carrying value and fair value. Consequently, a reduction in the fair value of Disposal Group held for sale amounting to ₹118 crore in respect of Panaya had been recognized in the consolidated statement of profit and loss for the three months and year ended March 31, 2018. During the three months ended June 30, 2018, on remeasurement, including consideration of progress in negotiations on offers from prospective buyers for Panaya, the Company has recorded a reduction in the fair value of Disposal Group held for sale amounting to ₹270 crore in respect of Panaya.

During the three months ended December 31, 2018, based on evaluation of proposals received and progress of negotiations with potential buyers, the Company concluded that the Disposal Group does not meet the criteria for "Held for Sale' classification because it is no longer highly probable that sale would be consummated by March 31, 2019 (twelve months from date of initial classification as "held for sale"). Accordingly, in accordance with Ind AS 105 -" Non current Assets held for Sale and Discontinued Operations", the assets and liabilities of Panaya and Skava have been included on a line by line basis in the consolidated financial statements for the period and as at December 31, 2018 and March 31, 2019.

On reclassification from "Held for sale", the assets of Panaya and Skava have been remeasured in the quarter ended December 31, 2018 at the lower of cost and recoverable amount resulting in recognition of additional depreciation and amortization expenses of ₹88 crore and an adjustment in respect of excess of carrying amount over recoverable amount on reclassification from "Held for Sale" of ₹451 crore (comprising of ₹358 crore towards goodwill and ₹93 crore towards value of customer relationships) in respect of Skava in the consolidated statement of profit and loss for the three months and nine months ended December 31, 2018.

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 management. The Group depreciates property, plant and equipment over their estimated useful lives using the straight-line method. The estimated useful lives of assets are as follows:

Buildings [(1)]	22-25 years
Plant and machinery [(1)(2)]	5 years
Office equipment	5 years
Computer equipment [(1)]	3-5 years
Furniture and fixtures [(1)]	5 years
Vehicles[(1)]	5 years
Leasehold improvements	Over lease term

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

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

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

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

Impairment

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

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

Following are the changes in the carrying value of property, plant and equipment for the three months ended March 31, 2019:

(In ₹ crore)

Particulars	**Land - Freehold**	**Land - Leasehold**	**Buildings [(1)]**	**Plant and machinery**	**Office Equipment**	**Computer equipment**	**Furniture and fixtures**	**Leasehold Improvements**	**Vehicles**	**Total**
Gross carrying value as at January 1, 2019	**1,307**	**652**	**8,632**	**2,440**	**1,069**	**5,515**	**1,503**	**636**	**36**	**21,790**
Additions/adjustments	36	-	402	326	62	453	141	113	3	1,536
Deletions/adjustments	(36)	(47)	(116)	(56)	(29)	(122)	(24)	(9)	-	(439)
Translation difference	-	-	8	(1)	(1)	-	-	(1)	(1)	4
Gross carrying value as at March 31, 2019	**1,307**	**605**	**8,926**	**2,709**	**1,101**	**5,846**	**1,620**	**739**	**38**	**22,891**
Accumulated depreciation as at January 1, 2019	**-**	**(35)**	**(2,948)**	**(1,817)**	**(804)**	**(4,101)**	**(1,142)**	**(395)**	**(21)**	**(11,263)**
Depreciation	-	(1)	(81)	(71)	(31)	(212)	(48)	(28)	(2)	(474)
Accumulated depreciation on deletions	-	3	103	47	22	121	20	9	-	325
Translation difference	-	-	(1)	-	-	-	-	-	1	-
Accumulated depreciation as at March 31, 2019	**-**	**(33)**	**(2,927)**	**(1,841)**	**(813)**	**(4,192)**	**(1,170)**	**(414)**	**(22)**	**(11,412)**
Carrying value as at January 1, 2019	**1,307**	**617**	**5,684**	**623**	**265**	**1,414**	**361**	**241**	**15**	**10,527**
Carrying value as at March 31, 2019	**1,307**	**572**	**5,999**	**868**	**288**	**1,654**	**450**	**325**	**16**	**11,479**

Following are the changes in the carrying value of property, plant and equipment for the three months ended March 31, 2018:

(In ₹ crore)

Particulars	**Land - Freehold**	**Land - Leasehold**	**Buildings [(1)]**	**Plant and machinery**	**Office Equipment**	**Computer equipment**	**Furniture and fixtures**	**Leasehold Improvements**	**Vehicles**	**Total**
Gross carrying value as at January 1, 2018	**1,137**	**671**	**7,680**	**2,214**	**979**	**4,819**	**1,358**	**517**	**30**	**19,405**
Additions	92	2	416	95	25	120	41	21	2	814
Deletions	-	-	(1)	(4)	(1)	(29)	(2)	-	(1)	(38)
Reclassified as assets held for sale (Refer note 2.1.2)	-	-	-	(1)	(2)	(40)	(8)	(17)	-	(68)
Translation difference	-	-	35	2	1	14	4	10	-	66
Gross carrying value as at March 31, 2018	**1,229**	**673**	**8,130**	**2,306**	**1,002**	**4,884**	**1,393**	**531**	**31**	**20,179**
Accumulated depreciation as at January 1, 2018	**-**	**(30)**	**(2,645)**	**(1,531)**	**(688)**	**(3,499)**	**(981)**	**(310)**	**(18)**	**(9,702)**
Depreciation	-	(1)	(71)	(69)	(31)	(175)	(40)	(27)	(1)	(415)
Accumulated depreciation on deletions	-	-	-	3	-	29	1	-	1	34
Reclassified as assets held for sale (Refer note 2.1.2)	-	-	-	1	1	25	5	15	-	47
Translation difference	-	-	(3)	(1)	(1)	(12)	(2)	(8)	-	(27)
Accumulated depreciation as at March 31, 2018	**-**	**(31)**	**(2,719)**	**(1,597)**	**(719)**	**(3,632)**	**(1,017)**	**(330)**	**(18)**	**(10,063)**
Carrying value as at January 1, 2018	**1,137**	**641**	**5,035**	**683**	**291**	**1,320**	**377**	**207**	**12**	**9,703**
Carrying value as at March 31, 2018	**1,229**	**642**	**5,411**	**709**	**283**	**1,252**	**376**	**201**	**13**	**10,116**

Following are the changes in the carrying value of property, plant and equipment for the year ended March 31, 2019:

(In ₹ crore)

Particulars	Land - Freehold	Land - Leasehold	Buildings [(1)]	Plant and machinery	Office Equipment	Computer equipment	Furniture and fixtures	Leasehold Improvements	Vehicles	Total
Gross carrying value as at April 1, 2018	**1,229**	**673**	**8,130**	**2,306**	**1,002**	**4,884**	**1,393**	**531**	**31**	**20,179**
Additions	78	-	916	462	136	1,129	254	209	9	3,193
Additions - Business Combination	-	-	-	1	2	34	7	3	-	47
Deletions	-	(68)	(116)	(60)	(40)	(239)	(40)	(21)	(2)	(586)
Reclassified from assets held for sale (Refer note 2.1.2)	-	-	-	1	2	40	8	17	-	68
Translation difference	-	-	(4)	(1)	(1)	(2)	(2)	-	-	(10)
Gross carrying value as at March 31, 2019	**1,307**	**605**	**8,926**	**2,709**	**1,101**	**5,846**	**1,620**	**739**	**38**	**22,891**
Accumulated depreciation as at April 1, 2018	**-**	**(31)**	**(2,719)**	**(1,597)**	**(719)**	**(3,632)**	**(1,017)**	**(330)**	**(18)**	**(10,063)**
Depreciation	-	(5)	(313)	(293)	(125)	(766)	(185)	(89)	(6)	(1,782)
Accumulated depreciation on deletions	-	3	103	50	32	229	36	20	2	475
Reclassified from assets held for sale (Refer note 2.1.2)	-	-	-	(1)	(1)	(25)	(5)	(15)	-	(47)
Translation difference	-	-	2	-	-	2	1	-	-	5
Accumulated depreciation as at March 31, 2019	**-**	**(33)**	**(2,927)**	**(1,841)**	**(813)**	**(4,192)**	**(1,170)**	**(414)**	**(22)**	**(11,412)**
Carrying value as at April 1, 2018	**1,229**	**642**	**5,411**	**709**	**283**	**1,252**	**376**	**201**	**13**	**10,116**
Carrying value as at March 31, 2019	**1,307**	**572**	**5,999**	**868**	**288**	**1,654**	**450**	**325**	**16**	**11,479**

Following are the changes in the carrying value of property, plant and equipment for the year ended March 31, 2018:

(In ₹ crore)

	Land- Freehold	Land- Leasehold	Buildings [(1)]	Plant and machinery	Office Equipment	Computer equipment	Furniture and fixtures	Leasehold Improvements	Vehicles	Total
Gross carrying value as at April 1, 2017	**1,095**	**671**	**7,279**	**2,048**	**922**	**4,540**	**1,277**	**469**	**31**	**18,332**
Additions	134	2	789	264	86	471	130	74	5	1,955
Deletions	-	-	(1)	(8)	(8)	(109)	(10)	(12)	(5)	(153)
Reclassified as assets held for sale (Refer to note no. 2.1.2)	-	-	-	(1)	(2)	(40)	(8)	(17)	-	(68)
Translation difference	-	-	63	3	4	22	4	17	-	113
Gross carrying value as at March 31, 2018	**1,229**	**673**	**8,130**	**2,306**	**1,002**	**4,884**	**1,393**	**531**	**31**	**20,179**
Accumulated depreciation as at April 1, 2017	**-**	**(27)**	**(2,440)**	**(1,337)**	**(599)**	**(3,053)**	**(869)**	**(239)**	**(17)**	**(8,581)**
Depreciation	-	(4)	(276)	(266)	(125)	(693)	(160)	(105)	(5)	(1,634)
Accumulated depreciation on deletions	-	-	-	7	6	107	9	11	4	144
Reclassified as assets held for sale (Refer to note no. 2.1.2)	-	-	-	1	1	25	5	15	-	47
Translation difference	-	-	(3)	(2)	(2)	(18)	(2)	(12)	-	(39)
Accumulated depreciation as at March 31, 2018	**-**	**(31)**	**(2,719)**	**(1,597)**	**(719)**	**(3,632)**	**(1,017)**	**(330)**	**(18)**	**(10,063)**
Carrying value as at April 1, 2017	**1,095**	**644**	**4,839**	**711**	**323**	**1,487**	**408**	**230**	**14**	**9,751**
Carrying value as at March 31, 2018	**1,229**	**642**	**5,411**	**709**	**283**	**1,252**	**376**	**201**	**13**	**10,116**

Notes: (1) Buildings include ₹250/- being the value of 5 shares of ₹50/- each in Mittal Towers Premises Co-operative Society Limited.

Gross carrying value of lease hold land represents amounts paid under certain lease-cum-sale agreements to acquire land including agreements where the Group has an option to purchase or renew the properties on expiry of the lease period.

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

2.3 GOODWILL AND OTHER INTANGIBLE ASSETS

2.3.1 Goodwill

Accounting policy

Goodwill represents the cost of business acquisition 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 cost of business acquisition, the bargain purchase excess is recognized after reassessing the fair value of net assets acquired in the 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 goodwill may be impaired, relying on a number of factors including operating results, business plans and future cash flows. For the purpose of impairment testing, goodwill acquired in a business combination is allocated to the Group's cash generating units (CGU) or groups of CGU's expected to benefit from the synergies arising from the business combination. A CGU is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or group of assets. Impairment occurs when the carrying amount of a CGU including the goodwill, exceeds the estimated recoverable amount of the CGU. The recoverable amount of a CGU is the higher of its fair value less cost to sell and its value-in-use. Value-in-use is the present value of future cash flows expected to be derived from the CGU.

Total impairment loss of a CGU is allocated first to reduce the carrying amount of goodwill allocated to the CGU and then to the other assets of the CGU pro-rata on the basis of the carrying amount of each asset in the CGU. An impairment loss on goodwill is recognized in net profit 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, 2019	**March 31, 2018**
Carrying value at the beginning	2,211	3,652
Goodwill on Brilliant Basics acquisition (Refer note no. 2.1)	-	35
Goodwill on Wongdoody acquisition (refer note no. 2.1)	173	-
Goodwill on Fluido Oy acquisition (refer note no. 2.1)	240	-
Goodwill reclassified under assets held for sale (refer note no 2.1.2)	-	(1,609)
Goodwill reclassified from assets held for sale, net of reduction in recoverable amount (Refer note 2.1.2)	863	-
Translation differences	53	133
Carrying value at the end	**3,540**	**2,211**

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 chief operating decision maker reviews the goodwill for any impairment at the operating segment level, which is represented through groups of CGUs.

During the three months ended June 30, 2018, the Group internally reorganized some of its business segments to deepen customer relationships, improve focus of sales investments and increase management oversight. Consequent to the internal reorganization, there were changes in the business segments based on "Management approach" as defined under Ind AS 108, Operating Segments.(Refer Note 2.24). Accordingly the goodwill has been allocated to the new operating segments as at March 31, 2019.

The following table presents the allocation of goodwill to operating segments as at March 31, 2019 :

(In ₹ crore)

Segment	**As at March 31, 2019**
Financial services	743
Retail	437
Communication	389
Energy, Utilities, Resources and Services	374
Manufacturing	239
	2,182
Operating segments without significant goodwill	417
Total	**2,599**

Consequent to reclassification from held for sale (refer note no. 2.1.2) goodwill pertaining to Panaya, Kallidus and Skava acquisitions are tested for impairment at the respective entity level which amounts to ₹941 crore as at March 31, 2019.

The following table presents the allocation of goodwill to operating segments (prior to internal re-organization) as at March 31, 2018:

(In ₹ crore)

Segment	**As at March 31, 2018**
Financial services	474
Manufacturing	252
Retail, Consumer packaged goods and Logistics	314
Life Sciences, Healthcare and Insurance	446
Energy & Utilities, Communication and Services	470
	1,956
Operating segments without significant goodwill	255
Total	**2,211**

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. The value-in-use is determined based on specific calculations. These calculations use cash flow projections over a period of five years. An average of the range of each assumption used is mentioned below. As at March 31, 2019 and March 31, 2018, the estimated recoverable amount of the CGU exceeded its carrying amount. The key assumptions used for the calculations are as follows:

(in %)

	As at March 31,	
	2019	**2018**
Long term growth rate	8-10	8-10
Operating margins	17-20	17-20
Discount rate	12.5	13.5

The above discount rate is based on the Weighted Average Cost of Capital (WACC) of the Company. Management believes that any reasonable possible changes in the key assumptions would not cause the carrying amount to exceed the recoverable amount of the cash generating unit.

2.3.2 Other intangible assets

Accounting policy

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

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

Impairment

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

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

Following are the changes in the carrying value of acquired intangible assets for the three months ended March 31, 2019:

(In ₹ crore)

Particulars	**Customer related**	**Software related**	**Sub-contracting rights related**	**Intellectual property rights related**	**Land use-rights related**	**Brand or Trademark Related**	**Others**	**Total**
Gross carrying value as at January 1, 2019	**950**	**446**	**-**	**1**	**72**	**100**	**84**	**1,653**
Reclassified from assets held for sale (Refer note 2.1.2)	-	-	-	-	-	-	-	-
Additions/adjustments	-	-	-	-	-	-	-	-
Acquisition through business combination (Refer note no. 2.1.1)	-	-	-	-	-	-	-	-
Deletions/adjustments during the period	-	-	-	-	-	-	-	-
Translation difference	(13)	(5)	-	-	1	(1)	(1)	(19)
Gross carrying value as at March 31, 2019	**937**	**441**	**-**	**1**	**73**	**99**	**83**	**1,634**
Accumulated amortization as at January 1, 2019	**(538)**	**(283)**	**-**	**(1)**	**(11)**	**(42)**	**(22)**	**(897)**
Reclassified from assets held for sale (Refer note 2.1.2)	-	-	-	-	-	-	-	-
Amortization expense	(25)	(22)	-	-	(1)	(3)	(6)	(57)
Reduction in value (Refer note 2.1.2)	-	-	-	-	-	-	-	-
Deletions/adjustments during the period	-	-	-	-	-	-	-	-
Translation differences	6	3	-	-	1	1	-	11
Accumulated amortization as at March 31, 2019	**(557)**	**(302)**	**-**	**(1)**	**(11)**	**(44)**	**(28)**	**(943)**
Carrying value as at January 1, 2019	**412**	**163**	**-**	**-**	**61**	**58**	**62**	**756**
Carrying value as at March 31, 2019	**380**	**139**	**-**	**-**	**62**	**55**	**55**	**691**
Estimated Useful Life *(in years)*	1-10	3-8	-	-	50	5-10	3-5	
Estimated Remaining Useful Life *(in years)*	0-7	1	-	-	43	2-8	2-3	

Following are the changes in the carrying value of acquired intangible assets for the three months ended March 31, 2018:

(In ₹ crore)

Particulars	**Customer related**	**Software related**	**Sub-contracting rights related**	**Intellectual property rights related**	**Land use-rights related**	**Brand or Trademark Related**	**Others**	**Total**
Gross carrying value as at January 1, 2018	**756**	**399**	**21**	**1**	**69**	**90**	**62**	**1,398**
Additions	-	-	-	-	-	-	-	-
Deletions / Retirals during the period	(172)	-	(21)	-	-	(29)	(35)	(257)
Reclassified as assets held for sale (refer note no 2.1.2)	(157)	(388)	-	(1)	-	(37)	-	(583)
Translation difference	18	8	-	-	4	2	-	32
Gross carrying value as at March 31, 2018	**445**	**19**	**-**	**-**	**73**	**26**	**27**	**590**
Accumulated amortization as at January 1, 2018	**(485)**	**(178)**	**(21)**	**(1)**	**(8)**	**(59)**	**(47)**	**(799)**
Amortization expense	(19)	(20)	-	-	-	(2)	(2)	(43)
Deletions during the period	172	-	21	-	-	29	35	257
Reclassified as assets held for sale (refer note no 2.1.2)	56	182	-	1	-	21	-	260
Translation differences	(13)	(3)	-	-	(2)	(1)	1	(18)
Accumulated amortization as at March 31, 2018	**(289)**	**(19)**	**-**	**-**	**(10)**	**(12)**	**(13)**	**(343)**
Carrying value as at January 1, 2018	**271**	**221**	**-**	**-**	**61**	**31**	**15**	**599**
Carrying value as at March 31, 2018	**156**	**-**	**-**	**-**	**63**	**14**	**14**	**247**
Estimated Useful Life *(in years)*	2-10	-	-	-	50	5	5	
Estimated Remaining Useful Life *(in years)*	0-5	-	-	-	43	3	3	

Following are the changes in the carrying value of acquired intangible assets for the year ended March 31, 2019:

(In ₹ crore)

Particulars	**Customer related**	**Software related**	**Sub-contracting rights related**	**Intellectual property rights related**	**Land use-rights related**	**Brand or Trademark Related**	**Others**	**Total**
Gross carrying value as at April 1, 2018	**445**	**19**	**-**	**-**	**73**	**26**	**27**	**590**
Reclassified from assets held for sale (Refer note 2.1.2)	157	388	-	1	-	37	-	583
Additions/adjustments	-	9	-	-	-	-	-	9
Acquisition through business combination (Refer note no. 2.1.1)	334	-	-	-	-	36	62	432
Deletions/adjustments during the period	-	-	-	-	-	-	-	-
Translation difference	1	25	-	-	-	-	(6)	20
Gross carrying value as at March 31, 2019	**937**	**441**	**-**	**1**	**73**	**99**	**83**	**1,634**
Accumulated amortization as at April 1, 2018	**(289)**	**(19)**	**-**	**-**	**(10)**	**(12)**	**(13)**	**(343)**
Reclassified from assets held for sale (Refer note 2.1.2)	(56)	(182)	-	(1)	-	(21)	-	(260)
Amortization expense	(112)	(90)	-	-	(2)	(10)	(15)	(229)
Reduction in value (Refer note 2.1.2)	(93)	-	-	-	-	-	-	(93)
Deletion/adjustments during the period	-	-	-	-	-	-	-	-
Translation differences	(7)	(11)	-	-	1	(1)	-	(18)
Accumulated amortization as at March 31, 2019	**(557)**	**(302)**	**-**	**(1)**	**(11)**	**(44)**	**(28)**	**(943)**
Carrying value as at April 1, 2018	**156**	**-**	**-**	**-**	**63**	**14**	**14**	**247**
Carrying value as at March 31, 2019	**380**	**139**	**-**	**-**	**62**	**55**	**55**	**691**
Estimated Useful Life *(in years)*	1-10	3-8	-	-	50	5-10	3-5	
Estimated Remaining Useful Life *(in years)*	0-7	1	-	-	43	2-8	2-3	

Following are the changes in the carrying value of acquired intangible assets for the year ended March 31, 2018:

(In ₹ crore)

Particulars	Customer related	Software related	Sub-contracting rights related	Intellectual property rights related	Land use-rights related	Brand or Trademark Related	Others	Total
Gross carrying value as at April 1, 2017	**750**	**405**	**21**	**1**	**66**	**90**	**62**	**1,395**
Acquisition through business combination (Refer note no. 2.1.1)	12	-	-	-	-	-	-	12
Deletions / Retirals during the period	(172)	-	(21)	-	-	(29)	(35)	(257)
Reclassified under assets held for sale (Refer note no 2.1.2)	(157)	(388)	-	(1)	-	(37)	-	(583)
Translation difference	12	2	-	-	7	2	-	23
Gross carrying value as at March 31, 2018	**445**	**19**	**-**	**-**	**73**	**26**	**27**	**590**
Accumulated amortization as at April 1, 2017	**(382)**	**(121)**	**(21)**	**(1)**	**(7)**	**(49)**	**(38)**	**(619)**
Amortization expense	(127)	(79)	-	-	(1)	(12)	(10)	(229)
Deletion / Retirals during the period	172	-	21	-	-	29	35	257
Reclassified under assets held for sale (Refer note no 2.1.2)	56	182	-	1	-	21	-	260
Translation differences	(8)	(1)	-	-	(2)	(1)	-	(12)
Accumulated amortization as at March 31, 2018	**(289)**	**(19)**	**-**	**-**	**(10)**	**(12)**	**(13)**	**(343)**
Carrying value as at April 1, 2017	**368**	**284**	**-**	**-**	**59**	**41**	**24**	**776**
Carrying value as at March 31, 2018	**156**	**-**	**-**	**-**	**63**	**14**	**14**	**247**
Estimated Useful Life *(in years)*	2-10	-	-	-	50	5	5	
Estimated Remaining Useful Life *(in years)*	1-5	-	-	-	43	3	3	

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 net profit in the consolidated Statement of Profit and Loss for the three months ended March 31, 2019 and March 31, 2018 was ₹196 crore and ₹192 crore respectively, and for the year ended March 31, 2019 and March 31, 2018 was ₹769 crore and ₹748 crore respectively.

2.4 INVESTMENTS

(In ₹ crore)

Particulars	As at March 31, 2019	As at March 31, 2018
Non-current		
Unquoted		
Investments carried at fair value through other comprehensive income (*refer note no. 2.4.1*)		
Preference securities	89	116
Equity instruments	11	22
	100	**138**
Investments carried at fair value through profit and loss (*refer note no. 2.4.1*)		
Convertible promissory note	-	12
Preference securities	23	-
Others	16	66
	39	**78**
Quoted		
Investments carried at amortized cost *(refer note no. 2.4.2)*		
Tax free bonds	1,893	1,896
	1,893	**1,896**
Investments carried at fair value through profit and loss (*refer note no. 2.4.3*)		
Fixed maturity plan securities	458	429
	458	**429**
Investments carried at fair value through other comprehensive income (*refer note no. 2.4.4*)		
Non convertible debentures	1,420	3,215
Government Securities	724	-
	2,144	**3,215**
Total non-current investments	**4,634**	**5,756**
Current		
Unquoted		
Investments carried at fair value through profit or loss *(refer note no. 2.4.3)*		
Liquid mutual fund units	1,786	81
	1,786	**81**
Investments carried at fair value through other comprehensive income		
Commercial Paper *(refer note no. 2.4.4)*	495	293
Certificates of deposit *(refer note no. 2.4.4)*	2,482	5,269
	2,977	**5,562**
Quoted		
Investment carried at amortized cost *(refer note no.2.4.2)*		
Government Bonds	18	1
	18	**1**
Investments carried at fair value through other comprehensive income (*refer note no. 2.4.4*)		
Non convertible debentures	1,846	763
	1,846	**763**
Total current investments	**6,627**	**6,407**
Total investments	**11,261**	**12,163**
Aggregate amount of quoted investments	6,359	6,304
Market value of quoted investments (including interest accrued)	6,573	6,568
Aggregate amount of unquoted investments	4,902	5,859
Aggregate amount of impairment made for non-current unquoted investments (including investment in associate)	-	71
Investments carried at amortized cost	1,911	1,897
Investments carried at fair value through other comprehensive income	7,067	9,678
Investments carried at fair value through profit or loss	2,283	588

Uncalled capital commitments outstanding as at March 31, 2019 and March 31, 2018 was ₹86 crore and ₹81 crore, respectively.

Refer to Note no 2.10 for Accounting policies on Financial Instruments.

Details of amounts recorded in Other comprehensive income during the year ended March 31, 2019 and March 31, 2018 are as follows:

(In ₹ crore)

	Year ended March 31, 2019			Year ended March 31, 2018		
	Gross	Tax	Net	Gross	Tax	Net
Net Gain/(loss) on						
Non-convertible debentures	1	-	1	(13)	2	(11)
Certificates of deposit	(5)	2	(3)	16	(6)	10
Government securities	5	(1)	4	-	-	-
Equity and preference securities	63	7	70	4	3	7

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

Class of investment	Method	Fair value as at	
		March 31, 2019	March 31, 2018
Liquid mutual fund units	Quoted price	1,786	81
Fixed maturity plan securities	Market observable inputs	458	429
Tax free bonds and government bonds	Quoted price and market observable inputs	2,125	2,151
Non-convertible debentures	Quoted price and market observable inputs	3,266	3,978
Government securities	Quoted price and market observable inputs	724	-
Commercial Papers	Market observable inputs	495	293
Certificate of deposits	Market observable inputs	2,482	5,269
Unquoted equity and preference securities - carried at fair value through other comprehensive income	Discounted cash flows method, Market multiples method, Option pricing model, etc.	100	138
Unquoted equity and preference securities - carried at fair value through profit and loss	Discounted cash flows method, Market multiples method, Option pricing model, etc.	23	-
Unquoted convertible promissory note	Discounted cash flows method, Market multiples method, Option pricing model, etc.	-	12
Others	Discounted cash flows method, Market multiples method, Option pricing model, etc.	16	66
Total		**11,475**	**12,417**

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

2.4.1 Details of investments

The details of investments in preference, equity and other instruments at March 31, 2019 and March 31, 2018 are as follows:

(In ₹ crore, except otherwise stated)

Particulars	As at	
	March 31, 2019	March 31, 2018
Preference securities		
Airviz Inc.	3	6
2,82,279 (2,82,279) Series A Preferred Stock, fully paid up, par value USD 0.001 each		
Whoop Inc	14	20
16,48,352 (16,48,352) Series B Preferred Stock, fully paid up, par value USD 0.0001 each		
CloudEndure Ltd.	-	26
Nil (25,59,290) Series B Preferred Shares, fully paid up, par value ILS 0.01 each		
Nivetti Systems Private Limited	10	10
2,28,501 (2,28,501) Preferred Stock, fully paid up, par value ₹1/- each		
Waterline Data Science, Inc	25	23
39,33,910 (39,33,910) Series B Preferred Shares, fully paid up, par value USD 0.00001 each		
13,35,707 (Nil) Series C Preferred Shares, fully paid up, par value USD 0.00001 each		
Trifacta Inc.	27	21
11,80,358 (11,80,358) Series C-1 Preferred Stock		
Tidalscale	23	-
36,74,269 (Nil) Series B Preferred Stock		
Ideaforge	10	10
5,402 (5,402) Series A compulsorily convertible cumulative Preference shares of ₹10 each, fully paid up		
Total investment in preference securities	**112**	**116**
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	1	1
15,000 (15,000) equity shares at ₹1,000 each, fully paid up, par value ₹1,000/- each		
Unsilo A/S	10	21
69,894 (69,894) Equity Shares, fully paid up, par value DKK 1 each		
Ideaforge	-	-
100 (100) equity shares at ₹10/-, fully paid up		
Total investment in equity instruments	**11**	**22**
Others		
Stellaris Venture Partners India	16	7
Vertex Ventures US Fund L.L.P	-	59
Total investment in others	**16**	**66**
Convertible promissory note		
Tidalscale*	-	12
Total investment in convertible promissory note	**-**	**12**
Total	**139**	**216**

** During the quarter ended September 30, 2018; Investment in Convertible promissory note of Tidalscale was converted into Series B Preferred Stock*

2.4.2 Details of investments in tax free bonds and government bonds

The balances held in tax free bonds as at March 31, 2019 and March 31, 2018 are as follows: *(In ₹ crore, except as otherwise stated)*

Particulars	As at March 31, 2019			As at March 31, 2018	
	Face Value ₹	Units	Amount	Units	Amount
7.04% Indian Railway Finance Corporation Limited Bonds 03MAR2026	1,000,000	470	50	470	50
7.16% Power Finance Corporation Limited Bonds 17JUL2025	1,000,000	1,000	105	1,000	106
7.18% Indian Railway Finance Corporation Limited Bonds 19FEB2023	1,000	2,000,000	201	2,000,000	201
7.28% Indian Railway Finance Corporation Limited Bonds 21DEC2030	1,000	422,800	42	422,800	42
7.28% National Highways Authority of India Limited Bonds 18SEP2030	1,000,000	3,300	342	3,300	343
7.34% Indian Railway Finance Corporation Limited Bonds 19FEB2028	1,000	2,100,000	210	2,100,000	211
7.35% National Highways Authority of India Limited Bonds 11JAN2031	1,000	571,396	57	571,396	57
7.93% Rural Electrification Corporation Limited Bonds 27MAR2022	1,000	200,000	21	200,000	21
8.00% Indian Railway Finance Corporation Limited Bonds 23FEB2022	1,000	150,000	15	150,000	15
8.10% Indian Railway Finance Corporation Limited Bonds 23FEB2027	1,000	500,000	52	500,000	52
8.20% Power Finance Corporation Limited Bonds 01FEB2022	1,000	500,000	50	500,000	50
8.26% India Infrastructure Finance Company Limited Bonds 23AUG2028	1,000,000	1,000	100	1,000	100
8.30% National Highways Authority of India Limited Bonds 25JAN2027	1,000	500,000	53	500,000	53
8.35% National Highways Authority of India Limited Bonds 22NOV2023	1,000,000	1,500	150	1,500	150
8.46% India Infrastructure Finance Company Limited Bonds 30AUG2028	1,000,000	2,000	200	2,000	200
8.46% Power Finance Corporation Limited Bonds 30AUG2028	1,000,000	1,500	150	1,500	150
8.48% India Infrastructure Finance Company Limited Bonds 05SEP2028	1,000,000	450	45	450	45
8.54% Power Finance Corporation Limited Bonds 16NOV2028	1,000	500,000	50	500,000	50
Total investments in tax-free bonds			**1,893**		**1,896**

The balances held in government bonds as at March 31, 2019 and March 31, 2018 are as follows: *(In ₹ crore, except as otherwise stated)*

Particulars	As at March 31, 2019			As at March 31, 2018	
	Face Value PHP	Units	Amount	Units	Amount
Treasury Notes Phillippines Govt. 29MAY2019	100	45,000	6	-	-
Treasury Notes PIBL1217E082 MAT DATE 09 May 2018	100	-	-	1,00,000	1
Treasury Notes Phillippines Govt. 17APRIL2019	100	90,000	12	-	-
Total investments in government bonds		**135,000**	**18**	**100,000**	**1**

2.4.3 Details of investments in liquid mutual fund units and fixed maturity plans

The balances held in liquid mutual fund units as at March 31, 2019 and March 31, 2018 are as follows: *(In ₹ crore, except as otherwise stated)*

Particulars	As at March 31, 2019		As at March 31, 2018	
	Units	Amount	Units	Amount
Aditya Birla Sun liquid fund - Growth-Direct Plan	1,332,847	40	1,631,554	45
Aditya Birla Sun life Corporate Bond Fund -Growth -Direct Plan	19,600,407	141	-	-
Aditya Birla Sun life Money Manager Fund -Growth -Direct Plan	7,975,385	201	-	-
BSL Cash Manager - Growth	111,344	5	-	-
HDFC Money market Fund- Direct Plan- Growth Option	772,637	303	-	-
HDFC Liquid fund-Direct Plan growth option	68,035	25	-	-
ICICI Prudential Liquid –Direct plan –Growth	-	-	1,365,687	36
ICICI Prudential Savings Fund- Direct Plan-Growth	8,340,260	301	-	-
IDFC Corporate Bond - Fund Direct Plan	131,484,437	169	-	-
Kotak Money Market Fund- Direct Plan- Growth Option	973,751	301	-	-
SBI Premier Liquid Fund -Direct Plan -Growth	1,025,678	300	-	-
Total investments in liquid mutual fund units	**171,684,781**	**1,786**	**2,997,241**	**81**

The balances held in fixed maturity plans as at March 31, 2019 and March 31, 2018 are as follows: *(In ₹ crore, except as otherwise stated)*

Particulars	As at March 31, 2019		As at March 31, 2018	
	Units	Amount	Units	Amount
Aditya Birla Sun Life Fixed Term Plan- Series OD 1145 Days- GR Direct	60,000,000	70	60,000,000	65
Aditya Birla Sun Life Fixed Term Plan- Series OE 1153 Days- GR Direct	25,000,000	29	25,000,000	27
HDFC FMP 1155D Feb 2017- Direct Growth- Series 37	38,000,000	44	38,000,000	41
HDFC FMP 1169D Feb 2017- Direct- Quarterly Dividend- Series 37	45,000,000	45	45,000,000	45
ICICI FMP Series 80-1194 D Plan F Div	55,000,000	63	55,000,000	59
ICICI Prudential Fixed Maturity Plan Series 80- 1187 Days Plan G Direct Plan	42,000,000	49	42,000,000	45
ICICI Prudential Fixed Maturity Plan Series 80- 1253 Days Plan J Direct Plan	30,000,000	35	30,000,000	32
IDFC Fixed Term Plan Series 129 Direct Plan- Growth 1147 Days	10,000,000	12	10,000,000	11
IDFC Fixed Term Plan Series 131 Direct Plan- Growth 1139 Days	15,000,000	17	15,000,000	16
Kotak FMP Series 199 Direct- Growth	3,50,00,000	40	35,000,000	37
Reliance Fixed Horizon Fund- XXXII Series 8- Dividend Plan	5,00,00,000	54	50,000,000	51
Total investments in fixed maturity plan securities	**40,50,00,000**	**458**	**405,000,000**	**429**

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

The balances held in non convertible debenture units as at March 31, 2019 and March 31, 2018 is as follows: *(In ₹ crore, except as otherwise stated)*

Particulars		**As at March 31, 2019**		**As at March 31, 2018**	
	Face Value ₹	**Units**	**Amount**	**Units**	**Amount**
7.48% Housing Development Finance Corporation Ltd 18NOV2019	1,00,00,000/-	50	51	50	51
7.58% LIC Housing Finance Ltd 28FEB2020	10,00,000/-	1,000	101	1,000	101
7.58% LIC Housing Finance Ltd 11JUN2020	10,00,000/-	500	51	500	52
7.59% LIC Housing Finance Ltd 14OCT2021	10,00,000/-	3,000	306	3,000	306
7.75% LIC Housing Finance Ltd 27AUG2021	10,00,000/-	1,250	127	1,250	129
7.78% Housing Development Finance Corporation Ltd 24MAR2020	1,00,00,000/-	100	100	100	99
7.79% LIC Housing Finance Ltd 19JUN2020	10,00,000/-	500	53	500	53
7.80% Housing Development Finance Corporation Ltd 11NOV2019	1,00,00,000/-	150	154	150	153
7.81% LIC Housing Finance Ltd 27APR2020	10,00,000/-	2,000	214	2,000	214
7.95% Housing Development Finance Corporation Ltd 23SEP2019	1,00,00,000/-	50	52	50	53
8.02% LIC Housing Finance Ltd 18FEB2020	10,00,000/-	500	51	500	50
8.26% Housing Development Finance Corporation Ltd 12AUG2019	1,00,00,000/-	100	105	100	105
8.34% Housing Development Finance Corporation Ltd 06MAR2019	1,00,00,000/-	-	-	200	215
8.37% LIC Housing Finance Ltd 03OCT2019	10,00,000/-	2,000	216	2,000	216
8.37% LIC Housing Finance Ltd 10MAY2021	10,00,000/-	500	54	500	54
8.46% Housing Development Finance Corporation Ltd 11MAR2019	1,00,00,000/-	-	-	50	54
8.47% LIC Housing Finance Ltd 21JAN2020	10,00,000/-	500	51	500	51
8.49% Housing Development Finance Corporation Ltd 27APR2020	5,00,000/-	900	49	900	49
8.50% Housing Development Finance Corporation Ltd 31AUG2020	1,00,00,000/-	100	105	100	108
8.54% IDFC Bank Ltd 30MAY2018	10,00,000/-	-	-	1,500	194
8.59% Housing Development Finance Corporation Ltd 14JUN2019	1,00,00,000/-	50	51	50	51
8.60% LIC Housing Finance Ltd 22JUL2020	10,00,000/-	1,000	107	1,000	107
8.60% LIC Housing Finance Ltd 29JUL2020	10,00,000/-	1,750	186	1,750	188
8.61% LIC Housing Finance Ltd 11DEC2019	10,00,000/-	1,000	103	1,000	104
8.66% IDFC Bank Ltd 25JUN2018	10,00,000/-	-	-	1,520	196
8.66% IDFC Bank Ltd 27DEC2018	10,00,000/-	-	-	400	52
8.72% Housing Development Finance Corporation Ltd 15APR2019	1,00,00,000/-	75	75	75	76
8.75% Housing Development Finance Corporation Ltd 13JAN2020	5,00,000/-	5,000	256	5,000	256
8.75% LIC Housing Finance Ltd 14JAN2020	10,00,000/-	1,070	110	1,070	112
8.75% LIC Housing Finance Ltd 21DEC2020	10,00,000/-	1,000	101	1,000	102
8.80% LIC Housing Finance Ltd 24Dec2020	10,00,000/-	650	67	-	-
8.97% LIC Housing Finance Ltd 29OCT2019	10,00,000/-	500	52	500	52
9.45% Housing Development Finance Corporation Ltd 21AUG2019	10,00,000/-	3,000	318	3,000	323
9.65% Housing Development Finance Corporation Ltd 19JAN2019	10,00,000/-	-	-	500	52
Total investments in non-convertible debentures		**28,295**	**3,266**	**31,815**	**3,978**

The balances held in government securities as at March 31, 2019 and March 31, 2018 are as follows: *(In ₹ crore, except as otherwise stated)*

Particulars		**As at March 31, 2019**		**As at March 31, 2018**	
	Face Value ₹	**Units**	**Amount**	**Units**	**Amount**
7.17% Government of India 8JAN2028	10,000/-	675,000	672	-	-
7.95% Government of India 28AUG2032	10,000/-	50,000	52	-	-
Total investments in government securities		**7,25,000**	**724**	**-**	**-**

The balances held in certificates of deposit as at March 31, 2019 and March 31, 2018 are as follows: *(In ₹ crore, except as otherwise stated)*

Particulars		**As at March 31, 2019**		**As at March 31, 2018**	
	Face Value ₹	**Units**	**Amount**	**Units**	**Amount**
Axis Bank	1,00,000/-	90,000	872	208,000	1,985
HDFC Bank	1,00,000/-	-	-	15,000	147
ICICI Bank	1,00,000/-	75,000	738	126,000	1,186
IndusInd Bank	1,00,000/-	-	-	135,000	1,271
Kotak Bank	1,00,000/-	77,000	747	70,000	680
Vijaya Bank	1,00,000/-	12,500	125	-	-
Total investments in certificates of deposit		**2,54,500**	**2,482**	**5,54,000**	**5,269**

The balances held in commercial paper as at March 31, 2019 and March 31, 2018 are as follows: *(In ₹ crore, except as otherwise stated)*

Particulars		**As at March 31, 2019**		**As at March 31, 2018**	
	Face Value ₹	**Units**	**Amount**	**Units**	**Amount**
LIC	5,00,000/-	10,000	495	6,000	293
Total investments in commercial paper		**10,000**	**495**	**6,000**	**293**

2.5 LOANS

(In ₹ crore)

Particulars	As at March 31, 2019	As at March 31, 2018
Non Current		
Unsecured, considered good		
Other loans		
Loans to employees	19	36
	19	**36**
Unsecured, considered doubtful		
Other loans		
Loans to employees	24	17
	43	**53**
Less: Allowance for doubtful loans to employees	24	17
Total non-current loans	**19**	**36**
Current		
Unsecured, considered good		
Other loans		
Loans to employees	241	239
Total current loans	**241**	**239**
Total loans	**260**	**275**

2.6 OTHER FINANCIAL ASSETS

(In ₹ crore)

Particulars	As at March 31, 2019	As at March 31, 2018
Non Current		
Security deposits (1)	52	53
Rental deposits (1)	193	171
Restricted deposits(1)	67	60
Total non-current other financial assets	**312**	**284**
Current		
Security deposits (1)	4	9
Rental deposits (1)	15	13
Restricted deposits (1)	1,671	1,535
Unbilled revenues (1)#	2,093	4,261
Interest accrued but not due (1)	905	766
Foreign currency forward and options contracts (2) (3)	336	16
Escrow and other deposits pertaining to buyback (Refer note 2.11)(1)	257	-
Others (1)	224	84
Total current other financial assets	**5,505**	**6,684**
Total other financial assets	**5,817**	**6,968**
(1) Financial assets carried at amortized cost	5,481	6,952
(2) Financial assets carried at fair value through other comprehensive income	37	12
(3) Financial assets carried at fair value through profit or loss	299	4

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 upon passage of time.

2.7 TRADE RECEIVABLES

(In ₹ crore)

Particulars	As at March 31, 2019	As at March 31, 2018
Current		
Unsecured		
Considered good (1)	14,827	13,142
Considered doubtful	483	354
	15,310	13,496
Less: Allowance for credit loss	483	354
Total trade receivables	14,827	**13,142**
(1) Includes dues from companies where directors are interested	-	-

2.8 CASH AND CASH EQUIVALENTS

(In ₹ crore)

Particulars	As at	
	March 31, 2019	March 31, 2018
Balances with banks		
In current and deposit accounts	14,197	13,168
Cash on hand	-	-
Others		
Deposits with financial institutions	5,371	6,650
Total cash and cash equivalents	**19,568**	**19,818**
Cash and cash equivalents included under assets classified under held for sale (refer note no 2.1.2)	-	53
	19,568	**19,871**
Balances with banks in unpaid dividend accounts	29	22
Deposit with more than 12 months maturity	6,582	6,332
Balances with banks held as margin money deposits against guarantees	114	356

Cash and cash equivalents as at March 31, 2019 and March 31, 2018 include restricted cash and bank balances of ₹358 crore and ₹533 crore, respectively. The restrictions are primarily on account of bank balances held by irrevocable trusts controlled by the Company, bank balances held as margin money deposits against guarantees and balances held in unpaid dividend bank accounts.

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.

The details of balances as on Balance Sheet dates with banks are as follows:

(In ₹ crore)

Particulars	As at	
	March 31, 2019	March 31, 2018
Current accounts		
ANZ Bank, Taiwan	1	9
Axis Bank, India	1	-
Banamex Bank, Mexico	8	2
Banamex Bank, Mexico (U.S. Dollar account)	27	13
Bank of America, Mexico	102	25
Bank of America, USA	1,162	1,172
Bank of Baroda, Mauritius	1	1
Bank of Leumni , Israel	6	-
Bank of Tokyo-Mitsubishi UFJ Ltd., Japan	1	1
Bank Zachodni WBK S.A, Poland	-	17
Barclays Bank, UK	39	40
BNP Paribas Bank, Norway	24	88
China Merchants Bank, China	2	6
Citibank N.A., Australia	91	223
Citibank N.A., Brazil	31	14
Citibank N.A., China	65	116
Citibank N.A., China (U.S. Dollar account)	14	9
Citibank N.A., Costa Rica	1	1
Citibank N.A., Dubai	10	6
Citibank N.A., EEFC (U.S. Dollar account)	2	4
Citibank N.A., Europe	1	-
Citibank N.A., Hungary	1	6
Citibank N.A., India	2	2
Citibank N.A., Japan	22	18
Citibank N.A., New Zealand	3	11
Citibank N.A., Portugal	10	8
Citibank N.A., Romania	1	2
Citibank N.A., Singapore	77	4
Citibank N.A., South Africa	18	33
Citibank N.A., South Africa (Euro account)	1	1
Citibank N.A., South Korea	17	2
Citibank N.A., USA	8	4
Citibank N.A., Luxemberg	4	-
Commercial Bank, Germany	1	-
Danske Bank, Sweden	1	1
Deutsche Bank, Belgium	16	27
Deutsche Bank, Czech Republic	20	16
Deutsche Bank, Czech Republic (Euro account)	6	3
Deutsche Bank, Czech Republic (U.S. Dollar account)	24	2
Deutsche Bank, EEFC (Australian Dollar account)	3	2
Deutsche Bank, EEFC (Euro account)	23	34
Deutsche Bank, EEFC (Swiss Franc account)	5	2
Deutsche Bank, EEFC (U.S. Dollar account)	217	32
Deutsche Bank, EEFC (United Kingdom Pound Sterling account)	8	9
Deutsche Bank, France	20	19
Deutsche Bank, Germany	111	100
Deutsche Bank, Hong Kong	1	1

Deutsche Bank, India	45	44
Deutsche Bank, Malaysia	1	5
Deutsche Bank, Netherlands	34	15
Deutsche Bank, Philippines	4	25
Deutsche Bank, Philippines (U.S. Dollar account)	1	3
Deutsche Bank, Poland	28	18
Deutsche Bank, Poland (Euro account)	8	8
Deutsche Bank, Russia	3	3
Deutsche Bank, Russia (U.S. Dollar account)	-	5
Deutsche Bank, Singapore	15	17
Deutsche Bank, Spain	1	1
Deutsche Bank, Switzerland	33	29
Deutsche Bank, Switzerland (US Dollar account)	1	-
Deutsche Bank, United Kingdom	42	79
Deutsche Bank, USA	61	2
HSBC Bank, (U.S. Dollar account)	1	-
Hua Xia Bank, RMB	1	-
HSBC Bank, Dubai	-	2
HSBC Bank, Hong Kong	1	2
HSBC Bank, United Kingdom	19	6
HSBC Bank, India	3	-
ICICI Bank, EEFC (Euro account)	7	1
ICICI Bank, EEFC (U.S. Dollar account)	34	40
ICICI Bank, EEFC (United Kingdom Pound Sterling account)	6	11
ICICI Bank, India	42	52
Nordbanken, Sweden	45	50
Nordea	17	-
Punjab National Bank, India	2	12
Kotak Bank	5	-
Raiffeisen Bank, Czech Republic	-	5
Raiffeisen Bank, Romania	-	3
Royal Bank of Canada, Canada	136	166
Santander Bank, Argentina	-	1
Silicon Valley Bank, USA	13	-
Splitska Banka D.D., Société Générale Group, Croatia	14	8
State Bank of India, India	3	1
The Saudi British Bank, Saudi Arabia	3	3
Washington Trust Bank	48	-
	2,886	**2,703**

(In ₹ crore)

Particulars	**As at**	
	March 31, 2019	**March 31, 2018**
Deposit accounts		
Axis Bank	925	-
Bank BGZ BNP Paribas S.A.	235	144
Barclays Bank	500	200
Canara Bank	85	84
Citibank	176	224
Deutsche Bank, AG	-	24
Deutsche Bank, Poland	126	211
HDFC Bank	50	2,498
HSBC Bank	200	-
ICICI Bank	3,177	3,497
IDBI Bank	-	250
IDFC Bank	2,450	1,500
IndusInd Bank	550	1,000
Kotak Mahindra Bank	500	-
South Indian Bank	173	450
Standard Chartered Bank	2,000	-
Washington trust bank	21	-
Yes Bank	-	5
	11,168	**10,087**
Unpaid dividend accounts		
Axis Bank - Unpaid dividend account	4	1
HDFC Bank - Unpaid dividend account	-	1
ICICI Bank - Unpaid dividend account	25	20
	29	**22**
Margin money deposits against guarantees		
Canara Bank	45	151
Citibank	-	3
ICICI Bank	69	202
	114	**356**
Deposits with financial institutions		
HDFC Limited	4,146	5,450
LIC Housing Finance Limited	1,225	1,200
	5,371	**6,650**
Total cash and cash equivalents	**19,568**	**19,818**

2.9 OTHER ASSETS

(In ₹ crore)

Particulars	As at	
	March 31, 2019	**March 31, 2018**
Non Current		
Capital advances	489	421
Advances other than capital advances		
Prepaid gratuity (*refer note no. 2.20.1*)	42	43
Others		
Withholding taxes and others	929	1,428
Prepaid expenses	162	111
Advance for business acquisition *(refer note no. 2.1.1)*	206	-
Deferred Contract Cost*	277	262
Total Non-Current other assets	**2,105**	**2,265**
Current		
Advances other than capital advances		
Payment to vendors for supply of goods	109	119
Others		
Unbilled revenues #	3,281	-
Withholding taxes and others	1,488	1,032
Prepaid expenses	751	472
Deferred Contract Cost	58	44
Total Current other assets	**5,687**	**1,667**
Total other assets	**7,792**	**3,932**

Deferred contract costs are upfront costs incurred for the contract and are amortized over the term of the contract. Withholding taxes and others primarily consist of input tax credits and Cenvat recoverable from Government of India. Cenvat recoverable includes ₹523 crore which are pending adjudication. The Group expects these amounts to be sustainable on adjudication and recoverable on final resolution.

Classified as non financial asset as the contractual right to consideration is dependent on completion of contractual milestones.

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 recognized in a business combination which is subsequently measured at fair value through profit or loss. For trade and other payables maturing within one year from the Balance Sheet date, the carrying amounts approximate the fair value due to the short maturity of these instruments.

b. Derivative financial instruments

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

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

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

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

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

(ii) Cash flow hedge

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

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

c. Share capital and treasury shares

(i) Ordinary Shares

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

(ii) 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.

2.10.3 Derecognition of financial instruments

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

2.10.4 Fair value of financial instruments

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

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

2.10.5 Impairment

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

Financial instruments by category

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

(In ₹ crore)

Particulars	Amortized cost	Financial assets/ liabilities at fair value through profit or loss		Financial assets/liabilities at fair value through OCI		Total carrying value	Total fair value
		Designated upon initial recognition	Mandatory	Equity instruments designated upon initial recognition	Mandatory		
Assets:							
Cash and cash equivalents (Refer Note no. 2.8)	19,568	-	-	-	-	19,568	19,568
Investments (Refer Note no. 2.4)							
Equity and preference securities	-	-	23	100	-	123	123
Tax-free bonds and government bonds	1,911	-	-	-	-	1,911	2,125 (1)
Liquid mutual fund units	-	-	1,786	-	-	1,786	1,786
Non convertible debentures	-	-	-	-	3,266	3,266	3,266
Government securities	-	-	-	-	724	724	724
Commercial paper	-	-	-	-	495	495	495
Certificates of deposit	-	-	-	-	2,482	2,482	2,482
Other investments	-	-	16	-	-	16	16
Fixed maturity plan securities	-	-	458	-	-	458	458
Trade receivables (Refer Note no. 2.7)	14,827	-	-	-	-	14,827	14,827
Loans (Refer Note no. 2.5)	260	-	-	-	-	260	260
Other financials assets (Refer Note no. 2.6)(3)	5,481	-	299	-	37	5,817	5,733 (2)
Total	**42,047**	**-**	**2,582**	**100**	**7,004**	**51,733**	**51,863**
Liabilities:							
Trade payables	1,655	-	-	-	-	1,655	1,655
Other financial liabilities (Refer Note no. 2.12)	8,731	-	205	-	-	8,936	8,936
Total	**10,386**	**-**	**205**	**-**	**-**	**10,591**	**10,591**

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

(2) Excludes interest accrued on tax free bonds and government bonds

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

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

(In ₹ crore)

	Amortized cost	Financial assets/ liabilities at fair value through profit		Financial assets/liabilities at fair value through OCI		Total carrying value	Total fair value
		Designated upon initial recognition	Mandatory	Equity instruments designated upon initial recognition	Mandatory		
Assets:							
Cash and cash equivalents (Refer Note no. 2.8)	19,818	-	-	-	-	19,818	19,818
Investments (Refer Note no. 2.4)							
Equity and preference securities	-	-	-	138	-	138	138
Tax-free bonds and government bonds	1,897	-	-	-	-	1,897	2,151 (1)
Liquid mutual fund units	-	-	81	-	-	81	81
Non convertible debentures	-	-	-	-	3,978	3,978	3,978
Certificates of deposit	-	-	-	-	5,269	5,269	5,269
Commercial paper	-	-	-	-	293	293	293
Convertible promissory note	-	-	12	-	-	12	12
Other investments	-	-	66	-	-	66	66
Fixed maturity plan securities	-	-	429	-	-	429	429
Trade receivables (Refer Note no. 2.7)	13,142	-	-	-	-	13,142	13,142
Loans (Refer Note no. 2.5)	275	-	-	-	-	275	275
Other financials assets (Refer Note no. 2.6)	6,952	-	4	-	12	6,968	6,884 (2)
Total	**42,084**	**-**	**592**	**138**	**9,552**	**52,366**	**52,536**
Liabilities:							
Trade payables	694	-	-	-	-	694	694
Other financial liabilities (Refer Note no. 2.12)	5,442	-	93	-	3	5,538	5,538
Total	**6,136**	**-**	**93**	**-**	**3**	**6,232**	**6,232**

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

(2) *Excludes interest accrued on tax free bonds and government bonds*

Fair value hierarchy

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

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

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

The following table presents fair value hierarchy of assets and liabilities measured at fair value on a recurring basis as at March 31, 2019:

(In ₹ crore)

	As at March 31, 2019	Fair value measurement at end of the reporting period using		
		Level 1	Level 2	Level 3
Assets				
Investments in liquid mutual funds (Refer Note no. 2.4)	1,786	1,786	-	-
Investments in tax-free bonds (Refer Note no. 2.4)	2,107	1,836	271	-
Investments in government bonds (Refer Note no. 2.4)	18	18	-	-
Investments in equity instruments (Refer Note no. 2.4)	11	-	-	11
Investments in preference securities (Refer Note no. 2.4)	112	-	-	112
Investments in non convertible debentures (Refer Note no. 2.4)	3,266	1,780	1,486	-
Investments in certificates of deposit (Refer Note no. 2.4)	2,482	-	2,482	-
Investment in Government securities	724	724	-	-
Investment in Commercial paper	495	-	495	-
Investments in fixed maturity plan securities (Refer Note no. 2.4)	458	-	458	-
Other investments (Refer Note no. 2.4)	16	-	-	16
Derivative financial instruments - gain on outstanding foreign currency forward and option contracts (Refer Note no. 2.6)	336	-	336	-
Liabilities				
Derivative financial instruments - loss on outstanding foreign currency forward and option contracts (Refer Note no. 2.12)	15	-	15	-
Liability towards contingent consideration (Refer note no. 2.12)(1)	190	-	-	190

(1) *Discount rate pertaining to contingent consideration ranges from 9% to 16% .*

During the year ended March 31, 2019, tax free bonds and non-convertible debentures of ₹336 crore were transferred from Level 2 to Level 1 of fair value hierarchy, since these were valued based on quoted price and ₹746 crore 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, 2018 was as follows:

(In ₹ crore)

	As at March 31, 2018	Fair value measurement at end of the reporting period using		
		Level 1	Level 2	Level 3
Assets				
Investments in liquid mutual funds (Refer Note no. 2.4)	81	81	-	-
Investments in tax free bonds (Refer Note no. 2.4)	2,150	1,878	272	-
Investments in government bonds (Refer Note no. 2.4)	1	1	-	-
Investments in equity instruments (Refer Note no. 2.4)	22	-	-	22
Investments in preference securities (Refer Note no. 2.4)	116	-	-	116
Investments in non convertible debentures (Refer Note no. 2.4)	3,978	2,695	1,283	-
Investments in certificates of deposit (Refer Note no. 2.4)	5,269	-	5,269	-
Investments in commercial paper (Refer Note no. 2.4)	293	-	293	-
Investments in fixed maturity plan securities (Refer Note no. 2.4)	429	-	429	-
Investments in convertible promissory note (Refer Note no. 2.4)	12	-	-	12
Other investments (Refer Note no. 2.4)	66	-	-	66
Derivative financial instruments - gain on outstanding foreign currency forward and option	16	-	16	-
Liabilities				
Derivative financial instruments - loss on outstanding foreign currency forward and option	42	-	42	-
Liability towards contingent consideration (Refer note no. 2.12)[(1)]	54	-	-	54

[(1)] Discounted contingent consideration at 10%

During the year ended March 31, 2018, tax free bonds and non-convertible debentures of ₹1,797 crore were transferred from Level 2 to Level 1 of fair value hierarchy, since these were valued based on quoted price and ₹850 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.

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 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 monetary assets and liabilities as at March 31, 2019:

(In ₹ crore)

Particulars	U.S. dollars	Euro	United Kingdom	Australian dollars	Other currencies	Total
Cash and cash equivalents	1,640	266	110	213	1,113	3,342
Trade receivables	9,950	1,844	1,025	527	971	14,317
Other financial assets , loans and other current assets	4,189	873	285	310	748	6,405
Trade payables	(708)	(128)	(139)	(80)	(107)	(1,162)
Other financial liabilities	(4,201)	(560)	(217)	(382)	(759)	(6,119)
Net assets / (liabilities)	**10,870**	**2,295**	**1,064**	**588**	**1,966**	**16,783**

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

(In ₹ crore)

	U.S. dollars	Euro	United Kingdom	Australian dollars	Other currencies	Total
Cash and cash equivalents	1,287	218	147	353	1,192	3,197
Trade receivables	8,317	1,751	845	788	781	12,482
Other financial assets (including loans)	2,636	663	330	173	470	4,272
Trade payables	(273)	(81)	(114)	(30)	(58)	(556)
Other financial liabilities	(2,289)	(417)	(215)	(273)	(596)	(3,790)
Net assets / (liabilities)	**9,678**	**2,134**	**993**	**1,011**	**1,789**	**15,605**

Sensitivity analysis between Indian rupee and U.S. Dollar

Particulars	Three months ended March 31,		Year ended March 31,	
	2019	2018	2019	2018
Impact on the Group's incremental operating margins	0.45%	0.50%	0.47%	0.50%

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:

	As at March 31, 2019		As at March 31, 2018	
	In million	In ₹ crore	In million	In ₹ crore
Derivatives designated as cash flow hedges				
Option Contracts				
In Australian dollars	120	588	60	300
In Euro	135	1,049	100	808
In United Kingdom Pound Sterling	25	226	20	184
Other derivatives				
Forward contracts				
In Australian dollars	8	37	5	25
In Canadian dollars	13	68	20	99
In Euro	176	1,367	91	735
In Japanese Yen	550	34	550	34
In New Zealand dollars	16	75	16	76
In Norwegian Krone	40	32	40	34
In Singapore dollars	140	716	5	25
In South African Rand	-	-	25	14
In Swedish Krona	50	37	50	40
In Swiss Franc	25	172	21	146
In U.S. dollars	955	6,608	623	4,061
In United Kingdom Pound Sterling	80	724	51	466
Option Contracts				
In Australian dollars	10	49	20	100
In Canadian dollars	13	69	-	-
In Euro	60	466	45	363
In Swiss Franc	5	35	5	33
In U.S. dollars	433	2,995	320	2,086
In United Kingdom Pound Sterling	10	91	25	231
Total forwards and options contracts		**15,438**		**9,860**

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

(In ₹ crore)

Particulars	As at March 31, 2019	As at March 31, 2018
Not later than one month	4,432	2,828
Later than one month and not later than three months	6,921	4,568
Later than three months and not later than one year	4,085	2,464
	15,438	**9,860**

During the year ended March 31, 2019, 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 at March 31, 2019 are expected to occur and reclassified to the statement of profit or loss within 3 months.

Hedge effectiveness is determined at the inception of the hedge relationship, and through periodic prospective effectiveness assessments to ensure that an economic relationship exists between the hedged item and hedging instrument, including whether the hedging instrument is expected to offset changes in cash flows of hedged items.

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

The following table provides the reconciliation of cash flow hedge reserve for the three months and year ended March 31, 2019: *(In ₹ crore)*

	Three months ended March 31,		Year ended March 31,	
	2019	**2018**	**2019**	**2018**
Gain/(Loss)				
Balance at the beginning of the period	36	(2)	-	39
Gain / (Loss) recognized in other comprehensive income during the period	25	(9)	118	(93)
Amount reclassified to profit or loss during the period	(45)	11	(90)	41
Tax impact on above	5	-	(7)	13
Balance at the end of the period	**21**	**-**	**21**	**-**

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

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

(In ₹ crore)

	As at March 31, 2019		As at March 31, 2018	
	Derivative financial asset	**Derivative financial liability**	**Derivative financial asset**	**Derivative financial liability**
Gross amount of recognized financial asset/liability	338	(17)	20	(46)
Amount set off	(2)	2	(4)	4
Net amount presented in Balance Sheet	**336**	**(15)**	**16**	**(42)**

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 ₹14,827 crore and ₹13,142 crore as at March 31, 2019 and March 31, 2018, respectively and unbilled revenues amounting to ₹5,374 crore and ₹4,261 crore as at March 31, 2019 and March 31, 2018, respectively. Trade receivables and unbilled revenues are typically unsecured and are derived from revenue earned from customers primarily located in the United States. Credit risk has always been managed by the 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 expected credit loss model to assess the impairment loss or gain. The Group uses a provision matrix to compute the expected credit loss allowance for trade receivables and unbilled revenues. The provision matrix takes into account available external and internal credit risk factors such as credit default swap quotes, credit ratings from international credit rating agencies and the Group's historical experience for customers.

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

(In %)

	Three months ended March 31,		Year ended March 31,	
	2019	**2018**	**2019**	**2018**
Revenue from top customer	3.3	3.6	3.6	3.4
Revenue from top 10 customers	19.7	19.2	19.0	19.3

Credit risk exposure

The allowance for lifetime ECL on customer balances for three months ended March 31, 2019 was ₹15 crore and reversal of allowance for lifetime ECL on customer balances for three month ended March 31, 2018 was ₹27 crore respectively and allowances for year ended March 31, 2019 and March 31, 2018 was ₹239 crore and ₹34 crore, respectively.

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

(In ₹ crore)

	Three months ended March 31,		Year ended March 31,	
	2019	**2018**	**2019**	**2018**
Balance at the beginning	615	470	449	411
Impairment loss recognized/(reversal)	15	(27)	239	34
Write-offs	-	-	(73)	(5)
Reclassified from held for sale (Refer note 2.1.2)	-	(1)	-	(1)
Translation differences	(3)	7	12	10
Balance at the end	**627**	**449**	**627**	**449**

Credit exposure

The Group's credit period generally ranges from 30-60 days.

(In ₹crore except otherwise stated)

	As at	
	March 31, 2019	March 31, 2018
Trade receivables	14,827	13,142
Unbilled revenues	5,374	4,261

Days sales outstanding was 66 days and 67 days as at March 31, 2019 and March 31, 2018, respectively.

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

Liquidity risk

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, 2019, the Group had a working capital of ₹34,240 crore including cash and cash equivalents of ₹19,568 crore and current investments of ₹6,627 crore. As at March 31, 2018, the Group had a working capital of ₹34,176 crore including cash and cash equivalents of ₹19,818 crore and current investments of ₹6,407 crore.

As at March 31, 2019 and March 31, 2018, the outstanding compensated absences were ₹1,663 crore and ₹1,469 crore, respectively, which have been substantially funded. Accordingly no liquidity risk is perceived.

Under the company's on going buyback programme the maximum buyback size is ₹8,260 crore. The company has bought back shares amounting to ₹797 crore (including transaction costs) till March 31, 2019 (Refer note 2.11)

The table below provides details regarding the contractual maturities of significant financial liabilities as at March 31, 2019:

(In ₹ crore)

Particulars	Less than 1 year	1-2 years	2-4 years	4-7 years	Total
Trade payables	1,655	-	-	-	1,655
Other financial liabilities (excluding liability towards acquisition) (Refer Note no. 2.12)	8,716	11	4	-	8,731
Liability towards acquisitions on an undiscounted basis (including contingent consideration) (Refer Note no. 2.12)	114	83	-	36	233

The table below provides details regarding the contractual maturities of significant financial liabilities as at March 31, 2018:

(In ₹ crore)

Particulars	Less than 1 year	1-2 years	2-4 years	4-7 years	Total
Trade payables	694	-	-	-	694
Other financial liabilities (excluding liability towards acquisition) (Refer Note no. 2.12)	5,442	-	-	-	5,442
Liability towards acquisitions on an undiscounted basis (including contingent consideration) (Refer Note no. 2.12)	41	7	7	-	55

2.11 EQUITY

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

Particulars	As at March 31, 2019	As at March 31, 2018
Authorized		
Equity shares, ₹5 par value		
4,80,00,00,000 (2,40,00,00,000) equity shares	2,400	1,200
Issued, Subscribed and Paid-Up		
Equity shares, ₹5 par value[(1)]	2,170	1,088
4,33,59,54,462 (2,17,33,12,301) equity shares fully paid-up[(2)]		
	2,170	**1,088**

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

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

[(2)] *Net of treasury shares 2,03,24,982 (1,08,01,956)*

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.

In the period of five years immediately preceding March 31, 2019:

Bonus Issue

The Company has allotted 2,18,41,91,490 fully paid up equity shares (including treasury shares) of face value ₹5/- each during the three months ended September 30, 2018 pursuant to a bonus issue approved by the shareholders through postal ballot. Record date fixed by the Board of Directors was September 5, 2018. The bonus shares were issued by capitalization of profits transferred from general reserve. Bonus share of one equity share for every equity share held, and a bonus issue, viz., a stock dividend of one American Depositary Share (ADS) for every ADS held, respectively, has been allotted. Consequently, the ratio of equity shares underlying the ADSs held by an American Depositary Receipt holder remains unchanged. Options granted under the stock option plan have been adjusted for bonus shares.

The Company has allotted 1,14,84,72,332 and 57,42,36,166 fully paid-up shares of face value ₹5/- each during the quarter ended June 30, 2015 and December 31, 2014, pursuant to bonus issue approved by the shareholders through postal ballot. For both the bonus issues, bonus share of one equity share for every equity share held, and a stock dividend of one ADS for every ADS held, respectively, has been allotted. Consequently, the ratio of equity shares underlying the ADSs held by an American Depositary Receipt holder remains unchanged. Options granted under the restricted stock unit plan (RSU) have been adjusted for bonus shares.

The bonus shares once allotted shall rank pari passu in all respects and carry the same rights as the existing equity shareholders and shall be entitled to participate in full, in any dividend and other corporate action, recommended and declared after the new equity shares are allotted.

Update on capital allocation policy and buyback

In line with the capital allocation policy announced in April 2018, the Board, in its meeting held on January 11, 2019, approved the following :

(a) Declared a special dividend of ₹4/- per equity share;

(b) Recommended buyback of Equity Shares from the open market route through Indian stock exchanges of up to ₹8,260 crore (Maximum Buyback Size) at a price not exceeding ₹800 per share (Maximum Buyback Price) subject to shareholders' approval by way of Postal Ballot. After the execution of the above, along with the special dividend (including dividend distribution tax) of ₹2,633 crore ($386 million) already paid in June 2018, the Company would complete the distribution of ₹13,000 crore, which was announced as part of its capital allocation policy in April 2018

The shareholders approved the proposal of buyback of Equity Shares recommended by its Board of Directors in its meeting held on January 11, 2019 through the postal ballot that concluded on March 12, 2019. At the Maximum buyback price of ₹800/- per equity share and the Maximum buyback size of ₹8,260 crore the indicative maximum number of Equity shares bought back would be 10,32,50,000 Equity Shares (Maximum buyback shares) comprising approximately 2.36% of the paid-up equity share capital of the Company as of March 12, 2019 (the date of conclusion of postal ballot for approval for buyback).

The buyback was offered to all eligible equity shareholders of the Company (other than the Promoters, the Promoter Group and Persons in Control of the Company) under the open market route through the stock exchange. The Company will fund the buyback from its free reserves. The buyback of equity shares through the stock exchange commenced on March 20, 2019 and is expected to be completed by September, 2019. During the year ended March 31, 2019, 1,26,52,000 equity shares were purchased from the stock exchange which includes 18,18,000 shares which have been purchased but not extinguished as of March 31, 2019 and 36,36,000 shares which have been purchased but have not been settled and therefore not extinguished as of March 31, 2019. In accordance with section 69 of the Companies Act, 2013, during the year ended March 31, 2019 , the Company has created 'Capital Redemption Reserve' of ₹5 crore equal to the nominal value of the shares bought back as an appropriation from general reserve.

The Board, at its meeting on August 19, 2017, approved a proposal for the Company to buyback its fully paid-up equity shares of face value of ₹5 each from the eligible equity shareholders of the Company for an amount not exceeding ₹13,000 crore. The shareholders approved the said proposal of buyback of Equity Shares through the postal ballot that concluded on October 7, 2017. The Buyback offer comprised a purchase of 11,30,43,478 Equity Shares aggregating 4.92% of the paid-up equity share capital of the Company at a price of ₹1,150 per Equity share. The buyback was offered to all eligible equity shareholders (including those who became equity shareholders as on the Record date by cancelling American Depository Shares and withdrawing underlying Equity shares) of the Company as on the Record Date (i.e. November 1, 2017) on a proportionate basis through the "Tender offer" route. The Company concluded the buyback procedures on December 27, 2017 and 11,30,43,478 equity shares were extinguished. The Company has utilized its securities premium and general reserve for the buyback of its shares. In accordance with Section 69 of the Companies Act, 2013, the Company has created a Capital Redemption Reserve of ₹56 crore equal to the nominal value of the shares bought back as an appropriation from the general reserve during the year ended March 31, 2018.

The Company's objective when managing capital is to safeguard its ability to continue as a going concern and to maintain an optimal capital structure so as to maximize shareholder value. In order to maintain or achieve an optimal capital structure, the Company may adjust the amount of dividend payment, return capital to shareholders, issue new shares or buy back issued shares. As at March 31, 2019, the Company has only one class of equity shares and has no debt. Consequent to the above capital structure there are no externally imposed capital requirements.

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.

The Company declares and pays dividends in Indian rupees. The remittance of dividends outside India is governed by Indian law on foreign exchange and is subject to applicable distribution taxes. Dividend distribution tax paid by subsidiaries may be reduced / available as credit against dividend distribution tax payable by Infosys Limited.

Effective from Financial Year 2018, the Company's policy is to payout up to 70% of the free cash flow of the corresponding Financial Year in such manner (including by way of dividend and / or share buyback) as may be decided by the Board from time to time, subject to applicable laws and requisite approvals, if any. Free cash flow is defined as net cash provided by operating activities less capital expenditure as per the consolidated statement of cash flows prepared under IFRS. Dividend payout includes dividend distribution tax.

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

(in ₹)

Particulars	Year ended March 31,	
	2019	2018
Special dividend fiscal 2019	4.00	-
Interim dividend fiscal 2019	7.00	-
Final dividend for fiscal 2018	10.25	-
Special dividend for fiscal 2018	5.00	-
Interim dividend for fiscal 2018	-	6.50
Final Dividend for fiscal 2017	-	7.38

Note: Dividend per equity share disclosed in the above table represents dividends declared previously, retrospectively adjusted for September 2018 bonus issue.

During the year ended March 31, 2019 on account of the final dividend for fiscal 2018 , special divided for fiscal 2018 and fiscal 2019 and interim dividend for fiscal 2019 the Company has incurred a net cash outflow of ₹13,705 crore (excluding dividend paid on treasury shares) inclusive of dividend distribution tax.

The Board of Directors in their meeting on April 12, 2019 recommended a final dividend of ₹10.50/- per equity share for the financial year ended March 31, 2019. This payment is subject to the approval of shareholders in the ensuing Annual General Meeting of the Company, to be held on June 22, 2019 and if approved would result in a net cash outflow of approximately ₹5,483 crore, (excluding dividend paid on treasury shares) including dividend distribution tax. The final dividend of ₹10.50/- per equity share and the resultant expected cash outflow is based on the outstanding number of shares after considering shares bought back by the Company subsequent to the year ended March 31, 2019.

The details of shareholder holding more than 5% shares as at March 31, 2019 and March 31, 2018 are as follows :

Name of the shareholder	As at March 31, 2019		As at March 31, 2018	
	Number of shares	% held	Number of shares	% held
Deutsche Bank Trust Company Americas (Depository of ADR's - legal ownership)	74,62,54,648	17.11	75,98,11,718	17.39
Life Insurance Corporation of India	25,43,32,376	5.83	29,90,28,034	6.85

Information in the table above is adjusted for September, 2018 bonus issue

The reconciliation of the number of shares outstanding and the amount of share capital as at March 31, 2019 and March 31, 2018 are as follows:

(In ₹ crore, except as stated otherwise)

Particulars	As at March 31, 2019		As at March 31, 2018	
	Number of shares	Amount	Number of shares	Amount
Number of shares at the beginning of the period	217,33,12,301	1,088	228,56,55,150	1,144
Add: Shares issued on exercise of employee stock options - before bonus issue	3,92,528	-	7,00,629	-
Add: Bonus shares issued	217,37,04,829	1,088	-	-
Add: Shares issued on exercise of employee stock options - after bonus issue	11,96,804	-	-	-
Less: Shares bought back (1)(2)	1,26,52,000	6	113,043,478	56
Number of shares at the end of the period	**433,59,54,462**	**2,170**	**217,33,12,301**	**1,088**

(1) Includes 18,18,000 shares which have been purchased on account of buyback during the three months ended March 31, 2019 and have not been extinguished as of March 31, 2019

(2) Includes 36,36,000 shares which have been purchased on account of buyback during the three months ended March 31, 2019 but have not been settled and therefore not extinguished as of March 31, 2019

Securities premium

The amount received in excess of the par value has been classified as securities premium. Additionally, share-based compensation recognized in net profit in the consolidated statement of profit and loss is credited to securities premium.

Employee Stock Option Plan (ESOP):

Accounting policy

The Group recognizes compensation expense relating to share-based payments in net profit using fair value in accordance with Ind AS 102, Share-Based Payment. The estimated fair value of awards is charged to income on a straight-line basis over the requisite service period for each separately vesting portion of the award as if the award was in-substance, multiple awards with a corresponding increase to share options outstanding account.

2015 Stock Incentive Compensation Plan (the 2015 Plan) (Formerly 2011 RSU Plan):

On March 31, 2016, pursuant to the approval by the shareholders through postal ballot, the Board has been authorized to introduce, offer, issue and allot share-based incentives to eligible employees of the Company and its subsidiaries under the 2015 Stock Incentive Compensation Plan (the 2015 Plan). The maximum number of shares under the 2015 plan shall not exceed 2,40,38,883 equity shares (this includes 1,12,23,576 equity shares which are held by the trust towards the 2011 Plan as at March 31, 2016). Out of this 1,70,38,883 equity shares will be issued as RSUs at par value and 70,00,000 equity shares will be issued as stock options at market price on the date of the grant. These instruments will vest over a period of 4 years and the Company expects to grant the instruments under the 2015 Plan over the period of 4 to 7 years. The plan numbers mentioned above would further be adjusted for the September 2018 bonus issue.

Consequent to the September 2018 bonus issue, all outstanding options granted under the stock option plan have been adjusted for bonus shares. Unless otherwise stated, all the prior period share numbers, share prices and weighted average exercise prices in this note have been adjusted to give effect to the September 2018 bonus issue.

Controlled trust holds 2,03,24,982 and 1,08,01,956 shares (not adjusted for September, 2018 bonus issue) as at March 31, 2019 and March 31, 2018, respectively under the 2015 plan. Out of these shares 2,00,000 and 1,00,000 (not adjusted for September, 2018 bonus issue) equity shares have been earmarked for welfare activities of the employees as at March 31, 2019 and March 31, 2018, respectively.

The following is the summary of grants during the three months and year ended March 31, 2019 and March 31, 2018 under the 2015 Plan:

Particulars	**Three months ended March 31,**		**Year ended March 31,**	
	2019	**2018**	**2019**	**2018**
RSU				
Salil Parekh, CEO and MD - *Refer note 1 below*	42,930	226,048	260,130	226,048
U.B. Pravin Rao, COO and WTD	68,250	-	68,250	54,500
Dr. Vishal Sikka*	-	-	-	540,448
Other KMPs	347,150	429,900	347,150	546,200
Employees other than KMP	1,878,050	3,119,840	3,665,170	3,194,020
	2,336,380	**3,775,788**	**4,340,700**	**4,561,216**
ESOP				
U.B. Pravin Rao, COO and WTD	-	-	-	86,000
Dr. Vishal Sikka*	-	-	-	661,050
Other KMPs	-	-	-	88,900
Employees other than KMP	-	-	-	147,200
	-	**-**	**-**	**983,150**
Incentive units - cash settled				
Other employees	21,500	85,180	74,090	100,080
	21,500	**85,180**	**74,090**	**100,080**
Total grants	**2,357,880**	**3,860,968**	**4,414,790**	**5,644,446**

Information in the table above is adjusted for September, 2018 bonus issue

** Upon Dr. Vishal Sikka's resignation from the roles of the company, the unvested RSUs and ESOPs have been forfeited*

1. Stock incentives granted to Salil Parekh, CEO and MD

Pursuant to the approval of the shareholders through a postal ballot on February 20, 2018, Salil Parekh (CEO & MD) is eligible to receive under the 2015 Plan:

a) an annual grant of RSUs of fair value ₹3.25 crore which will vest over time in 3 equal annual installments upon completion of each year of service from the respective grant date

b) a one-time grant of RSUs of fair value ₹9.75 crore which will vest over time in 2 equal annual installments upon completion of each year of service from the grant date and

c) annual grant of performance based RSUs of fair value ₹13 crore which will vest after completion of three years the first of which concludes on March 31, 2021, subject to achievement of performance targets set by the Board or its committee.

The Board based on the recommendations of the Nomination and Remuneration committee approved on February 27, 2018, the annual time based grant for fiscal 2018 of 56,512 RSUs (adjusted for September 2018 bonus issue) and the one-time time based grant of 1,69,536 RSUs (adjusted for September 2018 bonus issue). The grants were made effective February 27, 2018.

Further, the Board, based on the recommendations of the Nomination and Remuneration Committee, granted 217,200 (adjusted for September 2018 bonus issue) performance based RSUs to Salil Parekh with an effective date of May 2, 2018. The grants would vest upon successful completion of three full fiscal years with the Company concluding on March 31, 2021 and will be determined based on achievement of certain performance targets for the said three-year period.

The Board based on the recommendations of the Nomination and Remuneration committee approved on January 11, 2019, the annual time based grant for fiscal 2019 of 42,930 RSUs. The grant was made effective February 1, 2019.

Though the annual time based grants for the remaining employment term ending on March 31, 2023 have not been granted as at March 31, 2019, since the service commencement date precedes the grant date, the company has recorded employment stock compensation expense in accordance with Ind AS 102, Share based payments.

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

As at March 31, 2019 and March 31, 2018, incentive units were outstanding (net of forfeitures) 1,77,454 and 2,23,514 (adjusted for September, 2018 bonus issue), respectively.

Break-up of employee stock compensation expense:

(in ₹ crore)

Particulars	**Three months ended March 31,**		**Year ended March 31,**	
	2019	**2018**	**2019**	**2018**
Granted to:				
KMP[(2)]	10	1	33	(13)
Employees other than KMP	49	25	169	97
Total [(1)]	**59**	**26**	**202**	**84**
[(1)] *Cash-settled stock compensation expense included above*	1	2	5	5

[(2)] *Included a reversal of stock compensation cost of ₹35 crore recorded during the three months ended September 30, 2017 towards forfeiture of stock incentives granted to Dr. Vishal Sikka upon his resignation*

The carrying value of liability towards cash settled share based payments was ₹9 crore and ₹6 crore as at March 31, 2019 and March 31, 2018 respectively.

The activity in the 2015 Plan (formerly 2011 RSU Plan) for equity-settled share based payment transactions during the three months ended March 31, 2019 and March 31, 2018 is as follows:

Particulars	Three months ended March 31, 2019		Three months ended March 31, 2018	
	Shares arising out of options	**Weighted average exercise price (₹)**	**Shares arising out of options**	**Weighted average exercise price (₹)**
2015 Plan: RSU				
Outstanding at the beginning	7,659,466	2.50	4,168,568	2.50
Granted	2,336,380	5.00	3,775,788	2.50
Exercised	660,078	2.50	231,992	2.50
Forfeited and expired	154,570	2.67	211,546	2.50
Outstanding at the end	**9,181,198**	**3.13**	**7,500,818**	**2.50**
Exercisable at the end	235,256	2.50	48,410	2.50
2015 Plan: Employee Stock Options (ESOPs)				
Outstanding at the beginning	1,641,600	519	2,316,800	496
Granted	-	-	-	-
Exercised	8,224	499	104,824	492
Forfeited and expired	10,200	499	278,150	482
Outstanding at the end	**1,623,176**	**516**	**1,933,826**	**493**
Exercisable at the end	698,500	517	393,824	496

Information in the table above is adjusted for September 2018 bonus issue

The activity in the 2015 Plan (formerly 2011 RSU Plan) for equity-settled share based payment transactions during the year ended March 31, 2019 and March 31, 2018 is set out below:

Particulars	Year ended March 31, 2019		Year ended March 31, 2018	
	Shares arising out of options	**Weighted average exercise price (₹)**	**Shares arising out of options**	**Weighted average exercise price (₹)**
2015 Plan: RSU				
Outstanding at the beginning	7,500,818	2.50	5,922,746	2.50
Granted	4,340,700	3.84	4,561,216	2.50
Exercised	1,864,510	2.50	1,296,434	2.50
Forfeited and expired	795,810	2.61	1,686,710	2.50
Outstanding at the end	**9,181,198**	**3.13**	**7,500,818**	**2.50**
Exercisable at the end	235,256	2.50	48,410	2.50
2015 Plan: Employee Stock Options (ESOPs)				
Outstanding at the beginning	1,933,826	493	2,395,300	496
Granted	-	-	983,150	472
Exercised	117,350	515	104,824	492
Forfeited and expired	193,300	521	1,339,800	481
Outstanding at the end	**1,623,176**	**516**	**1,933,826**	**493**
Exercisable at the end	698,500	517	393,824	496

Information in the table above is adjusted for September, 2018 bonus issue

During the three months ended March 31, 2019 and March 31, 2018 the weighted average share price of options exercised under the 2015 Plan on the date of exercise was ₹732 and ₹560 (adjusted for September 2018 bonus issue) respectively.

During the year ended March 31, 2019 and March 31, 2018 the weighted average share price of options exercised under the 2015 Plan on the date of exercise was ₹701 and ₹496 (adjusted for September 2018 bonus issue) respectively.

The summary of information about equity settled RSUs and ESOPs outstanding as at March 31, 2019 is as follows:

Range of exercise prices per share (₹)	Options outstanding		
	No. of shares arising out of options	**Weighted average remaining contractual life**	**Weighted average exercise price (₹)**
2015 Plan:			
0 - 5 (RSU)	9,181,198	1.70	3.13
450 - 600 (ESOP)	1,623,176	5.04	516
	10,804,374	**2.20**	**80**

Information in the table above is adjusted for September, 2018 bonus issue

The summary of information about equity settled RSUs and ESOPs outstanding as at March 31, 2018 was as follows:

Range of exercise prices per share (₹)	Options outstanding		
	No. of shares arising out of options	**Weighted average remaining contractual life**	**Weighted average exercise price (₹)**
2015 Plan:			
0 - 2.50 (RSU)	7,500,818	1.89	2.50
450 - 600 (ESOP)	1,933,826	6.60	493
	9,434,644	**2.57**	**104**

Information in the table above is adjusted for September, 2018 bonus issue

The fair value of each equity settled award is estimated on the date of grant using the Black-Scholes-Merton model with the following assumptions:

Particulars	For options granted in	
	Fiscal 2019- Equity Shares RSU	**Fiscal 2019- ADS RSU**
Weighted average share price (₹) / ($- ADS) [(1)]	696	10.77
Exercise price (₹)/ ($- ADS) [(1)]	3.31	0.06
Expected volatility (%)	21-25	22-26
Expected life of the option (years)	1-4	1-4
Expected dividends (%)	2.65	2.65
Risk-free interest rate (%)	7-8	2-3
Weighted average fair value as on grant date (₹) / ($- ADS) [(1)]	648	10.03

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

(1) Adjusted for September, 2018 bonus issue

The expected life of the RSU / ESOP is estimated based on the vesting term and contractual term of the RSU / ESOP, as well as expected exercise behaviour of the employee who receives the RSU / ESOP. Expected volatility during the expected term of the RSU / ESOP is based on historical volatility of the observed market prices of the Company's publicly traded equity shares during a period equivalent to the expected term of the RSU / ESOP.

2.12 OTHER FINANCIAL LIABILITIES

(In ₹ crore)

Particulars	As at	
	March 31, 2019	March 31, 2018
Non-current		
Others		
Accrued compensation to employees [1]	15	-
Compensated absences	44	48
Payable for acquisition of business (refer note no. 2.1.1) [2]		
Contingent consideration	88	13
Total non-current other financial liabilities	**147**	**61**
Current		
Unpaid dividends [1]	29	22
Others		
Accrued compensation to employees [1]	2,572	2,509
Accrued expenses [1]	3,319	2,452
Retention monies [1]	112	132
Payable for acquisition of business		
Contingent consideration (refer note no. 2.1.1) [2]	102	41
Payable by controlled trusts [1]	168	139
Financial liability relating to buyback (refer to note 2.11)[1]	1,202	-
Compensated absences	1,619	1,421
Foreign currency forward and options contracts [2][3]	15	42
Capital creditors [1]	676	155
Other payables [1]	638	33
Total current other financial liabilities	**10,452**	**6,946**
Total other financial liabilities	**10,599**	**7,007**
[1] Financial liability carried at amortized cost	8,731	5,442
[2] Financial liability carried at fair value through profit or loss	205	93
[3] Financial liability carried at fair value through other comprehensive income	-	3
Contingent consideration on undiscounted basis	233	55

In accordance with Ind AS 32, Financial Instruments: Presentation, the Company has recorded a financial liability of ₹1,202 crore for the obligation to acquire its own equity shares to the extent of standing instructions provided to its registered broker for the buyback as of March 31, 2019 (refer to note 2.11). The financial liability is recognized at the present value of the maximum amount that the Company would be required to pay to the registered broker for buy back, with a corresponding debit in general reserve / retained earnings.

2.13 OTHER LIABILITIES

(In ₹ crore)

Particulars	As at	
	March 31, 2019	March 31, 2018
Non-current		
Others		
Deferred income - government grant on land use rights	42	44
Accrued gratuity (Refer to Note No. 2.20.1)	30	28
Deferred rent	174	151
Deferred income	29	36
Total non-current other liabilities	**275**	**259**
Current		
Unearned revenue	2,809	2,295
Client deposit	26	38
Others		
Withholding taxes and others	1,487	1,240
Accrued gratuity (refer note no. 2.20.1)	2	-
Deferred rent	63	32
Deferred income - government grant on land use rights	1	1
Total current other liabilities	**4,388**	**3,606**
Total other liabilities	**4,663**	**3,865**

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

b. Onerous contracts

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

Provision for post-sales client support and other provisions *(In ₹ crore)*

Particulars	As at	
	March 31, 2019	**March 31, 2018**
Current		
Others		
Post-sales client support and other provisions	576	492
Total provisions	**576**	**492**

The movement in the provision for post-sales client support and other provisions is as follows : *(In ₹ crore)*

Particulars	Three months ended March 31, 2019	Year ended March 31, 2019
Balance at the beginning	582	492
Provision recognized/(reversed)	24	168
Provision utilized	(24)	(112)
Exchange difference	(6)	28
Balance at the end	**576**	**576**

Provision for post-sales client support and other provisions are expected to be utilized over a period of 6 months to 1 year.

2.15 INCOME TAXES

Accounting policy

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

Deferred income tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect of changes in tax rates on deferred income tax assets and liabilities is recognized as income or expense in the period that includes the enactment or the substantive enactment date. A deferred income tax asset is recognized to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilized. Deferred income taxes are not provided on the undistributed earnings of subsidiaries and branches where it is expected that the earnings of the subsidiary or branch will not be distributed in the foreseeable future. The Group offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously. 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 securities premium.

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

(In ₹ crore)

	Three months ended March 31,		Year ended March 31,	
	2019	**2018**	**2019**	**2018**
Current taxes	1,193	1,466	5,727	4,581
Deferred taxes	12	(150)	(96)	(340)
Income tax expense	**1,205**	**1,316**	**5,631**	**4,241**

During the quarter ended March 31, 2019, the Company entered into Advance Pricing Agreement (APA) in overseas jurisdictions resulting in a reversal of income tax expense of ₹94 crore which pertained to prior periods.

In December 2017, the Company had concluded an Advance Pricing Agreement ("APA") with the US Internal Revenue Service ("IRS") for the US branch covering the years ending March 2011 to March 2021. Under the APA, the Company and the IRS have agreed on the methodology to allocate revenues and compute the taxable income of the Company's US Branch operations. In accordance with the APA, the company had reversed income tax expense provision of $225 million (₹1,432 crore) which pertained to previous periods which are no longer required. The Company had to pay an adjusted amount of $223 million (approximately ₹1,424 crore) due to the difference between the taxes payable for prior periods as per the APA and the actual taxes paid for such periods. The company has paid $215 million (₹1,455 crore).

Further, the "Tax Cuts and Jobs Act (H.R. 1)" was signed into law on December 22, 2017 ("US Tax Reforms"). The US tax reforms has reduced federal tax rates from 35% to 21% effective January 1, 2018 amongst other measures.

Income tax expense for the three months ended March 31, 2019 and March 31, 2018 includes reversal (net of provisions) of ₹82 crore and reversal (net of provisions) ₹117 crore respectively. Income tax expense for the year ended March 31, 2019 and March 31, 2018 includes reversals (net of provisions) of ₹129 crore and ₹291 crore respectively. These reversals pertain to prior periods on account of adjudication of certain disputed matters in favor of the company across various jurisdictions.

A reconciliation of the income tax provision to the amount computed by applying the statutory income tax rate to the income before income taxes is summarized below:

(In ₹ crore)

	Three months ended March 31,		Year ended March 31,	
	2019	**2018**	**2019**	**2018**
Profit before income taxes	5,283	5,006	21,041	20,270
Enacted tax rates in India	34.94%	34.61%	34.94%	34.61%
Computed expected tax expense	1,846	1,732	7,353	7,015
Tax effect due to non-taxable income for Indian tax purposes	(755)	(631)	(2,705)	(2,068)
Overseas taxes	122	247	719	701
Tax provision (reversals)	(176)	(117)	(176)	(1,617)
Effect of exempt non-operating income	(13)	(6)	(58)	(66)
Effect of unrecognized deferred tax assets	17	49	92	188
Effect of differential overseas tax rates	2	27	(1)	52
Effect of non-deductible expenses	47	40	353	57
Branch profit tax (net of credits)	108	(55)	25	(210)
Subsidiary dividend distribution tax	-	-	-	172
Others	7	30	29	17
Income tax expense	**1,205**	**1,316**	**5,631**	**4,241**

The applicable Indian corporate statutory tax rate for the year ended March 31, 2019 and March 31, 2018 is 34.94% and 34.61%, respectively. The increase in the corporate statutory tax rate to 34.94% is consequent to changes made in the Finance Act, 2018.

The foreign tax expense is due to income taxes payable overseas principally in the United States. In India, the 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.

Entire deferred income tax for the three months and year ended March 31, 2019 and March 31, 2018 relates to origination and reversal of temporary differences except for a credit of ₹155 crore (on account of US Tax Reforms explained above), for the year ended March 31, 2018.

During the year ended March 31, 2018, the Company received ₹846 crore as dividend from its majority owned subsidiary. Dividend distribution tax paid by the subsidiary on such dividend has been reduced as credit against dividend distribution tax payable by Infosys. Accordingly, the Group has recorded a charge of ₹172 crore as income tax expense during the year ended March 31, 2018.

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, 2019, Infosys' U.S. branch net assets amounted to approximately ₹5,196 crore. As at March 31, 2019, the Company has a deferred tax liability for branch profit tax of ₹201 crore (net of credits), as the Company estimates that these branch profits are expected to be distributed in the foreseeable future.

Other income for the three months and year ended March 31, 2019 includes interest on income tax refund of ₹51 crore each, respectively. Other income for the three months and year ended March 31, 2018 includes interest on income tax refund of Nil and ₹262 crore, respectively.

Deferred income tax liabilities have not been recognized on temporary differences amounting to ₹6,007 crore and ₹5,045 crore as at March 31, 2019 and March 31, 2018, respectively, associated with investments in subsidiaries and branches as it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred income tax assets have not been recognized on accumulated losses of ₹2,624 crore and ₹1,936 crore as at March 31, 2019 and March 31, 2018, 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 balance as at March 31, 2018 excludes the accumulated losses of Disposal Groups classified as held for sale. (Refer note 2.1.2)

The following table provides details of expiration of unused tax losses:

(In ₹ crore)

Year	As at March 31, 2019
2020	173
2021	80
2022	142
2023	198
2024	187
Thereafter	1,844
Total	**2,624**

The following table provides the details of income tax assets and income tax liabilities as at March 31, 2019 and March 31, 2018:

(In ₹ crore)

Particulars	As at	
	March 31, 2019	March 31, 2018
Income tax assets	6,743	6,070
Current income tax liabilities	1,567	2,043
Net current income tax asset / (liability) at the end	**5,176**	**4,027**

The gross movement in the current income tax asset/ (liability) for the three months and year ended March 31, 2019 and March 31, 2018 is as follows:

(In ₹ crore)

Particulars	Three months ended March 31,		Year ended March 31,	
	2019	2018	2019	2018
Net current income tax asset/ (liability) at the beginning	4,783	3,515	4,027	1,831
Translation differences	2	11	(1)	-
Income tax paid	1,573	2,012	6,832	6,829
Current income tax expense	(1,193)	(1,466)	(5,727)	(4,581)
Reclassified under assets held for sale (refer note no. 2.1.2)	-	(35)	23	(35)
Reclassified from held for sale (Refer note 2.1.2)	-	-	13	-
Income tax benefit arising on exercise of stock options	5	-	8	-
Additions through business combination	-	-	(9)	-
Tax impact on buyback expenses	4	-	4	-
Income tax on other comprehensive income	2	(10)	6	(17)
Net current income tax asset/ (liability) at the end	**5,176**	**4,027**	**5,176**	**4,027**

The movement in gross deferred income tax assets and liabilities (before set off) for the three months ended March 31, 2019 is as follows:

(In ₹ crore)

Particulars	**Carrying value as at January 1**	**Changes through profit and loss**	**Addition through business combination**	**Changes through OCI**	**Reclassified from Held for Sale, net**	**Translation difference**	**Carrying value as at March 31, 2019**
Deferred income tax assets							
Property, plant and equipment	242	20	-	-	-	-	262
Accrued compensation to employees	25	6	-	-	-	-	31
Trade receivables	165	11	-	-	-	-	176
Compensated absences	387	10	-	-	-	-	397
Post sales client support	111	(7)	-	-	-	-	104
Derivative financial instruments	3	1	-	-	-	-	4
Intangibles	16	-	-	-	-	-	16
Credits related to branch profits	261	81	-	-	-	(2)	340
Others	181	43	-	(2)	-	4	226
Total deferred income tax assets	**1,391**	**165**	**-**	**(2)**	**-**	**2**	**1,556**
Deferred income tax liabilities							
Intangible asset	(163)	34	-	-	-	1	(128)
Branch profit tax	(355)	(189)	-	-	-	3	(541)
Derivative financial instruments	(107)	(8)	-	5	-	-	(110)
Others	(81)	(14)	-	19	-	(1)	(77)
Total Deferred income tax liabilities	**(706)**	**(177)**	**-**	**24**	**-**	**3**	**(856)**

The movement in gross deferred income tax assets and liabilities (before set off) for the three months ended March 31, 2018 is as follows:

(In ₹ crore)

Particulars	**Carrying value as at January 1, 2018**	**Changes through profit and loss**	**Addition through business combination**	**Changes through OCI**	**Reclassified as Held for Sale, net**	**Translation difference**	**Carrying value as at March 31, 2018**
Deferred income tax assets							
Property, plant and equipment	189	27	-	-	(1)	-	215
Computer software	-	-	-	-	-	-	-
Accrued compensation to employees	27	(14)	-	-	(2)	1	12
Trade receivables	142	(2)	-	-	-	1	141
Compensated absences	352	15	-	-	(2)	1	366
Post sales client support	73	25	-	-	-	-	98
Derivative financial instruments	-	13	-	-	-	-	13
Intangibles	22	(14)	-	-	-	1	9
Credits related to branch profits	293	41	-	-	-	7	341
Others	123	21	-	-	(33)	6	117
Total deferred income tax assets	**1,221**	**112**	**-**	**-**	**(38)**	**17**	**1,312**
Deferred income tax liabilities							
Intangible asset	(129)	8	-	-	86	(3)	(38)
Branch profit tax	(508)	14	-	-	-	(11)	(505)
Derivative financial instruments	(18)	17	-	-	-	(1)	(2)
Others	(27)	(1)	-	2	5	(5)	(26)
Total Deferred income tax liabilities	**(682)**	**38**	**-**	**2**	**91**	**(20)**	**(571)**

The movement in gross deferred income tax assets and liabilities (before set off) for the year ended March 31, 2019 is as follows:

(In ₹ crore)

Particulars	**Carrying value as at April 1, 2018**	**Changes through profit and loss**	**Addition through business combination**	**Changes through OCI**	**Reclassified from Held for Sale, net**	**Translation difference**	**Carrying value as at March 31, 2019**
Deferred income tax assets							
Property, plant and equipment	215	46	-	-	1	-	262
Accrued compensation to employees	12	16	-	-	2	1	31
Trade receivables	141	35	-	-	-	-	176
Compensated absences	366	29	-	-	2	-	397
Post sales client support	98	5	-	-	-	1	104
Derivative financial instruments	13	(14)	-	4	-	1	4
Intangibles	9	6	-	-	-	1	16
Credits related to branch profits	341	(22)	-	-	-	21	340
Others	117	75	-	9	33	(8)	226
Total deferred income tax assets	**1,312**	**176**	**-**	**13**	**38**	**17**	**1,556**
Deferred income tax liabilities							
Intangible asset	(38)	63	(56)	-	(86)	(11)	(128)
Branch profit tax	(505)	(3)	-	-	-	(33)	(541)
Derivative financial instruments	(2)	(97)	-	(11)	-	-	(110)
Others	(26)	(43)	(8)	(1)	(5)	6	(77)
Total Deferred income tax liabilities	**(571)**	**(80)**	**(64)**	**(12)**	**(91)**	**(38)**	**(856)**

The movement in gross deferred income tax assets and liabilities (before set off) for the year ended March 31, 2018 is as follows:

(In ₹ crore)

Particulars	Carrying value as at April 1, 2017	Changes through profit and loss	Addition through business combination	Changes through OCI	Reclassified as Held for Sale, net	Translation difference	Carrying value as at March 31, 2018
Deferred income tax assets							
Property, plant and equipment	138	78	-	-	(1)	-	215
Computer software	40	(41)	-	-	-	1	-
Accrued compensation to employees	57	(42)	-	-	(2)	(1)	12
Trade receivables	136	4	-	-	-	1	141
Compensated absences	374	(10)	-	-	(2)	4	366
Post sales client support	97	2	-	-	-	(1)	98
Derivative financial instruments	-	13	-	-	-	-	13
Intangibles	22	(14)	-	-	-	1	9
Credits related to branch profits	-	334	-	-	-	7	341
Others	229	(70)	-	(14)	(33)	5	117
Total deferred income tax assets	**1,093**	**254**	**-**	**(14)**	**(38)**	**17**	**1,312**
Deferred income tax liabilities							
Intangible asset	(206)	85	(2)	-	86	(1)	(38)
Branch profit tax	(327)	(172)	-	-	-	(6)	(505)
Derivative financial instruments	(86)	72	-	13	-	(1)	(2)
Others	(141)	101	-	13	5	(4)	(26)
Total Deferred income tax liabilities	**(760)**	**86**	**(2)**	**26**	**91**	**(12)**	**(571)**

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

(In ₹ crore)

Particulars	As at	
	March 31, 2019	**March 31, 2018**
Deferred income tax assets after set off	1,372	1,282
Deferred income tax liabilities after set off	(672)	(541)

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.

2.16 REVENUE FROM OPERATIONS

Accounting policy

The Group derives revenues primarily from business IT services comprising of software development and related services, consulting and package implementation and from the licensing of software products and platforms across our core and digital offerings ("together called as software related services").

Effective April 1, 2018, the Group adopted Ind AS 115 "Revenue from Contracts with Customers" using the cumulative catch-up transition method, applied to contracts that were not completed as at April 1, 2018. In accordance with the cumulative catch-up transition method , the comparatives have not been retrospectively adjusted. The following is a summary of new and/or revised significant accounting policies related to revenue recognition. Refer Note 1 "Significant Accounting Policies," in the Company's 2018 Annual Report for the policies in effect for revenue prior to April 1, 2018. The effect on adoption of Ind AS 115 was insignificant.

Revenue is recognized upon transfer of control of promised products or services to customers in an amount that reflects the consideration we expect to receive in exchange for those products or services.

Arrangements with customers for software related services are either on a fixed-price, fixed-timeframe or on a time-and-material basis.

Revenue on time-and-material contracts are recognized as the related services are performed and revenue from the end of the last invoicing to the reporting date is recognized as unbilled revenue. Revenue from fixed-price, fixed-timeframe contracts, where the performance obligations are satisfied over time and where there is no uncertainty as to measurement or collectability of consideration, is recognized as per the percentage-of-completion method. When there is uncertainty as to measurement or ultimate collectability, revenue recognition is postponed until such uncertainty is resolved. Efforts or costs expended have been used to measure progress towards completion as there is a direct relationship between input and productivity. Maintenance revenue is recognized ratably over the term of the underlying maintenance arrangement.

Revenues in excess of invoicing are classified as contract assets (which we refer as unbilled revenue) while invoicing in excess of revenues are classified as contract liabilities (which we refer to as unearned revenues).

In arrangements for software development and related services and maintenance services, the Group has applied the guidance in Ind AS 115, Revenue from contract with customer, by applying the revenue recognition criteria for each distinct performance obligation. The arrangements with customers generally meet the criteria for considering software development and related services as distinct performance obligations. For allocating the transaction price, the Group has measured the revenue in respect of each performance obligation of a contract at its relative standalone selling price. The price that is regularly charged for an item when sold separately is the best evidence of its standalone selling price. In cases where the Group is unable to determine the standalone selling price, the Group uses the expected cost plus margin approach in estimating the standalone selling price. For software development and related services, the performance obligations are satisfied as and when the services are rendered since the customer generally obtains control of the work as it progresses.

Revenue from licenses where the customer obtains a "right to use" the licenses is recognized at the time the license is made available to the customer. Revenue from licenses where the customer obtains a "right to access" is recognized over the access period. Arrangements to deliver software products generally have three elements: license, implementation and Annual Technical Services (ATS). The Group has applied the principles under Ind AS 115 to account for revenues from these performance obligations. When implementation services are provided in conjunction with the licensing arrangement and the license and implementation have been identified as two separate performance obligations, the transaction price for such contracts are allocated to each performance obligation of the contract based on their relative standalone selling prices. In the absence of standalone selling price for implementation, the performance obligation is estimated using the expected cost plus margin approach. Where the license is required to be substantially customized as part of the implementation service the entire arrangement fee for license and implementation is considered to be a single performance obligation and the revenue is recognized using the percentage-of-completion method as the implementation is performed. Revenue from client training, support and other services arising due to the sale of software products is recognized as the performance obligations are satisfied. ATS revenue is recognized ratably over the period in which the services are rendered.

The Group accounts for volume discounts and pricing incentives to customers as a reduction of revenue based on the ratable allocation of the discounts/ incentives to each of the underlying performance obligation that corresponds to the progress by the customer towards earning the discount/ incentive. Also, when the level of discount varies with increases in levels of revenue transactions, the company recognizes the liability based on its estimate of the customer's future purchases. If it is probable that the criteria for the discount will not be met, or if the amount thereof cannot be estimated reliably, then discount is not recognized until the payment is probable and the amount can be estimated reliably. The Group recognizes changes in the estimated amount of obligations for discounts in the period in which the change occurs.

Deferred contract costs are incremental costs of obtaining a contract which are recognized as assets and amortized over the term of the contract.

Contract modifications are accounted for when additions, deletions or changes are approved either to the contract scope or contract price. The accounting for modifications of contracts involves assessing whether the services added to an existing contract are distinct and whether the pricing is at the standalone selling price. Services added that are not distinct are accounted for on a cumulative catch up basis, while those that are distinct are accounted for prospectively, either as a separate contract, if the additional services are priced at the standalone selling price, or as a termination of the existing contract and creation of a new contract if not priced at the standalone selling price.

The Group presents revenues net of indirect taxes in its statement of Profit and loss.

Revenues for the three months and year ended March 31, 2019 and March 31, 2018 are as follows:

(In ₹ crore)

Particulars	Three months ended March 31,		Year ended March 31,	
	2019	**2018**	**2019**	**2018**
Revenue from software services	20,372	17,191	78,359	66,857
Revenue from products and platforms	1,167	892	4,316	3,665
Total revenue from operations	**21,539**	**18,083**	**82,675**	**70,522**

Disaggregate revenue information

The table below presents disaggregated revenues from contracts with customers by geography, offerings and contract-type 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, 2019 *(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	4,093	2,206	1,763	1,513	1,150	1,575	767	126	13,193
Europe	1,255	987	464	975	918	35	492	41	5,167
India	296	6	23	1	21	32	4	110	493
Rest of the world	1,161	217	671	258	72	8	24	275	2,686
Total	**6,805**	**3,416**	**2,921**	**2,747**	**2,161**	**1,650**	**1,287**	**552**	**21,539**
Revenue by offerings									
Services									
Digital	2,083	1,229	966	910	683	527	267	100	6,765
Core	3,972	2,109	1,897	1,788	1,427	1,055	917	442	13,607
Subtotal	***6,055***	***3,338***	***2,863***	***2,698***	***2,110***	***1,582***	***1,184***	***542***	***20,372***
Products and platforms									
Digital	205	68	57	15	33	66	66	7	517
Core	545	10	1	34	18	2	37	3	650
Subtotal	***750***	***78***	***58***	***49***	***51***	***68***	***103***	***10***	***1,167***
Total	**6,805**	**3,416**	**2,921**	**2,747**	**2,161**	**1,650**	**1,287**	**552**	**21,539**
Digital	2,288	1,297	1,023	925	716	593	333	107	7,282
Core	4,517	2,119	1,898	1,822	1,445	1,057	954	445	14,257
Revenues by contract type									
Fixed Price	3,006	2,143	1,965	1,531	1,115	814	612	281	11,467
Time & Materials	3,799	1,273	956	1,216	1,046	836	675	271	10,072
Total	**6,805**	**3,416**	**2,921**	**2,747**	**2,161**	**1,650**	**1,287**	**552**	**21,539**

For the year ended March 31, 2019

(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	16,052	8,792	5,579	5,867	4,336	5,914	3,066	432	50,038
Europe	4,890	3,836	1,897	3,550	3,497	106	2,011	155	19,942
India	1,209	23	56	3	86	137	12	522	2,048
Rest of the world	4,326	905	2,894	970	233	20	114	1,185	10,647
Total	**26,477**	**13,556**	**10,426**	**10,390**	**8,152**	**6,177**	**5,203**	**2,294**	**82,675**
Revenue by offerings									
Services									
Digital	7,543	4,410	3,421	2,993	2,291	1,998	1,085	308	24,049
Core	16,064	8,795	6,822	7,190	5,644	4,087	3,780	1,928	54,310
Subtotal	***23,607***	***13,205***	***10,243***	***10,183***	***7,935***	***6,085***	***4,865***	***2,236***	***78,359***
Products and platforms									
Digital	734	305	177	68	136	86	204	38	1,748
Core	2,136	46	6	139	81	6	134	20	2,568
Subtotal	***2,870***	***351***	***183***	***207***	***217***	***92***	***338***	***58***	***4,316***
Total	**26,477**	**13,556**	**10,426**	**10,390**	**8,152**	**6,177**	**5,203**	**2,294**	**82,675**
Digital	8,277	4,715	3,598	3,061	2,427	2,084	1,289	346	25,797
Core	18,200	8,841	6,828	7,329	5,725	4,093	3,914	1,948	56,878
Revenues by contract type									
Fixed Price	11,600	8,571	6,330	6,033	4,178	3,148	2,430	1,136	43,426
Time & Materials	14,877	4,985	4,096	4,357	3,974	3,029	2,773	1,158	39,249
Total	**26,477**	**13,556**	**10,426**	**10,390**	**8,152**	**6,177**	**5,203**	**2,294**	**82,675**

(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

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 and Infosys McCamish- insurance platform.

Trade Receivables and Contract Balances

The Group classifies the right to consideration in exchange for deliverables as either a receivable or as unbilled revenue.

A receivable is a right to consideration that is unconditional upon passage of time. Revenue for time and material contracts are recognized as related service are performed. Revenue for fixed price maintenance contracts is recognized on a straight line basis over the period of the contract. Revenues in excess of billings is recorded as unbilled revenue and is classified as a financial asset for these cases as right to consideration is unconditional upon passage of time .

Revenue recognition for fixed price development contracts is based on percentage of completion method. Invoicing to the clients is based on milestones as defined in the contract. This would result in the timing of revenue recognition being different from the timing of billing the customers. Unbilled revenue for fixed price development contracts is classified as non financial asset as the contractual right to consideration is dependent on completion of contractual milestones.

Invoicing in excess of earnings are classified as unearned revenue.

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

During the year ended March 31, 2019 , the company recognized revenue of ₹2,237 crore arising from opening unearned revenue as of April 1, 2018.

During the year ended March 31, 2019, ₹2,685 crore of unbilled revenue pertaining to fixed price development contracts as of April 1, 2018 has been reclassified to Trade receivables upon billing to customers on completion of milestones.

Performance obligations and remaining performance obligations

The remaining performance obligation disclosure provides the aggregate amount of the transaction price yet to be recognized as at the end of the reporting period and an explanation as to when the 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 basis. Remaining performance obligation estimates are subject to change and are affected by several factors, including terminations, changes in the scope of contracts, periodic revalidations, adjustment for revenue that has not materialized and adjustments for currency.

The aggregate value of performance obligations that are completely or partially unsatisfied as at March 31, 2019, other than those meeting the exclusion criteria mentioned above, is ₹51,274 crore. Out of this, the Group expects to recognize revenue of around 50% within the next one year and the remaining thereafter. This includes contracts that can be terminated for convenience without a substantive penalty since, based on current assessment, the occurrence of the same is expected to be remote.

The impact on account of applying the erstwhile Ind AS 18 Revenue standard instead of Ind AS 115 Revenue from contract with customers on the financials results of the Group for the three months and year ended March 31, 2019 and as at March 31, 2019 is insignificant. On account of adoption of Ind AS 115, unbilled revenues of ₹3,281 crore as at March 31, 2019 has been considered as a Non financial asset.

2.17 OTHER INCOME, NET

Accounting policy

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

Foreign currency

Accounting policy

Functional currency

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

Transactions and translations

Foreign-currency denominated monetary assets and liabilities are translated into the relevant functional currency at exchange rates in effect at the Balance Sheet date. The gains or losses resulting from such translations are included in net profit in the Consolidated Statement of Profit and Loss. Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at fair value are translated at the exchange rate prevalent at the date when the fair value was determined. Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of transaction.

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

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.

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.

Effective April 1, 2018, the Group has adopted Appendix B to Ind AS 21- Foreign Currency Transactions and Advance Consideration which clarifies the date of transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income when an entity has received or paid advance consideration in a foreign currency. The effect on account of adoption of this amendment was insignificant.

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 three months and year ended March 31, 2019 and March 31, 2018 are as follows:

(In ₹ crore)

Particulars	**Three months ended March 31,**		**Year ended March 31,**	
	2019	**2018**	**2019**	**2018**
Interest income on financial assets carried at amortized cost:				
Tax free bonds and Government bonds	35	35	143	143
Deposit with Bank and others	320	347	1,261	1,531
Interest income on financial assets carried at fair value through other comprehensive income:				
Non-convertible debentures, certificates of deposit, Govt. securities and commercial paper	142	133	646	682
Income on investments carried at fair value through profit or loss				
Dividend income on liquid mutual funds	1	-	2	4
Gain / (loss) on liquid mutual funds	63	39	196	253
Exchange gains/ (losses) on foreign currency forward and options contracts	195	(130)	185	1
Exchange gains/ (losses) on translation of assets and liabilities	(139)	183	133	233
Miscellaneous Income, net	48	45	316	464
Total other income	**665**	**652**	**2,882**	**3,311**

2.18 EXPENSES

(In ₹ crore)

Particulars	**Three months ended March 31,**		**Year ended March 31,**	
	2019	**2018**	**2019**	**2018**
Employee benefit expenses				
Salaries including bonus	11,701	9,750	43,894	37,764
Contribution to provident and other funds	234	212	946	828
Share based payments to employees *(Refer note no. 2.11)*	59	26	202	84
Staff welfare	80	66	273	217
	12,074	**10,054**	**45,315**	**38,893**
Cost of software packages and others				
For own use	237	220	930	887
Third party items bought for service delivery to clients	452	246	1,623	983
	689	**466**	**2,553**	**1,870**

Other expenses				
Repairs and maintenance	359	272	1,269	1,089
Power and fuel	49	50	221	207
Brand and marketing	135	72	489	305
Operating lease payments (Refer to Note 2.19)	165	130	585	528
Rates and taxes	52	3	184	166
Consumables	15	8	47	30
Insurance	19	16	67	59
Provision for post-sales client support and others	(24)	60	1	142
Commission to non-whole time directors	2	2	8	9
Impairment loss recognized / (reversed) under expected credit loss model	18	2	248	71
Contributions towards Corporate Social responsibility	66	22	266	156
Others	76	2	270	162
	932	**639**	**3,655**	**2,924**

2.19 LEASES

Accounting policy

Leases under which the group assumes substantially all the risks and rewards of ownership are classified as finance leases. When acquired, such assets are capitalized at fair value or present value of the minimum lease payments at the inception of the lease, whichever is lower. Lease payments under operating leases are recognized as an expense on a straight line basis in net profit in the Consolidated Statement of Profit and Loss over the lease term.

The lease rentals charged during the period is as follows:

(In ₹ crore)

Particulars	**Three months ended March 31,**		**Year ended March 31,**	
	2019	**2018**	**2019**	**2018**
Lease rentals recognized during the period	165	130	585	528

The obligations on long-term, non-cancellable operating leases payable as per the rentals stated in the respective agreements are as follows:

(In ₹ crore)

	As at	
Future minimum lease payable	**March 31, 2019**	**March 31, 2018**
Not later than 1 year	620	456
Later than 1 year and not later than 5 years	1,794	1,388
Later than 5 years	885	874

The operating lease arrangements, are renewable on a periodic basis and for most of the leases extend upto a maximum of ten years from their respective dates of inception and relates to rented premises. Some of these lease agreements have price escalation clauses.

2.20 EMPLOYEE BENEFITS

Accounting policy

Gratuity

The Group provides for gratuity, a defined benefit retirement plan ('the Gratuity Plan') covering eligible employees 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.

Liabilities with regard to the Gratuity Plan are determined by actuarial valuation, performed by an independent actuary, at each Balance Sheet date using the projected unit credit method. The Company fully contributes all ascertained liabilities to the Infosys Limited Employees' Gratuity Fund Trust (the Trust). 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 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 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. 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.

2.20.1 Gratuity

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

(In ₹ crore)

Particulars	**As at**	
	March 31, 2019	**March 31, 2018**
Change in benefit obligations		
Benefit obligations at the beginning	1,201	1,117
Service cost	157	150
Interest expense	85	73
Remeasurements - Actuarial (gains) / losses	32	(59)
Transfer in	-	28
Curtailment gain	-	-
Benefits paid	(128)	(107)
Translation difference	2	-
Reclassified under held for sale (refer note no 2.1.2)	-	(1)
Reclassified from held for sale (refer note no 2.1.2)	2	
Benefit obligations at the end	**1,351**	**1,201**
Change in plan assets		
Fair value of plan assets at the beginning	1,216	1,195
Interest income	90	80
Remeasurements- Return on plan assets excluding amounts included in interest income	4	13
Contributions	174	35
Benefits paid	(123)	(107)
Fair value of plan assets at the end	**1,361**	**1,216**
Funded status	10	15
Prepaid gratuity benefit	42	43
Accrued gratuity	(32)	(28)

Amount for the three months and year ended March 31, 2019 and March 31, 2018 recognized in the Consolidated Statement of Profit and Loss under employee benefit expense:

(In ₹ crore)

Particulars	Three months ended March 31,		Year ended March 31,	
	2019	2018	2019	2018
Service cost	39	38	157	150
Net interest on the net defined benefit liability/asset	(2)	(3)	(5)	(7)
Net gratuity cost	**37**	**35**	**152**	**143**

Amount for the three months and year ended March 31, 2019 and March 31, 2018 recognized in the Consolidated Statement of other comprehensive income:

(In ₹ crore)

Particulars	Three months ended March 31,		Year ended March 31,	
	2019	2018	2019	2018
Remeasurements of the net defined benefit liability/ (asset)				
Actuarial (gains) / losses	5	(41)	32	(59)
(Return) / loss on plan assets excluding amounts included in the net interest on the net defined benefit liability/(asset)	1	(3)	(4)	(13)
	6	**(44)**	**28**	**(72)**

(In ₹ crore)

Particulars	Three months ended March 31,		Year ended March 31,	
	2019	2018	2019	2018
(Gain)/loss from change in demographic assumptions	-	-	(4)	-
(Gain)/loss from change in financial assumptions	9	(27)	30	(41)
(Gain)/loss from experience adjustment	(4)	(14)	6	(18)
	5	**(41)**	**32**	**(59)**

The weighted-average assumptions used to determine benefit obligations as at March 31, 2019 and March 31, 2018 are set out below:

Particulars	As at	
	March 31, 2019	March 31, 2018
Discount rate	7.1%	7.5%
Weighted average rate of increase in compensation levels	8.0%	8.0%

The weighted-average assumptions used to determine net periodic benefit cost for the three months and year ended March 31, 2019 and March 31, 2018 are set out below:

Particulars	Three months ended March 31,		Year ended March 31,	
	2019	2018	2019	2018
Discount rate(%)	7.5	6.9	7.5	6.9
Weighted average rate of increase in compensation levels(%)	8.0	8.0	8.0	8.0
Weighted average duration of defined benefit obligation (years)	5.9 years	6.1 years	5.9 years	6.1 years

Assumptions regarding future mortality experience are set in accordance with the published statistics by the Life Insurance Corporation of India.

The Company assesses these assumptions with its projected long-term plans of growth and prevalent industry standards. The discount rate is based on the government securities yield.

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

(in ₹ crore)

Impact from percentage point increase / decrease in	As at March 31, 2019
Discount rate	67
Weighted average rate of increase in compensation levels	59

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.

Gratuity is applicable only to employees drawing a salary in Indian rupees and there are no other significant foreign defined benefit gratuity plans.

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, 2019 and March 31, 2018, the plan assets have been primarily invested in insurer managed funds.

Actual return on assets for the three months ended March 31, 2019, and March 31, 2018 were ₹23 crore and ₹23 crore, respectively.

Actual return on assets for the year ended March 31, 2019, and March 31, 2018 were ₹95 crore and ₹93 crore, respectively.

The Group expects to contribute ₹162 crore to the gratuity trusts during the remainder of fiscal 2020.

Maturity profile of defined benefit obligation:

(In ₹ crore)

Within 1 year	198
1-2 year	207
2-3 year	216
3-4 year	223
4-5 year	235
5-10 years	1,163

2.20.2 Provident fund

Infosys has an obligation to fund any shortfall on the yield of the trust's investments over the administered interest rates on an annual basis. These administered rates are determined annually predominantly considering the social rather than economic factors and in most cases the actual return earned by the Company has been higher in the past years. The actuary has provided a valuation for provident fund liabilities on the basis of guidance issued by Actuarial Society of India and based on the assumptions provided below there is no shortfall as at March 31, 2019 and March 31, 2018, respectively.

The details of fund and plan asset position are as follows:

(In ₹ crore)

Particulars	As at	
	March 31, 2019	March 31, 2018
Benefit obligation at period end	5,989	5,160
Net liability recognized in Balance Sheet	-	-

The plan assets have been primarily invested in government securities.
Assumptions used in determining the present value obligation of the interest rate guarantee under the Deterministic Approach:

Particulars	As at	
	March 31, 2019	March 31, 2018
Government of India (GOI) bond yield	7.1%	7.50%
Remaining term to maturity of portfolio	5.47 years	5.9 years
Expected guaranteed interest rate		
First year	8.65%	8.55%
Thereafter	8.60%	8.55%

The Group contributed ₹142 crore and ₹127 crore to the provident fund during the three months ended March 31, 2019 and March 31, 2018, respectively. The Group contributed ₹543 crore and ₹484 crore to the provident fund during the year ended March 31, 2019 and March 31, 2018, respectively. The same has been recognized in the Consolidated Statement of Profit and Loss under the head employee benefit expense.

2.20.3 Superannuation

The group contributed ₹57 crore and ₹44 crore to the superannuation plan during the three months ended March 31, 2019 and March 31, 2018, respectively.
The group contributed ₹215 crore and ₹173 crore to the superannuation plan during the year ended March 31, 2019 and March 31, 2018, respectively.
The same has been recognized in the Statement of profit and loss account under the head employee benefit expense.

The provident plans are applicable only to employees drawing a salary in Indian rupees and there are no other significant foreign defined benefit plans.

2.20.4 Employee benefit costs include:

(In ₹ crore)

Particulars	Three months ended March 31,		Year ended March 31,	
	2019	2018	2019	2018
Salaries and bonus(1)(2)	11,838	9,848	44,405	38,093
Defined contribution plans	81	68	307	260
Defined benefit plans	155	138	603	540
	12,074	**10,054**	**45,315**	**38,893**

(1) Includes employee stock compensation expense of ₹59 crore for the three months ended March 31, 2019 and an employee stock compensation cost of ₹202 crore, for the year ended March 31, 2019. Similarly, includes employee stock compensation expense of ₹26 crore and ₹84 crore for the three months and year ended March 31, 2018 respectively.

(2) Included in the above is a reversal of stock compensation cost of ₹35 crore recorded during the three months ended December 31, 2017 towards forfeiture of stock incentives granted to Dr. Vishal Sikka upon his resignation. Refer note no. 2.11.

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

Accounting policy

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

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

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

Particulars	**Three months ended March 31,**		**Year ended March 31,**	
	2019	**2018**	**2019**	**2018**
Basic earnings per equity share - weighted average number of equity shares outstanding[1]	4,347,129,592	4,346,554,120	4,347,130,157	4,510,664,644
Effect of dilutive common equivalent shares - share options outstanding	5,894,271	3,062,904	6,290,615	4,483,096
Diluted earnings per equity share - weighted average number of equity shares and common equivalent shares outstanding	**435,30,23,863**	**434,96,17,024**	**435,34,20,772**	**451,51,47,740**

Information in the table above is adjusted for September 2018 bonus issue (Refer note no 2.11)

[1] Excludes treasury shares

For the three months ended March 31, 2019 and March 31, 2018, Nil and 2,96,798 (adjusted for September 2018 bonus issue) number of option to purchase equity shares had an anti-dilutive effect, respectively.
For the year ended March 31, 2019 and March 31, 2018, Nil and 3,10,372 (adjusted for September 2018 bonus issue) number of options to purchase equity shares had an anti-dilutive effect respectively.

2.22 CONTINGENT LIABILITIES AND COMMITMENTS (TO THE EXTENT NOT PROVIDED FOR)

(In ₹ crore)

Particulars	**As at**	
	March 31, 2019	**March 31, 2018**
Contingent liabilities :		
Claims against the Company, not acknowledged as debts[(1)] [Amount paid to statutory authorities ₹5,925 crore (₹6,551 crore)]	3,081	4,802
Commitments :		
Estimated amount of contracts remaining to be executed on capital contracts and not provided for (net of advances and deposits)	1,724	1,452
Other commitments*	86	81

**Uncalled capital pertaining to investments*

[(1)] As at March 31, 2019, claims against the Group not acknowledged as debts in respect of income tax matters amounted to ₹2,851 crore. These matters are pending before various Appellate Authorities and the management including its tax advisors expect that its position will likely be upheld on ultimate resolution and will not have a material adverse effect on the Group's financial position and results of operations.

Amount paid to statutory authorities against the above tax claims amounted to ₹5,924 crore.

Subsequent to March 31, 2018, the Supreme Court of India ruled favorably in respect of certain income tax claims which have been given effect in the above disclosure of claims as at March 31, 2019.
The Group is subject to legal proceedings and claims, which have arisen in the ordinary course of business. The Group's management does not reasonably expect that these legal actions, when ultimately concluded and determined, will have a material and adverse effect on the Company's results of operations or financial condition.

2.23 RELATED PARTY TRANSACTIONS

List of related parties:

Name of subsidiaries	**Country**	**Holdings as at**	
		March 31, 2019	**March 31, 2018**
Infosys Technologies (China) Co. Limited (Infosys China)	China	100%	100%
Infosys Technologies S. de R. L. de C. V. (Infosys Mexico)	Mexico	100%	100%
Infosys Technologies (Sweden) AB. (Infosys Sweden)	Sweden	100%	100%
Infosys Technologies (Shanghai) Company Limited (Infosys Shanghai)	China	100%	100%
Infosys Tecnologia DO Brasil LTDA. (Infosys Brasil)	Brazil	100%	100%
Infosys Nova Holdings LLC. (Infosys Nova)	U.S.	100%	100%
EdgeVerve Systems Limited (EdgeVerve)	India	100%	100%
Infosys Austria GmbH(1) (formerly Lodestone Management Consultants GmbH)	Austria	100%	100%
Skava Systems Pvt. Ltd. (Skava Systems)	India	100%	100%
Kallidus Inc. (Kallidus)	U.S.	100%	100%
Infosys Chile SpA(2)	Chile	100%	100%
Infosys Arabia Limited(3)	Saudi Arabia	70%	70%
Infosys Consulting Ltda.(3)	Brazil	99.99%	99.99%
Infosys CIS LLC(1)(22)	Russia	-	-
Infosys Luxembourg S.a.r.l (1)(17)	Luxembourg	100%	-
Infosys Americas Inc., (Infosys Americas)	U.S.	100%	100%
Infosys Technologies (Australia) Pty. Limited (Infosys Australia)(4)	Australia	100%	100%
Infosys Public Services, Inc. USA (Infosys Public Services)	U.S.	100%	100%
Infosys Canada Public Services Inc(23)	Canada	-	-
Infosys Canada Public Services Ltd(24)	Canada	-	-
Infosys BPM Limited (formerly Infosys BPO Limited)	India	99.98%	99.98%
Infosys (Czech Republic) Limited s.r.o.(5)	Czech Republic	99.98%	99.98%
Infosys Poland, Sp z.o.o(5)	Poland	99.98%	99.98%
Infosys McCamish Systems LLC (5)	U.S.	99.98%	99.98%
Portland Group Pty Ltd(5)	Australia	99.98%	99.98%
Infosys BPO Americas LLC.(5)	U.S.	99.98%	99.98%
Infosys Consulting Holding AG (Infosys Lodestone)	Switzerland	100%	100%
Lodestone Management Consultants Inc.(6)(15)	U.S.	-	100%
Infosys Management Consulting Pty Limited(6)	Australia	100%	100%
Infosys Consulting AG(6)	Switzerland	100%	100%
Infosys Consulting GmbH(6)	Germany	100%	100%
Infosys Consulting SAS(6)	France	100%	100%
Infosys Consulting s.r.o.(6)	Czech Republic	100%	100%
Infosys Consulting (Shanghai) Co., Ltd.(*formerly Lodestone Management Consultants Co., Ltd)* (6)	China	100%	100%
Infy Consulting Company Ltd(6)	U.K.	100%	100%
Infy Consulting B.V.(6)	The Netherlands	100%	100%
Infosys Consulting Sp. z.o.o(6)	Poland	100%	100%
Lodestone Management Consultants Portugal, Unipessoal, Lda. (6)	Portugal	100%	100%
S.C. Infosys Consulting S.R.L.(1)	Romania	100%	100%
Infosys Consulting S.R.L.(6)	Argentina	100%	100%
Infosys Consulting (Belgium) NV (formerly Lodestone Management Consultants (Belgium) S.A.)(7)	Belgium	99.90%	99.90%
Panaya Inc. (Panaya)	U.S.	100%	100%
Panaya Ltd. (8)	Israel	100%	100%
Panaya GmbH(8)	Germany	100%	100%
Panaya Japan Co. Ltd(4)(8)	Japan	100%	100%
Noah Consulting LLC (Noah)(9)	U.S.	-	-
Noah Information Management Consulting Inc. (Noah Canada)(10)	Canada	-	-
Brilliant Basics Holdings Limited (Brilliant Basics)(11)	U.K.	100%	100%
Brilliant Basics Limited(12)	U.K.	100%	100%
Brilliant Basics (MENA) DMCC(12)	Dubai	100%	100%
Infosys Consulting Pte Limited (Infosys Singapore)(1)	Singapore	100%	100%
Infosys Middle East FZ LLC(13)	Dubai	100%	100%
Fluido Oy(13)(18)	Finland	100%	-
Fluido Sweden AB (Extero)(19)	Sweden	100%	-
Fluido Norway A/S(19)	Norway	100%	-
Fluido Denmark A/S(19)	Denmark	100%	-
Fluido Slovakia s.r.o(19)	Slovakia	100%	-
Fluido Newco AB(19)	Sweden	100%	-
Infosys Compaz PTE. Ltd (formerly Trusted Source Pte. Ltd) (13)(20)	Singapore	60%	-
Infosys South Africa (Pty) Ltd(13)(21)	South Africa	-	-
WongDoody Holding Company Inc. (WongDoody) (14)	U.S.	100%	-
WDW Communications, Inc(16)	U.S.	100%	-
WongDoody, Inc(16)	U.S.	100%	-

[1] *Wholly-owned subsidiary of Infosys Limited*
[2] *Incorporated effective November 20, 2017*
[3] *Majority owned and controlled subsidiary of Infosys Limited*
[4] *Under liquidation*
[5] *Wholly owned subsidiary of Infosys BPM*
[6] *Wholly owned subsidiaries of Infosys Consulting Holding AG (formerly Lodestone Holding AG)*
[7] *Majority owned and controlled subsidiaries of Infosys Consulting Holding AG (formerly Lodestone Holding AG)*
[8] *Wholly owned subsidiary of Panaya Inc*
[9] *Liquidated effective November 9, 2017*
[10] *Wholly owned subsidiary of Noah. Liquidated effective December 20, 2017*
[11] *On September 8, 2017, Infosys acquired 100% of the voting interests in Brilliant Basics Holding Limited*
[12] *Wholly-owned subsidiary of Brilliant Basics Holding Limited.*
[13] *Wholly-owned subsidiary of Infosys Consulting Pte Ltd*
[14] *On May 22, 2018, Infosys acquired 100% of the voting interest in WongDoody*
[15] *Liquidated effective May 17, 2018*
[16] *Wholly-owned subsidiary of WongDoody*
[17] *Incorporated effective August 6, 2018*
[18] *On October 11, 2018, Infosys Consulting Pte. Ltd, acquired 100% of the voting interests in Fluido Oy and its subsidiaries*
[19] *Wholly-owned subsidiary of Fluido Oy*
[20] *On November 16, 2018 , Infosys Consulting Pte. Ltd, acquired 60% of the voting interest in Infosys Compaz Pte. Ltd*
[21] *Incorporated effective December 19,2018*
[22] *Incorporated effective November 29, 2018*
[23] *Incorporated effective November 27, 2018, wholly owned subsidiary Infosys Public Services Inc*
[24] *Liquidated effective May 9, 2017, wholly owned subsidiary Infosys Public Services Inc*

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

Associate

During the year ended March 31, 2018, the Company has written down the entire carrying value of the investment in its associate DWA Nova LLC amounting to ₹71 crore. DWA Nova LLC has been liquidated w.e.f November 17, 2017

List of other related party

Particulars	**Country**	**Nature of relationship**
Infosys Limited Employees' Gratuity Fund Trust	India	Post-employment benefit plan of Infosys
Infosys Limited Employees' Provident Fund Trust	India	Post-employment benefit plan of Infosys
Infosys Limited Employees' Superannuation Fund Trust	India	Post-employment benefit plan of Infosys
Infosys BPM Limited Employees' Superannuation Fund Trust *(formerly Infosys BPO Limited Employees Superannuation Fund Trust)*	India	Post-employment benefit plan of Infosys BPM
Infosys BPM Limited Employees' Gratuity Fund Trust *(formerly Infosys BPO 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

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

List of key management personnel

Whole-time directors

Salil Parekh appointed as Chief Executive Officer and Managing Director effective January 2, 2018. The appointment is for a term of 5 years with effect from January 2, 2018 to January 1, 2023 and the remuneration is approved by shareholders through postal ballot dated February 20, 2018.

U. B. Pravin Rao, Chief Operating officer appointed as Interim-Chief Executive Officer and Managing Director effective August 18, 2017. Subsequently he stepped down as the interim CEO and Managing Director effective January 2, 2018 and continues as Chief Operating Officer and a whole-time director of the Company.

Dr. Vishal Sikka resigned as Chief Executive Officer and Managing Director effective August 18, 2017 and as Executive Vice Chairman effective August 24, 2017

Non-whole-time directors

Nandan M. Nilekani (appointed as Non-Executive, Non-Independent Chairman effective August 24, 2017)

Micheal Gibbs (appointed as Independent director effective July 13, 2018)

Ravi Venkatesan (resigned from his position as Co-Chairman effective August 24, 2017 and resigned as member of the Board effective May 11, 2018)

Kiran Mazumdar-Shaw

Roopa Kudva

Dr. Punita Kumar-Sinha

D. N. Prahlad

D. Sundaram (appointed effective July 14, 2017)

Prof. Jeffrey Lehman, (resigned effective August 24, 2017)

R. Seshasayee (resigned effective August 24, 2017)

Prof. John Etchemendy (resigned effective August 24, 2017)

Executive Officers

Nilanjan Roy (appointed as Chief Financial Officer effective March 1, 2019)

Jayesh Sanghrajka (appointed as Interim-Chief Financial Officer effective November 17, 2018. He resumed his responsibilities as Deputy Chief Financial Officer effective March 1, 2019)

M.D. Ranganath (resigned as Chief Financial Officer effective November 16, 2018)

Mohit Joshi, President

Rajesh K. Murthy, President (appointed effective October 13, 2016 and resigned effective January 31, 2018)

Ravi Kumar S, President and Deputy Chief Operating Officer

Sandeep Dadlani, President (resigned effective July 14, 2017)

Krishnamurthy Shankar, Group Head - Human Resources

Gopi Krishnan Radhakrishnan - Acting General Counsel (resigned effective June 24, 2017)

Inderpreet Sawhney, Group General Counsel and Chief Compliance Officer (appointed as executive officer effective July 14, 2017)

Company Secretary

A. G. S. Manikantha

Transaction 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,	
	2019	2018	2019	2018
Salaries and other employee benefits to whole-time directors and executive officers [(1) (2)(3)]	29	19	96	48
Commission and other benefits to non-executive/independent directors	2	2	8	10
Total	**31**	**21**	**104**	**58**

[(1)] *Total employee stock compensation expense for the three months ended March 31, 2019 and March 31, 2018 includes a cost of ₹10 crore and ₹1 crore respectively, towards key managerial personnel. For the year ended March 31, 2019 and March 31, 2018, an employee stock compensation charge of ₹33 crore and a reversal of ₹13 crore, respectively, was recorded towards key managerial personnel. (Refer to note 2.11)*

[(2)] *Includes reversal of stock compensation cost of ₹35 crore recorded during the three months ended September 31, 2017 towards forfeiture of stock incentive granted to Dr. Vishal Sikka upon his resignation (Refer to note 2.11)*

[(3)] *On December 2, 2017, the Board appointed Salil Parekh as the Chief Executive Officer and Managing Director of the Company with effect from January 2, 2018.*

2.24 SEGMENT REPORTING

Ind AS 108 establishes standards for the way that public business enterprises report information about operating segments and related disclosures about products and services, geographic areas, and major customers. The Group's operations predominantly relate to providing end-to-end business solutions to enable clients to enhance business performance.

During the three months ended June 30, 2018, the Group internally reorganized some of its business segments to deepen customer relationships, improve focus of sales investments and increase management oversight. Consequent to the internal reorganization, there were changes in the reportable business segments based on “Management approach” as defined under Ind AS 108, Operating Segments. Therefore, enterprises in Insurance which was earlier considered under the Life Sciences, Healthcare and Insurance business segment are now considered under the Financial Services business segment and enterprises in Communication, Telecom OEM and Media which was earlier under Energy & Utilities, Communication and Services is now shown as a separate business segment. Segmental operating income has changed in line with these as well as changes in the allocation method. The 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. Consequent to the above change in the composition of reportable business segments, the prior year comparatives for three months and year ended March 31, 2018 have been restated.

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 centres and on-site expenses, which are categorized in relation to the associated efforts of the segment. Certain expenses such as depreciation, 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.

Business Segments

Three months ended March 31, 2019 and March 31, 2018:

(In ₹ crore)

Particulars	**Financial Services**	**Retail**	**Communication**	**Energy, Utilities, Resources and Services**	**Manufacturing**	**Hi-Tech**	**Life Sciences**	**All other segments**	**Total**
Revenue from operations	6,805	3,416	2,921	2,747	2,161	1,650	1,287	552	**21,539**
	5,886	*2,879*	*2,334*	*2,172*	*1,735*	*1,335*	*1,213*	*529*	*18,083*
Identifiable operating expenses	3,614	1,705	1,731	1,500	1,190	984	694	348	**11,766**
	3,077	*1,447*	*1,170*	*1,116*	*1,022*	*709*	*638*	*324*	*9,503*
Allocated expenses	1,470	694	612	613	500	290	270	167	**4,616**
	1,171	*598*	*467*	*421*	*371*	*234*	*227*	*163*	*3,652*
Segmental operating income	**1,721**	**1,017**	**578**	**634**	**471**	**376**	**323**	**37**	**5,157**
	1,638	*834*	*697*	*635*	*342*	*392*	*348*	*42*	*4,928*
Unallocable expenses									539
									456
Other income, net									665
									652
Reduction in the fair value of Disposal Group held for sale (Refer to note 2.1.2)									-
									118
Profit before tax									**5,283**
									5,006
Tax expense									1,205
									1,316
Profit for the period									**4,078**
									3,690
Depreciation and amortization expense									531
									458
Non-cash expenses other than depreciation and amortization									8
									116

Year ended March 31, 2019 and March 31, 2018:

(In ₹ crore)

Particulars	**Financial Services**	**Retail**	**Communication**	**Energy, Utilities, Resources and Services**	**Manufacturing**	**Hi-Tech**	**Life Sciences**	**All other segments**	**Total**
Revenue from operations	26,477	13,556	10,426	10,390	8,152	6,177	5,203	2,294	**82,675**
	23,172	*11,345*	*8,883*	*8,297*	*6,671*	*5,131*	*4,698*	*2,325*	*70,522*
Identifiable operating expenses	14,164	6,823	5,720	5,661	4,513	3,546	2,756	1,415	**44,598**
	12,107	*5,668*	*4,527*	*4,204*	*3,881*	*2,774*	*2,447*	*1,342*	*36,950*
Allocated expenses	5,435	2,699	2,189	2,187	1,786	1,083	1,028	763	**17,170**
	4,695	*2,374*	*1,737*	*1,682*	*1,516*	*911*	*860*	*784*	*14,559*
Segmental operating income	**6,878**	**4,034**	**2,517**	**2,542**	**1,853**	**1,548**	**1,419**	**116**	**20,907**
	6,370	*3,303*	*2,619*	*2,411*	*1,274*	*1,446*	*1,391*	*199*	*19,013*
Unallocable expenses									2,027
									1,865
Other income, net									2,882
									3,311
Reduction in the fair value of Disposal Group held for sale (Refer to note 2.1.2)									(270)
									(118)
Adjustment in respect of excess of carrying amount over recoverable amount on reclassification from "Held for Sale" (Refer to note 2.1.2)									(451)
									-
Share in net profit/(loss) of associate, including impairment									-
									(71)
Profit before tax									**21,041**
									20,270
Tax expense									5,631
									4,241
Profit for the period									**15,410**
									16,029
Depreciation and amortization expense									2,011
									1,863
Non-cash expenses other than depreciation and amortization									740
									191

2.14.2 The following table sets forth our revenue by geography for the three months ended March 31, 2019 and March 31, 2018

(In ₹ crore)

	North America	**Europe**	**India**	**Rest of the World**	**Total**
2019	**13,193**	**5,167**	**493**	**2,686**	**21,539**
2018	*10,741*	*4,485*	*513*	*2,344*	*18,083*

2.14.3 The following table sets forth our revenue by geography for the year ended March 31, 2019 and March 31, 2018

(In ₹ crore)

	North America	**Europe**	**India**	**Rest of the World**	**Total**
2019	**50,038**	**19,942**	**2,048**	**10,647**	**82,675**
2018	*42,575*	*16,738*	*2,231*	*8,978*	*70,522*

Significant clients

No client individually accounted for more than 10% of the revenues in the three months and year ended March 31, 2019 and March 31, 2018.

2.25 FUNCTION WISE CLASSIFICATION OF CONSOLIDATED STATEMENT OF PROFIT AND LOSS

(In ₹ crore)

Particulars	Note no	Three months ended March 31,		Year ended March 31,	
		2019	2018	2019	2018
Revenue from operations	2.16	21,539	18,083	82,675	70,522
Cost of Sales		14,283	11,554	53,867	45,130
Gross profit		**7,256**	**6,529**	**28,808**	**25,392**
Operating expenses					
Selling and marketing expenses		1,226	947	4,473	3,560
General and administration expenses		1,412	1,110	5,455	4,684
Total operating expenses		2,638	2,057	9,928	8,244
Operating profit		**4,618**	**4,472**	**18,880**	**17,148**
Reduction in the fair value of Disposal Group held for sale	2.1.2	-	(118)	(270)	(118)
Adjustment in respect of excess of carrying amount over recoverable amount on reclassification from "Held for Sale"	2.1.2	-	-	(451)	-
Other income, net	2.17 and 2.1.2	665	652	2,882	3,311
Profit before non controlling interest / Share in net profit / (loss) of associate		**5,283**	**5,006**	**21,041**	**20,341**
Share in net profit/(loss) of associate, including impairment	2.23	-	-	-	(71)
Profit before tax		**5,283**	**5,006**	**21,041**	**20,270**
Tax expense:					
Current tax		1,193	1,466	5,727	4,581
Deferred tax		12	(150)	(96)	(340)
Profit for the period		**4,078**	**3,690**	**15,410**	**16,029**
Other comprehensive income					
Items that will not be reclassified subsequently to profit or loss					
Remeasurement of the net defined benefit liability/asset	2.20 and 2.15	(3)	34	(22)	55
Equity instruments through other comprehensive income, net	2.4 and 2.15	1	9	70	7
		(2)	**43**	**48**	**62**
Items that will be reclassified subsequently to profit or loss					
Fair value changes on derivatives designated as cash flow hedge, net	2.10 and 2.15	(15)	2	21	(39)
Exchange differences on translation of foreign operations, net		(70)	200	63	321
Fair value changes on investments, net	2.4 and 2.15	25	(15)	2	(1)
		(60)	**187**	**86**	**281**
Total other comprehensive income / (loss), net of tax		**(62)**	**230**	**134**	**343**
Total comprehensive income for the period		**4,016**	**3,920**	**15,544**	**16,372**
Profit attributable to:					
Owners of the Company		4,074	3,690	15,404	16,029
Non-controlling interests		4	-	6	-
		4,078	**3,690**	**15,410**	**16,029**
Total comprehensive income attributable to:					
Owners of the Company		4,012	3,920	15,538	16,372
Non-controlling interests		4	-	6	-
		4,016	**3,920**	**15,544**	**16,372**

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

Nandan M. Nilekani
Chairman

Salil Parekh
Chief Executive officer and Managing Director

U. B. Pravin Rao
Chief Operating Officer and Whole-time Director

D. Sundaram
Director

Nilanjan Roy
Chief Financial Officer

A. G. S. Manikantha
Company Secretary

Bengaluru
April 12, 2019

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, 2019, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income) for the three months 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 Indian Accounting Standard 34 Interim Financial Reporting ("Ind AS 34") prescribed under section 133 of the Companies Act, 2013 ('the Act') and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2019, the consolidated profit and 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 consolidated financial statements in accordance with the Standards on Auditing (SAs) 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 together with the independence requirements that are relevant to our audit of the interim 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 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 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.

<table>
<tr><th>Sr. No.</th><th>Key Audit Matter</th><th>Auditor’s Response</th></tr>
<tr><td>1</td><td>Accuracy of recognition, measurement, presentation and disclosures of revenues and other related balances in view of adoption of Ind AS 115 “Revenue from Contracts with Customers” (new revenue accounting standard)

The application of the new revenue accounting standard involves certain key judgements relating to identification of distinct performance obligations, determination of transaction price of the identified performance obligations, the appropriateness of the basis used to measure revenue recognized over a period. Additionally, new revenue accounting standard contains disclosures which involves collation of information in respect of disaggregated revenue and periods over which the remaining performance obligations will be satisfied subsequent to the balance sheet date.

Refer Notes 1.5a and 2.16 to the Interim Consolidated Financial Statements</td><td><u>Principal Audit Procedures</u>

We assessed the Group’s process to identify the impact of adoption of the new revenue accounting standard.
Our audit approach consisted testing of the design and operating effectiveness of the internal controls and substantive testing as follows:
• Evaluated the design of internal controls relating to implementation of the new revenue accounting standard.
• Selected a sample of continuing and new contracts, and tested the operating effectiveness of the internal control, relating to identification of the distinct performance obligations and determination of transaction price. We carried out a combination of procedures involving enquiry and observation, reperformance and inspection of evidence in respect of operation of these controls.
• Tested the relevant information technology systems’ access and change management controls relating to contracts and related information used in recording and disclosing revenue in accordance with the new revenue accounting standard.
• Selected a sample of continuing and new contracts and performed the following procedures:
  • Read, analysed and identified the distinct performance obligations in these contracts.
  • Compared these performance obligations with that identified and recorded by the Group.
  • Considered the terms of the contracts to determine the transaction price including any variable consideration to verify the transaction price used to compute revenue and to test the basis of estimation of the variable consideration.
  • Samples in respect of revenue recorded for time and material contracts were tested using a combination of approved time sheets including customer acceptances, subsequent invoicing and historical trend of collections and disputes.
  • In respect of samples relating to fixed price contracts, progress towards satisfaction of performance obligation used to compute recorded revenue was verified with actual and estimated efforts from the time recording and budgeting systems. We also tested the access and change management controls relating to these systems.
  • Sample of revenues disaggregated by type and service offerings was tested with the performance obligations specified in the underlying contracts.
  • Performed analytical procedures for reasonableness of revenues disclosed by type and service offerings.
  • We reviewed the collation of information and the logic of the report generated from the budgeting system used to prepare the disclosure relating to the periods over which the remaining performance obligations will be satisfied subsequent to the balance sheet date.</td></tr>
<tr><td>2</td><td>Accuracy of revenues and onerous obligations in respect of fixed price</td><td><u>Principal Audit Procedures</u>

Our audit approach was a combination of test of internal controls and substantive procedures which included the following:</td></tr>
</table>

	contracts involves critical estimates Estimated effort is a critical estimate to determine revenues and liability for onerous obligations. This estimate has a high inherent uncertainty as it requires consideration of progress of the contract, efforts incurred till date and efforts required to complete the remaining contract performance obligations. Refer Notes 1.5a and 2.16 to the Interim Consolidated Financial Statements.	• Evaluated the design of internal controls relating to recording of efforts incurred and estimation of efforts required to complete the performance obligations. • Tested the access and application controls pertaining to time recording, allocation and budgeting systems which prevents unauthorised changes to recording of efforts incurred. • Selected a sample of contracts and through inspection of evidence of performance of these controls, tested the operating effectiveness of the internal controls relating to efforts incurred and estimated. • Selected a sample of contracts and performed a retrospective review of efforts incurred with estimated efforts to identify significant variations and verify whether those variations have been considered in estimating the remaining efforts to complete the contract. • Reviewed a sample of contracts with unbilled revenues to identify possible delays in achieving milestones, which require change in estimated efforts to complete the remaining performance obligations. • Performed analytical procedures and test of details for reasonableness of incurred and estimated efforts.
3	***Evaluation of uncertain tax positions*** The Group has material uncertain tax positions including matters under dispute which involves significant judgment to determine the possible outcome of these disputes. Refer Notes 1.5b and 2.22 to the Interim Consolidated Financial Statements	***<u>Principal Audit Procedures</u>*** Obtained details of completed tax assessments and demands for the year ended March 31, 2019 from management. We involved our internal experts to challenge the management's underlying assumptions in estimating the tax provision and the possible outcome of the disputes. Our internal experts also considered legal precedence and other rulings in evaluating management's position on these uncertain tax positions. Additionally, we considered the effect of new information in respect of uncertain tax positions as at April 1, 2018 to evaluate whether any change was required to management's position on these uncertainties.
4	***Recoverability of Indirect tax receivables*** As at March 31, 2019, non-current assets in respect of withholding tax and others includes Cenvat recoverable amounting to ₹ 523 crores which are pending adjudication. Refer Note 2.9 to the Interim Consolidated financial statements.	***<u>Principal Audit Procedures</u>*** We have involved our internal experts to review the nature of the amounts recoverable, the sustainability and the likelihood of recoverability upon final resolution.

Management Responsibility for the Interim Consolidated Financial Statements

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 the Ind AS 34 and other accounting principles generally accepted in India . The respective Board of Directors of the companies included in the Group are responsible for maintenance of the adequate accounting records 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 interim consolidated 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 consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the Group'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 Group or to cease operations, or has no realistic alternative but to do so.

The respective Board 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 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 skepticism 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 the Company's internal financial 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 Group'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 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 interim consolidated financial statements of such entities included in the interim consolidated financial statements of which we are 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 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 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 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 interim 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

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

P. R. RAMESH
(Membership No. 70928)

Bengaluru, April 12, 2019