

INFOSYS LIMITED

*Condensed Standalone Financial Statements
under Indian Accounting Standards (Ind AS)
for the three months and year ended March 31, 2019*

<u>Index</u>	<u>Page No.</u>
Condensed Balance Sheet.....	1
Condensed Statement of Profit and Loss.....	2
Condensed Statement of Changes in Equity.....	3
Condensed Statement of Cash Flows.....	5
Overview and notes to the financial statements	
1. Overview	
1.1 Company overview	7
1.2 Basis of preparation of financial statements	7
1.3 Use of estimates and judgments.....	7
1.4 Critical accounting estimates	7
1.5 Recent accounting pronouncements	8
2. Notes to financial statements	
2.1 Property, plant and equipment.....	9
2.2 Investments and assets held for sale.....	11
2.3 Loans.....	14
2.4 Other financial assets.....	14
2.5 Trade Receivables	14
2.6 Cash and cash equivalents.....	15
2.7 Other assets.....	16
2.8 Financial instruments.....	17
2.9 Equity.....	23
2.10 Other financial liabilities.....	28
2.11 Trade payables.....	28
2.12 Other liabilities.....	28
2.13 Provisions.....	29
2.14 Income taxes.....	30
2.15 Revenue from operations.....	31
2.16 Other income, net.....	33
2.17 Expenses.....	33
2.18 Reconciliation of basic and diluted shares used in computing earning per share.....	35
2.19 Contingent liabilities and commitments.....	35
2.20 Related Party Transactions.....	35
2.21 Segment Reporting.....	38
2.22 Function-wise classification of statement of profit and loss.....	39

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					
<i>Items that will not be reclassified subsequently to profit or loss</i>					
Remeasurement of the net defined benefit liability/asset, net		(3)	31	(21)	52
Equity instruments through other comprehensive income, net		9	7	78	7
<i>Items that will be reclassified subsequently to profit or loss</i>					
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

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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

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					Capital reserve			Other comprehensive income			
		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					Capital reserve			Other comprehensive income			
		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

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

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Partner
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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.

Particulars	Note No.	(In ₹ crore)	
		Year ended March 31,	
		2019	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 pertaining 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	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.

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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 Depository 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, 2019. 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 investment in sub-lease approximately by ₹550 Crore and an increase in lease liability approximately by ₹2,000 crore.

Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments : On March 30, 2019, Ministry of Corporate Affairs has notified Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments which is to be applied while performing the determination of taxable profit (or loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. According to the appendix, companies need to determine the probability of the relevant tax authority accepting each tax treatment, or group of tax treatments, that the companies have used or plan to use in their income tax filing which has to be considered to compute the most likely amount or the expected value of the tax treatment when determining taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates.

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

The effective date for adoption of Ind AS 12 Appendix C is annual periods beginning on or after April 1, 2019. The Company will adopt the standard on April 1, 2019 and has decided to adjust the cumulative effect in equity on the date of initial application i.e. April 1, 2019 without adjusting comparatives.

The effect on adoption of Ind AS 12 Appendix C would be insignificant in the standalone financial statements.

Amendment to Ind AS 12 – Income taxes : On March 30, 2019, Ministry of Corporate Affairs issued amendments to the guidance in Ind AS 12, 'Income Taxes', in connection with accounting for dividend distribution taxes.

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

Effective date for application of this amendment is annual period beginning on or after April 1, 2019. The Company is currently evaluating the effect of this amendment on the standalone financial statements.

Amendment to Ind AS 19 – plan amendment, curtailment or settlement- On March 30, 2019, Ministry of Corporate Affairs issued amendments to Ind AS 19, 'Employee Benefits', in connection with accounting for plan amendments, curtailments and settlements.

The amendments require an entity:

- to use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement; and
- to recognise in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognised because of the impact of the asset ceiling.

Effective date for application of this amendment is annual period beginning on or after April 1, 2019. The Company does not have any impact on account of this amendment.

2.1 PROPERTY, PLANT AND EQUIPMENT

Accounting Policy

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

Building ⁽¹⁾	22-25 years
Plant and machinery ⁽¹⁾⁽²⁾	5 years
Office equipment	5 years
Computer equipment ⁽¹⁾	3-5 years
Furniture and fixtures ⁽¹⁾	5 years
Vehicles ⁽¹⁾	5 years
Leasehold improvements	Over lease term

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

⁽²⁾ Includes Solar plant with 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		Year ended March	
	March 31,	March 31,	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	March 31, 2018
Non-current investments		
Equity instruments of subsidiaries	6,349	5,013
Debentures of subsidiary	1,445	1,780
Preference securities and equity instruments	90	117
Others	16	7
Tax free bonds	1,828	1,831
Fixed maturity plans securities	401	376
Non-convertible debentures	1,209	2,869
Government Securities	724	-
Total non-current investments	12,062	11,993
Current investments		
Liquid mutual fund units	1,701	-
Certificates of deposit	2,123	4,901
Government bonds	12	1
Non-convertible debentures	1,746	711
Commercial paper	495	293
Total current investments	6,077	5,906
Total carrying value	18,139	17,899

(In ₹ crore, except as otherwise stated)

Particulars	As at	
	March 31, 2019	March 31, 2018
Non-current investments		
Unquoted		
Investment carried at cost		
Investments in equity instruments of subsidiaries		
Infosys BPM Limited (formerly Infosys BPO Limited)	659	659
3,38,22,319 (3,38,22,319) equity shares of ₹10/- each, fully paid up		
Infosys Technologies (China) Co. Limited	333	333
Infosys Technologies (Australia) Pty Limited ⁽¹⁾	5	38
1,01,08,869 (1,01,08,869) equity shares of AUD 0.11 par value, fully paid up		
Infosys Technologies, S. de R.L. de C.V., Mexico	65	65
17,49,99,990 (17,49,99,990) equity shares of MXN 1 par value, fully paid up		
Infosys Technologies (Sweden) AB	76	76
1,000 (1,000) equity shares of SEK 100 par value, fully paid up		
Infosys Technologia do Brasil Ltda	276	149
12,84,20,748 (5,91,24,348) shares of BRL 1.00 par value, fully paid up		
Infosys Technologies (Shanghai) Company Limited	900	900
Infosys Public Services, Inc.	99	99
3,50,00,000 (3,50,00,000) shares of USD 0.50 par value, fully paid up		
Infosys Consulting Holding AG	1,323	1,323
23,050 (23,350) - Class A shares of CHF 1,000 each and 26,460 (29,400) - Class B Shares of CHF 100 each, fully paid up		
Infosys Americas Inc.	1	1
10,000 (10,000) shares of USD 10 per share, fully paid up		
EdgeVerve Systems Limited	1,312	1,312
1,31,18,40,000 (1,31,18,40,000) equity shares of ₹10/- each, fully paid up		
Infosys Nova Holdings LLC * ⁽¹⁾	-	-
Noah Consulting LLC (refer note 2.2.1)	-	-
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 up		
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	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:		<i>(In ₹ crore)</i>	
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:

Particulars	<i>(In ₹ crore)</i>	
	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 March 31, 2019.

On reclassification from "Held for sale", the investment in subsidiaries, Panaya and Skava have been remeasured at the lower of cost and recoverable amount resulting in recognition of an adjustment in respect of excess of carrying amount over recoverable amount on reclassification from "Held for Sale" of ₹469 crore in respect of Skava in the standalone statement of profit and loss for the year ended March 31, 2019.

2.3 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 pertaining 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	March 31, 2018
Balances with banks		
In current and deposit accounts	10,957	10,789
Cash on hand	-	-
Others		
Deposits with financial institutions	4,594	5,981
Total Cash and cash equivalents	15,551	16,770
Balances with banks in unpaid dividend accounts	29	22
Deposit with more than 12 months maturity	6,048	6,187
Balances with banks held as margin money deposits against guarantees	114	353

Cash and cash equivalents as at March 31, 2019 and March 31, 2018 include restricted cash and bank balances of ₹143 crore and ₹375 crore, respectively. The restrictions are primarily on account of bank balances held as margin money deposits against guarantees.

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

The table below provides details of cash and cash equivalents:

(In ₹ crore)

Particulars	As at	
	March 31, 2019	March 31, 2018
In current accounts		
ANZ Bank, Taiwan	1	9
Bank of America, USA	780	814
Bank of Baroda, Mauritius	1	1
BNP Paribas Bank, Norway	24	88
Citibank N.A., Australia	55	184
Citibank N.A., Dubai	5	5
Citibank N.A., EEFC (U.S. Dollar account)	2	4
Citibank N.A., Hungary	1	6
Citibank N.A., India	2	3
Citibank N.A., Japan	22	18
Citibank N.A., New Zealand	3	8
Citibank N.A., South Africa	18	33
Citibank N.A., South Korea	17	2
Deutsche Bank, Belgium	6	27
Deutsche Bank, EEFC (Australian Dollar account)	3	2
Deutsche Bank, EEFC (Euro account)	19	14
Deutsche Bank, EEFC (Swiss Franc account)	5	2
Deutsche Bank, EEFC (U.S. Dollar account)	212	27
Deutsche Bank, EEFC (United Kingdom Pound Sterling account)	6	8
Deutsche Bank, France	11	19
Deutsche Bank, Germany	57	70
Deutsche Bank, India	40	40
Deutsche Bank, Malaysia	1	5
Deutsche Bank, Netherlands	8	8
Deutsche Bank, Philippines	1	14
Deutsche Bank, Russia	3	3
Deutsche Bank, Russia (U.S. Dollar account)	-	5
Deutsche Bank, Singapore	15	17
Deutsche Bank, Spain	1	1
Deutsche Bank, Switzerland	4	18
Deutsche Bank, Switzerland (U.S. Dollar Account)	1	-
Deutsche Bank, United Kingdom	17	74
HSBC Bank, Hong Kong	1	2
HSBC, India	3	-
ICICI Bank, EEFC (U.S. Dollar account)	18	5
ICICI Bank, India	24	33
Nordbanken, Sweden	21	26
Punjab National Bank, India	2	12
Royal Bank of Canada, Canada	28	9
Splitska Banka D.D., Société Générale Group, Croatia	14	8
State Bank of India, India	2	-
	1,454	1,624

Particulars	(In ₹ crore)	
	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

Particulars	(In ₹ crore)	
	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 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:

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		
<i>(In ₹ crore)</i>							
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:

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		
<i>(In ₹ crore)</i>							
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:

Particulars	March 31, 2019	Fair value measurement at end of the reporting period using		
		(In ₹ crore)		
		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:

Particulars	March 31, 2018	Fair value measurement at end of the reporting period using		
		(In ₹ crore)		
		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:

Particulars	(In ₹ crore)					Total
	U.S. dollars	Euro	United Kingdom Pound Sterling	Australian dollars	Other currencies	
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:

Particulars	(In ₹ crore)					Total
	U.S. dollars	Euro	United Kingdom Pound Sterling	Australian dollars	Other currencies	
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		As at	
	March 31, 2019		March 31, 2018	
	In million	In ₹ crore	In million	In ₹ crore
Derivatives designated as cash flow hedges				
Option Contracts				
In Australian dollars	120	588	60	300
In Euro	135	1,049	100	808
In United Kingdom Pound Sterling	25	226	20	184
Other derivatives				
Forward contracts				
In Canadian dollars	13	68	20	99
In Euro	166	1,289	86	695
In Japanese Yen	550	34	550	34
In New Zealand dollars	16	75	16	76
In Norwegian Krone	40	32	40	34
In South African Rand	-	-	25	14
In Singapore dollars	140	716	5	25
In Swedish Krona	50	37	50	40
In Swiss Franc	25	172	21	146
In U.S. dollars	855	5,910	556	3,624
In United Kingdom Pound Sterling	70	634	45	415
Option Contracts				
In Australian dollars	10	49	20	100
In Canadian Dollars	13	69	-	-
In Euro	60	466	45	363
In Swiss Franc	5	35	5	33
In U.S. dollars	433	2,995	320	2,086
In United Kingdom Pound Sterling	10	91	25	231
Total forwards and option contracts		14,535		9,307

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

Particulars	(In ₹ crore)	
	As at	As at
	March 31, 2019	March 31, 2018
Not later than one month	4,082	2,693
Later than one month and not later than three months	6,368	4,274
Later than three months and not later than one year	4,085	2,340
	14,535	9,307

During the year ended March 31, 2019, the Company has designated certain foreign exchange forward and option contracts as cash flow hedges to mitigate the risk of foreign exchange exposure on highly probable forecast cash transactions. The related hedge transactions for balance in cash flow hedge reserve as at March 31, 2019 are expected to occur and reclassified to statement of profit and loss within 3 months.

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

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

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

Particulars	(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 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:

Particulars	(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	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:

Particulars	(In %)			
	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:

Particulars	(In ₹ crore)			
	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:

Particulars	(In ₹ crore)				
	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:

Particulars	(In ₹ crore)				
	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 dividend 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	77,233	-	213,071	-
Add: Bonus shares issued	2,18,41,91,490	1,092	-	-
Add: Shares issued on exercise of employee stock options -after bonus issue	548,464	-	-	-
Less: Shares bought back ⁽¹⁾⁽²⁾	12,652,000	6	11,30,43,478	56
Number of shares at the end of the period	4,35,62,79,444	2,178	2,18,41,14,257	1,092

⁽¹⁾ Includes 18,18,000 shares which have been purchased on account of buyback during the three months ended March 31, 2019 and have not been extinguished as of March 31, 2019

⁽²⁾ Includes 36,36,000 shares which have been purchased on account of buyback during the three months ended March 31, 2019 but have not been settled and therefore not extinguished as of March 31, 2019

Retained earnings

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

Securities premium

The amount received in excess of the par value has been classified as securities premium. Additionally, share-based compensation recognized in net profit in the Standalone Loss is credited to securities premium.

Other components of equity

Other components of equity consist of currency translation, remeasurement of net defined benefit liability / asset, cumulative impact on reversal of unrealized gain on adoption of Ind AS 109, equity instruments fair valued through other comprehensive income, changes on fair valuation of investments and changes in fair value of derivative hedges, net of taxes.

Employee Stock Option Plan (ESOP):**Accounting Policy**

The Company recognizes compensation expense relating to share-based payments in net profit using fair-value in accordance with Ind AS 102, Share-Based Payment. The estimated fair value of awards is charged to income on a straight-line basis over the requisite service period for each separately vesting portion of the award as if the award was in-substance, multiple awards with a corresponding increase to share options outstanding account.

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

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

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

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

The following is the summary of grants 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:

- 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
- 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
- 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

⁽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	3,93,824	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

Particulars	<i>(In ₹ crore)</i>	
	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 :

Particulars	<i>(In ₹ crore)</i>	
	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:				<i>(In ₹ crore)</i>
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.

Additionally, 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.

Particulars	<i>(In ₹ crore)</i>	
	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.

Particulars	<i>(In ₹ crore)</i>			
	Three months ended March 31,		Year ended March 31,	
	2019	2018	2019	2018
<i>Employee benefit expenses</i>				
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
<i>Cost of software packages and others</i>				
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
<i>Other expenses</i>				
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

Particulars	As at	
	March 31, 2019	March 31, 2018
(In ₹ crore)		
Contingent liabilities :		
Claims against the Company, not acknowledged as debts ⁽¹⁾ [Amount paid to statutory authorities ₹5,861 crore (₹6,486 crore)]	2,947	4,627
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 Fluidio Oy along with its five subsidiaries Fluidio Sweden AB (Extero), Fluidio Norway A/S, Fluidio Denmark A/S, Fluidio Slovakia s.r.o and Fluidio 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:

Particulars	(In ₹ crore)	
	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.

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:

Particulars	Three months ended March 31,		Year ended March 31,	
	2019	2018	2019	2018
<i>(In ₹ crore)</i>				
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
McCarnish 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 related party transactions with above KMP which comprise directors and executive officers are as follows :

Particulars	(In ₹ crore)			
	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⁾⁽⁴⁾⁽⁵⁾	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 20, 2018, the Board appointed Nilanjan Roy as the Chief Financial Officer of the Company with effect from March 1, 2019.

⁽⁴⁾ On December 2, 2017, the Board appointed Salil Parekh as the Chief Executive Officer and Managing Director of the Company with effect from January 2, 2018.

⁽⁵⁾ On June 16, 2017, the Board appointed Inderpreet Sawhney as the Group General Counsel and Chief Compliance Officer of the Company with effect from July 3, 2017; The Board in their meeting held on July 14, 2017 designated her as an Executive Officer with effect from the date of the meeting.

2.21 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					
<i>Items that will not be reclassified subsequently to profit or loss</i>					
Remeasurement of the net defined benefit liability/asset, net		(3)	31	(21)	52
Equity instruments through other comprehensive income, net		9	7	78	7
<i>Items that will be reclassified subsequently to profit or loss</i>					
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