

# Being Resilient. That's Live Enterprise.



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## Board and Committees – Infosys BPM Limited

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### The Board of Directors

Ravikumar Singiseti  
*Chairman*

Anantharaman Radhakrishnan  
*Managing Director and Chief Executive Officer*

Gopal Devanahalli  
*Independent Director*

Michael Nelson Gibbs  
*Independent Director*

Inderpreet Sawhney  
*Director*

### Board committees

#### Audit committee

Gopal Devanahalli  
*Chairperson and Financial Expert*

Michael Nelson Gibbs  
*Member*

Ravikumar Singiseti  
*Member*

#### Nomination and remuneration committee

Gopal Devanahalli  
*Chairperson*

Michael Nelson Gibbs  
*Member*

Ravikumar Singiseti  
*Member*

### Corporate social responsibility committee

Ravikumar Singiseti  
*Chairperson*

Anantharaman Radhakrishnan  
*Member*

Gopal Devanahalli  
*Member*

#### Investment committee

Ravikumar Singiseti  
*Chairperson*

Anantharaman Radhakrishnan  
*Member*

Prem Joseph Pereira  
*Member*

As on April 1, 2020

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# Contents

Board's report . . . . .	1
Annexures to the Board's report . . . . .	13
Corporate governance report . . . . .	30
Management's discussion and analysis . . . . .	39
Risk management report . . . . .	54
Report on health, safety and environment . . . . .	56
CEO and CFO certification . . . . .	58
Standalone financial statements . . . . .	59
Consolidated financial statements . . . . .	104
Ratio analysis . . . . .	153
Global presence . . . . .	154
Notice to the 18th Annual General Meeting . . . . .	157

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## Board's report

Dear members,

The Board of Directors hereby submits the report of the business and operations of Infosys BPM Limited (“the Company”), along with the audited financial statements, for the financial year ended March 31, 2020. The consolidated performance of the Company and its subsidiaries (“the Group”) has been referred to wherever required.

### 1. Results of our operations and state of affairs

In ₹ crore, except per equity share data

Particulars	Standalone		Consolidated	
	For the year ended		For the year ended	
	March 31,		March 31,	
	2020	2019	2020	2019
Revenue from operations	4,595	3,932	6,922	6,022
Cost of sales	3,439	2,856	5,348	4,558
Gross profit	1,156	1,076	1,574	1,464
Selling and marketing expenses	219	200	235	212
General and administration expenses	337	318	519	494
Operating profit	556	558	820	758
Other income, net	290	225	279	211
Financial cost	(32)	–	(41)	–
Profit before tax	858	783	1,058	969
Tax expenses	210	187	252	252
Profit for the year	648	596	806	717
Other comprehensive income				
Items that will not be reclassified subsequently to profit or loss	(3)	(4)	(6)	(13)
Items that will be reclassified subsequently to profit or loss	6	1	46	(23)
Total other comprehensive income, net of tax	3	(3)	40	(36)
Total comprehensive income for the year	651	593	846	681
Earnings per share (EPS) <sup>(1)</sup>				
Basic	191.61	176.30	238.23	211.88
Diluted	191.61	176.30	238.23	211.88

Notes: The above figures are extracted from the audited standalone and consolidated financial statements as per Indian Accounting Standards (Ind AS).

1 crore = 10 million

<sup>(1)</sup> Equity shares are at par value of ₹ 10 per share.

## Financial position

in ₹ crore, except equity share and per equity share data

Particulars	Standalone		Consolidated	
	2020	2019	2020	2019
Cash and cash equivalents	2,274	1,837	3,137	2,627
Current investments	630	535	630	535
Net current assets	3,260	2,673	4,081	3,484
Property, plant and equipment (including capital work-in-progress)	214	239	281	271
Right to use assets	427	–	836	–
Goodwill	19	19	406	394
Other intangible assets	–	–	5	13
Other non-current assets	108	77	141	145
<b>Total assets</b>	<b>6,168</b>	<b>4,848</b>	<b>8,677</b>	<b>6,677</b>
Non-current liabilities	419	11	843	57
Retained earnings – opening balance	4,000	3,407	4,768	4080
Add :				
Profit for the year	648	596	806	717
Exchange differences on translation foreign operations and re-measurement differences	3	(3)	40	(36)
Reserves created on account of common control business acquisition	–	–	–	7
Transfer from Special Economic Zone Re-investment Reserve on utilization	71	66	71	66
Less :				
Impact on account of adoption of Ind AS 116	(19)	–	(8)	–
Transfer to Special Economic Zone Re-investment Reserve <sup>(1)</sup>	(71)	(66)	(71)	(66)
Retained earnings – closing balance	4,632	4,000	5,479	4,768
Other equity	34	34	34	34
<b>Total equity</b>	<b>4,666</b>	<b>4,034</b>	<b>5,513</b>	<b>4,802</b>
<b>Total equity and liabilities</b>	<b>6,168</b>	<b>4,848</b>	<b>8,677</b>	<b>6,632</b>
Number of equity shares	3,38,27,751	3,38,27,751	3,38,27,751	3,38,27,751

<sup>(1)</sup> The Special Economic Zone (SEZ) Re-investment Reserve has been created out of the profit of eligible SEZ units in terms of the provisions of Section 10AA(1)(ii) of the 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 Section 10AA(2) of the Income-tax Act, 1961



## Company's overview

Infosys BPM Limited, (IBPM), formerly Infosys BPO Limited, the business process management subsidiary of Infosys Limited, provides end-to-end transformative services to its clients globally. The company's integrated IT and BPM solutions approach drives optimized outcomes and enables it to unlock business value across industries and service lines, address business challenges for its clients helping them navigate their next. The primary focus for IBPM is to enable its clients to achieve their cost reduction objectives, improve process efficiencies, enhance effectiveness, and deliver superior customer experience

Infosys BPM Limited is a leader in providing innovative solutions to its clients in today's ever-changing technology landscape through traditional, digital service offerings, vertical utility platforms and shared service center models. Whether it is about utilizing innovative business excellence frameworks, ongoing productivity improvements, process reengineering, automation, and cutting-edge technology platforms, we are able to consistently add value to our clients. Our traditional BPM service offerings, are complemented by our Digital Business offerings – Digital Transformation Services and Digital Interactive Services. While the Group's joint venture with Hitachi, Panasonic and Pasona in Japan enhances our traditional enterprise services in sourcing and procurement; our platform-based digital capabilities were further enriched in insurance with the launch of McCamish NGIN, our modernized insurance platform for global life insurance and annuity; and in mortgage platform servicing capabilities through the Group's acquisition of ABN Amro Bank's wholly-owned subsidiary – Stater NV.

Infosys BPM Limited continues to be ranked leaders across industry utilities such as Insurance, Mortgage, Banking, Healthcare, Capital Markets, Financial Services, Energy, Manufacturing, Telecom and Retail; across enterprise offerings such as Finance & Accounting, Sourcing and Procurement and Human Resources Outsourcing as well as Digital offerings such as Digital Interactive Services, Analytics, RPA and Artificial Intelligence (AI) by leading analysts such as Nelsonhall, Gartner, Everest, HfS, ISG and IDC.

Your Company seeks to differentiate in the market by navigating clients to experience their next by delivering business value through deep domain expertise and technology prowess. We invest in offerings that help clients optimize their Cost of Revenues (CoR) instead of the traditional approach of optimizing just the Selling, General and Administrative (SG&A) expenses. We leverage the global delivery model to offer onshore, offshore and near-shore services to clients. We have established 33 global delivery centers across Asia, the US, Australia, and Europe, keeping in mind geographic penetration, multi-lingual talent, cultural fit, and specific client requirements.

The Company has been consistently ranked among the leading BPM companies globally and has received 22 awards and recognitions this year, from key industry bodies and associations like the GSA, SSON, CII, NHRD, Quality Council of India, and NASSCOM, among others. This is the result of our focused strategy of helping our clients to navigate their next by digitally transforming their business services

and by enhancing experience for their stakeholders through our approach of digital automation to amplify business productivity and efficiency, insights to improve business outcomes and effectiveness and innovation to enhance stakeholder delight and experience. The Company has also been consistently ranked among the top employers of choice, on the basis of its industry leading HR practices.

## Performance overview (Standalone)

Our revenues from operations aggregated to ₹4,595 crore, up by 16.9% from ₹3,932 crore in the previous year. Our gross profits amounted to ₹1,156 crore as against ₹1,076 crore in the previous year. The operating profits amounted to ₹600 crore as against ₹558 crore in the previous year. Sales and marketing costs were ₹219 crore and ₹200 crore for the years ended March 31, 2020 and March 31, 2019 respectively. General and administration expenses were ₹337 crore and ₹318 crore during the current year and previous year respectively. Net profits after tax stood at ₹648 crore as against ₹596 crore in the previous year. The profit after tax for the year was 14.1% of revenue.

## Performance overview (Consolidated)

Our revenues from operations aggregated to ₹6,922 crore, up by 14.9% from ₹6,022 crore in the previous year. Our gross profits amounted to ₹1,574 crore as against ₹1,464 crore in the previous year. The operating profits amounted to ₹820 crore as against ₹758 crore in the previous year. Sales and marketing costs were ₹235 crore and ₹212 crore for the years ended March 31, 2020 and March 31, 2019 respectively. General and administration expenses were ₹519 crore and ₹494 crore during the current and previous year, respectively. Net profits after tax were ₹806 crore as against ₹717 crore in the previous year. The Group's profit after tax for the year is 11.6% of revenue.

The Company continues to be amongst the most profitable BPM companies in India. The Company has 212 customers as on March 31, 2020. The Company ended FY20 with 42,157 employees across 122 nationalities.

The financial year 2020 was a very productive and significant one for Infosys BPM Limited since we won multiple new logos which include a UK-based multinational professional services firm, a Europe-based and a US-based mortgage services provider and a Europe-based logistics and supply chain company among others. The company also entered into a strategic partnership with Eishtec, one of Ireland's leading customer service providers. This included transfer of Eishtec's business to Infosys BPM, further enriching our services in the space, enabling us to better serve our clients from the UK and Ireland, leveraging our deep expertise in technology, analytics and digital.

We continue to focus on moving our pricing models to outcome-based and non-effort-based pricing and we have an increasing trend of deals that were signed on fixed and outcome-based pricing models in FY20. We truly have a global delivery model, with 33 delivery centers across 14 countries spread across 5 continents (7 in India; 7 rest of APAC and Australia, 11 in Europe, 5 in the US and 3 in Latin America). Infosys BPM offers business process management services in traditional

enterprise services such as Finance & Accounting, Customer Service, Human Resources, Legal Process Management, Sales & Fulfillment, Sourcing & Procurement, Analytics, Digital Interactive Services, Business Transformation Services & Robotic Process Automation. Traditional industry-centric processes include Banking & Financial Services, Healthcare and Insurance, Life Sciences, Manufacturing, Energy and Utilities, Communication Services, Media & Entertainment, Retail, Consumer Packaged Goods, and Logistics & Services. Digital business offerings include: Digital interactive Services such as content management, creative design, multi-channel marketing, social media services, learning services, Geospatial Data Services (GIS) and digital analytics value chain among others, and Digital Transformation Services such as Digital Process Re-engineering and Digital GBS.

While we continue to deliver efficiency and productivity with unprecedented agility, we also have powerful stories of reimagined business processes by blending automation with cognitive digital solutions. We believe in providing integrated solutions to our client through our belief that our “people + software = humanware” approach will form the plinth of successful, error-free business processes.

The company has aligned its strategy and investments towards helping clients ‘Navigate their Next’ and enhance stakeholder experience. The world around us is being reshaped by disruptive trends. These trends in technology – such as automation, artificial intelligence, machine learning, Internet of Things and blockchain – call for us to relook at the way we do things. Our approach involves navigating our clients through our digital navigation framework to experience their next in their digital journeys, enabled by digital transformation and supplemented by our specific vertical utility platforms that help transform the way they operate.

## 2. Human resource management

Our talent strategy revolved around talent refactoring and leadership development, reinforced through process innovation, automation, analytics, and building a leadership culture that fuels the paradigm for empathy, customer centricity, growth mindset – with a larger purpose that impacts individual employees, teams, our clients and the organization.

Our talent acceleration programs were delivered at all levels. Close to 1,200 leaders and senior managers underwent specific leadership programs around business storytelling, consulting skills, executive presence, digital transformation, and others. 32 leaders, including our MD & CEO and EC members, were part of a workshop called “Digital Transformation Mindset” to build a shared mindset on leveraging digital transformation in the context of BPM as we navigate our client’s digital journeys. More than 50 leaders came together to look at building a culture of service leadership through a program called “Authentic Leadership”.

Talent refactoring was a major focus, with more than 16,000 employees across all levels trained on foundation skills like Automation, Robotic Process Automation, Analytics and Digital. In addition to this, over 7,000 employees were trained in core technology to work on automation and data visualization projects, which had a huge impact on our talent and business metrics.

Another key program called “Be the Navigator” that focused on solution optimization was run across 378 projects. 57% of these projects were run by talent that was reskilled in-house. These projects delivered overall benefits in excess of USD 44 Mn.

The adoption of Lex, our in-house digital learning platform, and was another key area where we saw 60% of the employees using Lex for continuous development.

Ascent, the leadership succession planning program at IBPM, saw nearly 20 key leaders being groomed for critical roles ranging from CEO to CEO minus 2 levels. This was based on the foundation setup of the Senior Management Talent Review process that was introduced a couple of years earlier. This process reviews over 200 senior management role-holders every year and focuses on tailored development for the leadership team at IBPM.

Infosys Citizenship Quotient (iCQ), our organization citizenship rewards initiative, saw 74% of senior management in India rewarded for engaging in a host of activities beyond their usual job responsibilities.

Holding the talent growth banner high, our position fulfillment through internal talent stands at 70% for India and 37% for global delivery centers.

Working toward re-imagining the BPM Organization Design, Project Athena was launched to draw up evolving needs and client demands in terms of roles, changing structures, and geo-specific dynamics. As part of this, new roles were created for business integration and others globally; Infosys Portland had a new career structure rollout which brought alignment of Portland roles, career pathing and local nuances to be in sync with the larger Infosys structures.

To keep the impetus steady on workforce transformation, ‘Employee Skilling’ was given an orchestrated focus to revamp the skills taxonomy. Compass, the new-age careers app, was customized to help employees navigate their skill levels; and create self-driven plans to add to their bouquet of skills aided by technology.

“200 Days Augment” was introduced as a program to induct and engage 28 management trainees as a key talent pool. 200 Days Augment aims to enhance the experience and sharpen capability of newly inducted management trainees to contribute beyond their normal, and accelerate their readiness to take up larger roles and responsibilities. This rich induction plan of over 200 days from their joining includes solid leadership foundation trainings, operations and lean excellence programs dovetailed with cross-functional internship and executive leadership sessions.

This financial year, we hired a total of 13,094 employees globally, of which 9,772 were in India. We introduced AI-based assessments and resumed screening to enhance the quality of hire. Recruitment analytics and reporting dashboard helped in enabling business. We undertook multiple initiatives such as pipeline development for new age and niche skills, introduced virtual assessments, Branding of Employee Value Proposition through multiple channels to ensure application rate.

Project Genesis is the flagship CSR program aimed at aligning the teaching and course-curriculum at graduate schools to the

industry requirements so that the students have an edge as far as employability is concerned. In addition to the ongoing curricula of Global Business Foundation Skills and Finance & Accounting, we introduced two new offerings this year around Digital Marketing, and Sourcing & Procurement. The content was developed and delivered with the help of the respective Centres of Excellence. Through 563 academicians trained under Faculty Development programs, we have reached out to around 18,200 students this year. Furthermore, under our Rural Student Development Program which focuses on upskilling differently abled and unemployed youth on employability skills in Tier 2 and 3 towns, we trained over 1,200 students. As of today, around 1,250 final year students trained under Project Genesis have received placements in various organizations.

We continue to support 13 digital classrooms set up in government schools in Karnataka, Maharashtra, Tamil Nadu, Telangana and Andhra Pradesh through an NGO called Evidyaloka. The objective is to create a knowledgeable and empowered rural India through quality education. 71 volunteer teachers have completed 3,669 sessions and delivered 73,380 learning hours benefitting 817 students during this academic year. We also continue supporting 5 National Digital Literacy Mission Centers (4 in Karnataka and 1 in Maharashtra). One of these centers in Karnataka is specifically for people with special abilities. The National Digital Literacy Mission (NDLM) centers facilitate and provide training to people in rural areas on basic computer skills, internet to access information about government schemes and services, access online information, payment of utility bills etc. Various engagements involving a number of our employees across India like notebook and stationery donation; grocery and essentials donation; visit to orphanages and old age homes; plantation drives etc. touched lives of around 2,900 beneficiaries.

Our vision is to create an inclusive workplace and leverage the power of diversity for sustainable competitive advantage. We have more than 100 nationalities working at IBPM across the globe. Our Initiatives are categorized under three areas IWIN (Infosys Women's Inclusivity Network) for Gender Diversity, Infyability for Employees with special ability and Multicultural Diversity/Creating common ground. As part of gender diversity initiatives, FY20 saw closure of two batches of the Seize Opportunities & Achieve Resilience (SOAR) program for women managers and the start of two new batches. In our continuous endeavor to inspire motivate and empower women employees, we organized internal and external women leader connect programs, self-defense workshops and financial awareness workshops across locations. To bring our employees with hearing impairment on par with other employees, an exclusive training session was organized on the basics of data analytics in three phases in the presence of an interpreter

## Awards

### CSR

Infosys BPM Limited won the Best Practices in CSR Award 2020 for the Skill Development initiative of IBPM at 6th International Conference of Corporate Responsibility

by Institute of Public Enterprise- Centre for Corporate Social Responsibility

### Diversity

- Won Best Organization for Women Empowerment in IT Sector at Women Empowerment Summit and GIWL (Great Indian Women Leader) Awards 2019 by UBS Forums
- Won National Award 2019 for Best Employer for People with Disabilities by the Government of India
- NASSCOM – Corporate Awards for Excellence in Diversity and Inclusion under the 'Persons with Disabilities' category for 2019 was won by the Infosys Group
- Won the AccelHERate 2020 and DivHERsity awards in three categories as listed below:
  - Top 20 companies in DivHERsity (Large Enterprises)
  - Top 20 Most Innovative Practices – Women Leadership Development (Large Enterprises)
  - Top 5 Most Innovative Practices – Women L&D Programs (Large Enterprises)

We strive to bring in customized programs to cater to the needs of various Hi-Pot and Hi Performer groups. In FY 20 some of the programs initiated by the BPHR group are as follows:

- iGear - A focused intervention for grooming future leaders and an exclusive engagement and recognition program for Ops leads was launched.
- Following the success of the program, "Inspiring Team Leaders", the "Inspiring Manager Awards" was launched.
- CEO Squad - A program with prime focus of increasing leadership effectiveness and recognizing high-performers, the CEO Squad was created comprising senior managers across India and global delivery centers
- iRise - Our flagship program on strategy and employee capability development made its global footprint with the successful launch at Reno (US).
- Other flagship programs, such as Geo Ambassador and Inspiring TL for global audiences, Club Elite for high-performers, Amplifiers for Ops team leads, and The Glory for subject experts, continue to drive brand value, recognize high performance and success, inculcate a culture of learning, and prepare the employees to be future-ready.
- Careers for life - This initiative touched more than 10,000 employees to successfully brand the employee value proposition of Infosys and make an impact through connects, creating a world of newer opportunities and employee engagement across India.

### Alumni connect

More than 5,000 ex-Infosysians have registered on the alumni portal.

800 plus ex-Infosysian queries were addressed through ServCentrale (query management)

Over 300 ex-Infosysians have expressed their willingness to rejoin Infosys

Birthday wishes were sent to 44,000 plus ex-Infosysians.

### Employee governance

We started the first ever Virtual induction in IBPM.

- Paperless onboarding was introduced and implemented through Launchpad across levels in India. This ensured,

improved new joiner experience, reduction in induction days from 2 days to 1 day, through measures like issuance of smart cards to all new recruits, and laptop for leadership on Day 1.

- Buddy program for joiners at senior manager level
- Background verification checks for 21,758 (including mandate and client checks)
- National Skill Registry conversion is 99.71%
- E-separation tool instituted in all IBPM locations and its subsidiaries.

### Employee engagement and SAFE perspective

Infosys BPM Limited is committed to providing a healthy, safe and fun-filled environment to employees. Towards this, we organize several employee engagement programs and provide forums for employees to showcase their extra-curricular talent.

We organized 497 employee engagement activities during FY20 creating over 1,50,000 employee touch points. Some of key engagement events were:

- Sambhrama, an annual event, conducted across all the 8 BPM locations, covering 13,814 employees
- Snack box distribution across locations on August 15, 2019, October 2, 2019 and January 26, 2020 covering more than 2,400 employees
- 161 employees felicitated for completing 15 years
- Inter-DC singing competition (Infy IDOL) covering 2,972 employees
- Musical and event (T-cube) covering 3,754 employees
- Mind vacation across locations covering 3,848 employees
- “Let’s appreciate” initiative, which created over 5,000 appreciations

### Internal Complaints Committee:

At Infosys, our goal has been to create an open and safe workplace where each and every employee feels empowered to contribute to the best of their abilities, irrespective of gender, sexual preferences or any other classification that has no bearing on the employee’s work output. Towards this, our flagship offering, the Anti-Sexual Harassment Initiative (ASHI), has created its own brand.

Infosys BPM Limited has constituted an Internal Committee (IC) in all the development centers of the Company across India to consider and resolve all sexual harassment complaints reported by women. The constitution of the IC is as per the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, and the committee includes external members from NGOs or with relevant experience. Investigations are conducted and decisions made by the IC at the respective location, and a senior woman employee is the presiding officer over every case. Half of the total members of the IC are women.

In FY20, our ASHI team had a total of 14 cases that were reported. All of the 14 cases have been resolved. No cases are pending.

Along with fair and fast resolution of reported cases, education and awareness has been the significant focus

for ASHI in FY20 to address sexual harassment at its root. The methods of education have been multi-dimensional – ASHI awareness sessions for new joiners, refresher sessions, fact-finding training, new center-specific sessions, ASHI e-module released on Lex, mailers on zero-tolerance of sexual harassments and WFH series on ASHI. We also had ASHI posters printed in local languages across all locations. Below are a few more numbers and details on all the ASHI Initiatives and Interventions undertaken in FY20.

10,387 new joiners undergoing the ASHI Awareness session - 100% of joiners.

41,320 (98.80%) on roll employees and 4,168 (98.09%) of contractual staff underwent the ASHI Awareness session.

Two refresher sessions by our external member (Hyderabad) and Infosys legal team for IC members across locations.

‘IC Speaks’ by an External Member (Pune) was released.

Under ‘new center coverage’, ASHI sessions were conducted in Wroclaw, Poland.

Fact finding training conducted in Pune covering 12 employees.

### Internal communications

As part of the senior management connect this year, there were 2,029 senior leader connect programs, which created over 1,25,000 employee touch points across the globe.

In a one-on-one mentoring program, titled ‘Speed Lead’, 422 mentees are being mentored by 90 mentors across 3 locations. Over 100 stories of employees’ growth, milestones and achievements were published through various channels, such as ‘My Infy Story’, ‘Good to Join, Great to Grow’, ‘Team Matters Team Wins’, and ‘Far from the Shores’.

Under ‘CLIFE Campaign’, stories showcasing employees upholding the Infosys corporate values received an overwhelming response. 13 stories have been released so far in an ongoing campaign.

HR Social media interactions have been very encouraging and popular. Here are some statistics:

LinkedIn:

- 35,000 plus impressions
- 431 reactions
- 5.77% engagement rate (average engagement is on LinkedIn is 2%)

Facebook:

- Over 3,000 users touched/viewed
- 290 shares
- 778 engagements on Facebook

### External Recognition: 2019 -20

- GIWL Awards 2019
- Brandon Hall Excellence in Human Capital Management Program under the categories:
  - Best Unique or Innovative Learning and Development Program
  - Best Unique or Innovative Talent Acquisition Program
  - Best Advance in Leadership Development
- ATD BEST 2019 in the category Management Consulting Services.
- TISS Leap Vault CLO Awards India in the category Virtual Learning Program.
- 2nd Edition Future HR Summit & Awards 2019.



- Best Employee Engagement Practice (Team Leader Enhanced Experience).
- NASSCOM Corporate Awards for Excellence in Diversity & Inclusion.
- Hellen & Keller Award for Diversity & Inclusion for Disabilities
- National Award for Diversity & Inclusion.
- Best Practices in CSR Awards 2020.
- AccelHERate 2020 and Diversity Awards won under three categories:
  - Top 20 Companies in Diversity
  - Top 20 Most Innovative Practices - Women Leadership Development (Large Enterprises)
  - Top 5 Most Innovative Practices - Women L&D program

### Liquidity

Our principal sources of liquidity are cash and cash equivalents and the cash flow that we generate from our operations. We continue to be debt-free and maintain sufficient cash to meet our strategic and operational requirements. We understand that liquidity in the Balance Sheet has to balance between earning adequate returns and the need to cover financial and business requirements. Liquidity enables us to be agile and ready for meeting unforeseen strategic and business needs. We believe that our working capital is sufficient to meet our current requirements.

### Dividend

The directors do not recommend any dividend for the financial year ended March 31, 2020.

### Transfer to reserves

The Company does not propose to carry any amount to general reserves.

### Particulars of loans, guarantees or investments

Loans, guarantees and investments covered under Section 186 of the Companies Act, 2013 form part of the notes to the financial statements.

### Fixed deposits

We have not accepted any fixed deposits including from the public and, as such, no amount of principal or interest was outstanding as of the Balance Sheet date.

### Particulars of contracts or arrangements made with related parties

Particulars of contracts or arrangements with related parties referred to in Section 188(1) of the Companies Act, 2013, in the prescribed Form AOC-2, is appended as Annexure 2 to the Board's report.

### Material changes and commitments affecting financial position between the end of the financial year and date of report.

There have been no material changes and commitments affecting the financial position of the Company between the end of the financial year and the date of the report.

### Share capital

During the year under review, the Company has not issued any shares and hence the outstanding issued, subscribed

and paid up equity share capital stands at ₹33,82,77,510 as on March 31, 2020.

### Subsidiaries

As on March 31, 2020, we have five wholly-owned subsidiaries, namely – Infosys (Czech Republic) Limited s.r.o (formerly Infosys BPO s.r.o), Infosys Poland Sp. z o.o. (formerly Infosys BPO Poland, Sp. z o.o.), Infosys McCamish Systems LLC, Portland Group Pty. Limited and Infosys BPO Americas LLC. The Company does not have any associate company.

The Company has a step down subsidiary to Infosys Poland Sp.z.o.o. Infosys Consulting Sp.z.o.o is acquired on February 20, 2020 from sister concern Infosys Holding A.G.

During the year, the Board of Directors reviewed the affairs of the subsidiaries. In accordance with Section 129(3) of the Companies Act, 2013, we have prepared consolidated financial statements of the Company and all its subsidiaries, which form part of the Annual Report. Further, a statement containing the salient features of the financial statement of our subsidiaries in the prescribed format AOC-1 is appended as Annexure 1 to the Board's report. The statement also provides the details of performance, financial positions of each of the subsidiaries.

In accordance with Section 136 of the Companies Act, 2013, the audited financial statements, including the consolidated financial statements and related information of the Company and audited accounts of each of its subsidiaries, are available on our website [www.infosysbpm.com](http://www.infosysbpm.com). These documents will also be available for e-inspection by members.

#### A. Infosys (Czech Republic) Limited s.r.o

Infosys (Czech Republic) Limited s.r.o had a good fiscal year. The delivery center has grown by 26.5% year on year, expanded its portfolio of annuity clients by two new projects, and increased volumes of services for several of its existing clients. The expansion took place mainly in the domain areas of Technical Support, Customer Service, and IT Service Management. The business growth has driven expansion of the facilities and in March 2019, the company relocated to a larger brand new modern office with capacity of 900+ seats. The center has successfully delivered several transformation projects to Infosys clients and due to its right combination of technical and language competencies, it is currently positioned as a primary EU delivery center for high-end technical and customer service work. During the fiscal, Infosys (Czech Republic) Limited s.r.o retained its place in the board of directors of ABSL (Business Services Association) Czech Republic.

During the year under review the Company generated revenue of ₹158 crore as against a revenue of ₹123 crore for the year ended on March 31, 2019 with a profit of ₹12 crore against the profit of ₹4 crore for the year ended on March 31, 2019.

#### B. Infosys Poland Sp. z o. o.

The revenue from the Lodz Delivery Center has increased by 1.6% YoY.

Lodz DC is focusing on F&A, Sourcing and Procurement, Master Data Management, Business Analytics and high-end services (Tax, SOX Compliance, FP&A Consolidation of financial statements) as well as European language

based services as a part of Infosys global delivery model. The Center offers also business transformation services for local market companies.

The Center has been bestowed with following awards in the year under review:

TOP 5 in the Best Employers in Lodz (2019), XIV edition of *Lodołamacze* in the category of “Healthy Company” (2019), The Best Employers in Region EB=Emocje + Biznes (2019), The Infosys Award for Excellence in the category of Geo DC Management, highlighted in the “Responsible Business in Poland 2019. Good practices” report in several categories: (Human Rights - Diversity Team; Environment: Łódzka Kranówka, Social Involvement and Development of the Local Community -The “Pełnosprawni, jazda stad!” campaign, the Infosys Finance Campus, Access Lodz, Work Practices: Infosys Healthy Lifestyle).

During the year under review, the revenue were ₹516 crore as against revenue of ₹508 crore for the period ended March 31, 2019 with a profit of ₹3 crore as against a profit of ₹28 crore for the period ended March 31, 2019.

### C. Infosys McCamish Systems LLC

During the year under review, the financial performance improved over the prior fiscal, continuing the positive trend. We are generally seeing good traction in other new geographical markets including India, Asia-Pacific (APAC), South America and Japan. In the US, large life insurance companies continue to invest in modernizing legacy policy administration systems while focusing on improved customer engagement. Fiscal 2020 saw more clients in Life and Annuity, Worksite and producer services businesses expanding relationship with us. Multiple strategic contracts were renewed. New lines of services and geographies were opened with P&C client win for our PMACS® product and winning a new client in South America for VPAS®. The analyst community, including Gartner, HfS and Novarica, refers to us positively. The Retirement Services business unit continues its market leadership position.

During the year under review, the revenues were ₹1,556 crore as against revenue of ₹1,289 crore for the period ended March 31, 2019 with a net profit of ₹127 crore as against a profit of ₹86 crore for the period ended March 31, 2019.

### D. Portland Group Pty. Limited

Infosys Portland (Portland Group Pty. Ltd) had a steady year, with a moderate growth in consulting revenue and headcount in operating regions, whilst decreasing revenue from software on-sell agreements. Portland Group has continued leading the expansion of Infosys BPM S&P procurement practice in North American market and has generated a decent revenue in consulting work with as on end of FY20.

During the year under review, the Company generated a revenue of ₹99 crore as against a revenue of ₹142 crore for the previous year ended on March 31, 2019 and with a profit of ₹5 crore against the profit of ₹8 crore for the year ended on March 31, 2019.

### E. Infosys BPO Americas LLC

Infosys BPO Americas LLC, a Mortgage focused entity of Infosys BPM Limited, was incorporated in 2016. Having

completed the mandatory state licensing requirements, pursued and won the first large deal in 2019-20. Currently, an active pursuit with the sixth largest bank in the US is underway with a likely Q2 revenue visibility.

The process to validate the India branch license is underway. This will help build a blended operating model (Onshore-offshore) and thereby provide significant value to customer in a cost-effective structure.

During the year under review, the revenue was ₹22 crore as against revenue of ₹10 crores for the period ended March 31, 2019 and with a loss of ₹2 crore each for both the financial years.

### F. Infosys Consulting Sp.z.o.o

Infosys Consulting Sp.z.o.o supports clients in designing and delivering simple and pragmatic solutions to their complex business problems. The focus is set on processes, data and systems, enabling operating models which work pragmatically and efficiently in today's complex and global business environment .

The Strategy of the business is remaining cost competitive and to increase the market share by owning our client's business challenges, identifying new opportunities and reimagine business solutions to help create new markets and disrupt existing ones.

During the year under review, the revenue were ₹132 crore as against revenue of ₹115 crore for the period ended March 31, 2019 with a profit of ₹13 crore as against a profit of ₹4 crore for the period ended March 31, 2019.

#### Awards and recognition

During the year under review, the Company received numerous awards and recognition, both international and national. Here is a quick glimpse of some of them:

- Won three prestigious awards in Lean Six Sigma Case Study contest organized by the Indian Statistical Institute (ISI)
- Awarded with the best practices in CSR Award 2020 for Skill Development initiatives at the 6th International Conference of Corporate Responsibility organized by the Institute of Public Enterprise – Centre for Corporate Social Responsibility
- Recognized with the AccelHERate 2020 and DivHERsity Awards in three categories:
  - Top 20 Companies in DivHERsity (Large Enterprises)
  - Top 20 Most Innovative Practices – Women Leadership – Development (Large Enterprises)
  - Top 5 Most Innovative Practices – Women L&D Programs (Large Enterprises)

#### Industry analyst recognition:

##### Industry analyst ranking

##### Digital transformation services

- Major contender in the Everest Group's Intelligent Automation in Business Processes – Solution Provider Landscape with Solutions PEAK Matrix® Assessment 2020
- Leader in ISG Provider Lens Digital Business – Solutions and Service Partners Quadrant Report 2019-20, All Regions

- A Leader in the IDC MarketScape: Worldwide Intelligent Automation Services 2019 Vendor Assessment. Doc #US44934619, September 2019
- A Major Player in the IDC MarketScape: Worldwide Analytics for Business Operations Services 2019 Vendor Assessment. Doc # US44118519, October 2019
- An Overall Major Player in NelsonHall's Advanced Analytics NEAT, June 2019

#### Finance and accounting

Leader in the Everest Group's Finance and Accounting Digital Capability Platform Solutions PEAK Matrix® Assessment with Service Provider Landscape 2020

Ranked 5th in HFS' Top 10 Finance & Accounting Service (F&A) Service Providers 2019

The Everest Group's exclusive white-paper titled "Powering the Future of Finance Through Blockchain"

#### Sourcing and Procurement

Ranked 4th in HFS's Top 10 Source-to-Pay Service Providers 2019

Leader in Everest Group's Procurement Outsourcing – Service Provider Landscape with Service PEAK Matrix™ Assessment 2019

#### Customer Services

Leader in ISG Provider Lens™ Digital Workplace of the Future – Archetype Report, 2019-20

Aspirant in Everest Group's Contact Center Outsourcing – Service Provider Landscape with Service PEAK Matrix™ Assessment 2019

#### Human Resources Outsourcing

- Major Contender in Everest Group's Multi Process Human Resource Outsourcing PEAK Matrix™ Assessment with Service Provider Landscape 2020
- A Major Player in NelsonHall's Next Generation Payroll Services NEAT, April 2019
- Overall Innovator in NelsonHall's Learning Services NEAT, December 2019

#### Sales and Fulfillment

- A Leader in NelsonHall's Supply Chain Management Services NEAT, August 2019
- Major Contender in Everest Group's Supply Chain Management (SCM) – Service Provider Landscape with Services PEAK Matrix™ Assessment 2020

#### Banking, Financial Services

- A Leader in IDC MarketScape: Worldwide Business Process Outsourcing for AML and KYC 2019 Vendor Assessment. Doc # US44398519, December 2019
- Ranked 1st in HFS's Top 10 Banking and Financial Services Sector Service Providers 2019
- Major Contender and Star Performer in Everest Group's Capital Market Operations – Service Provider Landscape with Services PEAK Matrix™ Assessment 2020
- Major Contender in Everest Group's Financial Crime and Compliance Operations Services PEAK Matrix™ Assessment and Service Provider Landscape 2020
- Major Contender in Everest Group's Banking BPS – Service Provider Landscape and Services PEAK Matrix™ Assessment 2019

- Overall High Achiever in NelsonHall's Wealth & Asset Management Services NEAT, October 2019

#### Insurance

- Infosys McCamish named a Leader in Gartner's Magic Quadrant for Life Insurance Policy Administration Systems, North America, August 2019\*
- Ranked 2nd in HFS's Top 10 Insurance Service Providers 2019
- Leader in ISG Provider Lens™ Insurance BPO Digital Services U.S. Quadrant Report 2019
- Leader in ISG Provider Lens™ Insurance BPO Digital Services Archetype Report 2019
- Major Contender in Everest Group's Life and Pension (L&P) Insurance BPO – Service Provider Landscape and Services PEAK Matrix™ Assessment 2019
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#### Healthcare

- A Leader in NelsonHall's Healthcare Commercial Payer BPS NEAT, May 2019
- Major Contender in Everest Group's Healthcare Payer Business Process Services PEAK Matrix™ Assessment 2019

#### Retail

- Ranked 4th in HFS's Top 10 Retail & CPG Services 2019

#### Manufacturing

- Ranked 5th in HFS's Top 10 Manufacturing Service Providers 2019

#### Energy

- Ranked 2nd in HFS's Top 10 Energy Service Providers, 2019

#### Quality

In alignment with our focus last year on working alongside clients to catalyze and co-create business value and enhance stakeholder experience, the function has made significant progress through Zero Distance, Productivity improvement, Data Analytics, Lean and Knowledge management. This has been affirmed through several stakeholder commendations, external validations through audits and assessments and several awards won by the function during the year.

#### The key highlights are:

- BTN (Be The Navigator) saving of USD 607 Mn. and 1881 FTE saving through continuous improvement with our renewed rigor on initiatives like lean deployment, capacity modelling, data analytics, data visualization and workforce optimization tools run across a large number of projects. IBPM has won 10 industry awards for the improvement projects.

- Over USD 200K savings have been achieved through the various initiatives of Knowledge Management (KM) like - KM Maturity assessment, Tool Replication and KM certification programs. The year saw an addition of 110 new KM certified practitioners
- To stay attuned to achieve 'Right First Time' objective the early state interventions like Solutions Design Handover Assessments, Transition Health Review, Quality Health Review, 90-day post go live assessments and Service Expansion Health Review has been strengthened resulting in reduction of critical errors by 19%.
- To accelerate the excellence, journey the team introduced the following new frameworks –
  - Global Center Maturity Model
  - Quality Maturity Model
  - BEF Maturity Model
  - PI (Process Improvement) Maturity Assessment Framework
- The Quality team has trained close to 10,700+ employees across the organization in the various Quality Training programs reinforce the Quality culture.
- To demonstrate our industry leadership and presence, we have collaborated with industry bodies for the second consecutive year and presented the BPM Quality Symposium. This generated a record breaking engagement rate of 4%, against industry standard of 2% on social media.

### 3. Corporate governance philosophy

Corporate governance is about maximizing shareholder value legally, ethically and sustainably. At Infosys BPM Limited, the goal of corporate governance is to ensure fairness to every stakeholder. We believe sound corporate governance is critical to enhance and retain investor trust. We always seek to ensure that our performance is driven by integrity. Our Board exercises its fiduciary responsibilities in the widest sense of the term. Our disclosures seek to attain the best practices in international corporate governance. We also endeavor to enhance long term shareholder value and respect minority rights in all our business decisions. Our Corporate governance report for fiscal 2020 forms part of this Annual Report. We wish to state that your Company has complied with all norms of corporate governance applicable to Unlisted Public Companies as envisaged under the Companies Act, 2013.

#### Number of meetings of the Board

The Board met five times during the financial year, the details of which are given in the Corporate governance report that forms part of this Annual Report. The intervening gap between any two meetings were within the period prescribed by the Companies Act, 2013.

#### Policy on directors' appointment and remuneration

The current policy is to have an appropriate mix of executive, non-executive and independent directors to maintain the independence of the Board, and separate its functions of governance and management. The Board consists of five members, two non-executive, one executive, and two independent directors. The Board periodically evaluates the need for change in its composition and size. The policy of

the Company on directors' appointment and remuneration, including criteria for determining qualifications, positive attributes, independence of a director and other matters provided under sub-section (3) of Section 178 of the Companies Act, 2013, adopted by the Board, is available on the website of the Company at [www.infosysbpm.com](http://www.infosysbpm.com). We affirm that the remuneration paid to the directors is as per the terms laid out in the nomination and remuneration policy of the Company.

#### Declaration by independent directors

The Company has received necessary declaration from each independent director under Section 149(7) of the Companies Act, 2013, that he / she meets the criteria of independence laid down in Section 149(6) of the Companies Act, 2013.

#### Board evaluation

The Companies Act, 2013 states that a formal annual evaluation needs to be made by the Board of its own performance and that of its committees and individual directors. Schedule IV of the Companies Act, 2013 states that the performance evaluation of independent directors shall be done by the entire Board of Directors, excluding the director being evaluated. The Board had evaluated during fiscal 2020, the performance of all the directors as per the requirements of the Companies Act, 2013. The outcome of the Board evaluation for fiscal 2020 was discussed by the nomination and remuneration committee and the Board at the meeting held on April 16, 2020.

#### Directors and key managerial personnel (KMP)

##### Inductions

The Board, on the recommendation of the nomination and remuneration committee made the following appointments during the year under review:

- Gopal Devanahalli was appointed as additional and independent director with effect from July 10, 2019.
- Michael Nelson Gibbs was appointed as additional and independent director with effect from July 10, 2019.

##### Retirement & Resignation

- D.N Prahlad resigned as an Independent Director effective April 15, 2019
- Prof. Jayanth R Varma retired as an Independent Director effective March 31, 2019

##### Re-appointment

- Prof. Jayanth R Varma was re-appointed as an Independent Director effective April 1, 2019 to hold office up to April 30, 2019
- As per the provisions of the Companies Act, 2013, Ravi Kumar Singiseti, who has been longest in the office, retires by rotation at the ensuing AGM and, being eligible, seeks reappointment. The Board recommends his re-appointment.

#### Committees of the Board

As on March 31, 2020, the Board had four committees:

The audit committee, the nomination and remuneration committee, the corporate social responsibility committee, and the investment committee. The composition, functions, scope,



number of meetings held and attended by the members, etc., of each committee are furnished in the Corporate governance report which forms part of this Annual Report.

#### Internal financial control and its adequacy

The Board has adopted policies and procedures for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, safeguarding of its assets, prevention and detection of fraud, error reporting mechanisms, accuracy and completeness of the accounting records, and timely preparation of reliable financial disclosures.

#### Director's responsibility statement

The financial statements are prepared in accordance with Indian Accounting Standards (Ind AS) under the historical cost convention on accrual basis except for certain financial instruments, which are measured at fair values, the provisions of the Act (to the extent notified). The Ind AS are prescribed under Section 133 of the Companies Act, 2013 ('the Act'), read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016. Accounting policies have been consistently applied except where a newly-issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

#### The directors confirm that:

- In preparation of the annual accounts for the financial year ended March 31, 2020, the applicable accounting standards have been followed there are no material departures.
- They have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for that period.
- They have taken proper and sufficient care towards the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- They have prepared the annual accounts on a going concern basis.
- They have laid down internal financial controls, which are adequate and are operating effectively.
- They have devised proper systems to ensure compliance with the provisions of all applicable laws and such systems are adequate and operating effectively.

#### 4. Audit reports and auditors

- The Auditors' Report for fiscal 2020 does not contain any qualification, reservation or adverse remark. The Auditors' Report is enclosed with the financial statements in this Annual Report.
- The Secretarial Auditors' Report for fiscal 2020 does not contain any qualification, reservation or adverse remark. The Secretarial Auditors' Report is enclosed as Annexure 4 in this Annual Report.

#### Auditors

##### Statutory auditors

Under Section 139 of the Indian Companies Act, 2013 and the Rules made thereunder, it is mandatory to rotate the statutory auditors on completion of the maximum term permitted under the said section. In line with the requirements of the Companies Act, 2013, Deloitte Haskins & Sells LLP, Chartered Accountants (Firm registration number 117366 W/W 100018) ('Deloitte') was appointed as the statutory auditors of the Company to hold office for a period of five consecutive years from the conclusion of the 15th Annual General Meeting of the Company till the conclusion of the 20th Annual General Meeting to be held in the year 2022. The requirement of the annual ratification of auditors' appointment at the AGM has been omitted pursuant to Companies (Amendment) Act, 2017 notified on May 7, 2018.

During the year the statutory auditors have confirmed that they satisfy the independence criteria required under Companies Act 2013 and Code of ethics issued by Institute of Chartered Accountants of India.

##### Secretarial audit

As required under Section 204 of the Companies Act, 2013 and Rules thereunder, the Board has appointed Parameshwar G. Hegde of Hegde & Hegde, Practising Company Secretaries, as secretarial auditor of the Company for fiscal 2021

##### Cost records and cost audit

Maintenance of cost records and requirement of cost audit as prescribed under the provisions of Section 148(1) of the Companies Act, 2013 are not applicable for the business activities carried out by the Company.

##### Reporting of frauds by auditors

During the year under review, neither the statutory auditors nor the secretarial auditor has reported to the audit committee, under Section 143 (12) of the Companies Act, 2013, any instances of fraud committed against the Company by its officers or employees, the details of which would need to be mentioned in the Board's report.

##### Significant and material orders

There are no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and Company's operations in future.

##### Annual return

In accordance with the Companies Act, 2013, an extract of the annual return in the prescribed format is appended as Annexure 5 to the Board's report.

##### 5. Risk management framework

The Company has always taken a comprehensive view to risk management to address risks inherent to clients as well as enterprise. The Risk management report form part of this Annual Report.

In terms of the provisions of Section 134 of the Companies Act, 2013, a Risk management report is set out in this Annual Report.

## 6. Conservation of energy, research and development, technology absorption, foreign exchange earnings and outgo

The particulars, as prescribed under Sub-section (3)(m) of Section 134 of the Companies Act, 2013, read with the Companies (Accounts) Rules, 2014, are enclosed as Annexure

### Acknowledgments

We thank our customers, vendors, investors and bankers for their continued support during the year. The Board also places on record its appreciation of the contribution made by employees at all levels.

The Board also acknowledges the cooperation and support extended by Government authorities of various countries where the Company has operations, the Government of India, particularly the Ministry of Labour and Employment, the Ministry of Communication and Information Technology, the Ministry of Commerce and Industry, the Ministry of Corporate Affairs, the Ministry of Finance, the Central Board of Indirect Taxes and Customs, the Central Board of Direct Taxes, the Reserve Bank of India, the State Governments, the Software Technology Parks (STPs) / Special Economic Zones (SEZs) – Bengaluru, Chennai, Gurugram, Jaipur, Pune and other government agencies for their support and look forward to their continued support in the future.

for and on behalf of the Board of Directors

Bengaluru  
April 16, 2020

Sd / -  
Ravikumar Singiseti  
*Chairman and Director*

Sd / -  
Anantharaman Radhakrishnan  
*Managing Director and Chief Executive Officer*

## Annexures to the Board's report

### Annexure 1 – Statement containing the salient features of the financial statements of subsidiaries / associate companies / joint ventures

[Pursuant to first proviso to Sub-section (3) of Section 129 of the Companies Act, 2013, read with Rule 5 of the Companies (Accounts) Rules, 2014 – AOC-1] List of Subsidiaries

Name of the subsidiary	Financial period ended	Exchange rate/ reporting currency	Share capital	Reserves and surplus	Total assets	Total liabilities (excluding share capital and reserves and surplus)	Total Investments*	(1) Turnover (Includes inter-company transactions)	in ₹ crore except % of shareholding and exchange rate					
									(1) Profit / (Loss) before taxation	(1) Provision for taxation	(1) Profit / (Loss) after taxation			
Infosys (Czech Republic) Limited s.r.o. <sup>(2)(3)</sup> (formerly Infosys BPO s.r.o.)	March 31, 2020	1 CZK = ₹ 3.04	3	69	220	148	–	158	12	–	12	–	12	100.00%
Infosys Poland Sp. z o.o. <sup>(2)(4)</sup> (formerly Infosys BPO Poland, Sp. z o.o.)	March 31, 2020	1 PLN = ₹ 18.26	4	595	942	342	33	516	14	11	14	11	3	100.00%
Infosys McCamish Systems LLC <sup>(2)(5)</sup> Portland Group Pty. Limited <sup>(2)(6)</sup>	Dec 31, 2019	1 USD = ₹ 71.39	175	201	1,289	913	–	1,575	171	36	171	36	135	100.00%
Infosys BPO Americas LLC <sup>(2)(7)</sup>	March 31, 2020	1 AUD = ₹ 46.08	18	94	191	79	–	99	8	3	8	3	5	100.00%
Infosys Consulting Sp.Z.o.o. <sup>(8)</sup>	March 31, 2020	1 USD = ₹ 75.67	20	(12)	16	8	–	22	(2)	–	(2)	–	(2)	100.00%
	Dec 31, 2019	1 PLN = ₹ 18.76	2	9	52	41	–	132	16	3	16	3	13	100.00%

(1) Converted at monthly average exchange rates

(2) Wholly-owned subsidiary of Infosys BPM Limited

(3) Incorporated effective February 04, 2004

(4) Infosys Poland, Sp. z o.o. acquired on October 01, 2007

(5) Infosys McCamish Systems LLC, acquired on December 04, 2009

(6) Portland Group Pty. Limited acquired on January 04, 2012

(7) Incorporated effective November 20, 2015

(8) Infosys Consulting Sp. Z o.o. acquired effective February 20, 2020

Notes :

\* Investments exclude investments in subsidiaries

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

Ravikumar Singiseti  
*Chairman and Director*

Anantharaman Radhakrishnan  
*Managing Director and Chief Executive Officer*

Prem Pereira  
*Chief Financial Officer*

Bindu Raghavan  
*Company Secretary*

Bengaluru  
April 16, 2020

## Annexure 2 – Particulars of contracts / arrangements made with related parties

[Pursuant to Clause (h) of Sub-section (3) of Section 134 of the Companies Act, 2013, and Rule 8(2) of the Companies (Accounts) Rules, 2014 – AOC-2]

This Form pertains to the disclosure of particulars of contracts / arrangements entered into by the Company with related parties referred to in Sub-section (1) of Section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto.

According to Companies Act, 2013, whenever a company avails or renders any service directly or through agents amounting to 10% or more of the turnover of the company or ₹ 50 crore, whichever is lower, prior approval of the shareholders is required. Effective November 18, 2019, the threshold of ₹ 50 crore has been omitted in the Act. Therefore, the transactions reported till date of amendment are shown in a separate table and transactions that meet the threshold criteria post the amendment have been reported for the full year. However, shareholders' approval for such transactions need not be sought if the transactions are between the holding company and its wholly-owned subsidiaries whose accounts are consolidated with the holding company and placed for shareholders' approval.

### Details of contracts or arrangements or transactions not at arm's length basis

There were no contracts or arrangements or transactions entered during the year ended March 31, 2020 which were not at arm's length basis.

### Details of material contracts or arrangement or transactions at arm's length basis

The details of material contracts or arrangement or transactions at arm's length basis meeting the threshold criteria of 10% or more of the turnover for the year ended March 31, 2020 are as follows :

Name of related party	Nature of relationship	Duration of contract	Salient terms <sup>(1)</sup>	Amount
Revenue transactions :				
Purchase of services				
Infosys Limited	Holding Company	Apr 1, 2012 – ongoing	Based on transfer pricing guidelines	121
Purchase of shared services including facilities and personnel				
Infosys Limited	Holding Company	Apr 1, 2012 – ongoing	Based on transfer pricing guidelines	25
Sale of services				
Infosys Limited	Holding Company	Apr 1, 2012 – ongoing	Based on transfer pricing guidelines	733
Sale of shared services including facilities and personnel				
Infosys Limited	Holding Company	Apr 1, 2012 – ongoing	Based on transfer pricing guidelines	3

In ₹ crore

The details of material contracts or arrangements or transactions at arm's length basis for meeting the criteria of ₹ 50 crore from April 1, 2019 to November 17, 2019 are as follows :  
In ₹ crore

Name of related party	Nature of relationship	Duration of contract	Salient terms <sup>(1)</sup>	Amount
Revenue transactions :				
Purchase of services				
Infosys McCamish Systems LLC	Subsidiary	Apr 1, 2012 – ongoing	Based on transfer pricing guidelines	54
Sale of services				
Infosys McCamish Systems LLC	Subsidiary	Apr 1, 2012 – ongoing	Based on transfer pricing guidelines	17

<sup>(1)</sup> Appropriate approvals have been taken for related party transactions.

For and on behalf of the Board of Directors

Sd / -

Bengaluru  
April 16, 2020

Sd / -

Ravikumar Singiseti  
Chairman and Director

Anantharaman Radhakrishnan  
Managing Director and Chief Executive Officer

### Annexure 3 – Particulars of employees

Information as per Rule 5(2) of Chapter XIII, the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

#### Top 10 employees in terms of remuneration drawn during the year

Sl. no	Name	Designation	Education qualification	Age	Experience (in years)	Gross Remuneration in fiscal 2020 (in ₹)	Previous employment and designation
1	Neil Simon Lawson	Client Partner	Diploma	55	21	7,58,63,901	Accenture, Global BPO Sales Director
2	Kapil Jain	Global Head of Sales and Capability	BE, MS, MBA	53	30	5,86,88,002	Infosys Limited, Senior Engagement Manager
3	Vivek Sharma	Sales Head	BE, PGD	49	25	4,40,93,053	Igate Global Solutions, Group Sales Manager
4	Binod Choudhary	Business Head	BE, MA, PGD	59	31	4,01,02,811	Equinox - I Flex, Vice President
5	Anantharaman Radhakrishnan	MD & CEO	BE, PGD	52	29	3,83,85,372	Infosys Limited, AVP & GEM
6	Sanjay Arora	Business Head	B.Com., CA	51	29	3,81,98,203	COO & EVP, Arvato Global BPS & North America Lead
7	Timothy Mai	Senior Industry Principal	BS, MBA	57	32	3,56,95,367	Yahoo, Director, Global Procurement
8	Sreekant Natarajan	Senior Business Development Manager	BE, MBA	44	14	3,44,11,192	HCL, Great Britan, Senior Area Sales Manager
9	Ritesh Gandhi	Sales Head	BE, PGDDBA	44	21	3,32,78,803	Business Development Manager, IBM Daksh
10	Madhusudan Hegde	Sales Head	BE, MMS	46	23	3,20,45,397	Syntel INC, Divisional Manager

Notes: The details in the above table is based on payouts made during the year.

For overseas employees, the average exchange rates have been used for conversion to Indian Rupees.

#Remuneration comprises of basic salary, allowances and taxable value of perquisites

#### Employees drawing a remuneration of ₹ 1.02 crore or above per annum and posted in India

Sl No.	Name	Designation	Educational qualification	Age	Experience (in years)	Gross Remuneration in fiscal 2020 (in ₹)	Previous employment and designation
1	Raghavendra K	Head Human Resource Development - BPM	B.Com, PGD	59	35	1,83,03,882	Strides Acrolab Limited, Vice President - HR
2	Anup Kapoor	Global Head Operations	CA	54	21	1,66,04,435	Anasal Properties & Infra Limited, Chief Financial Officer
3	Sheshadri B C	Business Head - Delivery Excellence	B.Sc., LLB, MBA	56	34	1,58,47,773	Infosys Limited, Delivery Manager
4	Dependra Mathur	Head - Compensation & Benefits and International HR	BE, PGD	55	31	1,52,49,411	WEP Peripherals, General Manager
5	Vinay Gopala Rao	Strategic Business Practice Head - Finance & Accounting	B.Com., CA	52	28	1,33,66,364	K P Rao and Company, Partner
6	Binny Mathews	Business Head	B.Sc., PGD	51	26	1,25,58,735	Mjunction Services Limited, Senior General Manager
7	Vijay Narsapur	Strategic Business Practice Head - Customer Experience & Human Resource Management	B.Tech., PGD	48	24	1,25,38,714	Aditya Birla Minacs, Senior Vice President - Operations

Sl No.	Name	Designation	Educational qualification	Age (in years)	Experience (in years)	Gross Remuneration in fiscal 2020 (in ₹)	Previous employment and designation
8	Satish Nair	Business Head	BE, MBA	48	22	1,21,49,694	Fabmall (India) Private Limited, Head - Technology & Service
9	Prem Joseph Pereira	Chief Financial Officer	CA, ICWA	44	21	1,19,25,049	EdgeVerve Systems Limited, CFO
10	V Raja	Head - Global Transition and Solutions	BE, PGD	52	29	1,18,16,373	Maven BPO Services, Chief Operating Officer
11	Srimathi Kanakapura Swamy	Head - Technology Services	BE	50	29	1,16,13,056	Infosys Limited, Group Project Manager
12	Clifford M Pai	HR Business Leader and Head - Employee Relations	BA, MLS	53	26	1,03,48,388	Glenmark Pharmaceuticals, General Manager
13	Santosh Kumar Premdas	Senior Solution Design Head	B.Sc., PGDBM	45	18	1,02,31,309	E&Y Private Limited, Senior Manager

Notes: The details in the above table is based on payouts made during the year.

#Remuneration comprises of basic salary, allowances and taxable value of perquisites

The aforementioned employees have / had permanent employment contracts with the Company

The above table is based on payouts made during the year.

The above table does not include the details of remuneration drawn by the top 10 employees as their details are provided in Annexure 3 to the Board's report.

#### Employed for part of the year with an average salary above ₹ 8.5 lakhs per month posted in India

Sl No.	Name	Designation	Educational qualification	Age (in years)	Experience (in years)	Gross Remuneration in fiscal 2020 (in ₹)	Previous employment and Designation
1	Geeta Das	Business Head - Technology Solutions and Automation	B. Tech., M.Tech	56	30	87,99,146	Infosys Limited, Head - IS Business Services
2	Narayanan Sampath	Business Head - India Unit and Head - Europe & Asia-Pacific	BE, PGD, MBA	60	37	72,58,829	Tata Consultancy Services, Head - Operations

Notes: The details in the above table is based on payouts made during the year.

#Remuneration comprises of basic salary, allowances and taxable value of perquisites

for and on behalf of the Board of Directors

Sd / -

Ravikumar Singiseti  
Chairman and Director

Sd / -

Anantharaman Radhakrishnan  
Managing Director and Chief Executive Officer

Bengaluru  
April 16, 2020



## Annexure 4 – Secretarial audit report for the financial year ended March 31, 2020

(Pursuant to Section 204 (1) of Companies Act 2013 and Rule No 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014)

To,  
The Members,  
Infosys BPM Limited,  
Electronics City, Hosur Road  
Bengaluru-560100  
Karnataka, India

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Infosys BPM Limited** (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on March 31, 2020 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter :

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on **March 31, 2020** according to the provisions of :

- i. The Companies Act, 2013 (the Act) and the rules made thereunder;
- ii. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment and Overseas Direct Investment, if any;
- iii. The Depositories Act 1996 and the Regulations and Bye-laws framed thereunder; (there was no event/action pursuant this Act during the audit period) and
- iv. Other laws applicable specifically to the Company, namely :
  - a. The Information Technology Act, 2000 and the rules made thereunder;
  - b. The Special Economic Zones Act, 2005 and the rules made thereunder;
  - c. Software Technology Parks of India rules and regulations;
  - d. The Patents Act, 1970; and
  - e. The Trade Marks Act, 1999.

I have also examined compliance with the applicable clauses of the Secretarial Standards issued by the Institute of Company Secretaries of India.

**I report that**, during the period under review the Company has complied with the provisions of the Acts, Rules, Regulations and Standards mentioned above.

**I further report that**, being an unlisted Company, during the audit period, the following Acts and rules and regulations made thereunder were not applicable to the Company:

- (i) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (ii) The Securities and Exchange Board of India Act, 1992 ('SEBI Act') and the Regulations and Guidelines made / issued thereunder;

**I further report that**, the compliance by the Company of applicable financial laws such as direct and indirect tax laws and maintenance of financial records and books of accounts have not been reviewed in this Audit since the same have been subject to review by statutory financial auditors, tax auditors and other designated professionals.

**I further report that**, the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

As per the minutes of the meetings duly recorded and signed by the Chairman, the decisions of the Board were unanimous and no dissenting views have been recorded.

**I further report that**, based on the information provided and the representation made by the Company and also on the review of the compliance certificates/reports taken on record by the Board of Directors of the Company, in my opinion, there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

**I report further that**, during the audit period, there were no specific events / actions in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. having a major bearing on the Company's affairs.

Sd/-

P. G. Hegde

Hegde & Hegde  
Company Secretaries

FCS: 1325/ C.P.No: 640

UDIN:F001325B000185784

Place: Bengaluru

Date: April 16, 2020

This report is to be read with Annexure A which forms an integral part of this report.

## Annexure A

To,  
The Members  
Infosys BPM Limited  
Bengaluru

My report of even date is to be read along with this letter.

1. Maintenance of secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the process and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Where ever required, we have obtained the Management Representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedure on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

P. G. Hegde

Hegde & Hegde  
Company Secretaries

FCS: 1325/ C.P.No: 640

UDIN:F001325B000185784

Place: Bengaluru

Date: April 16, 2020

## Annexure 5 – Extract of annual return

Form No. MGT-9

[Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

### Registration and other details:

Corporate Identity Number (CIN) of the Company	U 7 2 2 0 0 K A 2 0 0 2 P L C 0 3 0 3 1 0
Registration date	April 3, 2002
Name of the Company	Infosys BPM Limited
Category / sub category of the Company	Company Limited by shares Public non-government company
Address of the registered office and contact details	Electronics City, Hosur Road, Bengaluru, Karnataka, India  Tel : 91 80 2852 2405 Fax : 91 80 2852 2411 email : <a href="mailto:cosecretarybpm@infosys.com">cosecretarybpm@infosys.com</a> website : <a href="http://www.infosysbpm.com">www.infosysbpm.com</a>
Listed company (Yes / No)	No
Name, address and contact details of registrar and transfer agent, if any	KFin Technologies Private Limited (formerly Karvy Fintech Pvt. Ltd.) Selenium Tower B, Plot No. 31 & 32, Financial District, Nanakramguda Serilingampally Mandal, Hyderabad – 500 032 Contact person C.Shobha Anand <i>Deputy General Manager</i> Tel : 91 40 67161559 email : <a href="mailto:shobha.anand@kfintech.com">shobha.anand@kfintech.com</a>

### Principal business activities of the Company

Name and Description of main products / services	NIC Code of the Product / service	% to total turnover of the Company
Business Process Management Services	631	100

### Particulars of holding, subsidiary and associate companies

Particulars	Country	CIN / GLN	Holding / subsidiary/ associate	% of shares held	Applicable
Infosys Limited	India	L85110KA1981PLC013115	Holding	99.99	2 (46)
Infosys (Czech Republic) Limited s.r.o	Czech Republic	NA	Subsidiary	100	2 (87)
Infosys Poland Sp.z.o.o	Poland	NA	Subsidiary	100	2 (87)
Infosys McCamish Systems LLC	USA	NA	Subsidiary	100	2 (87)
Portland Group Pty. Limited	Australia	NA	Subsidiary	100	2 (87)
Infosys BPO Americas LLC	USA	NA	Subsidiary	100	2 (87)
Infosys Consulting Sp. z.o.o	Poland	NA	Subsidiary	100	2 (87)

Shareholding pattern (equity share capital break-up as percentage of total equity)

(i) Category-wise share holding

Category of shareholder	No. of shares held at the beginning of the year			No. of shares held at the end of the year			% change during the year
	Demat	Physical	Total	Demat	Physical	Total	
(A) Promoter and promoter group							
(1) Indian							
(a) Individual / HUF	-	-	-	-	-	-	-
(b) Central Government	-	-	-	-	-	-	-
(c) State Government(s)	-	-	-	-	-	-	-
(d) Bodies Corporate	3,38,22,319	-	3,38,22,319	3,38,23,444	-	3,38,23,444	0.01
(e) Banks / Financial Institutions	-	-	-	-	-	-	-
(f) Any other	-	-	-	-	-	-	-
Sub - total A(1)	3,38,22,319	-	3,38,22,319	3,38,23,444	-	3,38,23,444	0.01
(2) Foreign							
(a) Individuals (NRIs / Foreign Individuals)	-	-	-	-	-	-	-
(b) Other Individuals	-	-	-	-	-	-	-
(c) Bodies Corporate	-	-	-	-	-	-	-
(d) Banks / Financial Institutions	-	-	-	-	-	-	-
(e) Any other	-	-	-	-	-	-	-
Sub - total A(2)	-	-	-	-	-	-	-
Total Shareholding of Promoters A=A(1)+A(2)	3,38,22,319	-	3,38,22,319	3,38,23,444	-	3,38,23,444	0.01
(B) Public shareholding							
(1) Institutions							
(a) Mutual Funds	-	-	-	-	-	-	-
(b) Banks / Financial Institutions	-	-	-	-	-	-	-
(c) Central Government	-	-	-	-	-	-	-
(d) State Government(s)	-	-	-	-	-	-	-
(e) Venture Capital Funds	-	-	-	-	-	-	-
(f) Insurance Companies	-	-	-	-	-	-	-
(g) Foreign Institutional Investors	-	-	-	-	-	-	-
(h) Foreign Venture Capital Funds	-	-	-	-	-	-	-
(i) Any other (specify)	-	-	-	-	-	-	-
Sub - total B(1)	-	-	-	-	-	-	-
(2) Non-institutions							
(a) Bodies Corporate							
(i) Indian	-	-	-	-	-	-	-
(ii) Overseas	-	-	-	-	-	-	-
(b) Individuals							
(i) Individual shareholders holding nominal upto ₹1 lakh-share capital	176	5,256	5,432	1,677	2,630	4,307	(0.01)

Category of shareholder	No. of shares held at the beginning of the year			No. of shares held at the end of the year			% change during the year
	Demat	Physical	Total	Demat	Physical	Total	
(ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh-	-	-	-	-	-	-	-
Sub - total B(2)	176	5,256	5,432	1,677	2,630	4,307	0.01 (0.01)
B = B(1) + B(2)	176	5,256	5,432	1,677	2,630	4,307	0.01 (0.01)
(c) Others (specify)	-	-	-	-	-	-	-
Total public shareholding	176	5,256	5,432	1,677	2,630	4,307	0.01 (0.01)
(C) Shares held by custodians for ADRs	-	-	-	-	-	-	-
Grand total (A+B+C)	3,38,22,495	5,256	3,38,27,751	100	3,38,25,121	3,38,27,751	100 -

## (2) Shareholding of Promoters

Name of the shareholder	Shareholding at the beginning of the year			Shareholding at the end of the year			
	No. of shares	% of total shares of the Company	% of shares pledged / encumbered to total share	No. of shares	% of total shares of the Company	% of shares pledged / encumbered to total shares	% change in share holding during the year
Infosys Ltd	3,38,22,319	99.98	-	3,38,23,444	99.99	-	0.01
Total	3,38,22,319	99.98	-	3,38,23,444	99.99	-	0.01

### (iii) Change in promoters' shareholding

There was a increase by 0.01% of Promoter's holding during the period.

### (iv) Shareholding pattern of top ten shareholders

(other than director and promoters):

Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative shareholding during the year	
	No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
<b>Dhiraj Poddar</b>				
At the beginning of the year	750	0	750	0
Date-wise increase or decrease in shareholding during the year, specifying the reasons for the same in respect of allotment, transfer, bonus, sweat equity etc	-	-	-	-
At the end of the year (or on the date of separation, if separated during the year)	750	0	750	0
<b>Naveen Kumar</b>				
At the beginning of the year	750	0	750	0
Date-wise increase or decrease in shareholding during the year, specifying the reasons for the same in respect of allotment, transfer, bonus, sweat equity etc	-	-	-	-
At the end of the year (or on the date of separation, if separated during the year)	750	0	750	0
<b>Sanjay Chandiram</b>				
At the beginning of the year	750	0	750	0
Date-wise increase or decrease in shareholding during the year, specifying the reasons for the same in respect of allotment, transfer, bonus, sweat equity etc	-	-	-	-
At the end of the year (or on the date of separation, if separated during the year)	750	0	750	0
<b>Naveen Tiruvalluri</b>				
At the beginning of the year	375	0	375	0
Date-wise increase or decrease in shareholding during the year, specifying the reasons for the same in respect of allotment, transfer, bonus, sweat equity etc	-	-	-	-
At the end of the year (or on the date of separation, if separated during the year)	375	0	375	0
<b>Manjesh Verma</b>				
At the beginning of the year	375	0	375	0
Date-wise increase or decrease in shareholding during the year, specifying the reasons for the same in respect of allotment, transfer, bonus, sweat equity etc	-	-	-	-
At the end of the year (or on the date of separation, if separated during the year)	375	0	375	0
<b>Avishek Gupta</b>				
At the beginning of the year	375	0	375	0
Date-wise increase or decrease in shareholding during the year, specifying the reasons for the same in respect of allotment, transfer, bonus, sweat equity etc	-	-	-	-
At the end of the year (or on the date of separation, if separated during the year)	375	0	375	0
<b>Rahul Nehru</b>				
At the beginning of the year	200	0	200	0
Date-wise increase or decrease in shareholding during the year, specifying the reasons for the same in respect of allotment, transfer, bonus, sweat equity etc	-	-	-	-
At the end of the year (or on the date of separation, if separated during the year)	200	0	200	0

Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative shareholding during the year	
	No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
<b>Amit K Gandhi</b>				
At the beginning of the year	200	0	200	0
Date-wise increase or decrease in shareholding during the year, specifying the reasons for the same in respect of allotment, transfer, bonus, sweat equity etc	–	–	–	–
At the end of the year (or on the date of separation, if separated during the year)	200	0	200	0
<b>Sugandh Mittal</b>				
At the beginning of the year	175	0	175	0
Date-wise increase or decrease in shareholding during the year, specifying the reasons for the same in respect of allotment, transfer, bonus, sweat equity etc	–	–	–	–
At the end of the year (or on the date of separation, if separated during the year)	175	0	175	0
<b>Anisha Nandi</b>				
At the beginning of the year	175	0	175	0
Date-wise increase or decrease in shareholding during the year, specifying the reasons for the same in respect of allotment, transfer, bonus, sweat equity etc	–	–	–	–
At the end of the year (or on the date of separation, if separated during the year)	175	0	175	0
<b>Francis Roshan Padamadan</b>				
At the beginning of the year	175	0	175	0
Date-wise increase or decrease in shareholding during the year, specifying the reasons for the same in respect of allotment, transfer, bonus, sweat equity etc	–	–	–	–
At the end of the year (or on the date of separation, if separated during the year)	175	0	175	0

### Shareholding of directors and key managerial personnel

None of the existing directors and key managerial personnel hold shares in the Company

### Indebtedness

The Company has not availed any loan during the year and is a debt-free Company

### Remuneration of directors and key managerial personnel

Remuneration to Managing Director, Whole-time Directors and / or Manager:

Particulars of remuneration <sup>(1)</sup>	(in ₹)	
	Anantharaman Radhakrishnan	Total Amount
Gross salary		
(a) Salary as per provisions contained in Section 17 of the Income-tax Act, 1961	3,83,85,372	3,83,85,372
(b) Value of perquisites u / s 17 Income-tax Act, 1961	–	–
(c) Profits in lieu of salary under Section 17 Income-tax Act, 1961	–	–
Stock option	–	–
Sweat equity	–	–
Commission as % of profit others, specify	–	–
Others, please specify	–	–
Total (A)	3,83,85,372	3,83,85,372
Ceiling as per the Act		43,42,68,501

Note: <sup>(1)</sup>. Remuneration comprises basic salaries, allowances and taxable value of perquisites:

Restricted stock units (RSUs) and stock options of Infosys Limited (holding Company) were granted to certain eligible employees as per the Infosys Limited 2015 Stock Compensation Plan and Infosys Expanded Stock Ownership Plan 2019

The 2015 Plan is available at <https://www.infosys.com/investors/corporate-governance/documents/incentive-compensation-plan.pdf>

The 2019 Plan is available at <https://www.infosys.com/investors/reports-filings/documents/expanded-stock-ownership-program2019.pdf>

## B Remuneration to other directors: Independent Directors

Particulars of remuneration	(in ₹)			
	Prof. Jayanth Varma	D. N. Prahlad	Gopal Devanahalli	Michael Nelson Gibbs
Fee for attending board / committee meetings	15,000	20,000	65,000	35,000
Commission	1,66,667	83,333	14,51,613	14,51,613
Total (A)	1,81,667	1,03,333	15,16,613	14,86,613
Other Non-Executive Directors				
Fee for attending board / committee meetings	–	–	–	–
Commission	–	–	–	–
Others, please specify	–	–	–	–
Total (B)	–	–	–	–
Total (A+B)	1,81,667	1,03,333	15,16,613	14,86,613
Ceiling as per Act				8,68,53,700

## C Remuneration to key managerial personnel other than MD / Manager /WTD

Particulars of remuneration	Chief Financial Officer Prem Joseph Pereir	Company Secretary Bindu Raghavan	Total Amount
Gross Salary			
(a) Salary as per the provisions contained in Section 17 of the Income Tax Act, 1961	1,19,25,049	26,10,455	1,45,35,504
(b) Value of perquisites u / s 17 Income-tax Act, 1961	–	–	–
(c) Profits in lieu of salary under Section 17 Income-tax Act, 1961	–	–	–
Commission as % of profit others, specify	–	–	–
Others, please specify	–	–	–
Total	1,19,25,049	26,10,455	1,45,35,504

## Penalties, punishment, compounding of offences

There were no penalties, punishment, compounding of offences for the year ending March 31, 2020.



## Annexure 6 – Annual report on CSR activities

[Pursuant to Section 135 of the Companies Act, 2013]

Over the years, we have been focusing on sustainable business practices encompassing economic, environmental and social imperatives that not only cover business, but also the communities around us. We focus on our social and environmental responsibilities to fulfill the needs and expectations of the communities around us. Our Corporate Social Responsibility (CSR), is not limited to philanthropy but encompasses holistic community development, institution-building and sustainability-related initiatives.

The proposed areas for CSR activities are Protection of national heritage, restoration of historical sites, promotion of art and culture, Destitute care and rehabilitation, Environmental sustainability and ecological balance, promoting education, enhancing vocational skills, promoting healthcare including preventive healthcare and rural development projects.

### CSR Committee

The CSR committee of the Board is responsible for overseeing the execution of the Company's CSR Policy. The members of the CSR committee are:

- Ravikumar Singiseti, Chairperson
- Anantharaman Radhakrishnan
- Gopal Devanahalli

### Financial details

Section 135 of the Companies Act, 2013 and Rules made under it ("the Act") prescribe that every company having a net worth of ₹ 500 crore or more, or turnover of ₹ 1,000 crore or more, or a net profit of ₹ 5 crore or more during any financial year shall ensure that it spends, in every financial year, at least 2% of the average net profits computed as mandated by the Act, in pursuance of its CSR Policy.

The financial details as sought by the Companies Act, 2013 for fiscal 2020 are as follows:

Particulars	In ₹ crore
	Amount
Average net profit of the company for last three financial years.	779.37
Prescribed CSR Expenditure (2% of the average net profit as computed above)	15.59
Details of CSR expenditure during the financial year:	
Total amount to be spent for the financial year	15.59
Amount spent	15.72
Amount unspent	–

The major projects and heads under which the outlay amount was spent in fiscal 2020 are as follows:

In ₹ crore

Theme-based CSR project / activity / beneficiary	Location of the project / program	Amount outlay (budget)	Amount spent on the projects or programs in fiscal 2020	Cumulative expenditure up to the reporting period
<b>Expenditure on projects / programs by Infosys Foundation</b>				
<b>Destitute care and rehabilitation</b>				
Infosys Vishram Sadan - All India Institute of Medical Sciences	Jhajjar	4.00	4.00	4.00
Relief to martyrs' families	Various	3.00	3.00	3.00
<b>Promoting education, enhancing vocational skills</b>				
International Centre for Theoretical Sciences	Bengaluru	3.95	1.80	3.95
Infosys Foundation - PPBA Champions Nurturing Program	Bengaluru	1.20	1.20	1.20
GoSports Foundation	Bengaluru	0.50	0.50	0.50
<b>Promoting healthcare including preventive health care</b>				
Sri Ramakrishna Sevashrama	Pavagada, Karnataka	3.00	3.00	3.00
<b>Rural development projects</b>				
Visakha Jilla Nava Nirmana Samithi	Narasipatnam	2.97	1.00	2.97
<b>Expenditure on projects / programs by Infosys BPM Limited</b>				
<b>Promoting education, enhancing vocational skills</b>				
Skill Programs	Bengaluru	1.22	1.22	1.22
		19.84	15.72	19.84

### Our CSR responsibilities

We hereby affirm that the CSR policy, as approved by the Board, has been implemented and the CSR Committee monitors the implementation of the projects and activities in compliance with our CSR objectives.

for and on behalf of the Board of Directors

Bengaluru  
April 16, 2020

Sd / -  
Ravikumar Singiseti  
Chairman

Sd / -  
Anantharaman Radhakrishnan  
Managing Director and Chief Executive Officer

## Annexure 7 – Conservation of energy, research and development, technology absorption, foreign exchange earnings and outgoing

[Pursuant to the Companies (Accounts) Rules, 2014]

### Conservation of energy

Conservation of resources has been a focus to be progressively self-sustainable, to reduce operational costs, and an important first step towards reducing our carbon footprint.

Smart automation has enabled remote monitoring, control and optimization of building operations across locations. Controllers and sensors ensure Buildings / systems operate in 'auto-pilot' mode with in-built scheduling and energy saving algorithms, providing real time data, alerts and diagnostics at system and equipment level.

In the current unprecedented situation caused by the COVID-19 pandemic, smart building automation has been a key factor to manage uninterrupted operations in buildings, including critical infrastructure like data centers. Smart algorithms, Physical presence of operations staff has been minimized, while ensuring efficient operations through experts operating remotely.

Energy efficiency retrofits have helped us reduce connected load across campuses. We have also installed roof top solar systems with aim of increase in renewable energy sources.

This section is covered in detail at the Group Level Annual Report.

### Technology absorption

Live enterprise @ Infosys - An enterprise that senses, feels and responds in real-time. This is the theme with which we started our transformation journey about 18 months back.

It had to be a Mobile first approach so that employees are connected to the organization wherever they are in the world and can access the organization assets to learn and contribute. CIO Business Transformer award that we received in Sep 2019 reinforced our belief of being on the right path.

To enable all of this, our core backend infrastructure was transformed to host modern applications using scalability of cloud, security of on premise infrastructure in a hybrid cloud deployment using open source technologies with highly scalable container orchestration solutions like Kubernetes for micro services. Telemetry infrastructure using the ELK stack provides enhanced real time visibility and enabled proactive error detection and correction.

Green IT: To reduce energy consumption, we have completed technology refresh of our core in-memory databases and storage sub systems by adopting next gen hardware infrastructure This has resulted in 77% savings in datacenter rack space, 45% reduction in power and cooling requirements. along with the scalability for future growth.

### Foreign exchange earnings and outgo standalone

in ₹ crore

Particulars	As at March 31,	
	2020	2019
Foreign exchange earnings	4,174	3,535
Foreign exchange outgo	2,039	1,543
Net foreign exchange earnings (NFE)	2,135	1,992
NFE / earnings (%)	51.14	56.35

for and on behalf of the Board of Directors

Bengaluru  
April 16, 2020

Sd / -  
Ravikumar Singiseti  
Chairman and Director

Sd / -  
Anantharaman Radhakrishnan  
Managing Director and Chief Executive Officer

## Corporate governance report

### Our corporate governance philosophy

Our corporate governance is a reflection of our value system encompassing our culture, policies, and relationships with our stakeholders. Integrity and transparency are key to our corporate governance practices to ensure that we gain and retain the trust of our stakeholders at all times.

### Corporate governance framework

We believe that an active, well-informed and independent board is necessary to ensure the highest standards of corporate governance. At Infosys BPM ('the Company'), the Board of Directors ('the Board') is at the core of our corporate governance practice. The Board thus oversees the Infosys' BPM Management's ('the Management') functions and protects the long-term interests of our stakeholders. Our corporate governance framework ensures that we make timely disclosures and share accurate information regarding our financials and performance, as well as the leadership and governance of the Company.

The driving principles of our corporate governance framework is as follows:

- Corporate governance standards should satisfy both the spirit and the letter of the law;
- Ensure transparency and maintain a high level of integrity;
- Clearly distinguish between personal conveniences and corporate resources;
- Communicate externally, and truthfully, about how the Company is run internally;
- Comply with the laws of all countries in which we operate;
- Have a simple and transparent corporate structure driven solely by business needs;
- The management is the trustee of the shareholder's capital and not the owner.

## A. Board of Directors

### Size and composition of the Board

The Board is headed by Ravikumar Singiseti, as Chairman. The Board consists of five directors including Managing Director and Chief Executive Officer (MD & CEO). The Board also consists of two independent directors.

Composition of the Board and directorships held as on March 31, 2020 are as follows:

Directorships held as at March 31, 2020

Name of the Director	Age	Position	Relationship with other Directors	Indian listed companies	All companies around world <sup>(1)</sup>
Anantharaman Radhakrishnan	52	MD & CEO	None	-	3
Ravikumar Singiseti	48	Chairman and Director	None	-	10
Inderpreet Sawhney	55	Director	None	-	3
Gopal Devanahalli <sup>(2)</sup>	51	Director	None	-	2
Michael Nelson Gibbs <sup>(3)</sup>	62	Director	None	1	2

<sup>(1)</sup> Directorship in companies around the world including Infosys BPM Limited, its holding and subsidiaries.

<sup>(2)</sup> Appointed as Independent Director of the Company effective July 10, 2019

<sup>(3)</sup> Appointed as Independent Director effective July 10, 2019

The Corporate conduct is integral part of our business. The actions are governed by the values and principles which are reinforced at all levels in the organization. Our code of business principles reflect our continued commitment to ethical business practices, values and compliance to all laws of the land.

Corporate governance is not merely compliance but also a philosophy to be professed and its Corporate governance is not merely compliance but also a philosophy to be professed and its objective is to create and adhere to a corporate culture of transparency and openness and to develop capabilities and identified opportunities that best serves the goal of value creation, thereby creating an outperforming organization. Accordingly, timely and accurate disclosure of information regarding the financial situation, performance, ownership and governance of the Company, is an important part of corporate governance. Consequently, the organization is able to attract and enhance the trust and confidence of the stakeholders.

In line with the Company's commitment to good corporate governance practices and compliance with the provisions of Companies Act, 2013, our Company has constituted the audit committee, nomination and remuneration committee and corporate social responsibility committee, consisting of majority of independent directors. Our Company has complied with all norms of corporate governance applicable to unlisted Public Company as envisaged under the Companies Act, 2013. The Company has also complied with Secretarial Standards on Board and General Meetings issued by the Institute of Company Secretaries of India

## Responsibilities of the Board leadership

The Chairman leads the Board. As Chairman, he will be responsible for fostering and promoting the integrity of the Board while nurturing a culture where the Board works harmoniously for the long-term benefit of the Company and all its stakeholders. The Chairman is primarily responsible for ensuring that the Board provides effective governance for the Company. In doing so, he will preside at meetings of the Board and at meetings of the shareholders of the Company.

The Chairman takes a lead role in managing the Board and facilitates effective communication among directors. He is responsible for matters pertaining to governance, including the organization and composition of the Board, the organization and conduct of Board meetings, effectiveness of the Board, Board committees and individual directors in fulfilling their responsibilities.

The Chairman provides leadership to the Board, identifies guidelines for the conduct and performance of directors, oversee the management of the Board's administrative activities such as meetings, schedules, agendas, communication and documentation. The Chairman is also responsible for the overall strategy of the Company.

The Chairman works actively with the nomination and remuneration committee to plan the composition of Board and its committees, induct directors to the Board, plan for director succession, participate in the Board evaluation process and meet with individual directors to provide constructive feedback and advice.

The MD & CEO is responsible for executing corporate strategy in consultation with the Board as well as brand equity, planning, external contacts and all management matters. He is also responsible for achieving the annual business targets and acquisitions. The MD acts as a link between the Board and the Management and is also responsible for leading and evaluating the work of other executive leaders.

## Role of the Board of Directors

The primary role of the Board is that of trusteeship to protect and enhance shareholder value through strategic direction to the Company.

- As trustees, the Board has fiduciary responsibility to ensure that the Company has clear goals aligned to shareholder value and its growth;
- It also directs and exercises appropriate control to ensure that the Company is managed in a manner that fulfills stakeholders' aspirations and societal expectations;
- It provides strategic guidance to the Company, ensures effective monitoring of the Management and is accountable to the Company and its shareholders;
- It assigns sufficient number of non-executive members of the Board capable of exercising independent judgment in tasks where there is a potential for conflict of interest.
- It reviews and guides corporate strategy, major plans of action, risk policy, annual budgets and business plans, setting performance objectives, monitoring implementation and corporate performance, and overseeing major capital expenditures, acquisitions and divestments.

## Independent directors

The Companies, Act 2013, defines an "independent director" as a person who is not a promoter or employee or one of the key managerial personnel of the Company or its subsidiaries. The law also state that the person should not have any material pecuniary relationship or transactions with the Company or its subsidiaries, apart from receiving the remuneration as an independent director. We abide by the definition of independent director.

## Independent director databank registration

Pursuant to a notification dated October 22, 2019 issued by the Ministry of Corporate Affairs, all directors have completed the registration with the Independent Directors Databank. Requisite disclosures have been received from the directors in this regard.

## Meeting of independent directors

Schedule IV of the Companies Act, 2013 and the Rules hereunder mandate that the independent directors of the Company shall hold at least one meeting in a year, without the attendance of non-independent directors and members of the Management. Even before the Companies Act, 2013 came into effect, our Board's policy mandated periodic meetings attended exclusively by the independent directors. At such meetings, the independent directors discuss, among other matters, the performance of the Company and risks faced by it, the flow of information to the Board, competition, strategy, leadership strengths and weaknesses, governance, compliance, Board movements, human resource matters and performance of the executive members of the Board, including the Chairman. During the year, the independent directors met without the presence of the Management.

## Board membership criteria

The nomination and remuneration committee works with the entire Board to determine the appropriate characteristics, skills and experience required for the Board as a whole and for individual members. The Board members are expected to possess the required qualifications, integrity, expertise and experience for the position. They should also possess deep expertise and insights in sectors / areas relevant to the Company, ability to contribute to the Company's growth.

The Company shall not appoint or continue the employment of any person as Managing Director / Executive Director who has attained the age of 60 years and shall not appoint an Independent Director who has attained the age of 70 years. The term may be extended at the discretion of the committee beyond the age of 60 years / 70 years with the approval of shareholders by passing a special resolution based on the explanatory statement annexed to the notice for such motion indicating the justification for extension of appointment beyond 60 years / 70 years as the case may be.

## Selection and appointment of new directors

The Board delegates the screening and selection process to the nomination and remuneration committee, which consists majority of independent directors. The committee, based on defined criteria in turn makes recommendations to the Board on the induction of new directors. The Board recommends

the appointment of the director to the shareholders and the proposal is placed before the shareholders for approval.

### Membership term

The Board constantly evaluates the contribution of the members and periodically shares updates with the shareholders about re-appointments consistent with applicable statutes. The current law in India mandates the retirement of two-third of the executive board members (who are liable to retire by rotation) every year, and qualifies the retiring members for re-appointment. Executive directors are appointed by the shareholders for the tenure of a maximum period of five years, but are eligible for re appointment upon completion of their term. An independent director shall hold office for a term up to five consecutive years on the board of the Company and will be eligible for re-appointment on passing of a special resolution by the Company.

### Board member evaluation

One of the key functions of the Board is to monitor and review the board evaluation framework. The Board works with the nomination and remuneration committee to lay down the evaluation criteria for the performance of executive / non-executive / independent directors through a peer evaluation excluding the director being evaluated through a Board effectiveness survey. The questionnaire of the survey is a key part of the process of reviewing the functioning and effectiveness of the Board and for identifying possible paths for improvement. Each Board member is requested to evaluate the effectiveness of the Board dynamics and relationships, information flow, decision-making of the directors, relationship with stakeholders, Company performance and strategy, and the effectiveness of the whole Board and its various committees. Feedback on each director is encouraged to be provided as part of the survey. The evaluation for fiscal 2020 has been completed.

Independent directors have three key roles – governance, control and guidance. Some of the performance indicators based on which the independent directors are evaluated include:

- Ability to contribute to and monitor our corporate governance practices
- Ability to contribute by introducing international best practices to address top-management issues
- Active participation in long-term strategic planning
- Commitment to the fulfillment of a director's obligations and fiduciary responsibilities; these include participation in Board and committee meetings.

### Succession planning

The nomination and remuneration committee works with the Board on the leadership succession plan to ensure orderly succession in appointments to the Board and in senior management.

### Board compensation review

The nomination and remuneration committee determines and recommends to the Board, the compensation payable to the directors. The remuneration for executive director consists of

a fixed component and a variable component, including stock incentives under the Holding Company's stock plan. The shareholders determine the compensation of the executive director for the entire period of the term. The compensation payable to the independent directors is limited to a fixed amount per year as determined and approved by the Board, the sum of which does not exceed 1% of net profits for the year, calculated as per the provisions of the Companies Act, 2013. The Board reviews the performance of independent directors on an annual basis

### Memberships in other boards

The Executive director is excluded from serving on the Board of any other entity except for group companies, unless the said entity is an industrial entity whose interests are germane to the business of the Company or a government body that is of relevance to the business of the Company or an entity whose objectives is the upliftment of the society. Independent directors are generally not expected to serve on the Boards of competing companies. There are no limitations except those imposed by law and good corporate governance.

## B. Board meetings

### Scheduling and selection of agenda items for Board Meetings

The tentative dates of Board meetings for the next fiscal are decided in advance. The meetings are held at the Company's registered office at Electronics City, Bengaluru, India. The Chairman and the Company Secretary draft the agenda for each meeting, along with explanatory notes in consultation with MD & CEO and distribute these in advance to the directors. Every Board member can suggest the inclusion of additional items on the agenda. The Board meets at least once a quarter to review the quarterly results and other items on the agenda. Additional meetings are held when necessary. Independent directors are expected to attend at least four Board meetings in a year. The Board Committees also meets four times in a year.

### Number of board meetings and the attendance during fiscal 2020

Name of the Director	Number of meetings held during the tenure	Number of meetings attended during the tenure
Anantharaman		
Radhakrishnan	5	5
Ravikumar Singiseti	5	4
D.N. Prahlad <sup>(1)</sup>	1	1
Prof. Jayanth R Varma <sup>(2)</sup>	1	1
Inderpreet Sawhney	5	4
Gopal Devanahalli <sup>(3)</sup>	4	4
Michael Nelson Gibbs <sup>(4)</sup>	4	3

<sup>(1)</sup> Resigned as Independent Director on April 15, 2019

<sup>(2)</sup> Retired as Independent Director on April 30, 2019

<sup>(3)</sup> Appointed as Independent Director on July 10, 2019

<sup>(4)</sup> Appointed as Independent Director on July 10, 2019

## Remuneration to directors in fiscal 2020

### Non-executive/ Independent directors

Name of the Director	Director Identification Number (DIN)	Relationship with other	Salary	Perquisites	Commission	Sitting fees	Total
Ravikumar Singiseti **	07534544	None	–	–	–	–	–
D.N. Prahlad*(1)	00504146	None	–	–	83,333	20,000	1,03,333
Prof. Jayanth R Varma*(2)	00402667	None	–	–	1,66,667	15,000	1,81,667
Inderpreet Sawhney **	07925783	None	–	–	–	–	–
Gopal Devanahalli *(3)	07105349	None	–	–	14,51,613	65,000	15,16,613
Michael Nelson Gibbs *(4)	08177291	None	–	–	14,51,613	35,000	14,86,613

(1) Resigned as Independent Director on April 15, 2019

(2) Retired as Independent Director on April 30, 2019

(3) Appointed as Independent Director on July 10, 2019

(4) Appointed as Independent Director on July 10, 2019

\* Independent Directors

\*\* Non-executive Directors

### Executive director / MD & CEO

Name of the Director	Director Identification Number (DIN)	Relationship with other Directors	Salary*	Perquisites	Commission	Sitting fees	Total
Anantharaman Radhakrishnan	07516278	None	3,83,85,372	–	–	–	3,83,85,372

\* Salary includes contribution to PF, Gratuity, and Superannuation allowance and performance incentive.

### Availability of information to board members

The Board has unrestricted access to all Company-related information including that of our employees. At Board meetings, managers and representatives who can provide additional insights into the items being discussed are invited. Information is provided to the Board members on a continuous basis for their review, inputs and approval periodically. Strategic and operating plans are presented to the Board in addition to the quarterly and annual financial statements.

Specific cases of acquisitions, important managerial decisions, material positive / negative developments and statutory matters are presented to the committees of the Board and later, with the recommendation of the committees, to the Board for its approval. As a process, information to directors is submitted along with the agenda well in advance of Board meetings. Inputs and feedback of Board members are taken and considered while preparing the agenda and documents for the Board meeting. At these meetings, directors can provide their inputs and suggestions on various strategic and operational matters.

During the year under review the Independent Directors met once on April 10, 2019.

### Materially significant related party transactions

There have been no materially relevant related party transactions, pecuniary transactions or relationships between

our Company and its directors, the Management, subsidiaries or relatives, except for those disclosed in the Board's report. *Detailed information on materially significant related party transactions is enclosed as Annexure 2 to the Board's report.*

### C. Board committees

Currently, the Board has four committees – the Audit committee, the Nomination and remuneration committee, the Corporate social responsibility committee, and the Investment committee. The Audit and Nomination and remuneration committees comprise of non-executive and independent director as Chairperson and constitutes majority of independent directors. The Board is responsible for the constituting, assigning, co-opting and fixing the terms of service for committee members of various committees

### Frequency and duration of committee meetings and agenda

The Chairman of the Board, in consultation with the Company Secretary and the Committee Chairperson, determines the frequency and duration of the committee meetings. Normally, the committees meet four times a year. The recommendations of the committee are submitted to the Board for approval.

### Quorum for the meetings

The quorum should be either two members or one-third of the members of the committees, whichever is higher.



## 1. Audit Committee

Section 177 of the Companies Act, 2013 read with Rule 6 of Companies (Meetings of Board and its Powers) Rules, 2014 requires all public companies having a paid-up capital of ₹10 crore or more (or) turnover of ₹ 100 crore or more (or) outstanding loans or borrowings or debentures or deposits in aggregate exceeding ₹ 50 crore or more to constitute an Audit committee consisting of minimum of three directors with independent directors forming a majority. Since our Company has ₹33.83 crore as paid up share capital and ₹4,595 crore as turnover as per latest audited balance sheet and we meet both these criteria, constitution of Audit Committee is mandatory for our Company. However, audit committee was constituted long back in our Company even before it was mandated by law.

### Terms of reference

The terms of reference of the Audit Committee are set out in the Audit committee charter.

### Composition

As on March 31, 2020, the Committee consists of the following members:

- Gopal Devanahalli, Chairperson
- Michael Nelson Gibbs, Member
- Ravikumar Singiseti, Member

### Audit committee attendance

The attendance details of the committee meetings are as follows:

Name of the Director	Number of meetings held during the tenure	Number of meetings attended
Gopal Devanahalli <sup>(1)</sup>	3	3
Michael Nelson Gibbs <sup>(2)</sup>	3	2
Ravikumar S	4	3
D.N Prahlad <sup>(3)</sup>	1	1
Prof. Jayanth Varma <sup>(4)</sup>	1	1

<sup>(1)</sup> Appointed as Independent Director effective July 10, 2019

<sup>(2)</sup> Appointed as Independent Director effective July 10, 2019

<sup>(3)</sup> Resigned as Independent Director on April 15, 2019

<sup>(4)</sup> Retired as Independent Director on April 30, 2019

During the year, the committee met four times. The meetings were held on April 10, 2019, July 10, 2019, October 9, 2019 and January 8, 2020.

### Report for the year ended March 31, 2020

The audit committee helps the Board monitor the Managements financial reporting process, and ensure that the disclosures are not only accurate and timely, but follow the highest levels of transparency and integrity of financial reporting and compliance with legal and regulatory requirements. The committee oversees the work of the internal and the independent auditors, and reviews the performance of the Company's Independent Auditors and internal auditors. The audit committee is responsible for recommending selection, evaluation and, where appropriate, replacement of the independent auditors in accordance

with the law. It recommends to the Board the remuneration and terms of appointment of the internal, secretarial and independent auditors. All possible measures are taken by the committee to ensure the objectivity and independence of the independent auditors.

The Management is responsible for the Company's internal controls and the financial reporting process. The independent auditors are responsible for performing an independent audit of the Company's financial statements in accordance with the generally accepted auditing standards, and for issuing a report based on the audit. The committee's responsibility is to monitor these processes. The committee is also responsible for overseeing the processes related to the financial reporting and information dissemination. This is to ensure that the financial statements are true, fair, sufficient and credible. In this context, the committee discussed with the Company's auditors the overall scope and plans for the independent audit.

The Management shared with the committee the Company's financial statements, prepared in accordance with the Indian Accounting Standards (Ind AS).

The committee discussed with the auditors, in the absence of the Management (whenever necessary), the Company's audited financial statements including the auditors' judgments about the quality, not just the applicability, of the accounting principles, the rationality of significant judgments and the clarity of disclosures in the financial statements.

Relying on the review and discussions conducted with the Management and the independent auditors, the audit committee believes that the Company's financial statements are fairly presented in conformity with Ind AS in all material aspects. The committee has also reviewed the internal controls put in place to ensure that the accounts of the Company are properly maintained and that the accounting transactions are in accordance with the prevailing laws and regulations. In conducting such reviews, the committee found no material discrepancy or weakness in the internal control systems of the Company.

The committee, on a periodic basis, reviewed the process adopted by the Management on impairment of assets including financial assets and goodwill.

The committee granted omnibus approval for the related party transactions proposed to be entered into by the Company during fiscal 2020. On a periodic basis, the committee reviewed and approved transactions of the Company with related parties and recommended the Board for approval as and when necessary.

The committee monitored and reviewed investigations of the whistleblower complaints received during the year.

Based on its discussion with the Management and the auditors and a review of the representations of the Management and the report of the auditors, the committee has recommended the following to the Board:

- The audited financial statements of Infosys BPM Limited prepared in accordance with Ind AS for the year ended March 31, 2020 be accepted by the Board as a true and fair statement of the financial status of the Company.



- The audited consolidated financial statements of Infosys BPM Limited and its subsidiaries prepared in accordance with Ind AS for the year ended March 31, 2020 be accepted by the Board as a true and fair statement of the financial status of the group.
- The appointment of Ernst & Young LLP as the internal auditors of the Company for the fiscal year ending March 31, 2021, to review various operations of the Company.
- The appointment of Parameshwar G. Hegde of Hegde & Hegde, Practicing Company Secretaries as secretarial auditor for the fiscal year ending March 31, 2021 to conduct the secretarial audit as prescribed under Section 204 and other applicable sections of the Companies Act, 2013.

The Company has established a mechanism for directors and employees to report concerns about unethical behavior, actual or suspected fraud, or violation of our Code of Conduct and Ethics. It also provides for adequate safeguards against the victimization of employees who avail of the mechanism, and allows direct access to the chairperson of the audit committee in exceptional cases. During the year no person was denied access to the audit committee. The Whistleblower Policy is available on our website, at: <https://www.infosys.com/investors/corporate-governance/documents/whistleblower-policy.pdf>. Relying on its review and the discussions with the Management and the Independent Auditors, the Committee believes that the Company's financial statements are fairly presented in conformity with Ind AS and that there is no significant deficiency or material weakness in the Company's internal control over financial reporting. In conclusion, the Committee is sufficiently satisfied that it has complied with its responsibilities as outlined in the audit committee charter. The Board accepted all recommendations made by the audit committee.

Gopal Devanahalli  
Chairperson-Audit Committee

Bengaluru

April 16, 2020

## 2. Nomination and remuneration committee

### Composition

Our nomination and remuneration committee consists of three members as on March 31, 2020:

- Gopal Devanahalli, Chairperson
- Michael Nelson Gibbs, Member
- Ravikumar Singiseti, Member

The main objective of the committee is to assist the Board in discharging its responsibilities relating to compensation of the Company's directors, Key Managerial Personnel (KMP) and senior management, evaluate and approve the adequacy of the compensation plans, policies, programs and succession plans for the Company's executive directors, KMP and senior management, formulate the criteria for determining qualifications, positive attributes and independence of a director and for performance evaluation of directors on the

Board, screen and review individuals qualified to serve as directors, KMP and senior management consistent with the criteria approved by the Board, recommend the appointment and removal of directors, for approval at the AGM, and evaluate the performance of the Board and review the evaluation's implementation and compliance

### Nomination and remuneration committee attendance

The attendance details of the committee meetings are as follows

Name of the Director	Number of meetings held during the tenure	Number of meetings attended
Gopal Devanahalli <sup>(1)</sup>	3	3
Michael Nelson Gibbs <sup>(2)</sup>	3	2
Ravikumar Singiseti	4	3
D. N Prahlad <sup>(3)</sup>	1	1
Prof. Jayanth R. Varma <sup>(4)</sup>	1	1

<sup>(1)</sup> Appointed as Independent Director effective July 10, 2019

<sup>(2)</sup> Appointed as Independent Director effective July 10, 2019

<sup>(3)</sup> Resigned as Independent Director on April 15, 2019

<sup>(4)</sup> Retired as Independent Director on April 30, 2019

During the year, the committee met four times. The meetings were held on April 10, 2019, July 10, 2019, October 9, 2019 and January 8, 2020

### Report for the year ended March 31, 2020

The committee oversees key processes through which the Company recruits new members to its Board, and also the processes through which the Company recruits, motivates and retains outstanding senior management and oversees the Company's overall approach to human resources management. The Committee coordinates and oversees the annual self-evaluation of the Board and of individual directors. It also reviews the performance of all the executive directors on a periodic basis or at such intervals as may be necessary on the basis of the detailed performance parameters set for each executive director at the beginning of the year.

Following the provisions of the Companies Act, 2013, Ravi Kumar S. will retire at the ensuing AGM. The committee considered his performance and recommended that shareholders approve the necessary resolution for his reappointment.

The committee reviewed various initiatives undertaken by the Company to ensure the safety, security and wellbeing of employees, as well as their overall development through learning programs and on-the-job training. The committee also gave broad directions to guide the overall leadership development plans of the Company.

Sd / -

Gopal Devanahalli  
Chairperson – Nomination and remuneration committee

Bengaluru

April 16, 2020

### 3. Corporate social responsibility committee

The CSR report, as required under the Companies Act, 2013 for the year ended March 31, 2020 is attached as Annexure 7 to the Board's report. The committee on a periodic basis reviewed and approved the budget and disbursement of funds for CSR activities. In accordance to Section 135 of the Companies Act, 2013, the Board in its meeting held on October 7, 2013, constituted corporate social responsibility committee. The CSR committee of the Board is responsible for overseeing the execution of the Company's CSR policy.

#### Composition

As on March 2020, the corporate social responsibility committee consists of the following three members:

- Ravikumar Singiseti, Chairperson
- Anantharaman Radhakrishnan, Member
- Gopal Devanahalli, Member

The CSR committee was set up to formulate and monitor the CSR policy of the Company. The CSR committee adopted a policy that outlines the Company's objective of catalyzing economic development that positively improves the quality of life for the society, and aims to be a responsible corporate citizen and create positive impact through its activities on the environment, communities and stakeholders.

The CSR committee is also responsible for overseeing the activities / functioning of the Infosys Foundation in identifying the areas of CSR activities, programs and execution of initiatives as per predefined guidelines. The Foundations, in turn, guide the CSR committee in reporting the progress of deployed initiatives, on a periodic basis.

The attendance details of the committee meetings are as follows:

Name of the Director	Number of meetings held during the tenure	Number of meetings attended
Ravikumar Singiseti	4	3
Anantharaman		
Radhakrishnan	4	4
Gopal Devanahalli <sup>(1)</sup>	3	3
D N Prahlad <sup>(2)</sup>	1	1

<sup>(1)</sup> Appointed as Independent Director effective July 10, 2019

<sup>(2)</sup> Resigned as Independent Director on April 15, 2019

During the year, the committee met four times. The meetings were held on April 10, 2019, July 10, 2019, October 9, 2019 and January 8, 2020

### 4. Investment committee

#### Composition of the committee

As on March 31, 2020, the Investment committee consists of the following members:

- Ravikumar Singiseti, Chairperson
- Anantharaman Radhakrishnan, Member
- Prem Joseph Pereira, Member

### Terms of reference

To manage effectively and efficiently the surplus of Company funds by properly channelizing them in a manner so as to enhance the best possible returns with minimum of risk.

#### Attendance of directors during fiscal 2020

Name of the Director	Number of meetings held during the tenure	Number of meetings attended
Ravikumar Singiseti	4	3
Anantharaman		
Radhakrishnan	4	4
Prem Joseph Pereira	4	4

#### Report for the year ended March 31, 2020

The committee has the mandate to approve investments in various corporate bodies within the statutory limits and powers delegated by the Board. The committee had ratified the investments made by the Company during the fiscal 2020.

#### Management review and responsibility

##### Formal evaluation of officers

The nomination and remuneration committee of the Board approves the compensation and benefits for the executive Board member as well as members of the management council.

##### Evaluation process for Chief Executive Officer

In the Company, performance is assessed based on clearly defined objective criteria. This is in line with the Company's policy of being data oriented in every transaction and decision. The evaluation starts with the principle, 'In God we trust, everyone else must bring data'. Performance is measured against commitments and best-in class benchmarks. The Company believes in leadership by example and hence leaders are to show the way in terms of committing to specific, measurable, aggressive and stretch targets. The performance appraisal system for Executive Director provides for the alignment of the Directors' targets with those of our Company through a "Balanced Scorecard Framework", which is rigorous and structured. The executive director has three key roles viz. business leadership, strategy execution and governance. Each role is associated with a set of performance metrics.

For instance, for the CEO, the business leadership role involves set of performance metrics defined in terms of client relationships, service excellence, branding, market expansion, alliances, and acquisitions etc. The CEO's financial metrics include revenue, net profits, expenses, etc. Performance metrics, for Board members in the strategy execution role are defined in terms of building end-to-end service capability, broadening geography and vertical footprint, etc. For a Board member in the governance role, they are defined in terms of ethical issues, legal violations, social responsibility, etc. They are also defined for managing risks, developing business leaders and strengthening values and ethics.

The executive director has to make detailed performance presentations to the Board on his performance vis-à-vis targets, budgets / targets for the ensuring quarter / year and other strategic issues. Apart from this, the executive director is also

required to prepare and submit to the CEO and nomination and remuneration committee performance reports once in a quarter. The nomination and remuneration committee in consultation with the CEO reviews the performance of the executive director.

The remuneration of the directors is commensurate and proportionate to the growth of our Company's profits.

### Evaluation process for non-executive and independent directors

Independent Directors are evaluated through a peer evaluation process on an annual basis. Each external board member has to present before the entire Board on how they have performed / added value to our Company. Every Board member evaluates each external Board member on a scale of 1 to 5 based on the performance indicators.

Independent Directors also have 3 key roles viz. governance, control and guidance. Some of the performance indicators based on which the Independent Directors are evaluated are as follows:

- Ability to contribute to and monitor the corporate governance of our Company.
- Ability to contribute by introducing international best practices to address top-management issues.
- Active participation in long-term strategic planning.
- Commitment to the fulfilment of a director's obligations and fiduciary responsibilities – this includes participation and attendance.
- Contribution by way of customer lead generation and brand building.

The Chairman and CEO in consultation with heads of the department, handle all interactions with the investors, media and various government agencies. The CEO and the respective heads of departments manage all interaction with clients and employees.

### Risk management

Our Company has an integrated approach to managing the risks inherent in various aspects of its business. As part of this approach, the Board of Directors is responsible for monitoring risk levels according to various parameters and the management council is responsible for ensuring implementation of mitigation measures, if required. The audit committee provides the overall direction on the risk management policies. The Risk Management framework is in place.

### Management discussion and analysis

A detailed report on our Management's discussion and analysis forms part of this Annual Report.

### Shareholders

Distribution of shareholding as at March 31, 2020

Sl no.	Category (Shares)	No. of Holders
1	1,001 and Above	1
2	501-1,000	3
3	1-500	15
Total		19

### Secretarial Audit

Pursuant to Section 204 of Companies Act 2013 and Rules thereunder, the Board of Directors of the Company appointed Parameshwar G Hegde of Hegde & Hegde Practicing Company Secretaries to conduct Secretarial Audit of records and documents of the Company. The Secretarial Audit Report confirms that the Company has complied with all the applicable provisions of the Companies Act 2013. Further, the Company adheres to various Secretarial Standards issued by the Institute of Company Secretaries of India.

### Whistle Blower Policy

Our Company has Whistle Blower Policy in place to ensure and promote ethics, transparency and accountability. The Whistle blower is a mechanism for employees to report concerns about unethical behavior, actual or suspected fraud, or violation of our Company's Code of Conduct or Ethics policy. It also provides for adequate safeguards against the victimization of employees who avail of the mechanism, and allows direct access to the Chairperson of the audit committee in exceptional cases.

### Internal control

Our Management is responsible for establishing and maintaining adequate internal control over financial reporting. Our internal control over financial reporting is a process to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with International Financial Reporting Standards, as issued by the International Accounting Standards Board. Our internal control over financial reporting includes those policies and procedures that:

- Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of our assets; and
- Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with applicable accounting principles, and that our receipts and expenditures are being made only in accordance with authorizations of our Management and directors.

## General body meetings

Details of the last three annual general meetings are as follows:

Financial year ended	Date	Time	Venue
March 31, 2019	June 22, 2019	11.30 am	Plot No. 26/3,26/4 and 26/6, Electronic City, Hosur Road, Bengaluru 560100
March 31, 2018	June 23, 2018	11.30 am	Plot No. 26/3,26/4 and 26/6, Electronic City, Hosur Road, Bengaluru 560100
March 31, 2017	June 24, 2017	9.00 am.	Plot No. 26 / 3, 26 / 4, and 26 / 6, Electronics City, Hosur Road, Bengaluru 560100

# Management's discussion and analysis

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## Overview

Infosys BPM Ltd, the business process management subsidiary of Infosys (NYSE: INFY), provides end-to-end transformative services for its clients across the globe. The Company's integrated IT and BPM solutions approach enables it to unlock business value across industries and service lines and address business challenges for its clients, utilizing innovative business excellence frameworks, ongoing productivity improvements, process reengineering, automation and cutting-edge technology platforms. Infosys BPM enables its clients to achieve their cost reduction objectives, improve process efficiencies, enhance effectiveness, and deliver superior customer experience.

Infosys BPM has 28 delivery centers in 10 countries spread across 5 continents, with 41,318 employees from 80+ nationalities, as of March 2020.

## Our business

Infosys BPM Limited ("Infosys BPM"), was incorporated on April 3, 2002 as Progeon Limited and subsequently changed to "Infosys BPO Limited" on August 29, 2006 and to "Infosys BPM Limited" on December 18, 2017, offering business process management solutions to its global clients by leveraging process, domain and people management expertise. At Infosys BPM we have built our organization around managing risk for our clients through a scalable, cost-effective and predictable delivery platform. We focus on acquiring "strategic" clients with whom we can build a deep and wide relationship over time. The company is committed to provide best-in-class services in both horizontal and vertical focus areas. Horizontal solutions comprise of Sourcing & Procurement (S&P), Customer Service (CS), Finance & Accounting (F&A), Analytics (AT), Legal Process Outsourcing (LPO), Human Resources (HR), Sales & Fulfilment (S&F), Industry Solution (IS) & Digital Business Services (DBS), while Vertical (Industry) solutions include Financial Services and Insurance (FSI), Manufacturing (MFG), Energy & Utilities, Communication and Services (ECS), Hi-Tech (HIT), Retail, Consumer packaged goods and Logistics (RCL), Life Sciences and Healthcare (LSH).

We believe in continuously building a business mix, which will allow us to provide long-term and continuing benefits to our clients. Our objective is to enable our customers move up the risk-reward curve, by providing them the benefits of outsourcing, while effectively managing and mitigating risks associated with off-shoring based on our experience and process management skills.

Infosys BPM provides business process management services to organizations that wish to outsource their business processes. Infosys BPM is a majority owned and controlled subsidiary of Infosys Ltd. Rich industry experience helps us understand the evolving needs of our clients better and provides us the ability to offer appropriate solutions across different industry verticals and horizontals in a short time.

Since inception, Infosys BPM has focused on end-to-end outsourcing and operates on the principle that true BPM is transformational. In addition to the cost arbitrage, Infosys BPM consistently demonstrates value arbitrage with enterprise wide improvement in client operations through process optimization, process reengineering and best practices.

## Financial condition & business performance

The financial statements have been prepared in compliance with the requirements of the Companies Act, 2013 and Indian Accounting Standards (Ind AS) under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values. Our Management accepts responsibility for the integrity and objectivity of these financial statements, as well as for the various estimates and judgments used therein. The estimates and judgments relating to the financial statements have been made on a prudent and reasonable basis, so that they reflect in a true and fair manner the form and substance of transactions and reasonably present our state of affairs, profits and cash flows for the year.

## I. Industry structure and development

The BPM Industry is undergoing a paradigm shift in terms of the functioning and delivering value to their customers. This change has been triggered due to a global level Digital disruption which is now at its peak across processes and domains. Companies are exerting tremendous importance on transforming their end-to-end processes with lesser manpower and more accurate results for the repetitive tasks.

This digital disruption is encouraging us to take a bold step in the space of Digitalization and Artificial Intelligence by signing up projects that can mutually benefit the transformation journey of our clients and ours. Infosys BPM thus offers niche solutions to different industries with an objective to enhance their productivity, business effectiveness, process efficiency and stakeholder's experience. Our solutions combine deep domain knowledge, and strategic program and process management experience with consulting, technology, and proven integration and support capabilities.

To leverage these disruptions, Infosys BPM has highly skilled team of professionals who can act as domain professionals and execute initiatives that the client values. Renewed business process management will be about the inverted work triangle – from manual work to fully automated work, all combined, cohesively and coherently will bring about the change that will transform the businesses end-to-end. The new business process management will be about focusing on enhancing stakeholders' experience. Integrated solutions incorporating internal technologies and external partners to cater to all requirements including cloud based tech platform solutions and analytics tools and technologies will be the new solutions to bank upon.

The World Health Organization declared a global pandemic of the novel coronavirus disease (COVID-19) on February 11, 2020. To prevent the rapid rise of infections, governments of almost all countries severely restricted travel, mandated extreme 'social distancing' measures and reduced demand supply chains to only those that are 'essential'. Office complexes, such as our campuses, our client offices and supplier offices, have been asked to operate with minimal or no staff for extended periods of time. To effectively respond to and manage this crisis, we triggered our business continuity management program.

All our office locations, around the world, are currently operating on a minimally-staffed basis or completely shut down in compliance with local government orders. As on the report date only a small percentage of employees have been allowed to return to our office campuses in India. To ensure continuity for our client projects enabled remote working for our employees worldwide via secure laptop and desktops. By March 20, 2020, we had enabled 77%% of our employees, engaged in service delivery to our clients to be able to work remotely. At the date of this AR, 98% of our employees engaged in service delivery to our clients are enabled.

## II. Financial condition

### Financial Position as on March 31, 2020 at a glance:

#### Sources of funds

##### 1. Equity share capital

We have only one class of shares referred to as equity shares having a par value of ₹10 each. Our authorized share capital is ₹123 crore, divided into 12.3 crore equity shares of ₹10 each. The issued, subscribed and paid up capital stood at ₹34 crore as at March 31, 2020 (same as the previous year).

## 2. Other equity

### A. Reserves and surplus

Securities premium reserve and Capital reserve balance as at March 31, 2020 are ₹25 crore, and ₹1 crore respectively which is same as at March 31, 2019 under both standalone and consolidated basis.

Retained earnings for the year increased by ₹558 crore and ₹713 crore mainly due to net profit for the year, amounting to ₹648 crore and ₹806 crore on a standalone and consolidated basis respectively.

Special Economic Zone reinvestment reserve net of utilization balance ₹161 crore as at March 31,2020 under both standalone and consolidated basis. This has been created out of the profit of eligible SEZ units in terms of the provisions under Sec 10AA(1)(ii) of Income Tax Act,1961.

General reserves balance as at March 31, 2020 amounted to ₹1004 crore, under consolidated basis and ₹1000 crore same as the previous year under standalone basis.

### B. Other components of equity

On a Standalone basis, other components of equity increased during the year by ₹3 crore, mainly due to increase in the fair valuation of debt instruments through other comprehensive income by 6 crore and decrease in remeasurement of the net defined benefit liability/asset, net of tax effect by ₹3 crore.

On a consolidated basis, other components of equity increased during the year by ₹40 crore mainly due to increase in exchange difference on translation of foreign operations by ₹40 crore, increase in remeasurement of the net defined benefit liability, net of tax effect by ₹6 crore and decrease in the fair valuation of debt instruments through other comprehensive income effect by ₹6 crore.

in ₹ crore

Particulars	Standalone		Consolidated	
	2020	2019	2020	2019
Securities Premium	25	25	25	25
Retained Earnings	3,464	2,906	4,280	3,567
Capital Reserve	1	1	1	1
General Reserve	1,000	1,000	1,004	1,004
Special Economic Zone Re-investment Reserve	161	90	161	90
Other components of equity	(19)	(22)	119	79
Business transfer adjustment reserve	-	-	(111)	2
<b>Total</b>	<b>4,632</b>	<b>4,000</b>	<b>5,479</b>	<b>4,768</b>

#### Application of funds

### 3. Property, plant and equipment

#### Additions to gross block - Standalone

For the current year, we capitalized ₹78 crore of assets comprising ₹50 crore in computer equipments, ₹1 crore in building and ₹27 crore in infrastructure investments. The infrastructure investments includes expenditure on leasehold improvements, plant and machinery, furniture & fixtures and office equipment, of ₹16 crore, ₹2 crore, ₹4 crore and ₹5 crore, respectively for the year.



During the previous year, we capitalized ₹62 crore of assets comprising of ₹47 crore in computer equipments, ₹1 crore in building and ₹14 crore in infrastructure investments. The infrastructure investments includes expenditure on leasehold improvements, plant and machinery, furniture & fixtures and office equipment, of ₹6 crore, ₹2 crore, ₹4 crore and ₹2 crore, respectively for the year.

#### Additions to gross block - Consolidated

For the current year, we capitalized ₹132 crore of assets comprising of ₹74 crore in computer equipment and ₹58 crore in infrastructure investments. The infrastructure investments includes expenditure on leasehold improvements, plant and machinery, furniture & fixtures, and office equipment of ₹40 crore, ₹2 crore, ₹10 crore and ₹6 crore respectively for the year.

During the Previous year, we capitalized ₹78 crore of assets comprising of ₹60 crore in computer equipment and ₹18 crore in infrastructure investments. The infrastructure investments includes expenditure on leasehold improvements, plant and machinery, furniture & fixtures, buildings and office equipment of ₹7 crore, ₹2 crore, ₹5 crore, ₹1 crore and ₹3 crore, respectively for the year.

#### Deductions from gross block - Standalone

For the current year, we deducted ₹23 crore from the gross block due to retirement of assets on disposal of various assets. For the previous year, we retired various assets with a gross block of ₹18 crore.

#### Deductions from gross block - Consolidated

For the current year, we deducted ₹35 crore from the gross block due to retirement of assets on disposal of various assets. For the previous year, we retired various assets with a gross block of ₹26 crore.

#### Capital expenditure commitments

On a standalone basis, we have a capital expenditure commitment of ₹34 crore, as at March 31, 2020 as compared to ₹36 crore as at March 31, 2019.

On a consolidated basis, we have a capital expenditure commitment of ₹45 crore, as at March 31, 2020 as compared to ₹65 crore as at March 31, 2019.

## 4. Goodwill and other intangible assets

### A. Goodwill

in ₹ crore

Particulars	Standalone		Consolidated	
	2020	2019	2020	2019
Philips acquisition (Poland entity)	–	–	40	40
Mccamish acquisition	–	–	232	212
Portland Group acquisition	–	–	129	137
Philips acquisition (IBPM entity)	19	19	5	5
<b>Total</b>	<b>19</b>	<b>19</b>	<b>406</b>	<b>394</b>

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

### B. Other intangible assets

in ₹ crore

Particulars	Standalone		Consolidated	
	2020	2019	2020	2019
McCamish (Software)	–	–	–	5
Portland (Customer contract)	–	–	5	8
<b>Total</b>	<b>–</b>	<b>–</b>	<b>5</b>	<b>13</b>

Customer contract represents Value attributable to contract as per valuation conducted by external valuer, same is amortized over the deal period. On a consolidated basis, (a) McCamish (Software): During the year ₹5 crore was amortized towards Sky tree contract which was acquired for ₹9 crore and the current balance is nil . (b) Portland (Customer-related contract): ₹3 crore was amortized towards customer contracts and the current balance is ₹5 crore. On a standalone basis, there are no other intangible assets added in current and previous year.



## 5. Financial assets

### A. Investments in subsidiaries / associates

We have made several strategic investments during the past years aimed at deriving business benefits and operational efficiency for us. Infosys BPM Ltd has following five wholly-owned Subsidiaries as on March 31, 2020.

Name of the company	Date of incorporation	Amount invested in ₹ crore
Infosys (Czech Republic) Limited s.r.o	4-Feb-04	3
Infosys Poland, Sp.z.o.o <sup>(1)</sup>	1-Oct-07	59
Infosys McCamish Systems LLC <sup>(1)</sup>	4-Dec-09	289
Portland Group Pty Ltd. <sup>(1)</sup>	4-Jan-12	211
Infosys BPO Americas, LLC	23-Nov-15	20

<sup>(1)</sup> The date of incorporation is the date on which Infosys BPM Ltd. acquired 100% voting power in respective companies.

Investments in equity instruments of subsidiaries are carried at cost as per Separate Financial Statements.

Additionally, the Company has acquired the following entity through Infosys Poland, Sp.z.o.o ( Wholly-owned subsidiary of Infosys BPM Limited)

On February 20, 2020, Infosys Poland, Sp.z.o.o, a wholly-owned subsidiary of Infosys BPM Limited acquired 100% voting rights in Infosys consulting Poland, Sp.z.o.o, a wholly-owned subsidiary of Infosys Consulting Holding AG., for cash consideration of ₹113 crore (PLN 61.8Mn).

### Other investments

The details of investments as at March 31, 2020 and March 31, 2019 are as follows:

in ₹ crore

Category of Investment	Standalone		Consolidated		Subsequent measurement as per Ind AS 109 : Financial instruments
	2020	2019	2020	2019	
Equity instruments & Preference securities	–	–	9	33	Partly through profit and loss and partly through other comprehensive income
Government bonds	8	6	8	6	Amortized cost
Non convertible debentures	473	310	473	310	Fair value through other comprehensive income
Fixed maturity plan securities	61	57	61	57	Fair value through profit and loss
Certificate of deposits	241	359	241	359	Fair value through other comprehensive income
Liquid mutual fund units	66	70	66	70	Fair value through profit and loss

Non-current investments represent investments in Non-convertible Debentures(NCDs), Equity instruments, Preference securities, Fixed maturity plan securities, Mutual funds & Promissory notes. Current investments include investments in Certificate of Deposits, Liquid Mutual Funds and Government bonds under both standalone and consolidated basis.

### B. Trade receivables and unbilled revenues

On a Standalone basis, trade receivables amounted to ₹935 crore. (including ₹65 crore dues from Group companies) as at March 31, 2020 as compared to ₹715 crore as at March 31, 2019 and unbilled revenue amounted to ₹177 crore and ₹138 crore as at March 31, 2020 and March 31, 2019. Trade receivables are at 20.3% of revenues for the year ended March 31, 2020 and 18.2% of revenues for the year ended March 31, 2019.

On a consolidated basis, trade receivables amounted to ₹1,359 crores (Including ₹83 crore from Group companies) as at March 31, 2020 as compared to ₹1,118 crore as at March 31, 2019 and unbilled revenue amounted to ₹689 crore and ₹501 crore as at March 31, 2020 and March 31, 2019. Trade receivables are at 19.6% of revenues for the year ended March 31, 2020 and 18.6% of revenues for the year ended March 31,2019.

Trade receivables and unbilled revenue are typically unsecured and are derived from revenue earned from customers located globally. On a consolidated basis, Days Sales Outstanding was 72 days, compared to 68 days in the previous year.

On account of adoption of Ind AS 109, we evaluate all customer dues for collectability. Allowances for credit losses with no significant financing component is measured at an amount equal to lifetime ECL (Expected Credit Loss). We pursue the recovery of dues, in part or full. The movement in allowances for credit losses during the year is as follows:

in ₹ crore

Particulars	Standalone		Consolidated	
	2020	2019	2020	2019
Opening balance	15	8	20	11
Add: Amount provided	3	7	8	9
Closing balance	18	15	28	20

### C. Cash and cash equivalents

in ₹ crore

Particulars	Standalone		Consolidated	
	2020	2019	2020	2019
Current accounts	119	85	627	391
Deposit accounts	1,455	1,069	1,810	1,553
Add: Deposits with financial institutions / body corporate	700	683	700	683
Total cash and cash equivalents	2,274	1,837	3,137	2,627

The bank balances in India include both Rupee accounts and foreign currency accounts. The bank balances in overseas current accounts are maintained to meet the expenditure of the overseas branches and to meet project-related expenditure of the overseas operations and regulatory requirements. The deposit account represents deposits with banks and financial institutions.

### D. Loans

The details of loans are as follows:

in ₹ crore

Particulars	Standalone		Consolidated	
	2020	2019	2020	2019
<b>Non-current</b>				
Unsecured, considered doubtful				
Loans and advances to employees	5	5	5	6
Less: Allowance for doubtful loans to employees	5	5	5	6
Loans to fellow subsidiary company	–	–	48	–
<b>Current</b>				
Unsecured, considered good				
Loans and advances to employees	21	19	22	19
Loans to fellow subsidiary company	–	–	40	78
<b>Total</b>	<b>21</b>	<b>19</b>	<b>110</b>	<b>97</b>

Loans and advances to employees under current assets represents personal loan and salary advances to employees both in India and abroad, which is recoverable within a year.

### E. Other financial assets

The details of other financial assets are as follows:

in ₹ crore

Particulars	Standalone		Consolidated	
	2020	2019	2020	2019
<b>Non-current</b>				
Security deposits	3	3	4	4
Rental deposits	38	31	48	39
<b>Current</b>				
Unbilled revenue	158	127	660	458
Interest Accrued but not due	25	37	25	38
Rental Deposits	1	–	2	1
Security Deposits	1	–	1	–
Foreign currency forward contracts	–	14	1	15

Particulars	Standalone		Consolidated	
	2020	2019	2020	2019
Restricted deposit	108	98	108	98
Intercompany – receivable	–	–	–	–
Others	4	1	27	32
<b>Total</b>	<b>338</b>	<b>311</b>	<b>876</b>	<b>685</b>

On account of adoption of Ind AS 115, Revenue from Contracts with Customers, unbilled revenues where the right to consideration is unconditional upon passage of time is classified as financial assets.

Interest accrued but not due represents interest on amount deposited in banks. The interest accrued has increased on account of increase in interest rates and increase in earnings from fixed deposits.

Rent deposits are towards buildings on lease by the company for its business process service operations.

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

## 6. Other assets

in ₹ crore

Particulars	Standalone		Consolidated	
	2020	2019	2020	2019
<b>Non-current</b>				
Prepaid expenses	1	1	34	66
Capital advances	–	1	–	3
Prepaid gratuity	–	4	–	4
Deferred contract cost	90	51	90	51
Withholding and other taxes receivable	17	20	17	21
<b>Current</b>				
Advances for goods and services	11	10	11	11
Withholding and other taxes receivable	68	48	77	53
Prepaid expenses	31	17	217	169
Deferred customer contracts	22	7	22	7
Unbilled revenue	19	11	29	43
Others	28	–	27	–
<b>Total</b>	<b>287</b>	<b>170</b>	<b>524</b>	<b>428</b>

Advances for goods and services represent payment made to suppliers for supply of goods and services.

Withholding and other taxes receivable represent transaction taxes paid in various domestic and overseas jurisdictions which are recoverable.

Deferred customer contract costs are upfront costs incurred for the contract and amortized over the term of the contract.

On account of transition to Ind AS 115, Revenue from Contracts with Customers, unbilled revenues where the contractual right to consideration is dependent on completion of contractual milestones is classified as non-financial assets.

## 7. Deferred tax assets / liabilities

in ₹ crore

Particulars	Standalone		Consolidated	
	2020	2019	2020	2019
Deferred tax assets, net	97	58	129	109
Deferred tax liabilities, net	–	–	(14)	(26)
<b>Total</b>	<b>97</b>	<b>58</b>	<b>115</b>	<b>83</b>

Deferred tax assets primarily comprise deferred taxes on property, plant and equipment, accrued compensation to employees, trade receivable, compensated absences, post sales client support, carry forward loss, tax subsidy and others. Deferred tax liability primarily comprise on intangibles and others.

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.

## 8. Income tax assets / liabilities

in ₹ crore

Particulars	Standalone		Consolidated	
	2020	2019	2020	2019
Income tax assets (net)	125	96	132	100
Income tax liabilities (net)	25	16	56	45
Net Income tax asset / (liabilities)	100	80	76	55

The income tax assets represent domestic and overseas corporate tax. Income tax liability represents estimated income tax liabilities, both in India and overseas, net of advance tax and tax deducted at source.

## 9. Financial liabilities

in ₹ crore

Particulars	Standalone		Consolidated	
	2020	2019	2020	2019
<b>Non-current</b>				
Other financial liabilities				
Compensated absences	1	1	4	3
<b>Current</b>				
Other financial liabilities				
Client deposits	–	–	–	–
Accrued compensation to employees	188	171	283	250
Provision for expenses	157	141	777	610
Retention monies	–	–	–	1
Capital creditors	4	10	12	12
Compensated absences	98	80	130	107
Other payables	58	23	61	26
Foreign currency forward contracts	18	1	18	2
<b>Total</b>	<b>524</b>	<b>427</b>	<b>1,285</b>	<b>1,011</b>

Financial liabilities (except foreign currency forward contract) are carried at amortized cost using the effective interest method. Trade and other payables maturing within one year from the balance sheet date are carried at fair value due to the short maturity of these instruments. Foreign currency forward contracts are amortized through profit and loss.

Trade payables represent the amount payable to vendors for the supply of goods, both domestic and overseas for services rendered.

Accrued compensation to employees includes provision for salaries, allowances and variable pay to employees both in India and abroad, provision for bonus, performance and salary incentives payable to the staff.

Provision for expenses represent amounts accrued for other operational expenses. Compensated absences are both accumulating and non accumulating in nature. The expected cost of accumulating compensated absences is determined by actuarial valuation.

## 10. Other liabilities

in ₹ crore

Particulars	Standalone		Consolidated	
	2020	2019	2020	2019
<b>Non-current</b>				
Deferred rent	–	10	–	28
<b>Current</b>				
Unearned revenue	293	184	518	388
Deferred rent	0	2	0	7
Withholding and other taxes payable	88	70	104	87
Client Deposits	1	5	1	4
<b>Total</b>	<b>382</b>	<b>271</b>	<b>623</b>	<b>514</b>

Unearned revenue represents revenue not recognized due to non conformity with revenue recognition principles. The unearned revenues amounted to ₹293 crore as at March 31, 2020 and ₹184 crore as at March 31, 2019 on a standalone basis. The unearned revenues amounted to ₹518 crore as at March 31, 2020 and ₹388 crore as at March 31, 2019 on a consolidated basis.

Withholding and other taxes payable represent tax deducted at source on contractors, foreign payments, professional charges, rent payments, salaries, advertisement, ESI/PF payable etc.

## 11. Provisions

in ₹ crore

Particulars	Standalone		Consolidated	
	2020	2019	2020	2019
Post-sales client support and warranties	28	28	38	46
<b>Total</b>	<b>28</b>	<b>28</b>	<b>38</b>	<b>46</b>

The Company provides its clients with a fixed-period post sales support on its fixed-price, fixed-timeframe and time and material contracts. Costs associated with such support services are accrued at the time related revenues are recorded and included in 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.

## III. Results of our operations

The function wise classification of the standalone Statement of Profit and Loss is as follows

in ₹ crore

Particulars	Year ended March 31,			
	2020	%	2019	%
Revenue from operations	4,595	100.0	3,932	100.0
Cost of revenue	3,439	74.8	2,856	72.6
Gross profit	1,156	25.2	1,076	27.4
Selling and marketing expenses	219	4.8	200	5.1
General and administrative expenses	337	7.3	318	8.1
Operating profit	600	13.1	558	14.2
Other income	290	6.3	225	5.7
Finance cost	32	0.7	–	0.0
Profit before tax	858	18.7	783	19.9
Tax expense	210	4.6	187	4.8
Profit after tax	648	14.1	596	15.2

The function wise classification of the consolidated Statement of Profit and Loss is as follows:

in ₹ crore

Particulars	Year ended March 31,			
	2020	%	2019	%
Revenue from operations	6,922	100.0	6,022	100.0
Cost of Revenue	5,348	77.3	4,558	75.7
Gross profit	1,574	22.7	1,464	24.3
Selling and marketing expenses	235	3.4	212	3.5
General and administrative expenses	519	7.5	494	8.2
Operating profit	820	11.8	758	12.6
Other income	279	4.0	211	3.5
Finance cost	41	0.6	–	0.0
Profit before tax	1,058	15.3	969	16.1
Tax expense	252	3.6	252	4.2
Profit after tax	806	11.6	717	11.9

### 1. Revenue

Of the total revenues for the year ended March 31, 2020, on a standalone basis, approximately 94.6% were export revenues whereas 5.4% were domestic revenues, as compared to 94.4% being export revenues and 5.6% domestic revenues during the previous year.

Of the total revenues for the year ended March 31, 2020, on a consolidated basis, approximately 96.3% were export revenues whereas 3.7% were domestic revenues, as compared to 96.2% being export revenues and 3.8% domestic revenues during the previous year.

Revenues for the current year increased by 16.9 % and 14.9 % under standalone and consolidated basis respectively as compared to the immediately preceding year.

#### 1.1 Analysis of revenues

The Company's revenues are segregated into onsite and offshore revenues. Onsite revenues are those services which are performed at our global development centers, while offshore services are those services which are performed at India development centers.

The details of revenues are as follows:

in %

Particulars	Standalone		Consolidated	
	2020	2019	2020	2019
Onsite	34.7	28.8	56.2	52.9
Offshore	65.3	71.2	43.8	47.1
<b>Total</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

The proportion of work performed at our facilities and at client sites varies from period to period. The services performed onsite typically generate higher revenues per capita, but at lower gross margins in percentage as compared to the services performed at our own facilities in India. Therefore, any increase in the onsite effort impacts our margins.

## 1.2 Revenues by project type

The Company's revenues are generated principally on time and material, unit of work basis and fixed price contracts. Revenue from time-and-material and unit of work based contracts are recognized when the related services are performed. Fixed price business process management services revenue is recognized ratable either on a straight-line basis when services are performed through an indefinite number of repetitive acts over a specified period or using a percentage of completion method when the pattern of benefits from the services rendered to the customer and Group's costs to fulfil the contract is not even through the period of contract because the services are generally discrete in nature and not repetitive. Revenue from other fixed price, fixed-time frame contracts, where the performance obligations are satisfied over time is recognized using the percentage-of-completion method.

The segmentation of service revenues based on project types is as follows:

in %

Particulars	Standalone		Consolidated	
	2020	2019	2020	2019
Fixed price	27.0	26.0	34.4	33.7
Time and material	73.0	74.0	65.6	66.3
<b>Total</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

## 1.3 Voice vs Non-Voice

Infosys BPM has from the beginning advocated a non-voice BPM strategy. The management is of the opinion that non voice would offer greater opportunities for process improvements, higher client retention and greater revenues. On a standalone basis, for the current year ended March 31, 2020, the voice and non voice proportion was at 10:90 whereas for the previous year, the voice and non-voice proportion was 12:88. On a consolidated basis, for the current year ended March 31, 2020, the voice and non voice proportion was at 7:93 whereas for the previous year, the voice and non-voice proportion was 9:91

## 2. Expenditure

in ₹ crore

Particulars	2020				2019				(YoY Growth %) Consolidated
	Standalone	%	Consolidated	%	Standalone	%	Consolidated	%	
Employee benefit expenses	2,926	63.7	3,842	55.5	2,434	61.9	3,252	54.0	18.1
Cost of technical sub-contractors	385	8.4	675	9.8	302	7.7	565	9.4	19.5
Travel expenses	150	3.3	174	2.5	161	4.1	185	3.1	(5.9)
Cost of software for own use	71	1.5	761	11.0	40	1.0	643	10.7	18.3
Communication expenses	66	1.4	78	1.1	51	1.3	67	1.1	16.4
Office expenses	125	2.7	140	2.0	94	2.4	102	1.7	37.4
Power and fuel	29	0.6	31	0.5	29	0.7	31	0.5	1.5
Insurance charges	6	0.1	8	0.1	4	0.1	6	0.1	29.8
Rent	32	0.7	36	0.5	115	2.9	170	2.8	(78.8)
Depreciation and amortization expense	153	3.3	236	3.4	83	2.1	110	1.8	114.5
Finance cost	32	0.7	41	0.6	-	0.0	-	-	-
Other expenses	53	1.1	121	1.7	61	1.6	133	2.2	(9.3)
<b>Total Expenses</b>	<b>4,027</b>	<b>87.6</b>	<b>6,143</b>	<b>88.7</b>	<b>3,374</b>	<b>85.8</b>	<b>5,264</b>	<b>87.4</b>	<b>16.7</b>
<b>Revenue</b>	<b>4,595</b>	<b>100.0</b>	<b>6,922</b>	<b>100.0</b>	<b>3,932</b>	<b>100.0</b>	<b>6,022</b>	<b>100.0</b>	<b>14.9</b>

Employee benefit expenses consist of salaries paid to employees in India and includes overseas staff expenses.

The utilization rates of billable employees are as below:-

in %

Particulars	Standalone		Consolidated	
	2020	2019	2020	2019
Including trainees	89.8	88.8	89.1	89.0
Excluding trainees	92.0	91.1	91.0	91.2

On standalone basis, cost of technical subcontractors, represents Purchase of services from subsidiaries, Legal & professional charges, recruitment and training expenses and auditor's remuneration constituting approximately 8.4% and 7.7% of total revenue for the current year and previous year respectively on Standalone basis. On consolidated basis, cost of technical subcontracts was 9.8% and 9.4% of total revenue for the current year and previous year respectively.

On a standalone basis, travel expenses, representing cost of travel abroad for transition and discovery, client visits, local conveyance etc. constituted approximately 3.3% and 4.1% of total revenue for the current year and previous year respectively on Standalone basis. On Consolidated basis, Travel expenses constituted approximately 2.5% and 3.1% of total revenue for the current year and previous year respectively.

Cost of software for own use primary represents the cost of software packages and tools procured for our internal use. These packages and tools enhance the quality of our services. On a standalone basis, cost of software was 1.5% and 1.0% of revenues for the current year and previous year respectively. On a consolidated basis, cost of software was 11.0% and 10.7% of revenues for the current year and previous year respectively.

A major part of the company's revenue comes from offshore business process services. This involves the large-scale use of communication links in order to be online with clients. On a standalone basis, communication expenses constituted 1.4% and 1.3% of revenues for the current year and previous year respectively. On a consolidated basis, communication expenses constituted 1.1% and 1.1% of revenues for the current year and previous year respectively.

On a standalone basis, office expenses, which represents the cost incurred for office maintenance, computer maintenance, printing & machinery etc. constituting approximately 2.7% and 2.4% of total revenue for the current year and previous year respectively on standalone basis. On a consolidated basis, office expenses constituted approximately 2.0% and 1.7% of total revenue for the current year and previous year respectively.

Rent comprises overseas and domestic rent payments for space utilized by sales and marketing team. On a standalone basis, the rent represents approximately 0.7% and 2.9% of total revenue for the current year and previous year respectively on standalone basis. On a consolidated basis, the rent represents approximately 0.5% and 2.8% of total revenue for the current year and previous year respectively.

Effective April 1, 2019, the Company adopted Ind AS 116 "Leases" and applied the standard to all lease contracts existing on April 1, 2019 using the modified retrospective method and

has taken the cumulative adjustment to retained earnings, on the date of initial application. Consequently, the Company recorded the lease liability at the present value of the lease payments discounted at the incremental borrowing rate and the right of use asset at its carrying amount as if the standard had been applied since the commencement date of the lease, but discounted at the Company's incremental borrowing rate at the date of initial application. Comparatives as at and for the year ended March 31, 2019 have not been retrospectively adjusted and therefore will continue to be reported under the accounting policies included as part of our annual financial statements for year ended March 31, 2019.

Other expenses represent brand building, consumables, rates & taxes, marketing expenses, donations, provisions, etc., which were 1.1% and 1.6% of the revenues for the current year and previous year respectively on a standalone basis. On consolidated basis, other expenses constituted approximately 1.7% and 2.2% of the revenues for the current year and previous year respectively.

### 3. Gross profit

During the current year, on a standalone basis, the Company earned a gross profit of ₹1,156 crore representing 25.2% of revenues as compared to ₹1,076 crore representing 27.4% of revenues during the previous year.

During the current year, on a consolidated basis, the Company earned a gross profit of ₹1,574 crore representing 22.7% of revenues as compared to ₹1,464 crore representing 24.3% of revenues during the previous year.

The decrease in gross profit as a percentage of revenue for the current year as compared to the previous year was attributable to increase in cost of revenue expenses as a percentage of revenue during the same period.

#### Corporate Social responsibility

As per Section 135 of the Companies Act, 2013, a company, meeting the applicability threshold, needs to spend at least 2% of its average net profit for the immediately preceding three financial years on Corporate Social Responsibility (CSR) activities.

The areas for CSR activities are eradication of hunger and malnutrition, promoting education, art and culture, healthcare, destitute care and rehabilitation, environment sustainability, disaster relief and rural development projects.

A CSR committee has been formed by the Company as per the Act. The funds were primarily allocated to a corpus and utilized through the year on these activities which are specified in Schedule VII of the Companies Act, 2013.

Amount spent during the year for CSR activities is ₹15.72 crore.



#### 4. Operating profits

During the current year, on a standalone basis, the company earned an operating profit of ₹600 crore representing 13.1% of revenues as compared to ₹558 crore representing 14.2% of revenues during the previous year.

During the current year, on a consolidated basis, the company earned an operating profit of ₹820 crore representing 11.8% of revenues as compared to ₹758 crore representing 12.6% of revenues during the previous year.

The decrease in operating profit as a percentage of revenue for the current year as compared to the previous year was attributable to an increase in cost of revenue expenses as a percentage of revenue during the same period.

#### 5. Interest

On a standalone basis, the company continued to be debt-free during the year. On a consolidation basis, the company has paid interest for the loan taken from subsidiary

#### 7. Other income, net

Other income includes interest received on deposits with banks and other financial institutions, dividends from mutual fund investments, exchange differences and other miscellaneous income.

(Infosys Public Services, Inc. USA) of Infosys Limited which amounts to ₹0.03 crore.

#### 6. Depreciation and amortization

On a standalone basis, the Company provided a sum of ₹153 crore and ₹83 crore towards depreciation and amortization for the year ended March 31, 2020 and March 31, 2019 respectively representing 3.3% and 2.1% of total revenues respectively. The depreciation as a percentage of average gross block is 17.5% and 10.0% for the year ended March 31, 2020 and March 31, 2019 respectively.

On a consolidated basis, the company provided a sum of ₹236 crore and ₹110 crore towards depreciation and amortization for the years ended March 31, 2020 and March 31, 2019 respectively representing 3.4% and 1.8% of total revenues respectively. The depreciation as a percentage of average gross block is 21.7% and 11.0% for the years ended March 31, 2020 and March 31, 2019 respectively.

in ₹ crore

Particulars	Standalone		Consolidated	
	2020	2019	2020	2019
<b>Interest received on financial assets</b>				
Financial assets - carried at amortised cost	170	102	182	111
Financial assets - carried at fair value through other comprehensive income	40	64	40	64
<b>Financial assets - carried at fair value through profit or loss and Gain / Loss</b>				
Dividend on investment in mutual fund units	-	-	-	-
Miscellaneous income, net	45	27	51	27
Exchange gains / (losses) on foreign currency forward contracts and other assets and liabilities	17	11	10	14
Profit on sale of property, plant and equipment	1	1	1	1
Gains / (losses) on sale of investment	14	17	14	(9)
Fair Valuation loss on Investments	-	-	(22)	-
Rental Income from holding company	3	3	3	3
<b>Total</b>	<b>290</b>	<b>225</b>	<b>279</b>	<b>211</b>

#### Sensitivity to rupee movement

On a standalone basis, for each of the years ended March 31, 2020 and March 31, 2019, every percentage point depreciation / appreciation in the exchange rate between the Indian rupee and US dollar, had an impact on the Company's incremental operating margins by approximately 0.36% and 0.38% respectively. On a consolidated basis, it had an impact of 0.24% and 0.25% in each of the current and previous years.

#### Gains / (Losses) on forward foreign exchange and option contracts

The Group uses forward exchange contracts and options to hedge its exposure to movements in foreign exchange rates. The use of these forward exchange contracts and options contracts reduces the risk or cost to the Company and the Company does not use the forward exchange contracts for trading or speculation purposes.

The composition of currency-wise revenue for the years ended March 31, 2020 and March 31, 2019 is as follows:

in %

Currency	Standalone		Consolidated	
	2020	2019	2020	2019
US Dollar(USD)	69.6	65.2	73.0	68.4
UK Pound (GBP)	6.7	9.0	4.8	6.3
Euro (EUR)	8.9	8.8	10.3	10.9

Currency	Standalone		Consolidated	
	2020	2019	2020	2019
Australian Dollar (AUD)	3.9	6.0	3.7	6.0
Other	11.0	11.0	8.2	8.4
<b>Total</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

## 8. Provision for tax

The present Indian corporate tax rate is 34.94% (comprising a base rate of 30.0% and a surcharge of 12.0% on the base rate and an educational cess of 4.0% on the cumulative tax). The company had exemptions from payment of Indian corporate income taxes for a period of ten consecutive years of operation of software development facilities designated as “Software Technology Parks” (“the STP Tax Holiday”). The period of the STP Tax Holiday available was restricted to 10 consecutive years beginning from the financial year when the unit started rendering business process management services or March 31, 2013, whichever was earlier.

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

Provisions for taxation represent estimated income tax liabilities, both in India and abroad. On a standalone basis, for the year ended March 31, 2020, provision for taxation amounting to ₹244 crore and deferred tax asset of ₹34 crore were recognized. Effective Tax Rate for the current year is 26.2 % as compared to 25.1 % for the previous year. Effective tax rate is generally influenced by various factors, including non-deductible expenses, exempt non-operating income, overseas taxes, benefits from SEZ units, tax reversals & provisions and other tax deductions. The increase in effective tax rate from fiscal 2019 to fiscal 2020 was mainly due to increase in non-operating income, increase in taxable business profits due to currency fluctuations and other disallowances and reduction in deferred tax assets for deductions for new employment.

On a consolidated basis, for the year ended March 31, 2020, provision for taxation amounts to ₹282 crore and deferred tax asset of ₹30 crore were recognized. Net impact of provision for taxation for different period is as follows.

in ₹ crore

Particulars	Standalone		Consolidated	
	2020	2019	2020	2019
Current taxes	244	195	282	250
Deferred taxes	(34)	(8)	(30)	2
<b>Total</b>	<b>210</b>	<b>187</b>	<b>252</b>	<b>252</b>

## 9. Net profit

On a standalone basis, the net profit of the company from ordinary activities amounted to ₹648 crore and ₹596 crore for the years ended March 31, 2020 and March 31, 2019 respectively. This represents 14.1% and 15.2% of total revenue for the respective years. Excluding other income of ₹290 crore (6.3% of revenues) in the current year as compared to ₹225 crore (5.7% of revenues) in the previous year, the net profit would have been ₹358 crore and ₹371 crore in the current and previous years respectively.

On a consolidated basis, the net profit of the company from ordinary activities amounted to ₹806 crore and ₹717 crore for the years ended March 31, 2020 and March 31, 2019 respectively. This represents 11.6% and 11.9% of total revenue for the respective years. Excluding other income of ₹279 crore (4.0% of revenues) in the current year as compared to ₹211 crore (3.5% of revenues) in the previous year, the net profit would have been ₹527 crore and ₹506 crore in the current and previous years respectively.

The decrease in net profit as a percentage of revenue for the current year as compared to the previous year was attributable to increase in cost of revenue expense as a percentage of revenue during the same period.

## 10. Earnings Per Equity Share (EPS)

in ₹ crore

Particulars	Standalone			Consolidated		
	2020	2019	% increase	2020	2019	% increase
Basic	191.61	176.30	8.7	238.23	211.88	12.4
Diluted	191.61	176.30	8.7	238.23	211.88	12.4

Weighted average equity shares used in computing earnings per equity share as follows:

Particulars	Standalone		Consolidated	
	2020	2019	2020	2019
Basic	3,38,27,751	3,38,27,751	3,38,27,751	3,38,27,751
Diluted	3,38,27,751	3,38,27,751	3,38,27,751	3,38,27,751

## 11. Segmental profitability

The Company internally reorganized its business segments to deepen customer relationships, improve focus of sales investments and increase management oversight. Consequent to the internal reorganization, there were changes in the reportable business segments based on “Management approach” as defined under Ind AS 108, Operating Segments. The CODM evaluates the Company’s performance and allocates resources based on an analysis of various performance indicators by business segments. Accordingly, information has been presented along business segments. The accounting principles used in the preparation of the financial statements are consistently applied to record revenue and expenditure in individual segments, and are as set out in the accounting policies.

### Business Segment - Consolidated

in ₹ crore									
FY'20	FA <sup>(1)</sup>	IS <sup>(2)</sup>	CS <sup>(3)</sup>	S&F <sup>(4)</sup>	S&P <sup>(5)</sup>	DB <sup>(6)</sup>	MCM <sup>(7)</sup>	Others	Total
Segmental revenues	1,029	964	538	1,085	296	385	1,612	1,013	6,922
Segmental operating income	97	328	4	294	62	60	169	42	1,056
Segmental operating income (%)	9.4%	34.0%	0.7%	27.1%	20.9%	15.6%	10.5%	4.1%	15.3%

<sup>(1)</sup> Finance & Accounts

<sup>(2)</sup> Industry Solutions

<sup>(3)</sup> Customer Service

<sup>(4)</sup> Sales & Fulfilment

<sup>(5)</sup> Sourcing & Procurement

<sup>(6)</sup> Digital Business

<sup>(7)</sup> McCamish

### Geographic Segment - Consolidated

in ₹ crore				
	North America	Europe	Others <sup>(1)</sup>	Total
Segmental revenues				
FY'20	4,459	1,683	780	6,922
FY'19	3,718	1,437	867	6,022
Growth %	19.9	17.1	(10.1)	14.9

<sup>(1)</sup> India and Rest of the world

## 12. Liquidity

The growth of the company has been largely financed by cash generated from operations. On a standalone basis, as at March 31, 2020 the company had cash and cash equivalents of ₹2,274 crore as compared to ₹1,837 as at March 31, 2019. The cash and cash equivalents increased by ₹437 crore during the current year. On a consolidated basis, as at March 31, 2020 the company had cash and cash equivalents of ₹3,137 crore as compared to ₹2,627 as at March 31, 2019. The cash and cash equivalents increased by ₹510 crore during the current year.

### Cash flow statement

in ₹ crore				
Particulars	Standalone		Consolidated	
	2020	2019	2020	2019
<b>Cash Flows</b>				
Operating Activities	410	393	758	671
Investment Activities	111	130	(72)	72
Financing Activities	(85)	–	(175)	(40)
Effect of exchange differences on translation of foreign currency cash and cash equivalents	1	11	(1)	(4)

Particulars	Standalone		Consolidated	
	2020	2019	2020	2019
Net increase / (decrease) in cash and cash equivalents	436	523	511	703
Cash and cash equivalents at the beginning of the period	1,837	1,303	2,627	1,928
Cash and cash equivalents at the end of the period	2,274	1,837	3,137	2,627

The Company's treasury policy calls for investing only in highly rated banks, financial institutions and companies for short maturities with a limit for individual entities. The Company retains the money both in rupee and foreign currency accounts. The bank balances in overseas accounts are maintained to meet the expenditure of the overseas branches in the respective countries, and to meet project-related expenditure overseas. The Company's policy is to maintain sufficient cash in the balance sheet to fund the ongoing capex requirements, the operational expenses and other strategic initiatives for the next one year and to maintain business continuity in case of exigencies.

### 13. Related party transactions

These have been discussed in details in the Notes to Accounts in this Annual Report.

### 14. Events occurring after the Balance Sheet date

There were no significant events that occurred after the Balance Sheet date.

## IV. Opportunities and threats

### 1. Our strengths

Infosys BPM helps clients deliver improved business outcomes in addition to optimizing the efficiency of their business processes. We also have a proven global delivery model and commitment to quality and process execution. We operate our business from 28 Delivery centers (8 in India, 5 in APAC, 10 in Europe and 5 in the US) . Client stickiness, deep, lasting client relationships and a strong brand name has helped us establish as the employer of choice. Expertise in lean automation and continuous improvement in the business of digital through our Digital Transformation Services helps us in improving the productivity and being more effective for the client.

### 2. Our strategy

Infosys BPM seeks to differentiate itself in the market by navigating clients to experience their next by delivering business value through deep domain expertise and technology prowess. We invest in offerings that help clients optimize their Cost of Revenues (CoR) instead of the traditional approach of optimizing just the Selling, General and Administrative (SG&A) expenses. We leverage the global delivery model to offer onshore, offshore and near shore services to clients. Through our integrated 'business domain people + software = 'humanware' approach we continue to co-create business value and enhancing experience for our clients, constantly enabling our humanware to partner with our clients and navigate them to their next by being empathetic advisors.

Infosys BPM has an increasing need for highly skilled talent who are domain professionals and execute initiatives that the

client values. Through our traditional services and digital service offerings we provide consultative solutions to our clients, thus helping them enhance stakeholder's experience.

We will continue to strengthen our position in the market through focused vertical utilities platform play, and strengthening both our traditional capabilities as well as digital through our new Digital Transformation Services offerings: through Infosys NIA, Robotics Process as a Service, Digital Transformation Services, Predictive Analytics, Digital Interactive Services, McCamish Insurance Utilities. In terms of vertical capabilities, Infosys McCamish aims to increase its solution footprint while leveraging on automation and Digital CX to surpass market expectations in the Insurance vertical. Similarly we will aim to further improve capabilities to improve customers' experiences in mortgage space. Infosys BPM has so far emerged as a trusted and valued collaboration partner for clients and an employer of choice for aspiring professionals

### 3 Our competition

We operate in a highly competitive and rapidly changing market. At one end of the spectrum, we compete with consulting firms such as Accenture Limited and Deloitte Consulting LLP. We also compete with divisions of large multinational technology firms such as Capgemini, Hewlett-Packard Company and IBM Corporation. Besides these, we directly compete with core Business Process Management players such as TCS BPS, Genpact Limited, Wipro BPM, EXL Service and WNS Global Services. In the future, we expect intensified competition from these firms also from new platform Business Process as a Service (BPaaS) players and captives. Among pure-play competition Infosys BPM has consistently lead on growth and margins for FY20. We understand that price alone cannot constitute a sustainable competitive advantage and we have improvised on our ability to attract and retain talent in the organization. We have also strengthened our articulation of long-term value to potential clients. We are focusing on increasing the scale and breadth of service offerings to provide one-stop solutions for customer needs.

## V. Outlook, risk and concerns

This section contains forward-looking statements that involve risks and uncertainties. Our actual results could differ materially from those anticipated in these statements as a result of certain factors

The following lists our outlook, risks and concerns:

- The full impact of the recent COVID-19 pandemic is still only being evaluated as most of our clients are evaluating their short and long term liabilities, and financial exposure, forecasting shortages and fortifying their infrastructure projects and spend forecasts to safeguard their supply chains and to secure their pricing in the short to medium term.
- We are witnessing a wait-and-watch approach from a large number of our clients on ramp ups and renewals leading to delays in signings, transitions and roll out of new RFPs. The response in case of new deals is largely tepid with decisions cycles becoming longer.
- Our revenues and expenses are difficult to predict and can vary significantly from period to period. We may not be able to sustain our previous profit margins or levels of profitability
- The economic environment, pricing pressure and decreased employee utilization rates could potentially negatively impact our revenues
- Our revenues are highly dependent on clients primarily located in the US and Europe, as well as on clients concentrated in certain industries. An economic or industry slowdown in these regions may affect our business
- Our success depends largely on our ability to attract, hire, train, motivate and retain talent
- Intense competition in the market for technology services could affect our cost advantages
- Our revenues are highly dependent upon a small number of clients, and the loss of any one of our major clients could significantly impact our business
- Restrictive legislation in certain countries could limit companies in those countries from outsourcing work to us, or could inhibit our ability to staff client projects in a timely manner
- Some of our long-term client contracts contain benchmarking provisions which, if triggered, could result in lower future revenues and profitability under the contract

- Our business will suffer if we fail to anticipate and develop new services in order to keep pace with rapid changes in technology
- Disruptions in telecommunications, system failures, or cyber-attacks could harm our ability to execute our Global Delivery Model, which could result in client dissatisfaction and a reduction of our revenues
- Our reputation could be at risk and we may be liable to our clients for damages caused by cyber security incidents
- The markets in which we operate are subject to the risk of earthquakes, floods, tsunamis and other natural and manmade disasters
- Our net income would decrease if the Government of India reduces or withdraws tax benefits and other incentives it provides to us or when our tax holidays expire or terminate
- Wage pressures in India and the hiring of employees outside India may prevent us from sustaining our competitive advantage and may reduce our profit margins
- Terrorist attacks or a war could adversely affect our business, results of operations and financial condition

## VI. Internal control system and their adequacy

The CEO and CFO certification provided in the CEO and CFO Certification section of the Annual Report discusses the adequacy of our internal control systems and procedures.

## VII. Material developments in human resources / industrial relations, including number of people employed

Our culture and reputation as a leader in the business process outsourcing services industry enables us to recruit and retain some of the best available talent in India.

# Risk management report

Note: The risk-related information outlined in this section may not be exhaustive. The discussion may contain statements that are forward-looking in nature. Our business is subject to uncertainties that could cause actual results to differ materially from those reflected in the forward-looking statements. If any of the risks materializes, our business, financial conditions or prospects could be materially and adversely affected. Our business, operating results, financial performance or prospects could also be harmed by risks and uncertainties not currently known to us or that we currently do not believe are material. Readers are advised to refer to the detailed discussion of risk factors and related disclosures in our regulatory filings, and exercise their own judgment in assessing risks associated with the Company.

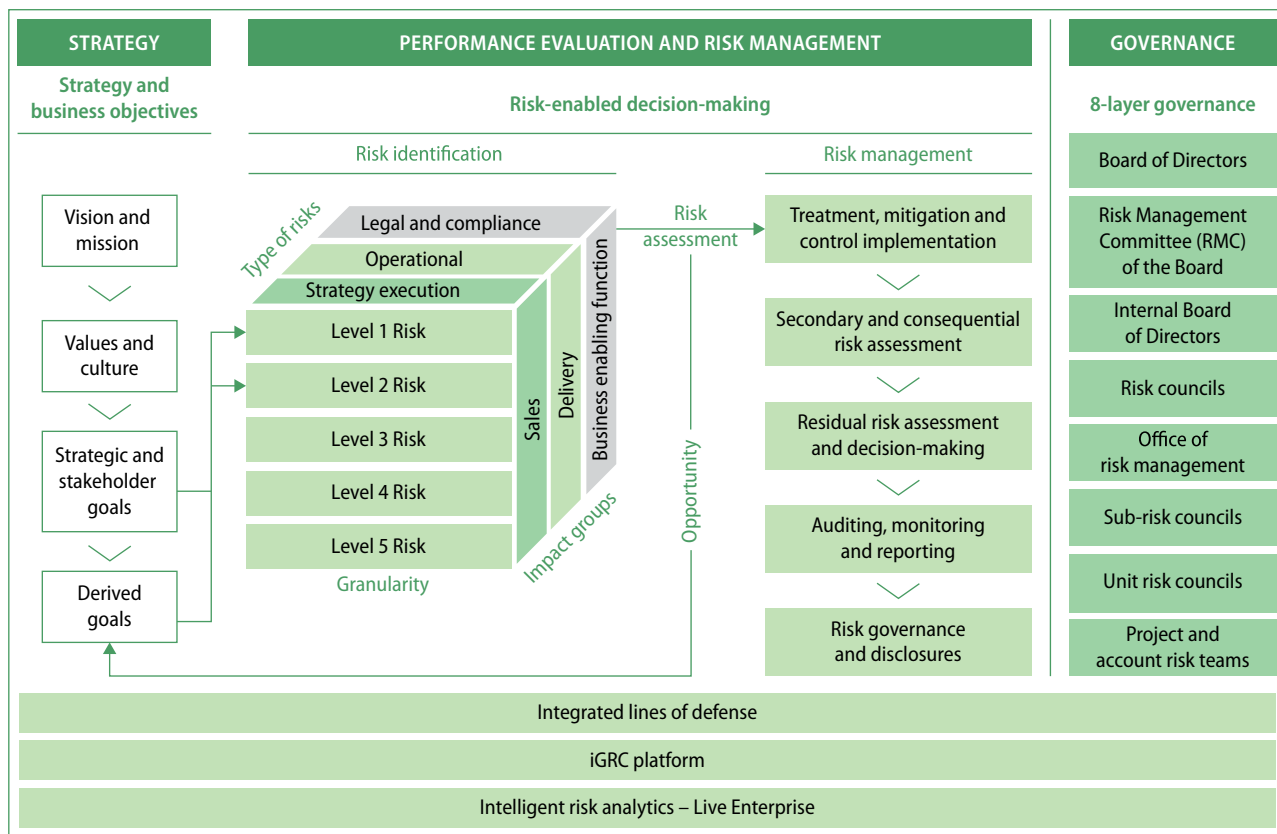
## Overview

Our Enterprise Risk Management (ERM) function enables the achievement of the Company’s strategic objectives by identifying, analyzing, assessing, mitigating, monitoring and governing any risk or potential threat to these objectives. While this is the key driver, our values, culture and commitment to stakeholders – employees, customers, investors, regulatory bodies, partners and the community around us – are the foundation for our ERM framework.

The systematic and proactive identification of risks, and mitigation thereof, enables our organization to boost performance with effective and timely decision-making. Strategic decisions are taken after careful consideration of primary risks, secondary risks, consequential risks and residual risks. The ERM function also enables effective resource allocation through structured qualitative and quantitative risk impact assessment and prioritization based on our risk appetite. Our ERM framework encompasses all of the Company’s risks such as strategic, operational, and legal and compliance risks. Any of these categories can have internal or external dimensions. Hence, appropriate risk indicators are used to identify these risks proactively. We take cognizance of risks faced by our key stakeholders and their cumulative impact while framing our risk responses.

Infosys BPM Limited has adopted the new integrated risk management framework that is being implemented across the Group companies. The new framework is based on international standards and tailored to suit business needs of Infosys Group including Infosys BPM Limited.

## Integrated Enterprise Risk Management Framework



## Risk governance structure

At the corporate level, leadership team led by Chief Executive Officer is responsible for managing the risks. The Board of Directors (“the Board”) govern the management of risks. Risks are identified by risk management functions or roles at different levels in the organization and are presented at the appropriate councils in the governance structure. Critical risks or cross

functional risks at each level are escalated to the next level in the governance structure. Critical risks under different categories of risks at the group level are reviewed by Chief Executive Officer, Chief Operating Officer, Chief Financial Officer, Chief Risk Officer and General Counsel in various councils. Critical risks from these councils are presented to the i IBPM Board and then to the risk and strategy committee of the Board on a quarterly basis.

The key highlights of the ERM framework adopted by Infosys BPM Limited are as follows:

- Subsidiary level sub risk councils comprising of the CEO, CFO, Head of Quality and Head of Risk Management, along with group CRO, review all internal and external risks such as the business strategy risks, people risks, market risks, delivery risks, IP related risks to name a few, on a quarterly basis.
- All critical strategic and strategic execution risks are presented to group strategic and strategic execution risk council (SSERC) on a quarterly basis.
- Operational and legal and compliance risks at the subsidiary are routed to group operational risk council, and legal and compliance risk council which meet once a quarter.
- The day-to-day implementation of the risk management process are undertaken by respective functional teams and their implementation are overseen at the organization level by a Risk Management Core Group comprising members from each of the BEF and operations. On a monthly basis, this team reviews all the incidents, exceptions, and suggests necessary changes to the appropriate policies, processes, technology and standards for implementation and communication to stakeholders

Please refer to *Risk management report* in Infosys Annual Report 2019-20 for details of Infosys integrated risks management framework.

### Risk management highlights of the year

During the year, our focus was on extending the adoption of the new integrated ERM framework and strengthening the risk management program. We carried out following risk management activities during last fiscal:

- Regularly assessed strategic threats to our business, especially relating to product roadmap, business strategy, market risks, etc.
- Reviewed key operational risks applicable to BPM and the impact to our business.
- Reviewed legal and compliance risks applicable to BPM and the impact to our business

### Third party assurance

Infosys BPM's internal controls are also audited by third party and this is done via Attestation Standards (AT 801) which is an internationally recognized auditing standard developed by International Auditing and Assurance Standards Board (IAASB), which is part of the International Federation of Accountants (IFAC). AT 801 audit suggests that a service organization has been through an in depth audit of control activities, which generally include controls over information technology and related processes. Infosys BPM has been providing all clean reports since 2004. The audit is conducted by one of big four audit firms.

Infosys BPM has covered the following locations for SOC1, Type 2 audit: Manila (Alabang & BGC), Philippines; Bengaluru, Chennai (TRIL & TIDEL), Pune, Jaipur and Gurgaon, India; Lodz, Poland; Brno, Czech Republic; Dalian and Hangzhou, China; Monterrey, Mexico; Belo Horizonte, Brazil; San Jose, Costa Rica; Arizona, Phoenix; Aguadilla, Puerto Rico.



## Report on health, safety and environment

One of the prerequisites for conducting business responsibly is a safe, healthy, and environment-friendly workplace. Ozone, the Health, Safety and Environmental Management System (HSEMS) at Infosys, has evolved over the years into a robust management system guided by requirements from multiple stakeholders, including clients, internal customers, vendor partners, law enforcement and regulatory bodies, and the communities in which we operate from. There is an increased focus globally on the needs and expectations of stakeholders, increased public concern over environmental issues and occupational health and safety, and greater emphasis on compliance with legislations and other requirements. Systems have been established in accordance with internationally recognized standards / specifications and Infosys is certified to ISO14001:2015 and OHSAS 18001:2007 in India locations. Protecting the environment, providing the right workplace ambience, and safeguarding health and safety of personnel including employees, contract workers and visitors, are strategic priorities for us. The HSEMS includes well-defined policies and procedures and also strives to keep interested parties well-informed, trained and committed to our HSE process.

The various processes under the initiative includes and are not limited to:

### Risk management

Risk management includes the identification of hazards and environmental impacts for all activities (including new or modified activities, products and services) assessment of their impacts, implementation of measures to minimize or control the impacts, and monitoring the same in a structured manner.

### Incident reporting and investigation

Incidents can be reported by employees through an internal application or through an email reporting mechanism. Incidents reported are investigated and analyzed, and appropriate corrective actions and preventive measures are taken to reduce future injuries and losses. The investigations focus on root causes and system failures.

### Health and Safety

An Occupational Health and Safety (OH&S) Committee is set up in each Development Center. This committee is made up of OH&S representatives who represent employees of a designated workgroup. The OH&S committee brings employees and the Management together in a non-adversarial, cooperative effort to promote OH&S within the entire workplace. The committee would discuss, explore, study and make recommendations on various OH&S-related issues. The committee will also provide employees with the opportunity to voice concerns relating to hazards. The committee is chaired by the DC Head in the locations.

### SAFE – Secure affirmative fun environment

SAFE initiative is committed to ensure Safe Affirmative Fun environment to employees. This is a comprehensive physical and psychological health initiative, customized to an IT and ITES environment and constantly innovating to cater

to the needs of the employees with offerings which include interactive portals, quizzes, comprehensive health and well-being plan for employees with offerings such as preventive healthcare options for employees and families, health checks, talks, consultations, fitness related interventions, and health awareness campaigns. Safety Week and Health Week – comprising of master health check-ups and focused health and stress campaigns, was conducted in our campuses which saw good participation by employees.

A hotline help and the psychological counseling that provide timely, expert help to employees and their families on issues related to relationships, stress, depression and personal issues is also established.

### Environment

Conservation of resources has been a focus to be progressively self-sustainable, to reduce operational costs, and an important first step towards reducing our carbon footprint. Focused efforts on reducing our carbon footprint started in 2008, with energy efficiency as the first step, followed by renewable energy, and implementing carbon offset projects with strong socio-economic benefits.

**Energy:** Reduction in power consumption has been achieved due to various initiatives. One such significant initiative was replacement of the chilled water air conditioning units in the data center at Pune. 4 units were replaced with precision air conditioners. Another was replacement with LED fixtures at Pune and both these initiatives have resulted in savings of around 3,00,000 units annually.

**Water:** We believe water is a precious resource and follow the 3 Rs strategy – Reduce, Recycle and Reuse – for reducing our water consumption. Demand side measures and awareness creation, smart metering to track real time water usage, advanced technology Sewage treatment plants with automation and effective Reuse within the campuses, have reduced our per capita water consumption significantly. In addition to this, rainwater harvesting through lakes, recharge wells and rooftop rainwater collection have a positive impact on the water table.

- **Waste management:** We strive to reuse, recycle and responsibly dispose waste. Waste is segregated at source and disposed to authorized recyclers in adherence to applicable legislations. We are working on effective organic waste recycling through initiatives like establishment of biogas plants, organic waste converters etc., in our campuses
- **Carbon offsets:** Creating a positive impact in the rural communities has continued to be our priority. This year, we initiated one of the largest household biogas projects in India, with dual focus – providing clean smoke-free kitchens for women and children, while also promoting organic farming. We also started an efficient cookstove project that can reduce the dependence on firewood and provide clean kitchens in rural districts of Maharashtra. This project is in addition to the six projects that continue to run, in the areas of efficient cook stoves (04), biogas (01) and rural electrification (01). These projects together

will directly benefit of over 125,000 families across rural India. Our projects align to India's commitment to the United Nations Sustainable Development Goals (UN SDGs) by reducing poverty, improving good health and well-being, clean energy, climate action, amongst others. This is in addition to generating emission reductions that help Infosys move towards carbon neutrality.

Infosys had committed to becoming carbon neutral by this fiscal. However, given the unprecedented uncertainty because of COVID-19, we have now moved that to fiscal 2021.

Infosys made a commitment in 2011 to become carbon neutral. Since then, we have been relentlessly working towards this goal. This year, the United Nations recognized our achievements under the carbon neutral program. Infosys received the 2019 UN Global Climate Action Award under the 'Climate Neutral Now' category at the UN Climate Change Conference, COP25, in Spain, Madrid. Infosys became the first Indian corporate to achieve this distinction. We were recognized for not only the innovative solutions to address climate change, but also our approach of integrating sustainable development goals such as poverty alleviation, gender equality, and economic opportunity with our climate action.

### Assessments and reviews

Health, Safety and Environment performance, effectiveness of processes and programs for achievement of established HSE objectives and targets are evaluated through periodic reviews and audits of the HSEMS.

Blue star chilled water units replaced with precision air conditioner units

### HSE awareness

Training needs are identified based on the nature of jobs, which may have a significant impact on the environment or may pose occupational health and safety risks. Training includes awareness building, mock drills, classroom sessions and periodic demonstrations. Various campaigns were held across development centers to create awareness amongst employees.

### Business continuity

The Business Continuity Management System (BCMS) initiative at Infosys referred to as the Phoenix program which:

- enables identification of business impacts due to disruption in our services
- identification and management of related risks
- establishment of Business continuity plans which are regularly tested. Corporate, Development Center and Account level plans exist.
- drills and exercises are conducted periodically to test our preparedness levels to handle all potential disasters, and to check the liaison effectiveness and involvement with external organizations. Observations recorded during these mock drills are analyzed and acted upon and the learnings are included in the plans and trainings.

We are also certified to ISO 22301.

## CEO and CFO certification

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### The Board of Directors

#### Infosys BPM Limited, Bengaluru

Dear members of the Board,

We, Anantharaman Radhakrishnan, Chief Executive Officer and Managing Director, and Prem Joseph Pereira, Chief Financial Officer of Infosys BPM Limited, to the best of our knowledge and belief, certify that:

1. We have reviewed the Balance Sheet as at March 31, 2020, Statement of Profit and Loss, the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended and a summary of the significant accounting policies and other explanatory information of the Company and the Board's report for the year ended March 31, 2020.
2. These statements do not contain any materially untrue statement or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report.
3. The financial statements, and other financial information included in this report, present in all material respects, a true and fair view of the Company's affairs, the financial condition, results of operations and cash flows of the Company as at, and for, the periods presented in this report, and are in compliance with the existing accounting standards and / or applicable laws and regulations.
4. There are no transactions entered into by the Company during the year that are fraudulent, illegal or violate the Company's code of conduct and ethics, except as disclosed to the Company's auditors and the Company's audit committee of the Board of Directors.
5. We are responsible for establishing and maintaining disclosure controls and procedures and internal controls over financial reporting for the Company, and we have:
  - a. Designed such disclosure controls and procedures or caused such disclosure controls and procedures to be designed under our supervision to ensure that material information relating to the Company, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared.
  - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with Indian Accounting Standards (Ind AS).
  - c. Evaluated the effectiveness of the Company's disclosure, controls and procedures.
  - d. Disclosed in this report any changes, if any, in the Company's internal control over financial reporting that occurred during the Company's most recent fiscal year that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting.
6. We have disclosed, based on our most recent evaluation of Company's internal control over financial reporting, wherever applicable, to the Company's auditors and the audit committee of the Company's Board (and persons performing the equivalent functions)
  - a. Any deficiencies in the design or operation of internal controls, that could adversely affect the Company's ability to record, process, summarize and report financial data, and there have been no material weaknesses in internal controls over financial reporting including any corrective actions with regard to deficiencies.
  - b. Any significant changes in internal controls during the year covered by this report.
  - c. All significant changes in accounting policies during the year, if any, and that the same have been disclosed in the notes to the financial statements.
  - d. Any instances of significant fraud of which we are aware, that involve the Management or other employees who have a significant role in the Company's internal control system.
7. We affirm that we have not denied any personnel, access to the audit committee of the Company (in respect of matters involving alleged misconduct) and we have provided protection to whistleblowers from unfair termination and other unfair or prejudicial employment practices.
8. We further declare that all Board members and senior managerial personnel have affirmed compliance with the Code of Conduct and ethics for the year covered by this report.

Bengaluru  
April 16, 2020

Sd / -  
Anantharaman Radhakrishnan  
Managing Director and Chief Executive Officer

Sd / -  
Prem Joseph Pereira  
Chief Financial Officer

# Standalone financial statements under Indian Accounting Standards (Ind AS) for the year ended March 31, 2020

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## Index

Independent Auditor's Report

Balance Sheet

Statement of Profit and Loss

Statement of Changes in Equity

Statement of Cash Flows

### 1. Overview

1.1 Company overview

1.2 Basis of preparation of financial statements

1.3 Use of estimates and judgements

1.4 Critical accounting estimates

### 2. Notes to Standalone financial statements

2.1 Property, plant and equipment

2.2 Leases

2.3 Investments

2.4 Loans

2.5 Other financial assets

2.6 Trade receivables

2.7 Cash and cash equivalents

2.8 Other assets

2.9 Financial instruments

2.10 Equity

2.11 Other financial liabilities

2.12 Trade payables

2.13 Other liabilities

2.14 Provisions

2.15 Income taxes

2.16 Revenue from operations

2.17 Other Income, net

2.18 Expenses

2.19 Employee benefits

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

2.21 Contingent liabilities and commitments (to the extent not provided for)

2.22 Related party transactions

2.23 Segment reporting

2.24 Corporate social responsibility

2.25 Function wise classification of Statement of Profit and Loss

# Independent Auditor's Report

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To the members of Infosys BPM Limited

## Report on the Audit of the Standalone Financial Statements

### Opinion

We have audited the accompanying standalone financial statements of Infosys BPM Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2020, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows ended on that date, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

### Basis for Opinion

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

### Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the standalone financial statements and our auditor's report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### Management's Responsibilities for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, including other comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

The Board of Directors are responsible for overseeing the Company's financial reporting process.

## Auditor's Responsibilities for the Audit of the Standalone Financial Statements

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

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

## Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the relevant books of account.
  - d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.
  - e) On the basis of the written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164(2) of the Act.
  - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of Section 197(16) of the Act, as amended: In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of Section 197 of the Act.
- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements.
  - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts;
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
- 2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For Deloitte Haskins & Sells LLP

(Firm's Registration number : 117366W/W-100018)

*Chartered Accountants*

Anand Subramanian

*Partner*

(Membership number : 110815)

UDIN: 20110815AAAAAR8591

Place: Bengaluru

Date: April 16, 2020



## Annexure “A” to the Independent Auditor’s Report

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(Referred to in paragraph 1 (f) under ‘Report on Other Legal and Regulatory Requirements’ Section of our report to the Members of Infosys BPM Limited of even date)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

We have audited the internal financial controls over financial reporting of Infosys BPM limited (“the Company”) as of March 31, 2020 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

### Management’s Responsibility for Internal Financial Controls

The Board of Directors of the Company is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (“ICAI”). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to respective company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

### Auditor’s Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (“the Guidance Note”) issued by the ICAI and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained, is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting.

### Meaning of Internal Financial Controls over Financial Reporting

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

### Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

## Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2020, based on the internal financial control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

For Deloitte Haskins & Sells LLP

(Firm's Registration number :117366W/W-100018)

*Chartered Accountants*

Anand Subramanian

*Partner*

(Membership number : 110815)

UDIN: 20110815AAAAAR8591

Place: Bengaluru

Date: April 16, 2020

## Annexure 'B' to the Independent auditor's report

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Infosys BPM Limited of even date)

- i. In respect of the Company's fixed assets:
  - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
  - (b) The Company has a program of verification to cover all the items of fixed assets in a phased manner which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain fixed assets were physically verified by the Management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
  - (c) In respect of immovable properties of land and building that have been taken on lease and disclosed as fixed assets in the standalone financial statements, the lease agreements are in the name of the Company.
- ii. The Company is in the business of providing business process management services and does not have any physical inventories. Accordingly, reporting under Clause 3 (ii) of the Order is not applicable to the Company.
- iii. The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Act.
- iv. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Act in respect of grant of loans, making investments and providing guarantees and securities, as applicable.
- v. The Company has not accepted deposits during the year and does not have any unclaimed deposits as at March 31, 2020 and therefore, the provisions of the Clause 3 (v) of the Order are not applicable to the Company.
- vi. The maintenance of cost records has not been specified by the Central Government under Section 148(1) of the Companies Act, 2013 for the business activities carried out by the Company. Thus reporting under Clause 3(vi) of the order is not applicable to the Company.
- vii. According to the information and explanations given to us, in respect of statutory dues:
  - (a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income Tax, Goods and Service Tax, Customs Duty, Cess and other material statutory dues applicable to it with the appropriate authorities.
  - (b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income Tax, Goods and Service Tax, Customs Duty, Cess and other material statutory dues in arrears as at March 31, 2020 for a period of more than six months from the date they became payable.
  - (c) Details of dues of Income Tax and Service Tax which have not been deposited as at March 31, 2020 on account of dispute are given below:

Nature of the statute	Nature of dues	Forum where Dispute is Pending	Period to which the	Amount ₹ Crores
The Income Tax Act, 1961	Income Tax	Appellate Tribunal	A.Y. 2011-12 A.Y. 2008-09 to A.Y. 2010-11, A.Y. 2012-13, A.Y. 2013-14, A.Y. 2015-16 and A.Y. 2016-17	-*
Finance Act, 1994	Service Tax	Appellate Authority upto Commissioner's Level	FY. 2004-05 to FY. 2011-12	94.69

\* Indicates amount less than Rs. 1 crore.

- viii. The Company has not taken any loans or borrowings from financial institutions, banks and government or has not issued any debentures. Hence reporting under Clause 3 (viii) of the Order is not applicable to the Company.
- ix. The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans and hence reporting under Clause 3 (ix) of the Order is not applicable to the Company.
- x. To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or no material fraud on the Company by its officers or employees has been noticed or reported during the year.

- xi. In our opinion and according to the information and explanations given to us, the Company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
- xii. The Company is not a Nidhi Company and hence reporting under Clause 3 (xii) of the Order is not applicable to the Company.
- xiii. In our opinion and according to the information and explanations given to us, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013 where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.
- xiv. During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly paid convertible debentures and hence reporting under Clause 3 (xiv) of the Order is not applicable to the Company.
- xv. In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its Directors or persons connected to its directors and hence provisions of Section 192 of the Companies Act, 2013 are not applicable to the Company.
- xvi. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

For Deloitte Haskins & Sells LLP  
(Firm's Registration number :117366W/W-100018)  
*Chartered Accountants*

Anand Subramanian  
*Partner*  
(Membership number : 110815)

UDIN: 20110815AAAAAR8591

Place: Bengaluru  
Date: April 16, 2020

## Balance Sheet

(in ₹ crore)

Particulars	Note no.	As at March 31,	
		2020	2019
<b>ASSETS</b>			
Non-current assets			
Property, plant and equipment	2.1	214	228
Right-of-use assets	2.2	427	–
Capital work-in-progress		–	11
Goodwill		19	19
Financial assets			
Investments	2.3	801	849
Loans	2.4	–	–
Other financial assets	2.5	41	34
Deferred tax assets (net)	2.15	97	58
Income tax assets (net)	2.15	118	96
Other non-current assets	2.8	108	77
Total non-current assets		1,825	1,372
Current assets			
Financial assets			
Investments	2.3	630	535
Trade receivables	2.6	935	715
Cash and cash equivalents	2.7	2,274	1,837
Loans	2.4	21	19
Other financial assets	2.5	297	277
Income tax assets (net)	2.15	7	–
Other current assets	2.8	179	93
Total current assets		4,343	3,476
Total assets		6,168	4,848
<b>EQUITY AND LIABILITIES</b>			
Equity			
Equity share capital	2.10	34	34
Other equity		4,632	4,000
Total equity		4,666	4,034
Liabilities			
Non-current liabilities			
Financial liabilities			
Lease liabilities	2.2	418	–
Other financial liabilities	2.11	1	1
Other non-current liabilities	2.13	–	10
Total non-current liabilities		419	11
Current liabilities			
Financial liabilities			
Trade payables	2.12		
Total outstanding dues of micro enterprises and small enterprises		–	–
Total outstanding dues of creditors other than micro enterprises and small enterprises		55	72
Lease liabilities	2.2	70	–
Other financial liabilities	2.11	523	426
Other current liabilities	2.13	382	261
Provisions	2.14	28	28
Income tax liabilities (net)	2.15	25	16
Total current liabilities		1,083	803
Total equity and liabilities		6,168	4,848

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

As per our report of even date attached for and on behalf of the Board of Directors of Infosys BPM Limited  
for Deloitte Haskins & Sells LLP  
*Chartered Accountants*

Firm's registration number: 117366W/ W-100018

Anand Subramanian  
*Partner*

Membership number: 110815

Ravikumar Singiseti  
*Chairman and Director*

Anantharaman Radhakrishnan  
*Managing Director and Chief Executive Officer*

Prem Pereira  
*Chief Financial Officer*

Bindu Raghavan  
*Company Secretary*

Bengaluru  
April 16, 2020

## Statement of Profit and Loss

in ₹ crore, except equity share and per equity share data

Particulars	Note no.	Year ended March 31,	
		2020	2019
Revenue from operations	2.16	4,595	3,932
Other income, net	2.17	290	225
Total income		4,885	4,157
Expenses			
Employee benefit expenses	2.18	2,926	2,434
Cost of technical sub-contractors and professional charges	2.18	385	302
Travel expenses		150	161
Rent		32	115
Depreciation and amortization expense	2.1 & 2.2	153	83
Finance cost	2.2	32	–
Other expenses	2.18	349	279
Total expenses		4,027	3,374
Profit before tax		858	783
Tax expense:			
Current tax	2.15	244	195
Deferred tax	2.15	(34)	(8)
Profit for the year		648	596
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss			
Remeasurement of the net defined benefit liability / asset, net		(3)	(4)
		(3)	(4)
Items that will be reclassified subsequently to profit or loss			
Fair value changes on investments, net	2.3	6	1
		6	1
Total other comprehensive income / (loss), net of tax		3	(3)
Total comprehensive income for the year		651	593
Earnings per equity share			
Equity shares of par value ₹ 10 each			
Basic and diluted (₹)		191.61	176.30
Weighted average number of equity shares used in computing earnings per equity share			
Basic and diluted	2.20	3,38,27,751	3,38,27,751

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

As per our report of even date attached

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

for Deloitte Haskins & Sells LLP

Chartered Accountants

Firm's registration number:117366W/ W-100018

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Company Secretary

Bengaluru

April 16, 2020



## Statement of Changes in Equity

(in ₹ crore)

Particulars	Equity share capital	Other equity					Other comprehensive income	Total equity attributable to equity holders of the Company
		Reserves and surplus						
		Securities premium <sup>(2)</sup>	Retained earnings	Capital reserve	General reserve	Special economic zone re-investment reserve <sup>(1) (2)</sup>		
Balance as at April 1, 2018	34	25	2,376	1	1,000	24	(19)	3,441
Changes in equity for the year ended March 31, 2019								
Profit for the period	–	–	596	–	–	–	–	596
Fair value changes on investments, net of tax (Refer to Note 2.3)	–	–	–	–	–	–	1	1
Remeasurement of the net defined benefit liability / asset, net of tax	–	–	–	–	–	–	(4)	(4)
Total comprehensive income for the year	–	–	596	–	–	–	(3)	593
Transfer to Special Economic Zone Re-investment Reserve	–	–	(110)	–	–	110	–	–
Transfer from Special Economic Zone Re-investment Reserve on utilization	–	–	44	–	–	(44)	–	–
Balance as at March 31, 2019	34	25	2,906	1	1,000	90	(22)	4,034
Balance as at April 1, 2019	34	25	2,906	1	1,000	90	(22)	4,034
Impact on account of adoption of Ind AS 116 (Refer to Note 2.2)								
	–	–	(19)	–	–	–	–	(19)
	34	25	2,887	1	1,000	90	(22)	4,015
Changes in equity for the year ended March 31, 2020								
Profit for the period	–	–	648	–	–	–	–	648
Fair value changes on investments, net of tax (Refer to Note 2.3)	–	–	–	–	–	–	6	6
Remeasurement of the net defined benefit liability / asset, net of tax	–	–	–	–	–	–	(3)	(3)
Total comprehensive income for the year	–	–	648	–	–	–	3	651
Transfer to Special Economic Zone Re-investment Reserve	–	–	(116)	–	–	116	–	–
Transfer from Special Economic Zone Re-investment Reserve on utilization	–	–	45	–	–	(45)	–	–
Balance as at March 31, 2020	34	25	3,464	1	1,000	161	(19)	4,666

<sup>(1)</sup> The Special Economic Zone Re-investment Reserve has been created out of the profit of eligible SEZ units in terms of the provisions of Section 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.

<sup>(2)</sup> A description of the purposes of each reserve within equity have been disclosed in Note 2.10.

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

As per our report of even date attached

for Deloitte Haskins & Sells LLP

*Chartered Accountants*

Firm's registration number: 117366W/ W-100018

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

Anand Subramanian

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Ravikumar Singiseti

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*Managing Director and Chief Executive Officer*

Prem Pereira

*Chief Financial Officer*

Bindu Raghavan

*Company Secretary*

Bengaluru

April 16, 2020

## Statement of Cash Flows

### Accounting Policy

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

(in ₹ crore)

Particulars	Note no.	Year ended March 31,	
		2020	2019
Cash flow from operating activities:			
Profit for the year		648	596
Adjustments to reconcile net profit to net cash provided by operating activities:			
Depreciation and amortization expense	2.1 and 2.2	153	83
Finance cost	2.2	32	–
Income tax expense	2.15	210	187
Sale of duty scrips		(27)	–
Profit on sale of property, plant and equipment		(1)	(1)
Interest on bank deposits and others		(170)	(102)
Income on other financial assets		(54)	(81)
Exchange differences on translation of assets and liabilities		(2)	(11)
Allowance for credit loss on financial assets		6	8
Other adjustments		9	6
Changes in assets and liabilities			
Trade receivables and unbilled revenue		(262)	(235)
Loans and other financial assets and other assets		(92)	(108)
Trade payables		(17)	43
Other financial liabilities, other liabilities and provisions		236	216
Cash generated from operations		669	601
Income taxes paid		(259)	(208)
Net cash generated by operating activities		410	393
Cash flow from investing activities:			
Expenditure on property, plant and equipment, net of sale proceeds		(70)	(61)
Loans to employees		(4)	(1)
Deposits placed with corporation		(10)	(16)
Interest received on bank deposits and others		202	129
Investment in subsidiary	2.3	–	(14)
Payment to acquire financial assets			
Non-convertible debentures		(252)	(66)
Certificates of deposit		(238)	(342)
Government bonds		(7)	(6)
Liquid mutual fund units and fixed maturity plan securities		(2,992)	(4,296)
Proceeds on sale of financial assets			
Non-convertible debentures		100	136
Government bonds		6	–
Certificates of deposit		370	390
Liquid mutual fund units and fixed maturity plan securities		3,006	4,277
Net cash (used in) / generated from investing activities		111	130
Cash flows from financing activities:			
Payment of lease liabilities	2.2	(85)	–
Net cash used in financing activities		(85)	–

Particulars	Note no.	Year ended March 31,	
		2020	2019
Effect of exchange differences on translation of foreign currency cash and cash equivalents		1	11
Net increase in cash and cash equivalents		436	523
Cash and cash equivalents at the beginning of the period	2.7	1,837	1,303
Cash and cash equivalents at the end of the year	2.7	2,274	1,837
Supplementary information:			
Restricted cash balance	2.7	–	–

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

As per our report of even date attached

for Deloitte Haskins & Sells LLP

*Chartered Accountants*

Firm's registration number:117366W/ W-100018

Anand Subramanian

*Partner*

Membership number: 110815

Bengaluru

April 16, 2020

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

Ravikumar Singiseti

*Chairman and Director*

Prem Pereira

*Chief Financial Officer*

Anantharaman Radhakrishnan

*Managing Director and Chief Executive Officer*

Bindu Raghavan

*Company Secretary*

# Notes to the Standalone Financial Statements

## 1. Overview

### 1.1 Company overview

Infosys BPM Limited (“Infosys BPM” or “the Company”) (formerly known as Infosys BPO Limited) was incorporated on April 3, 2002 to provide business process management services to organizations that outsource their business processes. Infosys BPM is a majority-owned and controlled subsidiary of Infosys Limited. The Company helps clients improve their competitive positioning by managing their business processes in addition to providing increased value.

The Company is a public limited company incorporated and domiciled in India and has its registered office at Bengaluru, Karnataka, India. The Company is a majority-owned and controlled subsidiary of Infosys Limited. The name of the Company was changed from Infosys BPO Limited to Infosys BPM Limited with effect from December 18, 2017.

The standalone financial statements are approved by the Company's Board of Directors on April 16, 2020.

### 1.2 Basis of preparation of financial statements

These standalone financial statements are prepared in accordance with Indian Accounting Standards (Ind AS), under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values, the provisions of the Companies Act, 2013 ('the Act') (to the extent notified). The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued thereafter.

Accounting policies have been applied consistently to all periods presented in these standalone financial statements except where a newly-issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

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

### 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 the standalone financial statements have been disclosed in Note 1.4. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial

statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the standalone financial statements.

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

The Company has considered the possible effects that may result from the pandemic relating to COVID-19 on the carrying amounts of receivables, unbilled revenues and investment in subsidiaries. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the Company, as at the date of approval of these financial statements has used internal and external sources of information and related information, and economic forecasts. The Company expects to recover the carrying amount of these assets and will continue to closely monitor any material changes to future economic conditions.

### 1.4 Critical accounting estimates

#### a. Revenue recognition

The Company's contracts with customers include promises to transfer multiple products and services to a customer.

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

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

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

The 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 determine the actual efforts or costs expended to date as a proportion of

the estimated total efforts or costs to be incurred. Efforts or costs expended have been used to measure progress towards completion as there is a direct relationship between input and productivity. The estimation of total efforts or costs involves significant judgment and is assessed throughout the period of the contract to reflect any changes based on the latest available information.

Provisions for estimated losses, if any, on uncompleted contracts are recorded in the period in which such losses become probable based on the estimated efforts or costs to complete the contract. Also, Refer to Note 2.16.

#### b. Income taxes

The Company's major tax jurisdiction is India even though the Company also files tax returns in other overseas jurisdiction. Significant judgments are involved in determining the provision for income taxes, including amount expected to be paid / recovered for uncertain tax positions. Also, Refer to Note 2.15.

#### 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 the 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. Also, Refer to Note 2.1.

#### d. Leases

Ind AS 116 requires lessees to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Company makes an assessment on the expected lease term on a lease-by-lease basis and thereby assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. In evaluating the lease term, the Company considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of the lease and the importance of the underlying asset to Infosys BPM's operations taking into account the location of the underlying asset and the availability of suitable alternatives. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances. Also, Refer to Note 2.2.

### 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 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 <sup>(1)</sup>	22-25 years
Plant and machinery <sup>(1)</sup>	5 years
Computer equipment <sup>(1)</sup>	3-5 years
Furniture and fixtures <sup>(1)</sup>	5 years
Office equipment <sup>(1)</sup>	5 years
Leasehold improvements	Over the lease term or 5 years whichever is lower

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

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 or 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 generated 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 amortization or depreciation) had no impairment loss been recognized for the asset in prior years.

The changes in the carrying value of property, plant and equipment for the year ended March 31, 2020 are as follows:

(in ₹ crore)

Particulars	Land – Leasehold	Buildings	Leasehold improvement	Plant and machinery	Office equipment	Computer equipment	Furniture and fixtures	Total
Gross carrying value as at April 1, 2019	12	154	118	61	111	308	67	831
Reclassified on account of adoption of Ind AS 116 (Refer to Note 2.2)	(12)	–	–	–	–	–	–	(12)
Additions	–	1	16	2	5	50	4	78
Deletions	–	–	(2)	–	(5)	(13)	(3)	(23)
Gross carrying value as at March 31, 2020	–	155	132	63	111	345	68	874
Accumulated depreciation as at April 1, 2019	1	67	93	45	104	233	60	603
Reclassified on account of adoption of Ind AS 116 (Refer to Note 2.2)	(1)	–	–	–	–	–	–	(1)
Depreciation	–	6	15	7	4	44	3	79
Accumulated depreciation on deletions	–	–	(1)	–	(5)	(13)	(2)	(21)
Accumulated depreciation as at March 31, 2020	–	73	107	52	103	264	61	660
Carrying value as at March 31, 2020	–	82	25	11	8	81	7	214
Carrying value as at April 1, 2019	11	87	25	16	7	75	7	228

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- Leasehold <sup>(1)</sup>	Buildings	Leasehold improvement	Plant and machinery	Office equipment	Computer equipment	Furniture and fixtures	Total
Gross carrying value as at April 1, 2018	12	153	114	59	113	270	66	787
Additions	–	1	6	2	2	47	4	62
Deletions	–	–	(2)	–	(4)	(9)	(3)	(18)
Gross carrying value as at March 31, 2019	12	154	118	61	111	308	67	831
Accumulated depreciation as at April 1, 2018	1	61	77	37	104	201	57	538
Depreciation	–	6	18	8	4	41	6	83
Accumulated depreciation on deletions	–	–	(2)	–	(4)	(9)	(3)	(18)
Accumulated depreciation as at March 31, 2019	1	67	93	45	104	233	60	603
Carrying value as at March 31, 2019	11	87	25	16	7	75	7	228
Carrying value as at April 1, 2018	11	92	37	22	9	69	9	249

<sup>(1)</sup> Gross carrying value of leasehold land represents amounts paid under certain lease-cum-sale agreement to acquire land including agreement where the Company has an option to purchase or renew the property on expiry of the lease period.

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



## 2.2 Leases

### Accounting policy

#### The Company as a lessee

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

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

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

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

ROU assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. ROU assets are evaluated for recoverability whenever events or changes in circumstances indicate 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 as Cash Generating Unit (CGU) to which the asset belongs.

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

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

#### The Company as a lessor

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

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

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

#### Transition

Effective April 1, 2019, the Company adopted Ind AS 116, Leases and applied the standard to all lease contracts existing on April 1, 2019 using the modified retrospective method and has taken the cumulative adjustment to retained earnings, on the date of initial application. Consequently, the Company recorded the lease liability at the present value of the lease payments discounted at the incremental borrowing rate and the ROU asset at its carrying amount as if the standard had been applied since the commencement date of the lease, but discounted at the Company's incremental borrowing rate at the date of initial application. Comparatives as at and for the year ended March 31, 2019 have not been retrospectively adjusted and therefore will continue to be reported under the accounting policies included as part of our annual financial statements for year ended March 31, 2019.

On transition, the adoption of the new standard resulted in recognition of ROU asset of ₹409 crore and a lease liability of ₹446 crore. Further, upon transition, the Company reclassified leasehold land previously accounted as finance lease under property, plant and equipment to ROU asset and deferred rent accounted under other liabilities to retained earnings. The cumulative effect of applying the standard of ₹19 crore was adjusted in retained earnings, net of taxes. Ind AS 116 will result in an increase in cash inflows from operating activities and an increase in cash outflows from financing activities on account of lease payments.

The following is the summary of practical expedients elected on initial application:

1. Applied a single discount rate to a portfolio of leases of similar assets in similar economic environment with a similar end date
2. Applied the exemption not to recognize ROU assets and liabilities for leases with less than 12 months of lease term on the date of initial application
3. Excluded the initial direct costs from the measurement of the ROU asset at the date of initial application.
4. Applied the practical expedient to grandfather the assessment of which transactions are leases. Accordingly, Ind AS 116 is applied only to contracts that were previously identified as leases under Ind AS 17.

The difference between the lease obligation recorded as of March 31, 2019 under Ind AS 17 disclosed under Note 2.12 of the 2019 Annual financial statements and the value of the

lease liability as of April 1, 2019 is primarily on account of inclusion of extension and termination options reasonably certain to be exercised, in measuring the lease liability in accordance with Ind AS 116.

The weighted average incremental borrowing rate applied to lease liabilities as at April 1, 2019 is 7%.

The changes in the carrying value of right-of-use assets for the year ended March 31, 2020 are as follows:

Particulars	Category of ROU asset		Total
	Land	Buildings	
Balance as of April 1, 2019	–	409	409
Reclassified on account of adoption of Ind AS 116 (Refer to Note 2.1)	11	–	11
Additions	–	103	103
Deletions	–	(22)	(22)
Amortization	(1)	(73)	(74)
Balance as of March 31, 2020	10	417	427

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

The break-up of current and non-current lease liabilities as at March 31, 2020 is as follows:

Particulars	Amount
Non-current lease liabilities	418
Current lease liabilities	70
Total	488

The movement in lease liabilities during the year ended March 31, 2020 is as follows:

Particulars	Amount
Balance as of April 1, 2019	446
Additions	103
Deletions	(25)
Finance cost accrued during the period	32
Payment of lease liabilities	(85)
Translation difference	17
Balance as of March 31, 2020	488

Rental expense recorded for short-term leases was ₹32 crore for the year ended March 31, 2020.

The table below provides details regarding the contractual maturities of lease liabilities as at March 31, 2020 on an undiscounted basis:

Particulars	Amount
Less than one year	99
One to five years	311
More than five years	221
Total	631

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

## 2.3 Investments

Particulars	As at March 31,	
	2020	2019
Non-current investments		
Equity instruments of subsidiaries	582	582
Government bonds	8	–
Non-convertible debentures	211	210
Fixed maturity plan securities	–	57
Total non-current investments	801	849
Current investments		
Liquid mutual fund units	66	70
Fixed maturity plan securities	61	–
Government bonds	–	6
Certificates of deposit	241	359
Non-convertible debentures	262	100
Total current investments	630	535
Total carrying value	1,431	1,384

(in ₹ crore) except as otherwise stated

Particulars	As at March 31,	
	2020	2019
Non-current investments		
Unquoted		
Investments carried at cost		
Investments in equity instruments of subsidiaries		
Infosys (Czech Republic) Limited s.r.o.	3	3
Infosys Poland Sp z o.o, 5,000 (5,000) equity shares of PLN 500 each, fully paid	59	59
Infosys McCamish Systems LLC	289	289
Portland Group Pty. Limited, 17,45,00,000 (17,45,00,000) equity share of AUD 1 each, fully paid	211	211
Infosys BPO Americas LLC	20	20
	582	582
Quoted		
Investments carried at amortized cost		
Government bonds (Refer to Note 2.3.2)	8	–
	8	–

Particulars	As at March 31,	
	2020	2019
Investments carried at fair value through other comprehensive income		
Non-convertible debentures (Refer to Note 2.3.3)	211	210
	211	210
Investments carried at fair value through profit or loss		
Fixed maturity plan securities (Refer to Note 2.3.4)	–	57
	–	57
Total non-current investments	801	849
Current investments		
Unquoted		
Investments carried at fair value through profit or loss		
Liquid mutual fund units (Refer to Note 2.3.1)	66	70
	66	70
Investments carried at fair value through other comprehensive income		
Certificates of deposit (Refer to Note 2.3.5)	241	359
	241	359
Quoted		
Investments carried at amortized cost		
Government bonds (Refer to Note 2.3.2)	–	6
	–	6
Investments carried at fair value through other comprehensive income		
Non-convertible debentures (Refer to Note 2.3.3)	262	100
	262	100
Investments carried at fair value through profit or loss		
Fixed maturity plan securities (Refer to Note 2.3.4)	61	–
	61	–
Total current investments	630	535
Total investments	1,431	1,384

Aggregate amount of quoted investments	542	373
Market value of quoted investments (including interest accrued thereon) –		
Non-current	219	267
Market value of quoted investments (including interest accrued thereon) –		
Current	323	104
Aggregate amount of unquoted investments	889	1,011
Investment carried at cost	582	582
Investment carried at amortized cost	8	6
Investment carried at fair value through other comprehensive income	714	669
Investment carried at fair value through profit or loss	127	127

Refer to Note 2.9 for accounting policies on financial instruments.

### Method of fair valuation

Class of investment	Method	As at March 31,	
		2020	2019
Non-convertible debentures	Quoted price and market observable inputs	473	310
Fixed maturity plan securities	Market observable inputs	61	57
Liquid mutual fund units	Quoted price	66	70
Certificates of deposit	Market observable inputs	241	359

(in ₹ crore)

### 2.3.1 Details of investments in liquid mutual fund units

The balances held in liquid mutual fund units as at March 31, 2020 and March 31, 2019 are as follows:

(in ₹ crore)

Particulars	As at March 31, 2020		As at March 31, 2019	
	Units	Amount	Units	Amount
Aditya Birla Sun Life Cash Plus – Growth – Direct Plan	1,533,992	49	1,332,847	40
HDFC Liquid Fund – Direct Plan – Growth Option	–	–	40,821	15
IDFC Corporate Bond – Fund Direct Plan	11,902,495	17	11,902,495	15
	13,436,487	66	13,276,163	70

### 2.3.2 Details of investments in government bonds

The balances held in government bonds as at March 31, 2020 and March 31, 2019 are as follows:

(in ₹ crore)

Particulars	As at March 31, 2020		As at March 31, 2019	
	Units	Amount	Units	Amount
Philippine T Bill PHY6972HAZ92 MAT Date MAY 29, 2019	–	–	–	6
Philippine T Bill PHY6972HAF39 MAT Date MAY 29, 2019	–	8	–	–
	–	8	–	6

### 2.3.3 Details of investments in non-convertible debentures

The balances held in non-convertible debentures as at March 31, 2020 and March 31, 2019 are as follows:

(in ₹ crore)

Particulars	As at March 31, 2020		As at March 31, 2019	
	Units	Amount	Units	Amount
8.60% Life Insurance Corporation Housing Finance Limited July 22, 020	1,000	107	1,000	106
8.60% Life Insurance Corporation Housing Finance Limited July 29, 2020	350	37	350	37
8.80% Life Insurance Corporation Housing Finance Limited December 24, 2020	650	66	650	67
7.78% Housing Development Finance Corporation Ltd March 24, 2020	–	–	100	100
7.585% Life Insurance Corporation Housing Finance Limited June 11, 2020	500	52	–	–
8.58% Housing Development Finance Corporation Ltd March 22, 2022	1,250	129	–	–
8.50% Life Insurance Corporation Housing Finance Limited June 20, 2022	750	82	–	–
	4,500	473	2,100	310

### 2.3.4 Details of investments in fixed maturity plan securities

The balances held in fixed maturity plan securities as at March 31, 2020 and March 31, 2019 are as follows:

(in ₹ crore)

Particulars	As at March 31, 2020		As at March 31, 2019	
	Units	Amount	Units	Amount
ICICI FMP Series 80 – 1194 D Plan F Div	15,000,000	19	15,000,000	17
Nippon India Fixed Horizon Fund – XXXII Series 8 – Dividend Plan	15,000,000	18	15,000,000	16
HDFC FMP 1155D February 2017 – Direct Growth Series 37	10,000,000	12	10,000,000	12
Aditya Birla Sunlife Fixed-Term Plan – Series OD (1,145 days)	10,000,000	12	10,000,000	12
	50,000,000	61	50,000,000	57

### 2.3.5 Details of investments in certificate of deposits

The balances held in certificate of deposits as at March 31, 2020 and March 31, 2019 are as follows:

Particulars	(in ₹ crore)			
	As at March 31, 2020		As at March 31, 2019	
	Units	Amount	Units	Amount
Kotak Mahindra Bank Limited CD September 27, 2019	–	–	27,000	261
Axis Bank Limited CD August 9, 2019	–	–	10,000	98
Axis Bank Limited CD 30 October 30, 2020	10,000	97	–	–
Axis Bank Limited CD 13 January 13, 2021	10,000	96	–	–
Axis Bank Limited CD 17 November 17, 2020	5,000	48	–	–
	25,000	241	37,000	359

### 2.4 Loans

Particulars	(in ₹ crore)	
	As at March 31,	
	2020	2019
Non-current		
Unsecured, considered doubtful		
Loans to employees	5	5
Less: Allowance for doubtful loans to employees	5	5
Total non-current loans	–	–
Current		
Unsecured, considered good		
Loans to employees	21	19
Total current loans	21	19
Total loans	21	19

### 2.5 Other financial assets

Particulars	(in ₹ crore)	
	As at March 31,	
	2020	2019
Non-current		
Security deposits <sup>(1)</sup>	3	3
Rental deposits <sup>(1)</sup>	38	31
Total non-current other financial assets	41	34
Current		
Security deposits <sup>(1)</sup>	1	–
Rental deposits <sup>(1)</sup>	1	–
Restricted deposits <sup>(1)**</sup>	108	98
Unbilled revenues <sup>(1) (3)*</sup>	158	127
Interest accrued but not due <sup>(1)</sup>	25	37
Foreign currency forward contracts <sup>(2)</sup>	–	14
Others <sup>(1) (3) (3)</sup>	4	1
Total current other financial assets	297	277
Total other financial assets	338	311
<sup>(1)</sup> Financial assets carried at amortized cost	338	297
<sup>(2)</sup> Financial assets carried at fair value through Profit or Loss	–	14
<sup>(3)</sup> Includes dues from holding company, subsidiaries and other group companies (Refer to Note 2.22)	7	7

\* Classified as financial asset as right to consideration is conditional upon passage of time.

\*\* Restricted deposits represent deposit with financial institutions to settle employees compensated absences obligations as and when they arise during the normal course of business.

## 2.6 Trade receivables

Particulars	(in ₹ crore)	
	As at March 31,	
	2020	2019
Current <sup>(2)</sup>		
Unsecured		
Considered good <sup>(1)</sup>	935	715
Considered doubtful	18	15
	953	730
Less: Allowances for credit losses	18	15
Total trade receivables	935	715
<sup>(1)</sup> Includes dues from companies where directors are interested		
<sup>(2)</sup> Includes dues from holding company, subsidiaries and other group companies (Refer to Note 2.22)	65	60

## 2.7 Cash and cash equivalents

Particulars	(in ₹ crore)	
	As at March 31,	
	2020	2019
Balances with banks		
In current and deposit accounts	1,574	1,154
Cash on hand	–	–
Others		
Deposits with financial institution	700	683
	2,274	1,837
Deposits with more than 12 months maturity	555	400

Cash and cash equivalents as at March 31, 2020 and March 31, 2019 include restricted bank balances of less than ₹ 1 crore each. This represents restricted bank balance, in trust account, in accordance with collection agency licensing requirements. The deposits maintained by the Company with banks and financial institutions comprise of time deposits, which can be withdrawn by the Company at any point without prior notice or penalty on the principal.

## 2.8 Other assets

Particulars	(in ₹ crore)	
	As at March 31,	
	2020	2019
Non-current		
Capital advances	–	1
Advances other than capital advance		
Prepaid gratuity	–	4
Others		
Prepaid expenses	1	1
Deferred contract cost <sup>(2)</sup>	90	51
Withholding taxes and others <sup>(3)</sup>	17	20
Total non-current other assets	108	77

Particulars	As at March 31,	
	2020	2019
Current		
Advances other than capital advance		
Payment to vendors for supply of goods	11	10
Others		
Prepaid expenses	31	17
Deferred contract cost <sup>(2)</sup>	22	7
Withholding taxes and others <sup>(3)</sup>	68	48
Unbilled revenues <sup>(1)</sup>	19	11
Others	28	–
Total current other assets	179	93
Total other assets	287	170

- <sup>(1)</sup> Classified as non-financial asset as contractual right to consideration is dependent on completion of contractual milestones.
- <sup>(2)</sup> Deferred contract costs are upfront costs incurred for the contract and are amortized over the term of the contract. Cost which are expected to be amortized within twelve months from the Balance Sheet date have been presented as current. During year ended March 31, 2020, incremental costs of ₹ 66 crore have been recorded as deferred contract costs incurred with respect to acquisition of two contracts.
- <sup>(3)</sup> Withholding and the other taxes primarily consists of input tax credit.

## 2.9 Financial instruments

### Accounting policy

#### 2.9.1 Initial recognition

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

#### 2.9.2 Subsequent measurement

##### a. Non-derivative financial instruments

###### (i) Financial assets carried at amortized cost

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

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

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the

contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Further, in cases where the Company has made an irrevocable election based on its business model, for its investments which are classified as equity instruments, the subsequent changes in fair value are recognized in other comprehensive income.

#### (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 has 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 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.

### 2.9.3 Derecognition of financial instruments

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

### 2.9.4 Fair value of financial instruments

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

Refer to financial instruments by category table below for the disclosure on carrying value and fair value on 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 short maturity of these instruments.

### 2.9.5 Impairment

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



## Financial instruments by category

The carrying value and fair value of financial instruments by categories as at March 31, 2020 are as follows:

Particulars	Amortized cost	(in ₹ crore)				Total carrying value	Total fair value
		Financial assets / liabilities at fair value through profit or loss		Financial assets / liabilities at fair value through OCI			
		Designated upon initial recognition	Mandatory	Equity instruments designated upon initial recognition	Mandatory		
Assets:							
Cash and cash equivalents (Refer to Note 2.7)	2,274	–	–	–	–	2,274	2,274
Investments (Refer to Note 2.3)							
Non-convertible debentures <sup>(1)</sup>	–	–	–	–	473	473	473
Government bonds	8	–	–	–	–	8	8
Liquid mutual fund units	–	–	66	–	–	66	66
Fixed maturity plan securities	–	–	61	–	–	61	61
Certificates of deposit	–	–	–	–	241	241	241
Trade receivables (Refer to Note 2.6)	935	–	–	–	–	935	935
Loans (Refer to Note 2.4)	21	–	–	–	–	21	21
Other financial assets (Refer to Note 2.5) <sup>(2)</sup>	338	–	–	–	–	338	338
<b>Total</b>	<b>3,576</b>	<b>–</b>	<b>127</b>	<b>–</b>	<b>714</b>	<b>4,417</b>	<b>4,417</b>
Liabilities:							
Trade payables (Refer to Note 2.12)	55	–	–	–	–	55	55
Lease liabilities (Refer to Note 2.2)	488	–	–	–	–	488	488
Other financial liabilities (Refer to Note 2.11)	407	–	18	–	–	425	425
<b>Total</b>	<b>950</b>	<b>–</b>	<b>18</b>	<b>–</b>	<b>–</b>	<b>968</b>	<b>968</b>

<sup>(1)</sup> The carrying value of debentures approximates fair value as the instruments are at prevailing market rates.

<sup>(2)</sup> Excludes unbilled revenue of fixed-price development contract where contractual right to consideration is dependent on factors other than passage of time.

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

Particulars	Amortized cost	(in ₹ crore)				Total carrying value	Total fair value
		Financial assets / liabilities at fair value through profit or loss		Financial assets / liabilities at fair value through OCI			
		Designated upon initial recognition	Mandatory	Equity instruments designated upon initial recognition	Mandatory		
Assets:							
Cash and cash equivalents (Refer to Note 2.7)	1,837	–	–	–	–	1,837	1,837
Investments (Refer to Note 2.3)							
Non-convertible debentures <sup>(1)</sup>	–	–	–	–	310	310	310
Government bonds	6	–	–	–	–	6	6
Liquid mutual fund units	–	–	70	–	–	70	70
Fixed maturity plan securities	–	–	57	–	–	57	57
Certificates of deposit	–	–	–	–	359	359	359

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		
Trade receivables (Refer to Note 2.6)	715	–	–	–	–	715	715
Loans (Refer to Note 2.4)	19	–	–	–	–	19	19
Other financial assets (Refer to Note 2.5) <sup>(2)</sup>	297	–	14	–	–	311	311
<b>Total</b>	<b>2,874</b>	<b>–</b>	<b>141</b>	<b>–</b>	<b>669</b>	<b>3,684</b>	<b>3,684</b>
<b>Liabilities</b>							
Trade payables (Refer to Note 2.12)	72	–	–	–	–	72	72
Other financial liabilities (Refer to Note 2.11)	345	–	1	–	–	346	346
<b>Total</b>	<b>417</b>	<b>–</b>	<b>1</b>	<b>–</b>	<b>–</b>	<b>418</b>	<b>418</b>

<sup>(1)</sup> The carrying value of debentures approximates fair value as the instruments are at prevailing market rates.

<sup>(2)</sup> Excludes unbilled revenue of fixed-price development contract where contractual right to consideration is dependent on factors other than passage of time.

### Fair value hierarchy

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

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

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

The fair value hierarchy of assets and liabilities measured at fair value as at March 31, 2020 is as follows :

Particulars	As at March 31, 2020	Fair value measurement at end of the reporting year using		
		Level 1	Level 2	Level 3
		(in ₹ crore)		
<b>Assets</b>				
Investments in liquid mutual fund units (Refer to Note 2.3)	66	66	–	–
Investment in non-convertible debentures (Refer to Note 2.3) <sup>(1)</sup>	473	473	–	–
Investment in fixed maturity plan securities (Refer to Note 2.3)	61	–	61	–
Investment in certificates of deposit (Refer to Note 2.3)	241	–	241	–
<b>Liabilities</b>				
Derivative financial instruments - Fair value loss on outstanding foreign currency forward contracts (Refer to Note 2.11)	18	–	18	–

<sup>(1)</sup> During the year ended March 31, 2020, the non-convertible debentures of ₹ 143 crore were transferred from Level 2 to Level 1, since they were valued based on Quoted price.

The fair value hierarchy of assets and liabilities measured at fair value as at March 31, 2019 was as follows:

Particulars	As at March 31, 2019	Fair value measurement at end of the reporting year using		
		Level 1	Level 2	Level 3
		(in ₹ crore)		
<b>Assets</b>				
Investments in liquid mutual fund units (Refer to Note 2.3)	70	70	–	–
Investment in non-convertible debentures (Refer to Note 2.3)	310	167	143	–
Investment in fixed maturity plan securities (Refer to Note 2.3)	57	–	57	–
Investment in certificates of deposit (Refer to Note 2.3)	359	–	359	–
Derivative financial instruments – Fair value gain on outstanding foreign currency forward contracts (Refer to Note 2.5)	14	–	14	–
<b>Liabilities</b>				
Derivative financial instruments – Fair value loss on outstanding foreign exchange forward contracts (Refer to Note 2.11)	1	–	1	–

## 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 contracts to mitigate the risk of changes in exchange rates on foreign currency exposures. The exchange rate between the rupee and foreign currencies has changed substantially in recent years and may fluctuate substantially in the future. Consequently, the results of the Company's operations are adversely affected as the rupee appreciates/ depreciates against these currencies.

The following table analyzes foreign currency risk from monetary assets and liabilities as at March 31, 2020:

Particulars	(in ₹ crore)					
	US dollars	Euro	United Kingdom Pound Sterling	Australian dollars	Other currencies	Total
Cash and cash equivalents	65	21	3	6	14	109
Trade receivables	636	155	56	34	12	893
Other financial assets (including loans)	145	15	6	3	10	179
Trade payables	(27)	(2)	(4)	(2)	(1)	(36)
Other financial liabilities	(127)	(62)	(12)	(14)	(20)	(235)
Lease liabilities	(43)	(25)	(18)	(8)	(130)	(224)
Net assets / (liabilities)	649	102	31	19	(115)	686

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

Particulars	(in ₹ crore)					
	US dollars	Euro	United Kingdom Pound Sterling	Australian dollars	Other currencies	Total
Cash and cash equivalents	30	22	10	3	7	72
Trade receivables	498	48	83	44	10	683
Other financial assets (including loans)	121	13	8	6	8	156
Trade payables	(31)	(1)	(7)	(2)	(3)	(44)
Other financial liabilities	(93)	(17)	(10)	(11)	(23)	(154)
Net assets / (liabilities)	525	65	84	40	(1)	713

### Sensitivity analysis between Indian Rupee and US Dollar

Particulars	Year ended March 31,	
	2020	2019
Impact on the Company's incremental Operating Margins	0.36%	0.38%

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 exchange forward 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 inputs that are directly or indirectly observable in the marketplace.

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

Particulars	As at March 31,			
	2020		2019	
	In million	in ₹ crore	In million	in ₹ crore
Forward contracts				
In USD	59	446	83	574
In EUR	4	33	5	39
In GBP	–	–	10	90
In AUD	2	9	8	37
In PHP	400	60	–	–
Total forwards		548		740

The foreign exchange forward 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 March 31,	
	2020	2019
Not later than one month	123	351
Later than one month and not later than three months	425	389
Later than three months and not later than one year	–	–
	548	740

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

Particulars	(in ₹ crore)			
	As at March 31,			
	2020		2019	
	Derivative financial asset	Derivative financial liability	Derivative financial asset	Derivative financial liability
Gross amount of recognized financial asset/liability	–	(18)	14	(1)
Amount set off	–	–	–	–
Net amount presented in the Balance Sheet	–	(18)	14	(1)

## 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 ₹ 935 crore and ₹ 715 crore as March 31, 2020 and March 31, 2019, respectively and unbilled revenue amounting to ₹ 177 crore and ₹ 138 crore as at March 31, 2020 and March 31, 2019, respectively. Trade receivables and unbilled revenue are typically unsecured and are derived from revenue earned from customers primarily located in the United States.

Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the 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 following table gives details in respect of percentage of revenues generated from top customer and top ten customers: in %

Particulars	Year ended March 31,	
	2020	2019
Revenue from top customer	13%	8%
Revenue from top ten customers	42%	40%

### Credit risk exposure

The allowance for lifetime expected credit loss on customer balances is ₹ 4 crore and ₹ 6 crore for the year ended March 31, 2020 and March 31, 2019, respectively.

(in ₹ crore)

Particulars	Year ended March 31,	
	2020	2019
Balance at the beginning	15	8
Provisions recognized / (reversed)	4	6
Write-offs	–	–
Translation differences	(1)	1
Balance at the end	18	15

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. Investment primarily include investment in liquid mutual fund units, fixed maturity plan securities, quoted bonds issued by the government and quasi-government organizations, non-convertible debentures issued by government aided institutions and certificates of deposit.

### 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 borrowing. The Company believes that the working capital is sufficient to meet its current requirements. Accordingly, no liquidity risk is perceived.

As at March 31, 2020, the Company had a working capital of ₹ 3,260 crore including cash and cash equivalents of ₹ 2,274 crore and current investments of ₹ 630 crore. As at March 31, 2019, the Company had a working capital of ₹ 2,673 crore including cash and cash equivalents of ₹ 1,837 crore and current investments of ₹ 535 crore.

As at March 31, 2020 and March 31, 2019, the outstanding compensated absences were ₹ 99 crore and ₹ 81 crore, respectively, which have been substantially funded. Accordingly, no liquidity risk perceived.

The table below provides details regarding the contractual maturities of significant financial liabilities as at March 31, 2020: (in ₹ crore)

Particulars	Less than 1 year	1-2 years	2-4 years	4-7 years	Total
Trade payables	55	–	–	–	55
Other financial liabilities (Refer to Note 2.11)	425	–	–	–	425

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

Particulars	Less than 1 year	1-2 years	2-4 years	4-7 years	Total
Trade payables	72	–	–	–	72
Other financial liabilities (Refer to Note 2.11)	346	–	–	–	346

## 2.10 Equity

### Accounting policy

#### Ordinary shares

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

#### I) Equity share capital

(in ₹ crore) except as otherwise stated

Particulars	As at March 31,	
	2020	2019
Authorized		
Equity shares, ₹ 10 par value		
12,33,75,000 (12,33,75,000) equity shares	123	123
Issued, subscribed and paid-up		
Equity shares, ₹ 10 par value		
3,38,27,751 (3,38,27,751) equity shares fully paid-up		
(Of the above 3,38,23,444 equity shares are held by the holding company, Infosys Limited)	34	34
	34	34

The Company has only one class of shares referred to as equity shares having a par value of ₹ 10. Each holder of equity shares is entitled to one vote per 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.

The details of shareholder holding more than 5% shares as at March 31, 2020 and March 31, 2019 are as follows:

Name of the shareholder	As at March 31,			
	2020		2019	
	Number of shares*	% held	Number of shares	% held
Infosys Limited, the holding company	3,38,23,444	99.99	3,38,22,319	99.98

\* Increase in shareholding of Infosys limited is due to transfer of 1,125 equity shares from the other shareholders during year ended March 31, 2020.

#### II) Other equity

(in ₹ crore), except as otherwise stated

Particulars	As at March 31,	
	2020	2019
i) Other reserves		
Others		
Securities premium <sup>(1)</sup>	25	25
Capital reserve	1	1
ii) Special Economic Zone Re-investment Reserve	161	90
	187	116

<sup>(1)</sup> The amount received in excess of par value has been classified as securities premium

#### 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 rupee.

## 2.11 Other financial liabilities

(in ₹ crore)

Particulars	As at March 31,	
	2020	2019
Non-current		
Others		
Compensated absences	1	1
Total non-current other financial liabilities	1	1
Current		
Others		
Accrued compensation to employees <sup>(1)</sup>	188	171
Accrued expenses <sup>(1) (3)</sup>	157	141
Compensated absences	98	80
Capital creditors <sup>(1)</sup>	4	10
Other payables <sup>(1) (4) *</sup>	58	23
Foreign currency forward contracts <sup>(2)</sup>	18	1
Total current other financial liabilities	523	426
Total other financial liabilities	524	427

Particulars	As at March 31,	
	2020	2019
<sup>(1)</sup> Financial liability carried at amortized cost	407	345
<sup>(2)</sup> Financial liability carried at fair value through profit or loss	18	1
<sup>(3)</sup> Includes dues to holding company (Refer to Note 2.22)	–	2
<sup>(4)</sup> Includes dues to holding, subsidiaries and other group companies (Refer to Note 2.22)	7	6
*Includes contract cost liability of ₹19 crores for acquisition of a contract		

## 2.12 Trade payables

Particulars	(in ₹ crore) As at March 31,	
	2020	2019
Current		
Total outstanding dues of micro enterprises and small enterprises	–	–
Total outstanding dues of creditors other than micro enterprises and small enterprises <sup>(1)</sup>	55	72
	55	72
<sup>(1)</sup> Includes dues to holding, subsidiaries and other group companies (Refer to Note 2.22)	27	22

## 2.13 Other liabilities

Particulars	(in ₹ crore) As at March 31,	
	2020	2019
Non-current		
Deferred rent*	–	10
Total non-current other liabilities	–	10
Current		
Unearned revenue	293	184
Others		
Withholding taxes and others	88	70
Deferred rent*	–	2
Client deposits	1	5
Total current other liabilities	382	261
Total other liabilities	382	271

\* On adoption of Ind AS 116, the balance in deferred rent has been adjusted in retained earnings (Refer to Note 2.2).

## 2.14 Provisions

### Accounting Policy

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

#### a. Post-sales client support

The Company provides its clients with a fixed-period post-sales support on its fixed-price, fixed-timeframe and time and material contracts. Costs associated with such support services are accrued at the time related revenues are recorded and included in Statement of Profit or 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.

The Company provides its clients with a fixed-period post-sales support on its fixed-price, fixed-timeframe and time and material contracts. Costs associated with such support services are accrued at the time related revenues are recorded and included in Statement of Profit or 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.

The provision for post-sales client support and others as at March 31, 2020 and March 31, 2019 is as follows:

Particulars	(in ₹ crore) As at March 31,	
	2020	2019
Others		
Post-sales client support and others	28	28
Total provisions	28	28



## Provision for post-sales client support and others

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

Particulars	(in ₹ crore)	
	As at March 31,	
	2020	2019
Balance at the beginning	28	22
Provision recognized / (reversed)	5	14
Provision utilized	(5)	(8)
Exchange difference	–	–
Balance at the end	28	28

Provision for post-sales client support and others are expected to be utilized over a period of six months to one year period.

## 2.15 Income taxes

### Accounting policy

Income tax expense comprises current and deferred income tax. Income tax expense is recognized in net profit in the Statement of Profit and Loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in other comprehensive income. Current income tax for current and prior periods is recognized at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date. Deferred income tax assets and liabilities are recognized for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

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

The Company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously. 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:

Particulars	(in ₹ crore)	
	Year ended March 31,	
	2020	2019
Current taxes	244	195
Deferred taxes	(34)	(8)
Income tax expense	210	187

Income tax expense for the year ended March 31, 2020 and March 31, 2019 includes reversal (net of additional provisions) of ₹ 15 crore and ₹ 6 crore respectively, pertaining to earlier periods.

Income tax expense for the year ended March 31, 2020 and March 31, 2019 includes MAT credit of less than ₹ 1 crore and ₹ 4 crore, respectively, pertaining to earlier periods.

Entire deferred income tax for the year ended March 31, 2020 and March 31, 2019 relates to origination and reversal of temporary differences.

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

Particulars	(in ₹ crore)	
	Year ended March 31,	
	2020	2019
Profit before income taxes	858	783
Enacted tax rates in India	34.94%	34.94%
Computed expected tax expense	300	274
Tax effect due to non-taxable income for Indian tax purposes	(84)	(75)
Tax effect of non-deductible losses of 10AA units	3	–
Overseas taxes	14	11
Tax provision (reversals)	(15)	(10)
Effect of non-deductible expenses	(2)	(6)
Others	(6)	(7)
Income tax expense	210	187

The applicable Indian statutory tax rates for fiscal 2020 and fiscal 2019 is 34.94% and 34.94% respectively.

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

The details of income tax assets and income tax liabilities as of March 31, 2020 and March 31, 2019 are as follows:

Particulars	(in ₹ crore)	
	As at March 31,	
	2020	2019
Income tax assets	125	96
Current income tax liabilities	(25)	(16)
Net income tax assets / (liability) at the end	100	80

The gross movement in the current income tax asset / (liability) for the year ended March 31, 2020 and March 31, 2019 is as follows:

Particulars	(in ₹ crore)	
	Year ended March 31,	
	2020	2019
Net income tax asset / (liability) at the beginning	80	65
Translation differences	4	–
Income tax paid	259	208
Income tax expense	(244)	(199)
MAT credit utilization	–	4
Income tax on other comprehensive income	1	2
Net income tax asset / (liability) at the end	100	80

The movement in gross deferred income tax assets and liabilities for the year ended March 31, 2020 is as follows:

Particulars	Carrying value as on April 1, 2019	Changes through profit and loss	Changes through OCI	Impact on account of Ind AS 116	Translation difference	Carrying value as on March 31, 2020
Deferred income tax assets						
Property, plant and equipment	29	4	–	–	–	33
Lease liabilities	3	7	–	6	–	16
Compensated absences	23	5	–	–	–	28
Trade receivables	5	2	–	–	–	7
Derivative financial Instruments	(5)	11	–	–	–	6
Others	3	5	(1)	–	–	7
Total deferred tax assets	58	34	(1)	6	–	97

The movement in gross deferred income tax assets and liabilities for the year ended March 31, 2019 was as follows:

Particulars	Carrying value as on April 1, 2018	Changes through profit and loss	Changes through OCI	Impact on account of Ind AS 116	Translation difference	Carrying value as on March 31, 2019
Deferred income tax assets						
Property, plant and equipment	22	7	–	–	–	29
Compensated absences	20	3	–	–	–	23
Trade receivables	3	2	–	–	–	5
Derivative financial instruments	–	(5)	–	–	–	(5)
Others	5	1	–	–	–	6
Total deferred tax assets	50	8	–	–	–	58

Deferred tax assets and deferred tax liabilities have been offset wherever the Company has a legally enforceable right to set off current tax assets against current tax liabilities and where the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority.

In assessing the realizability of deferred income tax assets, management considers whether some portion or all 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.

The credits relating to temporary differences during the year ended March 31, 2020 and March 31, 2019 are primarily on account of property, plant and equipment, compensated absences, lease liability and others partially offset by reversal of credits pertaining to derivative financial instruments.

## 2.16 Revenue from operations

### Accounting policy

The Company derives revenues primarily from business process management services. Arrangements with customers for business process management services are either on a fixed-timeframe, unit of work or on a time-and-material basis.

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

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

Revenue on time-and-material contracts are recognized as the related services are performed. Fixed-price business process management services revenue is recognized ratably either on a straight-line basis when services are performed through an indefinite number of repetitive acts over a specified period or using a percentage-of-completion method when the pattern of benefits from the services rendered to the customer and the Company’s costs to fulfil the contract is not even through the period of contract because the services are generally discrete in nature and not repetitive.

Revenue from other fixed-timeframe contracts, where the performance obligations are satisfied over time is recognized using the percentage-of-completion method. Efforts or costs expended have been used to determine progress towards completion as there is a direct relationship between input and productivity. Progress towards completion is measured as the ratio of costs or efforts incurred to date (representing work performed) to the estimated total costs or efforts. Estimates of transaction price and total costs or efforts are continuously monitored over the lives of the contracts and are recognized in profit or loss in the period when these estimates change or when the estimates are revised. Revenues and the estimated total costs or efforts are subject to revision as the contract progresses. Provisions for estimated losses, if any, on uncompleted contracts are recorded in the period in which such losses become probable based on the estimated efforts or costs to complete the contract.

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

The Company’s contracts may include variable consideration including rebates, volume discounts and penalties. The Company includes variable consideration as part of transaction price when there is a basis to reasonably estimate the amount

of the variable consideration and when it is probable that a significant reversal of cumulative revenue recognized will not occur when the uncertainty associated with the variable consideration is resolved.

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

The incremental costs of obtaining a contract (i.e., costs that would not have been incurred if the contract had not been obtained) are recognized as an asset if the Company expects to recover them. Any capitalized contract costs are amortized, with the expense recognized as the Company transfers the related goods or services to the customer.

Revenue from operations for the and year ended March 31, 2020 and March 31, 2019 is as follows:

Particulars	(in ₹ crore)	
	Year ended March 31,	
	2020	2019
Income from business process management services	4,595	3,932
	4,595	3,932

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

### Disaggregate revenue information

The table below presents disaggregated revenues from contracts with customers for year ended March 31, 2020 and March 31, 2019 by offerings. 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	(in ₹ crore)	
	Year ended March 31,	
	2020	2019
Revenue by offerings		
Digital	523	384
Core	4,072	3,548
Total	4,595	3,932

### Digital services

Digital services comprise of service and solution offerings of Infosys BPM that enable our clients to digitally transform their business processes. These include offerings that enhance customer experience through innovative operating models (business platforms), provide business insights that drive improved business outcomes (effectiveness), automate and help accelerate efficiency and productivity and services that assure compliance (such as Sox, GDPR). These solutions leverage AI-based analytics, web-based automation, digital interactive solutions, robotic process automation and platform-based technologies.

### Core services

Infosys BPM is the business process management subsidiary of Infosys, providing end-to-end business processing services for its clients across the globe. Core service offerings are in the areas of industry-specific services (ex: mortgage, claim processing, etc.) and enterprise services (ex: finance and accounting, HRD, supply services, etc.)

### Trade receivables and contract balances

The timing of revenue recognition, billings and cash collections results in receivables, unbilled revenue, and unearned revenue on the Company's Balance Sheet. Amounts are billed as work progresses in accordance with agreed-upon contractual terms, either at periodic intervals (e.g., monthly or quarterly) or upon achievement of contractual milestones. Receivables are rights to consideration that are unconditional. Unbilled revenues comprising revenues in excess of billings from time and material contracts and fixed price business process management services are classified as financial asset when the right to consideration is unconditional and is due only after a passage of time.

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

Invoicing in excess of earnings are classified as unearned revenue.

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

During the year ended March 31, 2020 and March 31, 2019, the Company recognized revenue of ₹ 140 crore and ₹ 33 crore arising from opening unearned revenue as of April 1, 2019 and April 1, 2018 respectively.

During the year ended March 31, 2020 and March 31, 2019, ₹ 11 crore and ₹ 4 crore of unbilled revenue pertaining to fixed-price development contracts as of April 1, 2019 and April 1, 2018 respectively has been reclassified to trade receivables upon billing to customers on completion of milestones.

### Performance obligations and remaining performance obligations

The remaining performance obligation disclosure provides the aggregate amount of the transaction price yet to be recognized as at the end of the reporting period and an explanation as to when the 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 revaluations, adjustment for revenue that has not materialized and adjustments for currency.

The aggregate value of performance obligations that are completely or partially unsatisfied as of March 31, 2020 other than those meeting the exclusion criteria mentioned above, is ₹ 2,800 crore. Out of this, the Company expects to recognize revenue of around 30.20% 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.

### 2.17 Other income, net

#### Accounting policy

#### 2.17.1 Other income

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

#### 2.17.2 Foreign currency

##### a. Functional currency

The functional currency of the Company is the Indian rupee. The standalone financial statements are presented in Indian rupee (rounded off to crore; one crore equals 10 million).

##### c. 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 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 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 and years ended March 31, 2020 and March 31, 2019 is as follows:

Particulars	(in ₹ crore)	
	Year ended March 31,	
	2020	2019
Interest received on financial assets carried at amortized cost		
Government bonds	–	–
Deposit with banks and others	170	102
Interest income on financial assets carried at fair value through other comprehensive income		
Non-convertible debentures	26	26
Certificates of deposit	14	38
Income on investments carried at fair value through profit or loss		
Gains / (losses) on liquid mutual funds units	14	17
Profit / (loss) on sale of property, plant and equipment	1	1
Rental income from holding company	3	3
Exchange gains / (losses) on foreign currency forward contracts	(20)	7
Exchange gains / (losses) on translation of other assets and liabilities	37	4
Miscellaneous income, net*	45	27
	290	225

\* Includes sale of duty scrips of ₹27 crore for the year ended March 31, 2020 (₹25 crores for year ended March 31, 2019).

## 2.18 Expenses

Particulars	(in ₹ crore)	
	Year ended March 31,	
	2020	2019
Employee benefit expenses		
Salaries including bonus	2,796	2,309
Contribution to provident and other funds	96	93
Staff welfare	34	32
	2,926	2,434
Cost of technical sub-contractors and professional charges		
Cost of technical sub-contractors	332	246
Legal and professional	27	33
Recruitment and training	26	23
	385	302
Other expenses		
Consumables	5	7
Brand building and advertisement	7	6
Marketing expenses	6	4
Rates and taxes	5	6
Contribution towards Corporate Social Responsibility	16	16
Communication expenses	66	51
Power and fuel	29	29
Repairs and maintenance	125	94
Bank charges and commission	1	2
Impairment loss recognized / (reversed) under expected credit loss model	4	6
Professional membership and seminar participation fees	1	1
Provision for doubtful loans and advances	2	2
Provision for post sales client support and others	1	6
Cost of software packages	71	40
Insurance	6	4
Auditor's remuneration		
Statutory audit fees	–	1
Tax matters	–	–
Reimbursement of expenses	–	–
Others	4	4
	349	279



## 2.19 Employee benefits

### Accounting policy

#### 2.19.1 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 BPM 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. The actual return of the portfolio of plan assets, in excess of the yields computed by applying the discount rate used to measure the defined benefit obligation is recognized in other comprehensive income. The effect of any plan amendments is recognized in net profits in the Statement of Profit and Loss.

#### 2.19.2 Superannuation

Certain employees of the Company are participants in a defined contribution plan. The Company has no further obligations to the superannuation plan beyond the monthly contribution to the Infosys BPM Limited Employees’ Superannuation Fund Trust, the corpus of which is invested with the Life Insurance Corporation of India.

#### 2.19.3 Pension

Certain employees of the Company are participants in a defined contribution plan. The Company has no further obligations to the pension plan beyond the monthly contributions.

#### 2.19.4 Provident fund

Eligible employees of the Company are participants in defined contribution plan. The Company has no further obligations under the provident fund plan beyond its monthly contributions.

#### 2.19.5 Compensated absences

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

### (a) Gratuity

The following tables set out the funded status of the gratuity plan and the amounts recognized in the Company’s financial statements as of March 31, 2020 and March 31, 2019:

(in ₹ crore)

Particulars	As at March 31,	
	2020	2019
Change in benefit obligations		
Benefit obligations at the beginning	94	78
Service cost	12	11
Interest expense	6	6
Transfer of obligation	(1)	(1)
Remeasurements – Actuarial (gains) / losses	4	8
Benefits paid	(12)	(8)
Benefit obligations at the end	103	94
Change in plan assets		
Fair value of plan assets at the beginning	98	83
Interest income	7	7
Transfer of employees	(1)	(1)
Remeasurements – Return on plan assets excluding amounts included in interest income	–	1
Contributions	11	16
Benefits paid	(12)	(8)
Fair value of plan assets at the end	103	98
Funded status	–	4
Prepaid gratuity asset	–	4

The amount for the year ended March 31, 2020 and March 31, 2019 recognized in the Statement of Profit and Loss under employee benefit expenses are as follows:

(in ₹ crore)

Particulars	Year ended March 31,	
	2020	2019
Service cost	12	11
Net interest on the net defined benefit liability / (asset)	(1)	(1)
Net gratuity cost	11	10

The amount for the year ended March 31, 2020 and March 31, 2019 recognized in the Statement of Other Comprehensive Income are as follows:

(in ₹ crore)

Particulars	Year ended March 31,	
	2020	2019
Remeasurements of the net defined benefit liability / (asset)		
Actuarial (gains) / losses	4	8
(Return) / loss on plan assets excluding amounts included in the net interest on the net defined benefit liability / (asset)	–	(1)
	4	7

Particulars	(in ₹ crore)	
	Year ended March 31,	
	2020	2019
(Gain) / loss from change in demographic assumptions	–	–
(Gain) / loss from change in financial assumptions	2	1
(Gain) / loss from change in experience assumptions	2	7
	4	8

The weighted-average assumptions used to determine benefit obligations as of March 31, 2020 and March 31, 2019 are as follows:

Particulars	As at March 31,	
	2020	2019
Discount rate	6.2	7.1
Weighted average rate of increase in compensation levels	7.5	7.5

The weighted-average assumptions used to determine net periodic benefit cost for the year ended March 31, 2020 and March 31, 2019 are as follows:

Particulars	Year ended March 31,	
	2020	2019
Discount rate (%)	7.1	7.1
Weighted average rate of increase in compensation levels (%)	7.5	7.5
Weighted average duration of defined benefit obligation	5.9 years	5.9 years

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

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

Sensitivity of significant assumptions used for valuation of defined benefit obligations

Impact of percentage point increase / decrease in	(in ₹ crore)	
	As at March 31, 2020	
Discount rate	3	
Weighted average rate of increase in compensation level	2	

Sensitivity for significant actuarial assumptions is computed by varying one actuarial assumption used for the valuation of the defined benefit obligation by one percentage, keeping all other actuarial assumptions constant.

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

The Company contributes all ascertained liabilities towards gratuity to the Infosys BPM Limited Employees' Gratuity Fund Trust. Trustees administer contributions made to the trust. As of March 31, 2020 and March 31, 2019, the plan assets have been primarily invested in insurer managed funds.

Actual return on assets for the year ended March 31, 2020 and March 31, 2019 were ₹ 7 crore and ₹ 7 crore respectively.

Maturity profile of defined benefit obligation:

(in ₹ crore)	
Within 1 year	32
1-2 year	28
2-3 year	24
3-4 year	21
4-5 year	19
5-10 years	51

#### (b) Superannuation

The Company contributed ₹ 6 crore to the Superannuation Trust for the year ended March 31, 2020 (₹ 6 crore for the year ended March 31, 2019).

#### (c) Provident fund

The Company contributed ₹ 78 crore towards Provident Fund for the year ended March 31, 2020 (₹ 72 crore for the year ended March 31, 2019).

#### (d) Pension fund

The Company contributed ₹ 9 crore to pension funds for the year ended March 31, 2020 (₹ 9 crore for the year ended March 31, 2019).

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

### Accounting policy

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

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



A reconciliation of the equity shares used in the computation of basic and diluted earnings per equity share is as follows :

Particulars	As at March 31,	
	2020	2019
Basic earnings per equity share – weighted average number of equity shares outstanding	3,38,27,751	3,38,27,751
Effect of dilutive common equivalent shares	–	–
Diluted earnings per equity share – weighted average number of equity shares and common equivalent shares outstanding	3,38,27,751	3,38,27,751

## 2.21 Contingent liabilities and commitments (to the extent not provided for)

Particulars	As at March 31,	
	2020	2019
Contingent liabilities		
Claims against the Company, not acknowledged as debts <sup>(1)</sup>	126	134

## 2.22 Related party transactions

### List of related parties

Name of subsidiaries	Country	Holding as at March 31,	
		2020	2019
Holding			
Infosys Limited	India	Holding Company	Holding Company
Subsidiaries			
Infosys (Czech Republic) Limited s.r.o. <sup>(1)</sup>	Czech Republic	100%	100%
Infosys Poland Sp z.o.o. <sup>(1)</sup>	Poland	100%	100%
Infosys BPO Americas LLC. <sup>(1)</sup>	US	100%	100%
Infosys McCamish Systems LLC <sup>(1)</sup>	US	100%	100%
Portland Group Pty. Ltd <sup>(1)</sup>	Australia	100%	100%
Infosys Consulting Sp. z.o.o. <sup>(32)</sup>	Poland	100%	–
Fellow subsidiaries	Country		
Infosys Technologies (China) Co. Limited (Infosys China)	China		
Infosys Technologies S. de R. L. de C. V. (Infosys Mexico)	Mexico		
Infosys Technologies (Sweden) AB (Infosys Sweden)	Sweden		
Infosys Technologies (Shanghai) Company Limited (Infosys Shanghai)	China		
Infosys Tecnologia Do Brasil Ltda. (Infosys Brasil) <sup>(25)</sup>	Brazil		
Infosys Nova Holdings LLC. (Infosys Nova)	US		
EdgeVerve Systems Limited (EdgeVerve)	India		
Infosys Austria GmbH (formerly Lodestone Management Consultants GmbH) <sup>(2)</sup>	Austria		
Skava Systems Pvt. Ltd. (Skava Systems)	India		
Kallidus Inc. (Kallidus)	US		
Infosys Chile SpA	Chile		
Infosys Arabia Limited <sup>(3)</sup>	Saudi Arabia		
Infosys Consulting Ltda. <sup>(3)</sup>	Brazil		
Infosys CIS LLC <sup>(2) (18) (26)</sup>	Russia		
Infosys Luxembourg S.a.r.l <sup>(2) (13)</sup>	Luxembourg		
Infosys Americas Inc., (Infosys Americas)	US		

Particulars	As at March 31,	
	2020	2019
[Amount paid to statutory authorities ₹ 49 crore (₹ 64 crore)]		
Commitments		
Estimated amount of contracts remaining to be executed on capital contracts and not provided for (net of advances and deposits)	34	36

<sup>(1)</sup> Claims against the Company not acknowledged as debts includes demand from the Indian Income tax authorities for payment of tax including interest for fiscals 2007, 2008, 2009, 2010, 2011, 2012, 2013, 2015 and 2016. The above matters are pending before various Appellate Authorities.

The Company is contesting the demand and the Management including its tax advisors believes that its position will likely be upheld in the appellate process. The Management believes that the ultimate outcome of these proceedings will not have a material adverse effect on the Company's financial position and results of operations.

Fellow subsidiaries	Country
Infosys Technologies (Australia) Pty. Limited (Infosys Australia) <sup>(4)</sup>	Australia
Infosys Public Services, Inc. USA (Infosys Public Services)	US
Infosys Canada Public Services Inc <sup>(19)</sup>	Canada
Infosys Consulting Holding AG (Infosys Lodestone)	Switzerland
Lodestone Management Consultants Inc. <sup>(5) (11)</sup>	US
Infosys Management Consulting Pty. Limited <sup>(5)</sup>	Australia
Infosys Consulting AG <sup>(5)</sup>	Switzerland
Infosys Consulting GmbH <sup>(5)</sup>	Germany
Infosys Consulting S.R.L. <sup>(2)</sup>	Romania
Infosys Consulting SAS <sup>(5)</sup>	France
Infosys Consulting s.r.o. <sup>(5)</sup>	Czech Republic
Infosys Consulting (Shanghai) Co. Ltd. (formerly Lodestone Management Consultants Co., Ltd) <sup>(5)</sup>	China
Infy Consulting Company Ltd <sup>(5)</sup>	UK
Infy Consulting B.V. <sup>(5)</sup>	The Netherlands
Lodestone Management Consultants Portugal, Unipessoal, Lda. <sup>(5)</sup>	Portugal
Infosys Consulting S.R.L. <sup>(5)</sup>	Argentina
Infosys Consulting (Belgium) NV (formerly Lodestone Management Consultants (Belgium) S.A.) <sup>(6)</sup>	Belgium
Panaya Inc. (Panaya)	US
Panaya Ltd. <sup>(7)</sup>	Israel
Panaya GmbH <sup>(7)</sup>	Germany
Panaya Japan Co. Ltd <sup>(31)</sup>	Japan
Brilliant Basics Holdings Limited (Brilliant Basics) <sup>(2)</sup>	UK
Brilliant Basics Limited <sup>(8)</sup>	UK
Brilliant Basics (MENA) DMCC <sup>(8) (26)</sup>	UAE
Infosys Consulting Pte Limited (Infosys Singapore) <sup>(2)</sup>	Singapore
Infosys Middle East FZ LLC <sup>(9)</sup>	UAE
Fluido Oy <sup>(9) (14)</sup>	Finland
Fluido Sweden AB (Extero) <sup>(15)</sup>	Sweden
Fluido Norway A/S <sup>(15)</sup>	Norway
Fluido Denmark A/S <sup>(15)</sup>	Denmark
Fluido Slovakia s.r.o <sup>(15)</sup>	Slovakia
Fluido Newco AB <sup>(15)</sup>	Sweden
Infosys Compaz Pte. Ltd (formerly Trusted Source Pte. Ltd) <sup>(16)</sup>	Singapore
Infosys South Africa (Pty.) Ltd <sup>(9) (17)</sup>	South Africa
WongDoody Holding Company Inc. (WongDoody) <sup>(10)</sup>	US
WDW Communications, Inc <sup>(12)</sup>	US
WongDoody, Inc <sup>(12)</sup>	US
HIPUS <sup>(20)</sup>	Japan
Stater N.V. <sup>(21)</sup>	The Netherlands
Stater Nederland B.V. <sup>(22)</sup>	The Netherlands
Stater Duitsland B.V. <sup>(22)</sup>	The Netherlands
Stater XXL B.V. <sup>(22)</sup>	The Netherlands
HypoCasso B.V. <sup>(22)</sup>	The Netherlands
Stater Participations B.V. <sup>(22)</sup>	The Netherlands
Stater Deutschland Verwaltungs-GmbH <sup>(23)</sup>	Germany
Stater Deutschland GmbH & Co. KG <sup>(23)</sup>	Germany
Stater Belgium N.V./S.A. <sup>(24)</sup>	Belgium
Outbox Systems Inc. dba Simplus (US) <sup>(27)</sup>	US
Simplus North America Inc. <sup>(28)</sup>	Canada
Simplus ANZ Pty. Ltd. <sup>(28)</sup>	Australia
Simplus Australia Pty. Ltd <sup>(30)</sup>	Australia
Square Peg Digital Pty. Ltd <sup>(30)</sup>	Australia
Simplus Philippines, Inc. <sup>(28)</sup>	Philippines
Simplus Europe, Ltd. <sup>(28)</sup>	UK
Simplus UK, Ltd. <sup>(29)</sup>	UK
Simplus Ireland, Ltd. <sup>(29)</sup>	Ireland

<sup>(1)</sup> Wholly-owned subsidiary of Infosys BPM Limited

<sup>(2)</sup> Wholly-owned subsidiary of Infosys Limited

- (3) Majority-owned and controlled subsidiary of Infosys Limited
- (4) Liquidated effective November 17, 2019
- (5) Wholly-owned Subsidiary of Infosys Consulting Holding AG (formerly Lodestone Holding AG)
- (6) Majority-owned and controlled Subsidiary of Infosys Consulting Holding AG (formerly Lodestone Holding AG)
- (7) Wholly-owned Subsidiary of Panaya Inc.
- (8) Wholly-owned Subsidiary of Brilliant Basics Holding Limited.
- (9) Wholly-owned Subsidiary of Infosys Consulting Pte Ltd
- (10) On May 22, 2018, Infosys acquired 100% of the voting interest in WongDoody
- (11) Liquidated effective May 4, 2018
- (12) Wholly-owned subsidiary of WongDoody
- (13) Incorporated effective August 6, 2018
- (14) On October 11, 2018, Infosys Consulting Pte. Ltd, acquired 100% of the voting interests in Fluidio Oy and its subsidiaries
- (15) Wholly-owned subsidiary of Fluidio Oy
- (16) On November 16, 2018, Infosys Consulting Pte. Ltd, acquired 60% of the voting interest in Infosys Compaz Pte. Ltd
- (17) Incorporated effective December 19, 2018
- (18) Incorporated effective November 29, 2018
- (19) Incorporated effective November 27, 2018, wholly-owned subsidiary Infosys Public Services Inc
- (20) On April 1, 2019, Infosys Consulting Pte. Ltd, acquired 81% of the voting interests in HIPUS Co., Ltd, Japan
- (21) On May 23, 2019, Infosys Consulting Pte. Ltd, acquired 75% of the voting interests in Stater N.V.
- (22) Majority-owned and controlled subsidiaries of Stater N.V.
- (23) Majority-owned and controlled subsidiaries of Stater Duitsland B.V.
- (24) Majority-owned and controlled subsidiaries of Stater Participations B.V.
- (25) Effective October 1, 2019, merged into Infosys Consulting Ltda, a wholly-owned subsidiary of Infosys Limited
- (26) Under liquidation
- (27) On March 13, 2020, Infosys Nova Holdings LLC, acquired 100% of the voting interests in Outbox Systems Inc.
- (28) Wholly-owned subsidiary of Outbox Systems Inc.
- (29) Wholly-owned subsidiary of Simplus Europe, Ltd.
- (30) Wholly-owned subsidiary of Simplus ANZ Pty. Ltd..
- (31) Liquidated effective October 31, 2019
- (32) On February 20, 2020, Infosys Poland Sp z.o.o, acquired 100% of the voting interests in Infosys Consulting Sp. z.o.o from Infosys Consulting Holding AG (formerly Lodestone Holding AG).

### List of other related parties

Name of Trust	Country	Nature of relationship
Infosys BPM Limited Employees' Superannuation Fund Trust (formerly Infosys BPO Limited Employees Superannuation Fund Trust)	India	Post-employment benefit plan of Infosys BPM (Formerly known as Infosys BPO)
Infosys BPM Limited Employees' Gratuity Fund Trust (formerly Infosys BPO Limited Employees' Gratuity Fund Trust)	India	Post-employment benefit plan of Infosys BPM (Formerly known as Infosys BPO)

The details of amounts due to or due from related parties as at March 31, 2020 and March 31, 2019 are as follows:

(in ₹ crore)

Particulars	As at March 31,	
	2020	2019
Trade receivables		
Infosys Limited	59	54
Infosys Poland Sp z.o.o	–	–
EdgeVerve	1	1
Infosys McCamish Systems LLC	2	2
Portland Group Pty. Ltd.	–	–
Infosys Public Services	1	1
Infosys Mexico	–	1
Infosys China	1	1
Stater N.V.	1	–
Infy Consulting Company Limited	–	–
	65	60
Other financial assets		
Infosys Limited	6	6
Infosys (Czech Republic) Limited s.r.o.	–	–
Infosys Mexico	–	–

Particulars	As at March 31,	
	2020	2019
EdgeVerve	–	1
HIPUS	1	–
	7	7
<b>Trade payables</b>		
Infosys Limited	12	12
Infosys McCamish Systems LLC	9	7
Infosys Poland Sp z.o.o	5	–
Infosys Management Consulting Pty. Limited	1	1
Infosys (Czech Republic) Limited s.r.o.	–	1
Infy Consulting Company Limited	–	1
EdgeVerve	–	–
Infosys China	–	–
	27	22
<b>Other financial liabilities</b>		
Infosys Limited	6	6
EdgeVerve	1	–
Infosys McCamish Systems LLC	–	–
Portland Group Pty. Ltd	–	–
Infosys Poland Sp. z.o.o	–	–
	7	6
<b>Accrued expense</b>		
Infosys Limited	–	2
Stater N.V.	–	–
	–	2

The details of the related parties transactions entered into by the Company for the year ended March 31, 2020 and March 31, 2019 are as follows:

Particulars	Year ended March 31,	
	2020	2019
		(in ₹ crore)
<b>Capital transactions</b>		
<b>Equity</b>		
Infosys BPO Americas LLC	–	13
	–	13
<b>Revenue transactions</b>		
<b>Purchase of services</b>		
Infosys Limited	121	101
Infosys McCamish Systems LLC	102	54
Infosys Poland Sp z.o.o	14	7
Infosys Management Consulting Pty. Limited	6	5
Infosys (Czech Republic) Limited s.r.o.	6	2
Portland Group Pty. Limited	1	6
Infy Consulting Company Limited	3	9
EdgeVerve	2	4
Infosys Consulting Pte. Ltd.	–	4
Infosys China	2	–
WDW Communications, Inc.	–	–
	257	192
<b>Purchase of shared services including facilities and personnel</b>		
Infosys Limited	25	27
	25	27
<b>Sale of services</b>		
Infosys Limited	733	655
Infosys McCamish Systems LLC	28	30
Infosys Public Services	14	20
EdgeVerve	4	4
Infy Consulting Company Limited	–	–

Particulars	Year ended March 31,	
	2020	2019
Infosys Mexico	–	1
Infosys China	–	–
Portland Group Pty. Ltd	2	2
Infosys (Czech Republic) Limited s.r.o.	–	1
Stater Nederland B.V.	2	–
Stater N.V.	1	–
HIPUS	1	–
	785	713
Sale of shared services including facilities and personnel		
Infosys Limited	3	3
	3	3

### List of key management personnel

Name of the related party	Designation
Anantharaman Radhakrishnan	Managing Director and Chief Executive Officer
Prof. Jayanth R. Varma <sup>(6)</sup>	Independent Director
Ravikumar Singiseti	Chairman and Director
Inderpreet Sawhney <sup>(3)</sup>	Director
Sangita Singh <sup>(2)</sup>	Director
D.N. Prahlad <sup>(1)</sup>	Director
Prem Pereira <sup>(5)</sup>	Chief Financial Officer
Nishit Ajitkumar Shah <sup>(4)</sup>	Chief Financial Officer
Bindu Raghavan	Company Secretary
Gopal Devanahalli <sup>(7)</sup>	Additional Director
Michael Nelson Gibbs <sup>(7)</sup>	Additional Director

<sup>(1)</sup> Appointed as a Director effective January 6, 2017. Resigned effective April 15, 2019

<sup>(2)</sup> Resigned as Director effective June 23, 2018

<sup>(3)</sup> Appointed as a Director effective October 13, 2018

<sup>(4)</sup> Resigned as a Chief Financial Officer effective January 16, 2019

<sup>(5)</sup> Appointed as a Chief Financial Officer effective January 17, 2019

<sup>(6)</sup> Retired as director effective April 30, 2019

<sup>(7)</sup> Appointed as an Additional Director effective July 10, 2019

### Transaction with key managerial personnel

The compensation to key managerial personnel which comprise directors and executive officers is as follows:

(in ₹ crore)

Particulars	Year ended March 31,	
	2020	2019
Salaries and other employee benefits to whole-time directors and executive officers	5	5
Commission and other benefits to non-executive / independent directors	–	–
Total	5	5

### 2.23 Segment reporting

The Company presents its standalone financial statements along with the consolidated financial statements. In accordance with Ind AS 108, Operating Segments, the Company has disclosed the segment information in the consolidated financial statements.

### 2.24 Corporate social responsibility

As per Section 135 of the Companies Act, 2013, a CSR committee has been formed by the Company. The proposed areas for CSR activities are eradication of hunger, poverty and malnutrition, promoting education and healthcare and rural development

projects. The funds will be allocated to a corpus and utilized through the year on these activities which are specified in Schedule VII of the Companies Act, 2013.

(in ₹ crore)

Particulars	In cash	Yet to be paid in Cash	Total
(A) Gross amount required to be spent by the Company during the year	16	–	16
	16	–	16
(B) Amount spent during the year :			
(i) Construction / acquisition of any asset	–	–	–
(ii) On purposes other than (i) above	16	–	16
	16	–	16

## 2.25 Function-wise classification of Statement of Profit and Loss

(in ₹ crore)

Particulars	Year ended March 31,	
	2020	2019
Revenue from operations	4,595	3,932
Cost of sales	3,439	2,856
Gross profit	1,156	1,076
Operating expenses		
Selling and marketing expenses	219	200
General and administration expenses	337	318
Total operating expenses	556	518
Operating profit	600	558
Other income	290	225
Finance cost	(32)	–
Profit before tax	858	783
Tax expense:		
Current tax	244	195
Deferred tax	(34)	(8)
Profit for the year	648	596
Other comprehensive income		
Items that will not be reclassified subsequently to profit or loss		
Remeasurement of the net defined benefit liability / asset, net	(3)	(4)
	(3)	(4)
Items that will be reclassified to profit or loss		
Fair value changes on investments, net	6	1
	6	1
Total other comprehensive income, net of tax	3	(3)
Total comprehensive income for the year	651	593

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

Ravikumar Singiseti  
Chairman and Director

Anantharaman Radhakrishnan  
Managing Director and Chief Executive Officer

Prem Pereira  
Chief Financial Officer

Bindu Raghavan  
Company Secretary

Bengaluru  
April 16, 2020

# Consolidated financial statements under Indian Accounting Standards (Ind AS) for the year ended March 31, 2020

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## Index

Independent auditor's report  
Consolidated Balance Sheet  
Consolidated Statement of Profit and Loss  
Consolidated Statement of Changes in Equity  
Consolidated Statement of Cash Flows  
Overview and notes to the consolidated financial statements

## 1. Overview

1.1 Company overview  
1.2 Basis of preparation of financial statements  
1.3 Basis of consolidation  
1.4 Use of estimates and judgements  
1.5 Critical accounting estimates

## 2. Notes to consolidated financial statements

2.1 Property, plant and equipment  
2.2 Goodwill and other intangible assets  
2.3 Investments  
2.4 Loans  
2.5 Other financial assets  
2.6 Trade receivables  
2.7 Cash and cash equivalents  
2.8 Other assets  
2.9 Financial Instruments  
2.10 Equity  
2.11 Other financial liabilities  
2.12 Trade payables  
2.13 Other liabilities  
2.14 Provisions  
2.15 Income taxes  
2.16 Revenue from operations  
2.17 Other income, net  
2.18 Expenses  
2.19 Leases  
2.20 Employee benefits  
2.21 Contingent liabilities and commitments  
2.22 Related party transactions  
2.23 Business combinations  
2.24 Segment reporting  
2.25 Function-wise classification of Consolidated Statement of Profit and Loss



## Independent auditor's report

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To the members of Infosys BPM Limited

### Report on the Audit of the Consolidated Financial Statements

#### Opinion

We have audited the accompanying consolidated financial statements of INFOSYS BPM LIMITED ("the Company") and its subsidiaries, (the Company and its subsidiaries together referred to as "the Group") which comprise the Consolidated Balance Sheet as at March 31, 2020, and the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows and for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as the "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards ("Ind AS") prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2020, the consolidated profit, consolidated total comprehensive income, consolidated changes in equity and its consolidated cash flows for the year ended on that date.

#### Basis for Opinion

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

#### Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the consolidated financial statements, standalone financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

#### Management's Responsibilities for the Consolidated Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation and presentation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated changes in equity and consolidated cash flows of the Group in accordance with the Ind AS and other accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the respective entities to continue as a going concern, disclosing, as applicable,

matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate their respective entities or to cease operations, or has no realistic alternative but to do so.

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

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

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements.

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

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

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

### Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit we report that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
- b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books.
- c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act.

e) On the basis of the written representations received from the directors of the Company as on March 31, 2020 taken on record by the Board of Directors of the Company, none of the directors of the Company is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.

f) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of internal financial controls over financial reporting.

g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of Section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of Section 197 of the Act.

h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

i) The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group.

ii) Provision has been made in the consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts;

iii) There were no amounts which required to be transferred to the Investor Education and Protection Fund by the Company.

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

for Deloitte Haskins & Sells LLP

Chartered Accountants

Firm's Registration Number:117366W/ W-100018

Anand Subramanian

*Partner*

Membership No. 110815

UDIN: 2011085AAAAAS8568

Bengaluru

April 16, 2020

## ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1 (f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Infosys BPM Limited of even date)

### Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2020, we have audited the internal financial controls over financial reporting of Infosys BPM Limited (hereinafter referred to as "the Company") as of that date.

### Management's Responsibility for Internal Financial Controls

The Board of Directors of the Company which is incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

### Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India ("ICAI") and the Standards on Auditing, prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Company.

### Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

## Opinion

In our opinion to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2020, based on the criteria for internal financial control over financial reporting established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

for Deloitte Haskins & Sells LLP  
Chartered Accountants  
Firm's Registration Number:117366W/ W-100018

Anand Subramanian  
*Partner*  
Membership No. 110815  
UDIN: 2011085AAAAAS8568

Bengaluru  
April 16, 2020

## Consolidated Balance Sheet

( In ₹ crore )

Particulars	Note No.	March 31, 2020	March 31, 2019
<b>ASSETS</b>			
Non-current assets			
Property, plant and equipment	2.1	273	256
Right of use assets	2.19	836	–
Capital work-in-progress		8	15
Goodwill	2.2	406	394
Other intangible assets	2.2	5	13
Financial assets			
Investments	2.3	252	300
Loans	2.4	48	–
Other financial assets	2.5	52	43
Deferred tax assets (net)	2.15	129	109
Income tax assets (net)	2.15	125	100
Other non-current assets	2.8	141	145
Total non-current assets		2,275	1,375
Current assets			
Financial assets			
Investments	2.3	630	535
Trade receivables	2.6	1,359	1,118
Cash and cash equivalents	2.7	3,137	2,627
Loans	2.4	62	97
Other financial assets	2.5	824	642
Income tax assets (net)	2.15	7	–
Other current assets	2.8	383	283
Total current assets		6,402	5,302
Total assets		8,677	6,677
<b>EQUITY AND LIABILITIES</b>			
Equity			
Equity share capital	2.10	34	34
Other equity		5,479	4,768
Total equity attributable to equity holders of the Company		5,513	4,802
Non-controlling interests		–	–
Total equity		5,513	4,802
Liabilities			
Non-current liabilities			
Financial liabilities			
Lease liabilities	2.19	825	–
Other financial liabilities	2.11	4	3
Deferred tax liabilities (net)	2.15	14	26
Other non-current liabilities	2.13	–	28
Total non-current liabilities		843	57
Current liabilities			
Financial liabilities			
Loans from fellow subsidiary		–	4
Trade payables	2.12	205	229
Lease liabilities	2.19	118	–
Other financial liabilities	2.11	1,281	1,008
Other current liabilities	2.13	623	486
Provisions	2.14	38	46
Income tax liabilities (net)	2.15	56	45
Total current liabilities		2,321	1,818
Total equity and liabilities		8,677	6,677

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

As per our report of even date attached  
for Deloitte Haskins & Sells LLP  
Chartered Accountants  
Firm's registration number:117366W/ W-100018

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

Anand Subramanian  
*Partner*  
Membership No. 110815

Ravikumar Singiseti  
*Chairman*

Anantharaman Radhakrishnan  
*Managing Director and Chief Executive Officer*

Bengaluru  
April 16, 2020

Prem Pereira  
*Chief Financial Officer*

Bindu Raghavan  
*Company Secretary*



## Consolidated Statement of Profit and Loss

( in ₹ crore, except equity share and per equity share data)

Particulars	Note no.	Year ended March 31,	
		2020	2019
Revenue from operations	2.16	6,922	6,022
Other income, net	2.17	279	211
Total income		7,201	6,233
Expenses			
Employee benefit expenses	2.18	3,842	3,252
Cost of technical sub-contractors and professional charges	2.18	675	565
Travel expenses		174	185
Rent		36	170
Cost of software packages and others		761	643
Finance cost	2.19	41	-
Depreciation and amortization expense	2.1, 2.2 & 2.19	236	110
Other expenses	2.18	378	339
Total expenses		6,143	5,264
Profit before tax		1,058	969
Tax expense:			
Current tax	2.15	282	250
Deferred tax	2.15	(30)	2
		252	252
Profit for the period		806	717
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss			
Remeasurement of the net defined benefit (liability)/asset, net		(3)	(5)
Equity instruments through other comprehensive income, net		(3)	(8)
		(6)	(13)
Items that will be reclassified subsequently to profit or loss			
Exchange differences on translation of foreign operations, net		40	(24)
Fair value changes on investments, net		6	1
		46	(23)
Total other comprehensive income/(loss), net of tax		40	(36)
Total comprehensive income for the period		846	681
Profit attributable to:			
Owners of the Company		806	717
Non-controlling interests		-	-
		806	717
Total comprehensive income attributable to:			
Owners of the Company		846	681
Non-controlling interests		-	-
		846	681
Earnings per equity share			
Equity shares of par value ₹10/- each			
Basic and diluted (₹)		238.23	211.88
Weighted average equity shares used in computing earnings per equity share			
Basic and diluted		3,38,27,751	3,38,27,751

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

As per our report of even date attached  
for Deloitte Haskins & Sells LLP  
Chartered Accountants  
Firm's registration number:117366W/ W-100018

Anand Subramanian  
*Partner*  
Membership No. 110815

Bengaluru  
April 16, 2020

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

Ravikumar Singiseti  
*Chairman*

Prem Pereira  
*Chief Financial Officer*

Anantharaman Radhakrishnan  
*Managing Director and Chief Executive Officer*

Bindu Raghavan  
*Company Secretary*

## Consolidated Statement of Changes in Equity

(In ₹ crore)

Particulars	Reserves and surplus				Other equity			Total equity attributable to equity holders of the Company		
	Equity share capital	Securities premium <sup>(2)</sup>	Retained earnings	Capital reserve	General reserve	Special economic zone investment reserve <sup>(1)</sup>	Business transfer adjustment reserve <sup>(3)</sup>	Equity Instruments through other comprehensive income	Other items of other comprehensive income	
Balance as at April 1, 2018	34	25	2,917	1	1,000	24	-	(1)	114	4,114
Reserves created on account of common control business acquisition	-	-	(1)	-	4	-	2	-	2	7
Adjusted Balance as at April 1, 2018	34	25	2,916	1	1,004	24	2	(1)	116	4,121
Changes in equity for the year ended March 31, 2019	-	-	717	-	-	-	-	-	-	717
Exchange differences on translation foreign operations	-	-	-	-	-	-	-	-	(24)	(24)
Fair value changes on investments, net of tax	-	-	-	-	-	-	-	-	1	1
Remeasurement of the net defined benefit liability/asset, net of tax	-	-	-	-	-	-	-	-	(5)	(5)
Equity instruments through other comprehensive income, net of tax	-	-	-	-	-	-	-	(8)	-	(8)
Total Comprehensive income for the period	-	-	717	-	-	-	-	(8)	(28)	681
Transferred to Special Economic Zone Re-investment Reserve	-	-	(110)	-	-	110	-	-	-	-
Utilisation of Special Economic Zone Re-investment Reserve	-	-	44	-	-	(44)	-	-	-	-
Balance as at March 31, 2019	34	25	3,567	1	1,004	90	2	(9)	88	4,802
Balance as at April 01, 2019	34	25	3,567	1	1,004	90	2	(9)	88	4,802
Impact on account of adoption of Ind AS 116 (Refer note 2.19)	-	-	(8)	-	-	-	-	-	-	(8)
Changes in equity for the year ended March 31, 2020	34	25	3,559	1	1,004	90	2	(9)	88	4,794
Dividend paid to erstwhile holding company of Infoys Consulting Poland Sp.z.o.o <sup>(4)</sup>	-	-	(14)	-	-	-	-	-	-	(14)
Reserves created on account of common control business acquisition	-	-	-	-	-	-	(113)	-	-	(113)
Profit for the period	-	-	806	-	-	-	-	-	-	806
Exchange differences on translation foreign operations	-	-	-	-	-	-	-	-	40	40
Fair value changes on investments, net of tax	-	-	-	-	-	-	-	-	6	6

Particulars	Equity share capital			Reserves and surplus			Other equity			Total equity attributable to equity holders of the Company	
	Equity share capital	Securities premium <sup>(2)</sup>	Retained earnings	Capital reserve	General reserve	Special economic zone investment reserve <sup>(1)</sup>	Capital reserve	Business transfer adjustment reserve <sup>(3)</sup>	Equity Instruments through other comprehensive income		Other items of other comprehensive income
Remeasurement of the net defined benefit (liability)/asset, net of tax	-	-	-	-	-	-	-	-	-	(3)	(3)
Equity instruments through other comprehensive income, net of tax	-	-	-	-	-	-	-	-	(3)	-	(3)
Total Comprehensive income for the period	-	-	792	-	-	-	-	(113)	(3)	43	719
Transfer to Special Economic Zone Re-investment Reserve <sup>(1)</sup>	-	-	(116)	-	-	116	-	-	-	-	-
Transfer from Special Economic Zone Re-investment Reserve on utilization <sup>(1)</sup>	-	-	45	-	-	(45)	-	-	-	-	-
Balance as at March 31, 2020	34	25	4,280	1	1,004	161	(111)	(12)	131	-	5,513

(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) Securities premium- Refer note 2.10

(3) Capital reserve created on account of acquisition of entity which is under common control. Cash consideration of ₹113 crore was paid on the February 20, 2020 (acquisition date) and business transfer reserve is created on account of this transfer for ₹111 crore, refer note 2.23

(4) Dividend paid by Infosys Consulting Sp.z.o.o to Infosys Holding A.G. amounting to ₹14 crore in the month of August 2019.

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

As per our report of even date attached for Deloitte Haskins & Sells LLP

Chartered Accountants

Firm's registration number:117366W/ W-100018

Anand Subramanian  
Partner

Ravikumar Singiseti  
Chairman

Anantharaman Radhakrishnan  
Managing Director and Chief Executive Officer

Membership No. 110815

Bengaluru

Prem Pereira  
Chief Financial Officer

Bindu Raghavan  
Company Secretary

April 16, 2020

## Consolidated statement of cash flows

### Accounting Policy

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

(in ₹ crore )

Particulars	Note.no.	Year ended March 31,	
		2020	2019
<b>Cash flow from operating activities:</b>			
Profit for the period		806	717
Adjustments to reconcile net profit to net cash provided by operating activities:			
Income tax expense	2.15	252	252
Depreciation and amortization	2.1, 2.2 & 2.19	236	110
Finance cost	2.19	41	–
Sale of duty scrips		(27)	–
Interest on bank deposits and others		(182)	(111)
Income on other financial assets		(54)	(81)
Impairment loss recognised/(reversed) under expected credit loss model		12	14
Other adjustments		7	12
Profit/Loss/fair value change on investments		22	26
Profit on sale of property, plant and equipment		(1)	(1)
Exchange difference on translation of assets and liabilities		(10)	(14)
Changes in assets and liabilities			
Trade receivables and unbilled revenue		(438)	(542)
Loans and other financial assets and other assets		(121)	(159)
Trade payables		(24)	119
Other financial liabilities, other liabilities and provisions		534	570
Cash generated from operations		1,053	912
Income taxes paid		(295)	(241)
Net cash generated by operating activities		758	671
<b>Cash flow from investing activities:</b>			
Expenditure on property, plant and equipment including intangible assets net of sale proceeds		(129)	(89)
Deposits placed with corporations		(10)	(16)
Loans to employees		(5)	(3)
Interest received on bank deposits and others		212	136
Payment towards acquisition of business		(113)	–
Loan given to fellow subsidiary		–	(36)
Payments to acquire financial assets			
Preference and other securities		(28)	(23)
Liquid mutual fund units and fixed maturity plan securities		(2,992)	(4,296)
Certificate of deposits		(238)	(342)
Non-convertible debentures		(252)	(66)
Government bonds		(7)	(6)
Proceeds on sale of financial assets			
Equity instruments		5	–
Preference and other securities		3	10
Non-convertible debentures		100	136
Certificates of deposit		370	390
Liquid mutual fund units and fixed maturity plan securities		3,006	4,277
Government bonds		6	–
Net cash generated /(used in) from investing activities		(72)	72

Particulars	Note.no.	Year ended March 31,	
		2020	2019
<b>Cash flow from financing activities:</b>			
Payment of dividends		(14)	–
Loan repaid to fellow subsidiary		(4)	(40)
Payment of lease liability		(157)	–
Net cash used in from financing activities		(175)	(40)
Effect of exchange rate on translation of foreign currency cash and cash equivalents		(1)	(4)
<b>Net increase in cash and cash equivalents</b>		<b>511</b>	<b>703</b>
Cash and cash equivalents at the beginning		2,627	1,928
<b>Cash and cash equivalents at the end (Refer Note 2.7)</b>		<b>3,137</b>	<b>2,627</b>
Supplementary information:			
Restricted cash balance		–	–

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

As per our report of even date attached  
for Deloitte Haskins & Sells LLP  
Chartered Accountants

Firm's registration number:117366W/ W-100018

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

Anand Subramanian  
*Partner*  
Membership No. 110815

Ravikumar Singiseti  
*Chairman*

Anantharaman Radhakrishnan  
*Managing Director and Chief Executive Officer*

Bengaluru  
April 16, 2020

Prem Pereira  
*Chief Financial Officer*

Bindu Raghavan  
*Company Secretary*

# Notes to the consolidated financial statements

## 1. Overview

### 1.1 Company overview

Infosys BPM Limited ("Infosys BPM" or "the Company") along with its wholly-owned subsidiaries, Infosys (Czech Republic) Limited s.r.o., Infosys Poland Sp.z.o.o., Infosys Consulting Sp.z.o.o., Infosys McCamish Systems LLC, Portland Group Pty Ltd and Infosys BPO Americas LLC, collectively called as "The Group" is a leading provider of business process management services to organizations that outsource their business processes. The Group leverages the benefits of service delivery globalization, process redesign and technology and thus drives efficiency and cost effectiveness into client's business processes and thereby improve their competitive position by managing their business processes in addition to providing increased value.

The Company is a public limited company incorporated and domiciled in India and has its registered office at Bengaluru, Karnataka, India. The Company is a majority owned and controlled subsidiary of Infosys Limited.

With effect from December 18, 2017, the name of the Company was changed from Infosys BPO Limited to Infosys BPM Limited.

The Group's consolidated financial statements are approved by the Company's Board of Directors on April 16, 2020.

### 1.2 Basis of preparation of financial statements

These consolidated financial statements are prepared in accordance with Indian Accounting Standards (Ind AS) under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values, the provisions of the Companies Act, 2013 ('the Act') (to the extent notified). The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued thereafter.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

As the year-to-date figures are taken from the source and rounded to the nearest digits, the figures reported for all the quarters during the year might not always added upto the year figures reported in this statement.

### 1.3 Basis of consolidation

Infosys BPM consolidates entities which it owns or controls. The consolidated financial statements comprise the financial statements of the Company, its subsidiaries, as disclosed in Note no.1.1. Control exists when the parent has power over the entity, is exposed, or has rights to variable returns from its involvement with the entity and has the ability to affect those returns by using its power over the entity. Power is demonstrated through existing rights that give the ability to direct relevant activities, those which significantly affect the

entity's returns. Subsidiaries are consolidated from the date control commences until the date control ceases.

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

### 1.4 Use of estimates and judgments

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

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

The Group has considered the possible effects that may result from the pandemic relating to COVID-19 on the carrying amounts of receivables, unbilled revenues and goodwill. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the Group, as at the date of approval of these financial statements has used internal and external sources of information and related information, and economic forecasts on the expected future performance of the Group. The Group expects to recover the carrying amount of these assets and will continue to closely monitor any material changes to future economic conditions.

### 1.5 Critical accounting estimates

#### a. Revenue recognition

The Group's contracts with customers include promises to transfer multiple products and services to a customer. Revenues from customer contracts are considered for recognition and measurement when the contract has been approved, in writing, by the parties to the contract, the parties to contract are committed to perform their respective



obligations under the contract, and the contract is legally enforceable. The Group assesses the services promised in a contract and identifies distinct performance obligations in the contract. Identification of distinct performance obligations to determine the deliverables and the ability of the customer to benefit independently from such deliverables, and allocation of transaction price to these distinct performance obligations involves significant judgement.

Fixed price business process management services revenue is recognized ratably on a straight-line basis when services are performed through an indefinite number of repetitive acts over a specified period. Revenue from fixed price business process management services contract is recognized ratably using a percentage of completion method when the pattern of benefits from the services rendered to the customer and Group's costs to fulfil the contract is not even through the period of the contract because the services are generally discrete in nature and not repetitive. The use of method to recognize the business process management services revenue requires judgment and is based on the promises in the contract and nature of the deliverables. Provisions for estimated losses, if any, on uncompleted contracts are recorded in the period in which such losses become probable based on the estimated efforts or costs to complete the contract.

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

Provisions for estimated losses, if any, on uncompleted contracts are recorded in the period in which such losses become probable based on the estimated efforts or costs to complete the contract. Also refer note 2.16.

## b. Income taxes

The Group's major tax jurisdiction is India, although the Group also files tax returns in other overseas jurisdictions. Significant judgments are involved in determining the provision for income taxes, including amount expected to be paid/recovered for uncertain tax positions. Also refer to note 2.15.

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

differences. The amount of the deferred income tax assets considered realizable, however, could be reduced in the near term if estimates of future taxable income during the carry forward period are reduced.

## c. Property, plant and equipment

Property, plant and equipment represent a significant proportion of the asset base of the Group. The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of the Group's assets are determined by management at the time the asset is acquired and reviewed periodically, including at each financial year end. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology (Refer to note 2.1).

## d. Impairment of Goodwill

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

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

## e. Leases

Ind AS 116 requires lessees to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Group makes an assessment on the expected lease term on a lease-by-lease basis and thereby assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. In evaluating the lease term, the Group considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of the lease and the importance of the underlying asset to Infosys BPM's operations taking into account the location of the underlying asset and the availability of suitable alternatives. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances.

## 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 management. The Group depreciates property, plant and equipment over their estimated useful lives using the straight-line method. The estimated useful lives of assets are as follows:

Building <sup>(1)</sup>	22-25 years
Plant and machinery <sup>(1)</sup>	5 years
Computer equipment <sup>(1)</sup>	3-5 years
Furniture and fixtures <sup>(1)</sup>	5 years
Office equipment <sup>(1)</sup>	5 years
Leasehold improvements	Over lease term or 5 years which ever is lower

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

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 are classified as capital advances under other non-current assets and the

cost of assets not ready to use before such date are disclosed under 'Capital work-in-progress'. Subsequent expenditures relating to property, plant and equipment is capitalized only when it is probable that future economic benefits associated with these will flow to the Group and the cost of the item can be measured reliably. Repairs and maintenance costs are recognised in the consolidated statement of Profit and loss when incurred. The cost and related accumulated depreciation are eliminated from the financial statements upon sale or retirement of the asset and the resultant gains or losses are recognised in the consolidated Statement of Profit and Loss. Assets to be disposed off are reported at the lower of the carrying value or the fair value less cost to sell.

### Impairment

#### Property, plant and equipment and intangible assets

Property, plant and equipment and intangible assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell or 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 generated unit ("CGU") to which the asset belongs.

Following are the changes in the carrying value of property, plant and equipment for the year ended March 31, 2020

(in ₹ crore)

Particulars	Land-leasehold	Buildings	Leasehold improvement	Plant and machinery	Office equipment	Computer equipment	Furniture and fixtures	Total
Gross carrying value as of April 1, 2019	12	155	144	62	122	415	86	996
Reclassified on account of adoption of Ind AS 116 (Refer to note 2.19)	(12)	–	–	–	–	–	–	(12)
Additions	–	–	40	2	6	74	10	132
Deletions	–	–	(3)	–	(5)	(21)	(6)	(35)
Translation difference	–	–	3	–	–	2	1	6
Gross carrying value as of March 31, 2020	-	155	184	64	123	470	91	1,087
Accumulated depreciation as of April 1, 2019	1	68	117	46	112	318	78	740
Reclassified on account of adoption of Ind AS 116 (Refer to note 2.19)	(1)	–	–	–	–	–	–	(1)
Depreciation	–	5	21	7	5	62	6	106
Accumulated depreciation on deletions	–	–	(3)	–	(5)	(20)	(6)	(34)
Translation difference	–	–	1	–	–	2	–	3
Accumulated depreciation as of March 31, 2020	–	73	136	53	112	362	78	814
Carrying value as of March 31, 2020	–	82	48	11	11	108	13	273
Carrying value as of April 1, 2019	11	87	27	16	10	97	8	256

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

(in ₹ crore)

Particulars	Land-leasehold <sup>(1)</sup>	Buildings	Leasehold improvement	Plant and machinery	Office equipment	Computer equipment	Furniture and fixtures	Total
Gross carrying value as of April 1, 2018	12	154	140	60	123	369	85	943
Additions	–	1	7	2	3	61	5	79
Deletions	–	–	(2)	–	(4)	(16)	(4)	(26)
Translation difference	–	–	(1)	–	–	1	–	–
Gross carrying value as of March 31, 2019	12	155	144	62	122	415	86	996
Accumulated depreciation as of April 1, 2018	1	62	100	38	111	282	74	668
Depreciation	–	6	20	8	5	53	7	99
Accumulated depreciation on deletions	–	–	(2)	–	(4)	(16)	(4)	(26)
Translation difference	–	–	(1)	–	–	(1)	1	(1)
Accumulated depreciation as of March 31, 2019	1	68	117	46	112	318	78	740
Carrying value as of March 31, 2019	11	87	27	16	10	97	8	256
Carrying value as of April 1, 2018	11	92	40	22	12	87	11	275

<sup>(1)</sup> Gross carrying value of leasehold land represents amounts paid under certain lease-cum-sale agreement to acquire land including agreement where the Company has an option to purchase or renew the property on expiry of the lease period.

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

## 2.2 Goodwill and other intangible assets

### Accounting policy

Goodwill represents the cost of business acquisition in excess of the groups interest in the net fair value of identifiable assets, liabilities and contingent liabilities of the acquiree. When the net fair value of the identifiable assets, liabilities and contingent liabilities acquired exceeds the cost of business acquisition, a gain is recognized immediately in net profit in the consolidated Statement of Profit and Loss. Goodwill is measured at cost less accumulated impairment losses.

### Impairment

Goodwill is tested for impairment on an annual basis and whenever there is an indication that goodwill may be impaired, relying on number of factors including operation results, business plans and future cash flows. For the purpose of impairment testing, goodwill acquired in a business combination is allocated to the Group's cash generating units (CGU) or groups of CGU's expected to benefit from the synergies arising from the business combination. A CGU is the smallest identifiable group of assets that generates cash flows that are largely independent of the cash flows from other assets or group of assets. Impairment occurs when the carrying amount of CGU including the goodwill, exceeds the estimated recoverable amount of the CGU. The recoverable amount of the CGU is the higher of its fair value less cost to

sell and its value-in-use. Value-in-use is the present value of future cash flows expected to be derived from the CGU.

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

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

(in ₹ crore)

Particulars	As at March 31,	
	2020	2019
Carrying value at the beginning	394	387
Translation differences	12	7
Carrying value at the end	406	394

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

The allocation of goodwill to operating segments are as follows as at March 31, 2020 are as follows

Segment	(in ₹ crore)	
	As at March 31, 2020	
FA		45
SP		129
MCM		232
<b>Total</b>		<b>406</b>

The allocation of goodwill to operating segments as at March 31, 2019 are as follows

Segment	(in ₹ crore)	
	As at March 31, 2020	
FA		45
SP		137
MCM		212
<b>Total</b>		<b>394</b>

The recoverable amount of a CGU is the higher of its fair value less cost to sell and its value-in-use. The value-in-use is determined based on specific calculations. These calculations use pre-tax cash flow projections for a CGU / groups of CGUs over a period of five years. An average of the range of each assumption used is mentioned below. As of March 31, 2020 the estimated recoverable amount of the CGU exceeded its carrying amount. The recoverable amount was computed based on the value-in-use. The carrying amount of the CGU was computed by allocating the net assets to operating segments for the purpose of impairment testing. The key assumptions used for the calculations are as follows:

	(in %)	
	As at March 31,	
	2020	2019
Long-term growth rate	8-10	10
Operating margins	10-11	11-12
Discount rate	13.5	13

The above discount rate is based on the Weighted Average Cost of Capital (WACC) of the Company. These estimates are likely to differ from future actual results of operations and cash flows.

## Other intangible assets

### Accounting policy

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

## Impairment

Intangible assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell or 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 recognised in the consolidated Statement of Profit and Loss is measured by the amount by which the carrying value of the assets exceeds the estimated recoverable amount of the asset. An impairment loss is reversed in the consolidated Statement of Profit and Loss if there has been a change in the estimates used to determine the recoverable amount. The carrying amount of the asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortization) had no impairment loss been recognised for the asset in prior years.

Following are the changes in the carrying value of acquired intangible assets for the year ended March 31, 2020:

Particulars	(in ₹ crore)		
	Software	Customer related	Total
Gross carrying value as of April 1, 2019	9	109	118
Additions during the year	-	-	-
Deletions during the year	-	-	-
Translation difference	-	5	5
Gross carrying value as of March 31, 2020	9	114	123
Accumulated amortization as of April 1, 2019	(4)	(101)	(105)
Amortization expense	(5)	(3)	(8)
Deletion during the year	-	-	-
Translation differences	-	(5)	(5)
Accumulated amortization as of March 31, 2020	(9)	(109)	(118)
Carrying value as of March 31, 2020	-	5	5
Carrying value as of April 1, 2019	5	8	13
Estimated Useful Life (in years)	2	10	
Estimated Remaining Useful Life (in years)	-	2	

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

Particulars	(In ₹ crore)		
	Software	Customer related	Total
Gross carrying value as of April 1, 2018	–	112	112
Additions during the year	9	–	9
Deletions during the year	–	–	–
Translation difference	–	(3)	(3)
Gross carrying value as of March 31, 2019	9	109	118
Accumulated amortization as of April 1, 2018	–	(96)	(96)
Amortization expense	(4)	(8)	(12)
Deletion during the year	–	–	–
Translation differences	–	3	3
Accumulated amortization as of March 31, 2019	(4)	(101)	(105)
Carrying value as of March 31, 2019	5	8	13
Carrying value as of April 1, 2018	–	16	16
Estimated Useful Life (in years)	2	10	
Estimated Remaining Useful Life (in years)	1	3	

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

## 2.3 Investments

Particulars	(in ₹ crore)	
	As at March 31, 2020	2019
Non-current investments		
Equity instruments	–	10
Preference securities	9	23
Other securities	24	–
Non-convertible debentures	211	210
Fixed maturity plan securities	–	57
Government bonds	8	–
Total non-current investments	252	300
Current investments		
Liquid mutual fund units	66	70
Non-convertible debentures	262	100
Government bonds	–	6
Certificates of deposit	241	359

Particulars	As at March 31,	
	2020	2019
Fixed maturity plan securities	61	–
Total current investments	630	535
Total carrying value	882	835

(in ₹ crore)

Particulars	As at March 31,	
	2020	2019
Non-current		
Quoted investments-carried at amortized cost		
Investments in government bonds (Refer note 2.3.2)	8	–
Quoted investments-carried at fair value through other comprehensive income		
Non-Convertible debentures (Refer note 2.3.3)	211	210
Quoted investments-carried at fair value through profit or loss		
Fixed maturity plan securities (Refer note 2.3.4)	–	57
Unquoted investments-carried at fair value through profit or loss		
Tidal Scale Inc. - Preference and other securities#	9	23
The House Fund II,L.P.- other securities#	24	–
Unquoted investments-carried at fair value through other comprehensive income		
UNSILO A/S -Equity instruments*	–	10
Total non-current investments	252	300
Current		
Quoted investments-carried at fair value through other comprehensive income		
Non-convertible debentures (Refer note 2.3.3)	262	100
Quoted investments-carried at amortised cost		
Government bonds (Refer note 2.3.2)	–	6
Quoted investments-carried at fair value through profit and loss		

Particulars	As at March 31,	
	2020	2019
Fixed maturity plan securities (Refer note 2.3.4)	61	–
Unquoted investments-carried at fair value through other comprehensive income		
Certificates of deposit (Refer note 2.3.5)	241	359
Unquoted investments-carried at fair value through profit or loss		
Liquid mutual fund units (Refer note 2.3.1)	66	70
Total current investments	630	535
Total investments	882	835
Aggregate amount of quoted investments	542	373
Market value of quoted investments (Including interest thereon) - Non-current	219	267

Particulars	As at March 31,	
	2020	2019
Market value of quoted investments (including interest thereon)- Current	323	104
Aggregate amount of unquoted investments	340	462
Investments carried at fair value through other comprehensive income	714	679
Investment carried at amortized cost	8	6
Investment carried at fair value through profit or loss	160	150

Refer to note 2.9 for accounting policies on financial instruments.

\*During the year fair value loss of ₹ 22 crore has been recorded in the profit and loss account based on the valuation conducted by independent valuation entity.

\*During the year incurred loss of ₹ 5 crore on sale of equity instrument and same has been shown in the other comprehensive income .

### Method of fair valuation:

Class of investment	Method	Fair Value as at March 31,	
		2020	2019
Non-convertible debentures	Quoted price and market observable inputs	473	310
Fixed maturity plan securities	Market observable inputs	61	57
Liquid mutual fund units	Quoted price	66	70
Certificates of deposit	Market observable inputs	241	359
Equity instruments	Discounted cash flows method, Market multiple method etc.	–	10
Preference securities	Discounted cash flows method, Market multiple method etc.	9	23
Other securities	Discounted cash flows method, Market multiple method etc.	24	–

### 2.3.1 Details of investments in liquid mutual fund units

The balances held in liquid mutual fund units as at March 31, 2020 and March 31, 2019 is as follows:

(in ₹ crore, except as otherwise stated)

Particulars	As at March 31, 2020		As at March 31, 2019	
	Units	Amount	Units	Amount
Aditya Birla Sun Life Cash Plus -Growth -Direct Plan	15,33,992	49	13,32,847	40
HDFC Liquid Fund- Direct Plan- Growth Option	–	–	40,821	15
IDFC Corporate Bond - Fund Direct Plan	1,19,02,495	17	1,19,02,495	15
	1,34,36,487	66	1,32,76,163	70

### 2.3.2 Details of investments in government bonds

The balances held in government bonds as at March 31, 2020 and March 31, 2019 is as follows:

(in ₹ crore, except as otherwise stated)

Particulars	As at March 31, 2020		As at March 31, 2019	
	Units	Amount	Units	Amount
PHILIPPINE T BILL PHY6972HAZ92 MAT DATE 29 MAY 2019	–	–	–	6



Particulars	As at March 31, 2020		As at March 31, 2019	
	Units	Amount	Units	Amount
PHILIPPINE T BILL PHY6972HAF39 MAT DATE 8 MAR 2023	–	8	–	–
	–	8	–	6

### 2.3.3 Details of investments in non-convertible debentures

The balances held in non-convertible debentures as at March 31, 2020 and March 31, 2019 is as follows:

(in ₹ crore, except as otherwise stated)

Particulars	As at March 31, 2020		As at March 31, 2019	
	Units	Amount	Units	Amount
8.6% Life Insurance Corporation Housing Finance Limited July 22, 2020	1,000	107	1,000	106
8.6% Life Insurance Corporation Housing Finance Limited 29 July 2020	350	37	350	37
8.80% Life Insurance Corporation Housing Finance Limited December 24, 2020	650	66	650	67
7.78% Housing Development Finance Corporation Ltd March 24, 2020	–	–	100	100
7.585% Life Insurance Corporation Housing Finance Limited June 11, 2020	500	52	–	–
8.58% Housing Development Finance Corporation Ltd. March 22, 2022	1,250	129	–	–
8.50% Life Insurance Corporation Housing Finance Limited June 20, 2022	750	82	–	–
	4,500	473	2,100	310

### 2.3.4 Details of investments in mutual fund-Fixed Maturity Plan (FMPs)

The balances held in mutual fund FMPs as at March 31, 2020 and March 31, 2019 is as follows:

(in ₹ crore, except as otherwise stated)

Particulars	NAV INR	As at March 31, 2020		As at March 31, 2019	
		Units	Amount	Units	Amount
ICICI FMP Series 80-1194 D Plan F Div	10	1,50,00,000	19	1,50,00,000	17
Nippon India Fixed Horizon Fund-XXXII Series 8-Dividend Plan	10	1,50,00,000	18	1,50,00,000	16
HDFC FMP 1155D Feb 2017-Direct Growth Series 37	10	1,00,00,000	12	1,00,00,000	12
Birla Sunlife Fixed Term Plan-Series OD (1145 days)	10	1,00,00,000	12	1,00,00,000	12
		5,00,00,000	61	5,00,00,000	57

### 2.3.5 Details of investments in Certificate of Deposits

The balances held in certificate of deposit as at March 31, 2020 and March 31, 2019 is as follows:

(in ₹ crore, except as otherwise stated)

Particulars	As at March 31, 2020		As at March 31, 2019	
	Units	Amount	Units	Amount
Axis Bank Limited CD August 9, 2019	–	–	10,000	98
Kotak Bank Limited CD September 29, 2019	–	–	27,000	261
Axis Bank Limited CD October 30, 2020	10,000	97	–	–
Axis Bank Limited CD January 13, 2021	10,000	96	–	–
Axis Bank Limited CD November 17, 2020	5,000	48	–	–
	25,000	241	37,000	359



## 2.4 Loans

(in ₹ crore)

Particulars	As at March 31,	
	2020	2019
Non-current		
Unsecured, considered doubtful		
Other loans		
Loans to employees	5	6
Less: Allowance for doubtful loans to employees	(5)	(6)
Loans to fellow subsidiary (Refer note 2.22)	48	–
	48	–
Current		
Unsecured, considered good		
Loans to employees	22	19
Loans to fellow subsidiary (Refer note 2.22)	40	78
	62	97

## 2.5 Other financial assets

(in ₹ crore)

Particulars	As at March 31,	
	2020	2019
Non-current		
Security deposits <sup>(1)</sup>	4	4
Rental deposits <sup>(1)</sup>	48	39
Total non-current other financial assets	52	43
Current		
Security deposits <sup>(1)</sup>	1	–
Rental deposits <sup>(1)</sup>	2	1
Restricted deposits <sup>(1)*</sup>	108	98
Unbilled revenues <sup>(1)#</sup>	660	458
Interest accrued but not due <sup>(1)</sup>	25	38
Foreign currency forward contracts <sup>(2)</sup>	1	15
Others <sup>(1)(3)</sup>	27	32
Total current other financial assets	824	642
Total financial assets	876	685
<sup>(1)</sup> Financial assets carried at amortized cost.	875	670
<sup>(2)</sup> Financial assets carried at fair value through profit or loss.	1	15
<sup>(3)</sup> Includes dues from holding company and other group companies	9	7

\* Restricted deposits represent deposit with financial institutions to settle employees compensated absences related obligations as and when they arise during the normal course of business.

# Classified as financial asset as right to consideration is unconditional upon passage of time.

## 2.6 Trade receivables

(in ₹ crore)

Particulars	As at March 31,	
	2020	2019
Current		
Unsecured		
Considered good <sup>(1)(2)</sup>	1,359	1,118
Considered doubtful	28	20
	1,387	1,138
Less: Allowances for credit losses	28	20
	1,359	1,118
Total trade receivables	1,359	1,118
<sup>(1)</sup> Includes dues from holding company and group companies (Refer note 2.22)	83	72
<sup>(2)</sup> Includes dues from companies where directors are interested.		

## 2.7 Cash and cash equivalents

(in ₹ crore)

Particulars	As at March 31,	
	2020	2019
Balances with banks		
In current and deposit accounts	2,437	1,944
Cash on hand	–	–
Others		
Deposits with financial institution	700	683
	3,137	2,627
Deposit with more than 12 months maturity	555	400
Balances with banks held as margin money deposits against guarantees	–	–

Cash and cash equivalents as at March 31, 2020 and March 31, 2019 include restricted bank balances of less than ₹ 1 crore each. This represents restricted bank balance in trust account, in accordance with collection agency licensing requirements.

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

## 2.8 Other assets

(in ₹ crore)

Particulars	As at March 31,	
	2020	2019
Non-current		
Capital advances	–	3
Advances other than capital advance		
Others		
Prepaid expenses	34	66

Particulars	As at March 31,	
	2020	2019
Deferred contract cost***	90	51
Withholding taxes and others*	17	21
Prepaid gratuity	-	4
Total Non-current other assets	141	145
Current		
Unsecured, considered good		
Payment to vendors for supply of goods	11	11
Others		
Withholding taxes and others*	77	53
Prepaid expenses	217	169
Unbilled revenues**	29	43
Deferred contract cost***	22	7
Others	27	-
Total Current other assets	383	283
Total other assets	524	428

\*Withholding taxes and others primarily consist of input tax credits.

\*\*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. Cost which are expected to be amortized within twelve months from the balance sheet date have been presented as current. During year ended March 31, 2020, incremental costs of ₹ 66 crores have been recorded as deferred contract costs incurred with respect to acquisition of two contracts.

## 2.9 Financial instruments

### Accounting policy

#### 2.9.1 Initial recognition

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

#### 2.9.2 Subsequent measurement

##### a. Non-derivative financial instruments

###### (i) Financial assets carried at amortized cost

A financial asset is subsequently measured at amortized cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified

dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. The Group has made an irrevocable election for its investments which are classified as equity instruments to present the subsequent changes in fair value in other comprehensive income based on its business model.

###### (iii) Financial assets at fair value through profit or loss

A financial asset which is not classified in any of the above categories 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 recognised in a business combination which is subsequently measured at fair value through profit and loss. For trade and other payables maturing within one year from the Balance Sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

##### b. Derivative financial instruments

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

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

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

Although the Group believes that these derivatives constitute hedges from an economic perspective, they may not qualify for hedge accounting under Ind AS 109, Financial Instruments. Any derivative that is either not designated a 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 recognised initially at fair value and attributable transaction costs are recognised in net profit in the consolidated Statement of Profit and Loss when incurred. Subsequent to initial recognition, these derivatives are measured at fair value through profit or loss and the resulting exchange gains or losses are included in other income. Assets/ liabilities in this category are presented as current assets/current liabilities if they are either held for trading or are expected to be realized within 12 months after the Balance Sheet date.

## c. Share capital

### Ordinary shares

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

### 2.9.3 Derecognition of financial instruments

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

### 2.9.4 Fair value of financial instruments

In determining the fair value of its financial instruments, the Group uses a variety of methods and assumptions that are based on market conditions and risks existing at each reporting date. The methods used to determine fair value include discounted cash flow analysis, available quoted market prices and dealer quotes. All methods of assessing

fair value result in general approximation of value, and such value may never actually be realized.

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

### 2.9.5 Impairment

The Group recognizes loss allowances using the expected credit loss (ECL) model for the financial assets and unbilled revenue which are not fair valued through profit or loss. Loss allowance for trade receivables and unbilled revenue 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 consolidated Statement of Profit and Loss.

## Financial instruments by category

The carrying value and fair value of financial instruments by categories as at March 31, 2020 are as follows:

(in ₹ crore)

Particulars	Financial assets/ liabilities at fair value through profit or loss			Financial assets/liabilities at fair value through OCI		Total carrying value	Total fair value
	Amortized cost	Designated upon initial recognition	Mandatory	Equity instruments designated upon initial recognition	Mandatory		
<b>Assets:</b>							
Cash and cash equivalents (Refer Note 2.7)	3,137	–	–	–	–	3,137	3,137
<b>Investments (Refer Note 2.3)</b>							
Equity, preference and other securities	–	–	33	–	–	33	33
Non-convertible debentures <sup>(1)</sup>	–	–	–	–	473	473	473
Certificates of deposit	–	–	–	–	241	241	241
Government bonds	8	–	–	–	–	8	8
Fixed maturity plan securities	–	–	61	–	–	61	61
Liquid mutual fund units	–	–	66	–	–	66	66
Trade receivables (Refer Note 2.6)	1,359	–	–	–	–	1,359	1,359
Loans (Refer Note 2.4)	110	–	–	–	–	110	110
Other financial assets (Refer Note 2.5)	875	–	1	–	–	876	876
<b>Total</b>	<b>5,489</b>	<b>–</b>	<b>161</b>	<b>–</b>	<b>714</b>	<b>6,364</b>	<b>6,364</b>
<b>Liabilities:</b>							
Trade payables (Refer Note 2.12)	205	–	–	–	–	205	205
Lease Liabilities (Refer Note 2.19)	943	–	–	–	–	943	943
Other financial liabilities (Refer Note 2.11)	1,133	–	18	–	–	1,151	1,151
<b>Total</b>	<b>2,281</b>	<b>–</b>	<b>18</b>	<b>–</b>	<b>–</b>	<b>2,299</b>	<b>2,299</b>

<sup>(1)</sup> The carrying value of debentures approximates fair value as the instruments are at prevailing market rates.

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

(in ₹ crore)

Particulars	Financial assets/liabilities at fair value through profit or loss			Financial assets/liabilities at fair value through OCI		Total carrying value	Total fair value
	Amortized cost	Designated upon initial recognition	Mandatory	Equity instruments designated upon initial recognition	Mandatory		
Assets:							
Cash and cash equivalents (Refer Note 2.7)	2,627	–	–	–	–	2,627	2,627
Investments (Refer Note 2.3)							
Equity, preference and other securities	–	–	23	10	–	33	33
Non-convertible debentures <sup>(1)</sup>	–	–	–	–	310	310	310
Certificates of deposit	–	–	–	–	359	359	359
Government bonds	6	–	–	–	–	6	6
Fixed maturity plan securities	–	–	57	–	–	57	57
Liquid mutual fund units	–	–	70	–	–	70	70
Trade receivables (Refer Note 2.6)	1,118	–	–	–	–	1,118	1,118
Loans (Refer Note 2.4)	97	–	–	–	–	97	97
Other financial assets (Refer Note 2.5)	671	–	14	–	–	685	685
<b>Total</b>	<b>4,519</b>	<b>–</b>	<b>164</b>	<b>10</b>	<b>669</b>	<b>5,362</b>	<b>5,362</b>
Liabilities:							
Trade payables (Refer Note 2.12)	229	–	–	–	–	229	229
Other financial liabilities (Refer Note 2.11)	899	–	2	–	–	901	901
Loans (Refer note 2.22)	4	–	–	–	–	4	4
<b>Total</b>	<b>1,132</b>	<b>–</b>	<b>2</b>	<b>–</b>	<b>–</b>	<b>1,134</b>	<b>1,134</b>

<sup>(1)</sup> The carrying value of debentures approximates fair value as the instruments are at prevailing market rates.

### Fair value hierarchy

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

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

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

The following table presents fair value hierarchy of assets and liabilities measured at fair value as at March 31, 2020:

(in ₹ crore)

Particulars	As at March 31, 2020	Fair value measurement at end of the reporting period using		
		Level 1	Level 2	Level 3
Assets				
Investments in fixed maturity plan (Refer Note 2.3)	61	–	61	–
Investments in preference securities (Refer Note 2.3)	9	–	–	9
Investments in equity instruments (Refer Note 2.3)	–	–	–	–
Investments in other securities (Refer Note 2.3)	24	–	–	24
Investments in non-convertible debentures* (Refer Note 2.3)	473	473	–	–
Investments in liquid mutual fund units (Refer Note 2.3)	66	66	–	–
Investments in certificate of deposits (Refer Note 2.3)	241	–	241	–
Derivative financial instruments (Refer Note 2.5)	1	–	1	–
Liabilities				
Derivative financial instruments - fair value loss on outstanding foreign exchange forward contracts (Refer Note 2.11)	18	–	18	–

\*During the year ended March 31,2020, the non-convertible debentures of ₹ 143 crore were transferred from Level 2 to Level 1, since they were valued based on quoted price.

The following table presents fair value hierarchy of assets and liabilities measured at fair value as at March 31, 2019: (in ₹ crore)

Particulars	As at March 31, 2019	Fair value measurement at end of the reporting year using		
		Level 1	Level 2	Level 3
<b>Assets</b>				
Investments in fixed maturity plan (Refer Note 2.3)	57	–	57	–
Investments in preference securities (Refer Note 2.3)	23	–	–	23
Investments in equity instruments (Refer Note 2.3)	10	–	–	10
Investments in non-convertible debentures(Refer Note 2.3)	310	167	143	–
Investments in liquid mutual fund units (Refer Note 2.3)	70	70	–	–
Investments in certificate of deposits (Refer Note 2.3)	359	–	359	–
Derivative financial instruments (Refer Note 2.5)	14	–	14	–
<b>Liabilities</b>				
Derivative financial instruments - fair value loss on outstanding foreign exchange forward contracts (Refer Note 2.11)	2	–	2	–

\* During the year ended March 31, 2018, the non-convertible debentures of ₹ 196 crore were transferred from Level 1 to Level 2. One percentage point change in the unobservable inputs used in fair valuation at Level 3 assets and liabilities does not have a significant impact in its value.

## Financial risk management

### Financial risk factors

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

### Market risk

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

The following table analyzes foreign currency risk from financial instruments as of March 31, 2020:

(in ₹ crore)

Particulars	US dollars	Euro	United Kingdom Pound Sterling	Australian dollars	Other currencies	Total
Cash and cash equivalents	484	31	3	136	318	972
Trade receivables	971	213	62	47	19	1,312
Other financial assets (including loans)	723	23	6	29	26	807
Trade payables	(180)	(5)	(5)	(8)	(6)	(204)
Other financial liabilities	(702)	(68)	(12)	(61)	(114)	(957)
Net assets / (liabilities)	1,296	194	54	143	243	1,930

The following table analyzes foreign currency risk from financial instruments as of March 31, 2019:

In ₹ crore

Particulars	US dollars	Euro	United Kingdom Pound Sterling	Australian dollars	Other currencies	Total
Cash and cash equivalents	271	37	10	129	398	845
Trade receivables	806	107	85	55	21	1,074
Other financial assets (including loans)	511	15	8	54	17	605
Trade payables	(180)	(5)	(7)	(8)	(7)	(207)
Other financial liabilities	(511)	(18)	(10)	(71)	(108)	(718)
Net assets / (liabilities)	897	136	86	159	321	1,599

For the year ended March 31 2020 and March 31, 2019, every percentage point depreciation / appreciation in the exchange rate between the Indian rupee and US dollar, has affected the Group's incremental operating margins by approximately 0.24% and 0.25%, respectively.

Particulars	Year ended March 31,	
	2020	2019
Impact on the Company's incremental Operating Margins	0.24%	0.25%

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 year and the current reporting year.

### Derivative financial instruments

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

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

Particulars	As at March 31			
	2020		2019	
	in million	in ₹ crore	in million	in ₹ crore
Forward contracts				
In US dollars	77	583	101	699
In Euro	24	198	10	78
In United Kingdom Pound Sterling	-	-	10	90
In Australian dollars	2	9	8	37
In Philippine Pesos	400	60	-	-
Total forwards		850		904

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

(in ₹ crore)

Particulars	As at March 31	
	2020	2019
Not later than one month	123	351
Later than one month and not later than three months	727	553
	850	904

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

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

(in ₹ crore)

Particulars	As of March 31,		As of March 31,	
	2020		2019	
	Derivative financial asset	Derivative financial liability	Derivative financial asset	Derivative financial liability
Gross amount of recognized financial asset/liability	3	(20)	14	(2)
Amount set off	(2)	2	–	–
Net amount presented in balance sheet	1	(18)	14	(2)

## 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 ₹ 1,359 crore and ₹ 1,118 crore as of March 31, 2020 and March 31, 2019, respectively and unbilled revenue amounting to ₹ 689 crore and ₹ 501 crore as of March 31, 2020 and March 31, 2019, respectively. Trade receivables and unbilled revenue are typically unsecured and are derived from revenue earned from customers primarily located in the US. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Group grants credit terms in the normal course of business. As per Ind AS 109, the group uses expected credit loss model to assess the impairment loss or gain. The Group uses a provision matrix to compute the expected credit loss allowance for trade receivables and unbilled revenues. The provision matrix takes into account available external and internal credit risk factors such as credit default swap quotes, credit ratings from international credit rating agencies and the Group's historical experience for customers.

## Write-off policy

Receivables are written off when there is no realistic prospect of recovery. This is generally the case when the group determines through its continuous credit-monitoring that the amount is not recoverable due to the financial inability of or disputes with the customer. In some cases, such financial assets written off could still be subject to enforcement activities by the group in line with its policy of recovery of dues.

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

(In %)

Particulars	Year ended March 31,	
	2020	2019
Revenue from top customer	9%	5%
Revenue from top ten customers	35%	34%

## Credit risk exposure

The allowance for lifetime expected credit loss on customer balances for the year ended March 31, 2020 was ₹ 9 crore. The allowance for lifetime expected credit loss on customer balances for the year ended March 31, 2019 was ₹ 13 crore.

(In ₹ crore)

Particulars	Year ended March 31,	
	2020	2019
Balance at the beginning	20	11
Provisions recognized / (reversed)	9	13
Write-offs	–	–
Translation differences	(1)	(4)
Balance at the end	28	20

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.

## Liquidity risk

The Group's principal sources of liquidity are cash and cash equivalents and the cash flow that is generated from operations. The Group believes that the working capital is sufficient to meet its current requirements.

As of March 31, 2020, the Group had a working capital of ₹ 4,081 crore including cash and cash equivalents of ₹ 3,137 crore and current investments of ₹ 630 crore. As of March 31, 2019, the Group had a working capital of ₹ 3,484 crore including cash and cash equivalents of ₹ 2,627 crore and current investments of ₹ 535 crore



As of March 31, 2020 and March 31, 2019, the outstanding employee benefit obligations were ₹ 134 crore and ₹ 110 crore, respectively, which have been substantially funded. Further, as of March 31, 2020 and March 31, 2019, the Group had no outstanding bank borrowings. Accordingly, no liquidity risk is perceived.

The table below provides details regarding the contractual maturities of significant financial liabilities as of March 31, 2020:  
(in ₹ crore)

Particulars	Less than 1 year	1-2 years	2-4 years	4-7 years	Total
Trade payables	205	–	–	–	205
Other liabilities (Refer Note 2.11)	1,151	–	–	–	1151

The table below provides details regarding the contractual maturities of significant financial liabilities as of March 31, 2019:  
(In ₹ crore)

Particulars	Less than 1 year	1-2 years	2-4 years	4-7 years	Total
Trade payables	229	–	–	–	229
Other liabilities (Refer Note 2.11)	901	–	–	–	901

## 2.10 Equity

### Equity share capital

(in ₹ crore, except as otherwise stated)

Particulars	As at March 31,	
	2020	March 31, 2019
Authorized		
Equity shares, ₹10/- (₹10/-) par value		
12,33,75,000 (12,33,75,000) equity shares	123	123
Issued, subscribed and paid-up		
Equity shares, ₹10/- (₹10/-) par value	34	34
3,38,27,751 (3,38,27,751) equity shares fully paid up (of the above 3,38,23,444 equity shares are held by the holding company, Infosys Limited)		
	34	34

The Company has only one class of shares referred to as equity shares having a par value of ₹10/-. Each holder of equity shares is entitled to one vote per 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.

The details of shareholder holding more than 5% shares as at:

Name of the shareholder	As at March 31, 2020		As at March 31, 2019	
	Number of shares*	% held	Number of shares	% held
Infosys Limited, the holding company	3,38,23,444	99.99	3,38,22,319	99.98

\* Increase in shareholding of Infosys Limited is due to transfer of 1,125 equity shares from the other shareholders during the year ended March 31, 2020

The reconciliation of the number of shares outstanding and the amount of share capital as at :

(in ₹ crore, except as otherwise stated)

Particulars	As at March 31, 2020		As at March 31, 2019	
	Number of shares	Amount	Number of shares	Amount
At the beginning of the period	3,38,27,751	34	3,38,27,751	34
Add: Shares issued during the period	–	–	–	–
At the end of the period	3,38,27,751	34	3,38,27,751	34

There has been no buyback of shares, issuance of bonus shares or shares issued for consideration other than cash during the last five years.

## 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.

## Earnings per equity share

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

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

## Securities premium

The amount received in excess of the par value has been classified as securities premium.

### 2.11 Other financial liabilities

(in ₹ crore)

Particulars	As at March 31,	
	2020	2019
<b>Non-current</b>		
Others		
Compensated absences	4	3
<b>Total non-current other financial liabilities</b>	<b>4</b>	<b>3</b>
<b>Current</b>		
Others		
Accrued compensation to employees <sup>(1)</sup>	283	250
Capital creditors <sup>(1)</sup>	12	12
Accrued expenses <sup>(1)*</sup>	777	610
Retention monies <sup>(1)</sup>	–	1
Other payables <sup>(1)**</sup>	61	26
Compensated absences	130	107
Foreign currency forward contracts <sup>(2)</sup>	18	2
<b>Total current other financial liabilities</b>	<b>1,281</b>	<b>1,008</b>
<b>Total other financial liabilities</b>	<b>1,285</b>	<b>1,011</b>
<sup>(1)</sup> Financial liability carried at amortized cost	1,133	899

Particulars	As at March 31,	
	2020	2019
<sup>(2)</sup> Financial liability carried at fair value through profit or loss	18	2
* Includes dues to holding Company	–	2
** Includes dues to holding company and other Group companies	9	7
# Includes contract cost liability of ₹ 19 crore for acquisition of a contract		

### 2.12 Trade payables

(in ₹ crore)

Particulars	As at March 31,	
	2020	2019
<b>Current</b>		
Trade payables <sup>(1)</sup>	205	229
	205	229
<sup>(1)</sup> Includes dues to holding company and other Group Companies (Refer note 2.22)	118	103

### 2.13 Other liabilities

(in ₹ crore)

Particulars	As at March 31,	
	2020	2019
<b>Non-current</b>		
Deferred rent <sup>*#</sup>	–	28
<b>Total non-current other liabilities</b>	<b>–</b>	<b>28</b>
<b>Current</b>		
Unearned revenue	518	388
Others		
Withholding taxes and other payables	104	87
Client deposits	1	4
Deferred rent <sup>*#</sup>	–	7
<b>Total current other liabilities</b>	<b>623</b>	<b>486</b>
<b>Total other liabilities</b>	<b>623</b>	<b>514</b>

\* On adoption of Ind AS 116, the balance in deferred rent has been adjusted in retained earnings

# Refer note 2.19

### 2.14 Provisions

#### Accounting policy

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

### a. Post-sales client support and others

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

### b. Onerous contracts

Provisions for onerous contracts are recognised when the expected benefits to be derived by the group from a contract are lower than the unavoidable costs of meeting the future obligations under the contract. The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established the group recognizes any impairment loss on the assets associated with that contract.

Provision for post-sales customer support and other provisions  
(in ₹ crore)

Particulars	As at March 31,	
	2020	2019
Current		
Others		
Post-sales client support and Other provisions	38	46
Total provisions	38	46

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

(in ₹ crore)

Particulars	As at March 31,	
	2020	2019
Balance at the beginning	46	33
Provision recognized/ (reversed)	1	21
Provision utilized	(9)	(9)
Exchange difference	–	1
Balance at the end	38	46

Provision for post-sales client support and other provisions are expected to be utilized over a period of six months to one year.

## 2.15 Income taxes

### Accounting Policy

Income tax expense comprises current and deferred income tax. Income tax expense is recognized in the consolidated Statement of Profit and Loss except to the extent that it relates to items recognised directly in equity, in which case it is recognised in other comprehensive income. Current income tax for current and prior periods is recognised 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 recognised 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 recognised as income or expense in the period that includes the enactment or the substantive enactment date. A deferred income tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilized. Deferred income taxes are not provided on the undistributed earnings of subsidiaries and branches where it is expected that the earnings of the subsidiary or branch will not be distributed in the foreseeable future. The Group offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously. The income tax provision for the interim period is made based on the best estimate of the annual average tax rate expected to be applicable for the full financial year. Tax benefits of deductions earned on exercise of employee share options in excess of compensation charged to income are credited to securities premium.

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

(in ₹ crore)

Particulars	Year ended March 31,	
	2020	2019
Current taxes	282	250
Deferred taxes	(30)	2
Income tax expense	252	252

Income tax expense for the year ended March 31, 2020 and March 31, 2019 includes provisions (net of reversal) of ₹ 49 crore and ₹ 6 crore, respectively, pertaining to earlier periods.

Income tax expense for the year ended March 31, 2020 and March 31, 2019 includes provisions MAT credit of less than ₹ 1 crore and ₹ 4 crore, respectively, pertaining to earlier periods on completion of assessments.

Entire deferred income tax for the year ended March 31, 2020 and March 31, 2019 respectively relates to origination and reversal of temporary differences.

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

(in ₹ crore)

Particulars	Year ended March 31,	
	2020	2019
Profit before income taxes	1,058	969
Enacted tax rates in India	34.94%	34.94%
Computed expected tax expense	370	339

Particulars	Year ended March 31,	
	2020	2019
Tax effect due to non-taxable income for tax purposes	(78)	(75)
Tax effect of non-deductible losses of 10AA units	3	–
Overseas taxes	14	11
Base erosion and anti-abuse (BEAT) tax liability	–	14
Tax provision (reversals), overseas and domestic	(26)	(9)
Effect of exempt non-operating income	–	(4)
Effect of differential overseas tax rates	(30)	(20)
Effect of non-deductible expenses	6	6
Others	(7)	(10)
Income tax expense	252	252

The applicable Indian statutory tax rates for fiscal 2020 and fiscal 2019 is 34.94% and 34.94% respectively.

In India, the Group has benefited from certain tax incentives that the Government of India had provided for export of services from the units registered under the Special Economic Zones(SEZs)Act,2005. SEZ units which began the provision of services on or after April1,2005 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. Upto 50% of such profits or

gains is also available for a further five years subject to creation of a Special Economic Zone re-Investment Reserve out of the profit of the eligible SEZ units and utilization of such reserve by the Group for acquiring new plant and machinery for the purpose of its business as per the provisions of the Income Tax Act, 1961.

The following table provides the details of income tax assets and income tax liabilities are as follows

(in ₹ crore)

Particulars	As at March 31,	
	2020	2019
Income tax assets	132	100
Current income tax liabilities	(56)	(45)
Net income tax assets/(liability) at the end	76	55

The gross movement in the current income tax asset/(liability) for the year ended March 31, 2020 and March 31, 2019 is as follows:

(in ₹ crore)

Particulars	Year ended March 31,	
	2020	2019
Net income tax asset/(liability) at the beginning	55	69
Translation differences	7	(7)
Income tax paid	295	241
Income tax expense	(282)	(250)
Income tax on other comprehensive income	1	2
Net income tax asset/(liability) at the end	76	55

The movement in gross deferred income tax assets and liabilities (before set off) for the year ended March 31, 2020 is as follows:  
(in ₹ crore)

Particulars	Carrying value as on April 1,2019	Changes through Profit and Loss	Changes through OCI	Impact on account of Ind AS 116	Translation difference	Carrying value as on March 31,2020
Deferred income tax assets						
Property, plant and equipment	30	3	–	–	–	33
Lease liabilities	3	7	–	6	–	16
Compensated absences	29	7	–	–	–	36
Accrued compensation to employees	11	2	–	–	–	13
Intangible assets	10	(1)	–	–	–	9
Trade receivables	7	(1)	–	–	–	6
Post sales client support	5	–	–	–	–	5
Derivative Financial Instruments	(5)	11	–	–	–	6
Others	41	(2)	(3)	–	1	37
Total deferred tax assets	131	26	(3)	6	1	161
Deferred income tax liabilities						
Property, plant and equipment-DL	(4)	4	-	–	-	-
Others-DL	(19)	2	1	–	(1)	(17)
DTL-Intangibles	(25)	(2)	(4)	–	2	(29)
Total deferred tax liabilities	(48)	4	(3)	–	1	(46)

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

Particulars	Carrying value as on April 1, 2019	Changes through Profit and Loss	Changes through OCI	Impact on account of Ind AS 116	Translation difference	Carrying value as on March 31, 2020
<b>Deferred income tax assets</b>						
Property, plant and equipment	24	6	–	–	–	30
Compensated absences	25	4	–	–	–	29
Accrued compensation to employees	5	6	–	–	–	11
Intangible Assets	9	–	–	–	1	10
Minimum alternative tax carry forwards	–	–	–	–	–	–
Trade receivables	6	1	–	–	–	7
Post sales client support	2	3	–	–	–	5
Derivative Financial Instruments	–	(5)	–	–	–	(5)
Others	53	(14)	2	–	3	44
<b>Total deferred tax assets</b>	<b>124</b>	<b>1</b>	<b>2</b>	<b>–</b>	<b>4</b>	<b>131</b>
<b>Deferred income tax liabilities</b>						
Property, plant and equipment-DL	(1)	(3)	–	–	–	(4)
Others-DL	(17)	(1)	–	–	(1)	(19)
DTL-Intangibles	(21)	1	(4)	–	(1)	(25)
<b>Total deferred tax liabilities</b>	<b>(39)</b>	<b>(3)</b>	<b>(4)</b>	<b>–</b>	<b>(2)</b>	<b>(48)</b>

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

(In ₹ crore)

Particulars	Year ended March 31,	
	2020	2019
Deferred income tax assets after set off	129	109
Deferred income tax liabilities after set off	(14)	(26)

Deferred tax assets and deferred tax liabilities have been offset wherever the Group has a legally enforceable right to set off current tax assets against current tax liabilities and where the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority.

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

The charge relating to temporary differences during the year ended March 31, 2020 and March 31, 2019 are primarily

on account of compensated absences, carry forward of losses and tax subsidy partially offset by reversal of credits pertaining to property, plant and equipment, lease liability, trade receivable and intangibles.

## 2.16 Revenue from operations

### Accounting policy

The Group derives revenues primarily from business process management services. Arrangements with customers for business process management services are either on a fixed-timeframe, unit of work or on a time-and-material basis.

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

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

the cost of satisfying the performance obligation and then adds an appropriate margin based on similar services.

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

Revenue on time-and-material contracts and unit of work based contracts are recognized as the related services are performed. Fixed price business process management services revenue is recognized ratably either on a straight-line basis when services are performed through an indefinite number of repetitive acts over a specified period or using a percentage of completion method when the pattern of benefits from the services rendered to the customer and Group's costs to fulfil the contract is not even through the period of contract because the services are generally discrete in nature and not repetitive.

Revenue from other fixed price, fixed-timeframe contracts, where the performance obligations are satisfied over time is recognized using the percentage-of-completion method. Efforts or costs expended have been used to determine progress towards completion as there is a direct relationship between input and productivity. Progress towards completion is measured as the ratio of costs or efforts incurred to date (representing work performed) to the estimated total costs or efforts. Estimates of transaction price and total costs or efforts are continuously monitored over the lives of the contracts and are recognized in profit or loss in the period when these estimates change or when the estimates are revised. Revenues and the estimated total costs or efforts are subject to revision as the contract progresses. Provisions for estimated losses, if any, on uncompleted contracts are recorded in the period in which such losses become probable based on the estimated efforts or costs to complete the contract.

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

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

Arrangements to deliver software products generally have three elements: license, implementation and Annual Technical Services (ATS). When implementation services are provided in conjunction with the licensing arrangement and the license and implementation have been identified as two distinct separate performance obligations, the transaction price for such contracts are allocated to each performance obligation of the contract based on their relative standalone selling prices. In the absence of standalone selling price for implementation, the Group uses the expected cost plus margin approach in estimating the standalone selling price.

Where the license is required to be substantially customized as part of the implementation service the entire arrangement fee for license and implementation is considered to be a single performance obligation and the revenue is recognized using the percentage-of-completion method as the implementation is performed. Revenue from client training, support and other services arising due to the sale of software products is recognized as the performance obligations are satisfied. ATS revenue is recognized ratably over the period in which the services are rendered.

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

The incremental costs of obtaining a contract (i.e., costs that would not have been incurred if the contract had not been obtained) are recognized as an asset if the Group expects to recover them. Any capitalized contract costs are amortized, with the expense recognised as the Group transfers the related goods or services to the customer.

The Group presents revenues net of indirect taxes in its consolidated statement of profit and loss.

Revenues for the year ended March 31, 2020 and March 31, 2019 are follows:

(in ₹ crore)

Particulars	Year ended March 31,	
	2020	2019
Income from business		
process management services	6,922	6,022
	6,922	6,022

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

### Disaggregate revenue information

The table below presents disaggregated revenues from contracts with customers for the year ended March 31, 2020 and March 31, 2019 by offerings . The Group believes that this disaggregation best depicts how the nature, amount, timing and uncertainty of our revenues and cash flows are affected by industry, market and other economic factors.



Particulars	(in ₹ crore)	
	Year ended March 31,	
	2020	2019
Revenue by offerings		
Digital	920	748
Core	6,002	5,274
Total	6,922	6,022
Revenues by geography		
North America	4,459	3,718
Europe	1,683	1,437
India	253	226
Rest of the world	527	641
Total	6,922	6,022

## Digital services

Digital services comprise of service and solution offerings of Infosys BPM that enable our clients to digitally transform their business processes. These include offerings that enhance customer experience through innovative operating models (business platforms), provide business insights that drive improved business outcomes (effectiveness), automate and help accelerate efficiency and productivity and services that assure compliance (such as Sox, GDPR). These solutions leverage AI-based analytics, web-based automation, digital interactive solutions, robotic process automation and platform based technologies.

## Core services

Infosys BPM is the business process management subsidiary of Infosys, providing end-to-end business processing services for its clients across the globe. Core service offerings are in the areas of Industry-specific services (ex: mortgage, claim processing etc) and Enterprise Services (ex: Finance and accounting, HR, supply services etc.)

## Trade receivables and contract balances

The timing of revenue recognition, billings and cash collections results in receivables, unbilled revenue, and unearned revenue on the Company's Balance Sheet. Amounts are billed as work progresses in accordance with agreed-upon contractual terms, either at periodic intervals (e.g., monthly or quarterly) or upon achievement of contractual milestones. Receivables are rights to consideration that are unconditional. Unbilled revenues comprising revenues in excess of billings from time and material contracts and fixed price business process management services are classified as financial asset when the right to consideration is unconditional and is due only after a passage of time.

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

Invoicing in excess of earnings are classified as unearned revenue.

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

During the year ended March 31, 2020 and March 31, 2019, the Group recognized revenue of ₹ 307 crore and ₹ 146 crore arising from opening unearned revenue as of April 1, 2019 and April 1, 2018 respectively.

During the year ended March 31, 2020 and March 31, 2019, ₹ 44 crore and ₹ 30 crore of unbilled revenue pertaining to fixed price development contracts as of April 1, 2019 and April 1, 2018 respectively has been reclassified to trade receivables upon billing to customers on completion of milestones.

## Performance obligations and remaining performance obligations

The remaining performance obligation disclosure provides the aggregate amount of the transaction price yet to be recognized as at the end of the reporting period and an explanation as to when the Group expects to recognize these amounts in revenue. Applying the practical expedient as given in Ind AS 115, the Group has not disclosed the remaining performance obligation related disclosures for contracts where the revenue recognized corresponds directly with the value to the customer of the entity's performance completed to date, typically those contracts where invoicing is on time and material basis. Remaining performance obligation estimates are subject to change and are affected by several factors, including terminations, changes in the scope of contracts, periodic revalidations, adjustment for revenue that has not materialized and adjustments for currency.

The aggregate value of performance obligations that are completely or partially unsatisfied as of March 31, 2020 other than those meeting the exclusion criteria mentioned above is ₹4,266 crore. Out of this, the Group expects to recognize revenue of around 34.0% 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.

## 2.17 Other income, net

### Accounting policy

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

### Foreign currency

### Functional currency

The functional currency of the Company is the Indian rupee. The functional currencies for Infosys (Czech Republic) Limited s.r.o., Infosys Poland Sp.z.o.o, Infosys Consulting Sp.z.o.o, Infosys McCamish Systems LLC, Portland Group Pty Ltd and Infosys BPO Americas LLC are the respective local currencies. These consolidated 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 the consolidated Statement of Profit and Loss. Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at fair value are translated at the exchange rate prevalent at the date when the fair value was determined. Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of transaction.

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

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

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

(in ₹ crore)

Particulars	Year ended March 31,	
	2020	2019
Interest income on financial assets at carried at amortized cost:		
Deposit with banks and others	182	111
Interest income on financial assets at fair value through other comprehensive income:		
Non-convertible debentures	26	26
Certificates of deposit	14	38
Income on investments carried at fair value through profit or loss:		
Gains/(losses) on liquid mutual funds units	14	17
Profit on sale of property, plant and equipment	1	1
Rental income from holding company	3	3

Particulars	Year ended March 31,	
	2020	2019
Exchange gains/(losses) on foreign currency forward and options contracts	(23)	–
Exchange gains/(losses) on translation of other assets and liabilities	33	14
Profit/(loss) on sale of investments	–	(26)
Fair valuation loss on Investments	(22)	–
Other miscellaneous income, net*	51	27
	279	211

\* Includes sale of duty scrips of ₹ 27 crore for the year ended March 31, 2020 (₹ 25 crores for year ended March 31, 2019).

## 2.18 Expenses

(in ₹ crore)

Particulars	Year ended March 31,	
	2020	2019
Employee benefit expenses		
Salaries and bonus including overseas staff expenses	3,707	3,123
Staff welfare	45	42
Contribution to provident and other funds	90	87
	3,842	3,252
Cost of technical sub-contractors and professional charges		
Cost of technical sub-contractors	596	477
Legal and professional	43	58
Recruitment and training	36	30
	675	565
Other expenses		
Computer maintenance	13	13
Printing and stationery	5	5
Office maintenance	140	102
Consumables	7	8
Brand building and advertisement	7	7
Marketing expenses	6	4
Power and fuel	31	32
Insurance charges	8	6
Communication	78	67
Rates and taxes	21	18
Contribution to Corporate Social Responsibility	16	16
Donations	11	–
Bank charges and commission	3	3
Postage and courier	21	25

Particulars	Year ended March 31,	
	2020	2019
Allowances for credit losses on financial assets	10	12
Provision for doubtful loans and advances	2	2
Professional membership and seminar participation fees	1	–
Provision for post-sale customer support and others	(5)	12
Other miscellaneous expenses	3	7
	378	339

## 2.19 Leases

### Accounting policy

#### The Group as a lessee

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

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

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

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

ROU assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate 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 as Cash Generating Unit (CGU) to which the asset belongs.

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

Lease liability and ROU assets have been separately presented in the balance sheet and lease payments have been classified as financing cash flows.

#### The Company as a lessor

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

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

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

#### Transition

Effective April 1, 2019, the Company adopted Ind AS 116 "Leases" and applied the standard to all lease contracts existing on April 1, 2019 using the modified retrospective method and has taken the cumulative adjustment to retained earnings, on the date of initial application. Consequently, the Company recorded the lease liability at the present value of the lease payments discounted at the incremental borrowing rate and the ROU asset at its carrying amount as if the standard had been applied since the commencement date of the lease, but discounted at the Company's incremental borrowing rate at the date of initial application. Comparatives for the year ended March 31, 2019 have not been retrospectively adjusted and therefore will continue to be reported under the accounting policies included as part of our annual financial statements for year ended March 31, 2019.

On transition, the adoption of the new standard resulted in recognition of 'Right of Use' asset of ₹787 crore and a lease liability of ₹835 crore. Further, upon transition, the Company reclassified leasehold land previously accounted as finance lease under "Property, plant & equipment" to 'Right of Use' asset and deferred rent accounted under "Other liabilities" to retained earnings. The cumulative effect of applying the standard of ₹8 crore was adjusted in retained earnings, net of taxes. Ind AS 116 will result in an increase in cash inflows from operating activities and an increase in cash outflows from financing activities on account of lease payments.

The following is the summary of practical expedients elected on initial application:

1. Applied a single discount rate to a portfolio of leases of similar assets in similar economic environment with a similar end date
2. Applied the exemption not to recognize ROU assets and liabilities for leases with less than 12 months of lease term on the date of initial application
3. Excluded the initial direct costs from the measurement of the ROU asset at the date of initial application.
4. Applied the practical expedient to grandfather the assessment of which transactions are leases. Accordingly, Ind AS 116 is applied only to contracts that were previously identified as leases under Ind AS 17.

The difference between the lease obligation recorded as of March 31, 2019 under IndAS 17 disclosed under Note 2.12 of the 2019 annual financial statements and the value of the lease liability as of April 1, 2019 is primarily on account of inclusion of extension and termination options reasonably certain to be exercised, in measuring the lease liability in accordance with Ind AS 116.

The weighted average incremental borrowing rate applied to lease liabilities as at April 1, 2019 is 4.9%

Following are the changes in the carrying value of ROU assets for the year ended March 31, 2020:

Particulars	Category of ROU asset		Total
	Land	Buildings	
Balance as of April 1, 2019	-	787	787
Reclassified on account of adoption of Ind AS 116 (Refer note 2.1)	11	-	11
Additions/ Adjustments*	-	218	218
Deletions/ Adjustments	-	(68)	(68)
Amortization	(1)	(121)	(122)
Translation difference	-	10	10
Balance as of March 31, 2020	10	826	836

\* Includes adjustments based on the change in indexation rates and tenancy incentives.

The following is the break-up of current and non-current lease liability as of March 31, 2020

Particulars	Amount
Non-current lease liability	825
Current lease liability	118
Total	943

The following is the movement in lease liability during the year ended March 31, 2020:

Particulars	Amount
Balance as of April 1, 2019	836
Additions/Adjustments	216
Deletions/Adjustments	(61)
Finance cost accrued during the period	41
Payment of lease liability	(139)
Translation difference	50
Balance as of March 31, 2020	943

Rental expense recorded for short-term leases was ₹36 crore for the year ended March 31, 2020.

The table below provides details regarding the contractual maturities of lease liabilities as at March 31, 2020 on an undiscounted basis:

Particulars	Amount
Less than one year	155
One to five years	536
More than five years	442
Total	1,134

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

## 2.20 Employee benefits

### Accounting policy

#### Gratuity

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

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

The Group recognizes the net obligation of a defined benefit plan in its Balance Sheet as an asset or liability. Gains and losses through re-measurements of the net defined benefit liability / (asset) are recognized in other comprehensive income and 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 recognised in the consolidated Statement of Profit and Loss.

## Superannuation

Certain employees of the Group are participants in a defined contribution plan. The Group has no further obligations to the Plan beyond its monthly contributions.

## Provident fund

Eligible employees of the Company are participants in defined contribution plan. The Company has no further obligations under the provident fund plan beyond its monthly contributions.

## Compensated absences

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

### (a) Gratuity

The following tables set out the funded status of the gratuity plan and the amounts recognized in the Group's financial statements as of March 31, 2020 and March 31, 2019:

Particulars	As of March 31,	
	2020	2019
Change in benefit obligations		
Benefit obligations at the beginning	94	78
Service cost	12	11
Interest expense	6	6
Transfer of obligation	(1)	(1)
Remeasurements - Actuarial (gains)/ losses	4	8
Benefits paid	(12)	(8)
Benefit obligations at the end	103	94
Change in plan assets		
Fair value of plan assets at the beginning	98	83
Interest income	7	7
Transfer of employees	(1)	(1)
Actuarial gain / (loss)	-	-
Remeasurements - Return on plan assets excluding amounts included in interest income	-	1
Contributions	11	16
Benefits paid	(12)	(8)
Fair value of plan assets at the end	103	98
Funded status	-	4
Prepaid gratuity	-	4

Amounts for the year ended March 31, 2020 and March 31, 2019 recognized in the Statement of Profit and Loss under employee benefit expenses.

(in ₹ crore)

Particulars	Year ended March 31,	
	2020	2019
Service cost	12	11
Net interest on the net defined benefit liability / asset	(1)	(1)
Net gratuity cost	11	10

Amounts for the year ended March 31, 2020 and March 31, 2019 recognized in the Statement of Other Comprehensive Income:

(in ₹ crore)

Particulars	Year ended March 31,	
	2020	2019
Remeasurements of the net defined benefit liability / (asset)		
Actuarial (gains) / losses (Return) / loss on plan assets excluding amounts included in the net interest on the net defined benefit liability / (asset)	4	8
	-	(1)
	4	7

(in ₹ crore)

Particulars	Year ended March 31,	
	2020	2019
(Gain) / loss from change in demographic assumptions	-	-
(Gain) / loss from change in financial assumptions	2	1
(Gain) / loss from change in experience assumptions	2	7
	4	8

The weighted-average assumptions used to determine benefit obligations as of March 31, 2020 and March 31, 2019 are set out below:

Particulars	As of March 31,	
	2020	2019
Discount rate	6.2%	7.1%
Weighted average rate of increase in compensation levels	7.5%	7.5%

The weighted-average assumptions used to determine net periodic benefit cost for the year ended March 31, 2020 and March 31, 2019 are set out below:

Particulars	Year ended March 31,	
	2020	2019
Discount rate	7.1%	7.1%
Weighted average rate of increase in compensation levels	7.5%	7.5%
Weighted average duration of defined benefit obligation	5.9 years	5.9 years

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

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

	As at March 31, 2020
Impact of percentage point increase/decrease in Discount rate	3
Weighted average rate of increase in compensation level	2

Sensitivity for significant actuarial assumptions is computed by varying one actuarial assumption used for the valuation of the defined benefit obligation by one percentage, keeping all other actuarial assumptions constant.

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

The Group contributes all ascertained liabilities towards gratuity to the Infosys BPO Limited Employees' Gratuity Fund Trust. Trustees administer contributions made to the trust. As of March 31, 2020 and March 31, 2019, the plan assets have been primarily invested in insurer managed funds.

Actual return on assets for the year ended March 31, 2020 and March 31, 2019 were ₹ 7 crore and ₹ 7 crore respectively.

The Group expects to contribute ₹ 40 crore to gratuity trust during fiscal 2021.

Maturity profile of defined benefit obligation:

	(in ₹ crore)
Within 1 year	32
1-2 year	28
2-3 year	24
3-4 year	21
4-5 year	19
5-10 years	51

#### (b) Superannuation

The Company contributed ₹ 10 crore to the Superannuation Trust for the year ended March 31, 2020 (₹ 10 crore for year ended March 31, 2019).

#### (c) Provident fund

The Company contributed ₹ 78 crore towards Provident Fund for year ended March 31, 2020 (₹ 72 crore for the year ended March 31, 2019).

#### (d) Pension Fund

The Company contributed ₹ 9 crore to pension funds for year ended March 31, 2020 (₹ 9 crore for the year ended March 31, 2019).

## 2.21 Contingent liabilities and commitments (to the extent not provided for)

(in ₹ crore)

Particulars	As at March 31,	
	2020	2019
Contingent liabilities :		
Claims against the Group, not acknowledged as debts <sup>(1)</sup>	126	134
[Amount paid to statutory authorities ₹ 49 crore (₹64 crore)]		
Commitments :		
Estimated amount of unexecuted capital contracts (net of advances and deposits)	45	65
Other commitments <sup>(2)</sup>	46	69

<sup>(1)</sup> Claims against the Group not acknowledged as debts includes demand from the Indian income tax authorities for payment of tax including interest for fiscals 2007, 2008, 2009, 2010, 2011, 2012, 2013, 2015 and 2016. The above matters are pending before various Appellate Authorities.

The Group is contesting the demand and the Management including its tax advisors believes that its position will likely be upheld in the appellate process. The Management believes that the ultimate outcome of these proceedings will not have a material adverse effect on the Group's financial position and results of operations.

<sup>(2)</sup> Other commitments relate to investment committed by Infosys Poland Sp.z.o.o in the House Fund II, L.P. during the current year (investment committed by Infosys Poland Sp.z.o.o in Vertex Ventures US Fund in the previous year).

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

## 2.22 Related party transactions

On February 20, 2020, Infosys Poland, Sp z.o.o, acquired 100% of the voting interests in Infosys Consulting Sp. z.o.o from Infosys Consulting Holding AG (formerly Lodestone Holding AG).

List of related parties:

Name of holding company	Country	Holding as at March 31, 2020
Infosys Limited	India	99.99%
<b>Fellow subsidiaries</b>		
Infosys Technologies (China) Co. Limited (Infosys China)		China
Infosys Technologies S. de R. L. de C. V. (Infosys Mexico)		Mexico
Infosys Technologies (Sweden) AB. (Infosys Sweden)		Sweden
Infosys Technologies (Shanghai) Company Limited (Infosys Shanghai)		China
Infosys Tecnologia DO Brasil LTDA. (Infosys Brasil) <sup>(25)</sup>		Brazil
Infosys Nova Holdings LLC. (Infosys Nova)		US
EdgeVerve Systems Limited (EdgeVerve)		India
Infosys Austria GmbH (formerly Lodestone Management Consultants GmbH) <sup>(2)</sup>		Austria
Skava Systems Pvt. Ltd. (Skava Systems)		India
Kallidus Inc, (Kallidus)		US
Infosys Chile SpA		Chile
Infosys Arabia Limited <sup>(3)</sup>		Saudi Arabia
Infosys Consulting Ltda. <sup>(3)</sup>		Brazil
Infosys CIS LLC <sup>(2) (18) (26)</sup>		Russia
Infosys Luxembourg S.a.r.l <sup>(2) (13)</sup>		Luxembourg
Infosys Americas Inc., (Infosys Americas)		US
Infosys Technologies (Australia) Pty. Limited (Infosys Australia) <sup>(4)</sup>		Australia
Infosys Public Services, Inc. USA (Infosys Public Services)		US
Infosys Canada Public Services Inc <sup>(19)</sup>		Canada
Infosys Consulting Holding AG (Infosys Lodestone)		Switzerland
Lodestone Management Consultants Inc. <sup>(5)(11)</sup>		US
Infosys Management Consulting Pty Limited <sup>(5)</sup>		Australia
Infosys Consulting AG <sup>(5)</sup>		Switzerland
Infosys Consulting GmbH <sup>(5)</sup>		Germany
Infosys Consulting S.R.L. <sup>(2)</sup>		Romania
Infosys Consulting SAS <sup>(5)</sup>		France
Infosys Consulting s.r.o. <sup>(5)</sup>		Czech Republic
Infosys Consulting (Shanghai) Co., Ltd.(formerly Lodestone Management Consultants Co., Ltd) <sup>(5)</sup>		China
Infy Consulting Company Ltd <sup>(5)</sup>		UK
Infy Consulting B.V. <sup>(5)</sup>		The Netherlands
Lodestone Management Consultants Portugal, Unipessoal, Lda. <sup>(5)</sup>		Portugal
Infosys Consulting S.R.L. <sup>(5)</sup>		Argentina
Infosys Consulting (Belgium) NV (formerly Lodestone Management Consultants (Belgium) S.A.) <sup>(6)</sup>		Belgium
Panaya Inc. (Panaya)		US
Panaya Ltd. <sup>(7)</sup>		Israel
Panaya GmbH <sup>(7)</sup>		Germany
Panaya Japan Co. Ltd <sup>(1)</sup>		Japan
Brilliant Basics Holdings Limited (Brilliant Basics)		UK
Brilliant Basics Limited <sup>(8)</sup>		UK
Brilliant Basics (MENA) DMCC <sup>(8)(26)</sup>		Dubai
Infosys Consulting Pte Limited (Infosys Singapore) <sup>(2)</sup>		Singapore
Infosys Middle East FZ LLC <sup>(9)</sup>		Dubai
Fluido Oy <sup>(9)(14)</sup>		Finland
Fluido Sweden AB (Extero) <sup>(15)</sup>		Sweden
Fluido Norway A/S <sup>(15)</sup>		Norway
Fluido Denmark A/S <sup>(15)</sup>		Denmark
Fluido Slovakia s.r.o <sup>(15)</sup>		Slovakia
Fluido Newco AB <sup>(15)</sup>		Sweden
Infosys Compaz Pte. Ltd (formerly Trusted Source Pte. Ltd) <sup>(16)</sup>		Singapore
Infosys South Africa (Pty) Ltd <sup>(9)(17)</sup>		South Africa



Fellow subsidiaries	
WongDoody Holding Company Inc. (WongDoody) <sup>(10)</sup>	US
WDW Communications, Inc. <sup>(12)</sup>	US
WongDoody, Inc. <sup>(12)</sup>	US
HIPUS Co. Ltd (formerly Hitachi Procurement Service Co. Ltd.) <sup>(20)</sup>	Japan
Stater N.V. <sup>(21)</sup>	The Netherlands
Stater Nederland B.V. <sup>(22)</sup>	The Netherlands
Stater Duitsland B.V. <sup>(22)</sup>	The Netherlands
Stater XXL B.V. <sup>(22)</sup>	The Netherlands
HypoCasso B.V. <sup>(22)</sup>	The Netherlands
Stater Participations B.V. <sup>(22)</sup>	The Netherlands
Stater Deutschland Verwaltungs-GmbH <sup>(23)</sup>	Germany
Stater Deutschland GmbH & Co. KG <sup>(23)</sup>	Germany
Stater Belgium N.V./S.A. <sup>(24)</sup>	Belgium
Outbox systems Inc. dba Simplus (US) <sup>(27)</sup>	US
Simplus North America Inc. <sup>(28)</sup>	Canada
Simplus ANZ Pty Ltd. <sup>(28)</sup>	Australia
Simplus Australia Pty Ltd <sup>(30)</sup>	Australia
Square Peg Digital Pty Ltd <sup>(30)</sup>	Australia
Simplus Philippines, Inc. <sup>(28)</sup>	Philippines
Simplus Europe, Ltd. <sup>(28)</sup>	UK
Simplus U.K., Ltd. <sup>(29)</sup>	UK
Simplus Ireland, Ltd. <sup>(29)</sup>	Ireland

<sup>(1)</sup> Liquidated effective October 31, 2019

<sup>(2)</sup> Wholly-owned subsidiary of Infosys Limited

<sup>(3)</sup> Majority-owned and controlled subsidiary of Infosys Limited

<sup>(4)</sup> Liquidated effective November 17, 2019

<sup>(5)</sup> Wholly-owned subsidiary of Infosys Consulting Holding AG (formerly Lodestone Holding AG)

<sup>(6)</sup> Majority-owned and controlled subsidiary of Infosys Consulting Holding AG (formerly Lodestone Holding AG)

<sup>(7)</sup> Wholly-owned subsidiary of Panaya Inc.

<sup>(8)</sup> Wholly-owned subsidiary of Brilliant Basics Holding Limited.

<sup>(9)</sup> Wholly-owned subsidiary of Infosys Consulting Pte Ltd

<sup>(10)</sup> On May 22, 2018, Infosys acquired 100% of the voting interest in WongDoody

<sup>(11)</sup> Liquidated effective May 4, 2018

<sup>(12)</sup> Wholly-owned subsidiary of WongDoody

<sup>(13)</sup> Incorporated effective August 6, 2018

<sup>(14)</sup> On October 11, 2018, Infosys Consulting Pte. Ltd, acquired 100% of the voting interests in Fluido Oy and its subsidiaries

<sup>(15)</sup> Wholly-owned subsidiary of Fluido Oy

<sup>(16)</sup> On November 16, 2018, Infosys Consulting Pte. Ltd, acquired 60% of the voting interest in Infosys Compaz Pte. Ltd

<sup>(17)</sup> Incorporated effective December 19, 2018

<sup>(18)</sup> Incorporated effective November 29, 2018

<sup>(19)</sup> Incorporated effective November 27, 2018, wholly-owned subsidiary Infosys Public Services Inc

<sup>(20)</sup> On April 1, 2019, Infosys Consulting Pte. Ltd, acquired 81% of the voting interests in HIPUS Co. Ltd, Japan

<sup>(21)</sup> On May 23, 2019, Infosys Consulting Pte. Ltd, acquired 75% of the voting interests in Stater N.V

<sup>(22)</sup> Majority-owned and controlled subsidiaries of Stater N.V

<sup>(23)</sup> Majority-owned and controlled subsidiaries of Stater Duitsland B.V.

<sup>(24)</sup> Majority-owned and controlled subsidiaries of Stater Participations B.V.

<sup>(25)</sup> Effective October 1, 2019, merged into Infosys Consulting Ltda, a wholly-owned subsidiary of Infosys Ltd.

<sup>(26)</sup> Under liquidation

<sup>(27)</sup> On March 13, 2020, Infosys Nova Holdings LLC, acquired 100% of the voting interests in Outbox Systems Inc.

<sup>(28)</sup> Wholly-owned subsidiary of Outbox Systems Inc.

<sup>(29)</sup> Wholly-owned subsidiary of Simplus Europe, Ltd.

<sup>(30)</sup> Wholly-owned subsidiary of Simplus ANZ Pty Ltd..

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



## List of other related parties

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

Refer Notes 2.20 for information on transactions with post-employment benefit plans mentioned above.

The details of amounts due to or due from related parties as at March 31, 2020, March 31, 2019 are as follows:

(in ₹ crore)

Particulars	As at March 31,	
	2020	2019
<b>Trade receivables</b>		
Infosys Limited	75	63
Infosys China	1	–
Infosys Technologies S. de R. L. de C. V.	–	1
Infosys Public Services, Inc. USA	1	1
Infosys Technologies (China) Co. Limited	–	1
Infosys Consulting (Belgium) N.V.	–	–
Infosys Consulting AG	–	2
Infy Consulting Company Limited(UK)	3	3
Infosys Consulting GmbH	1	1
EdgeVerve Systems Limited	1	–
Stater N.V.	1	–
	83	72
<b>Other financial assets</b>		
Infosys Limited	6	7
EdgeVerve Systems Limited	–	–
Infosys Management Consulting Pty Limited	–	–
HIPUS Co. Ltd	1	–
Infosys Consulting GmbH	2	–
	9	7
<b>Loans given</b>		
Infosys Technologies (China) Co. Limited	6	5
Infosys Brazil	–	35
Infosys Consulting Ltda. (Brazil)	40	–
Infosys Technologies (Shanghai) Company Limited	42	38
	88	78
<b>Trade payables</b>		
Infosys Limited	116	101
EdgeVerve Systems Limited	–	–
Infosys Management Consulting Pty Limited( Australia)	1	1
Infy Consulting Company Limited	1	2
Infosys Consulting Pte Limited (Singapore)	–	–
Infosys Technologies (China) Co. Limited	–	–
Infy Consulting B.V.	–	–
Infosys Consulting S.R.L	–	–
Infosys Consulting GmbH	–	–
Infosys Consulting AG	–	1
	118	105
<b>Other financial liabilities</b>		
Infosys Limited	8	7
EdgeVerve Systems Limited	1	–
Infosys Consulting GmbH	–	–
Infosys Consulting Pte Limited(Singapore)	–	–
	9	7
<b>Loans taken</b>		
Infosys Public Services, Inc. USA	–	4

Particulars	As at March 31,	
	2020	2019
	–	4
<b>Provision for expenses</b>		
Infosys Limited	–	2
Stater N.V.	–	–
	–	2

Details of related party transactions entered into by the Group

(in ₹ crore)

Particulars	Year ended March 31,	
	2020	2019
<b>Capital transactions:</b>		
<b>Loan disbursed</b>		
Infosys Technologies (China) Co. Limited	–	–
Infosys Consulting Ltda. (Brazil)	–	35
Infosys Technologies (Shanghai) Company Limited	–	–
	–	35
<b>Loan taken</b>		
Infosys Public Services, Inc. USA	–	–
	–	–
<b>Purchase of Intangible Assets</b>		
Kallidus Inc, dba Skava	–	9
	–	9
<b>Loan repaid</b>		
Infosys Public Services, Inc. USA	4	40
	4	40
<b>Revenue transactions:</b>		
<b>Purchase of services</b>		
Infosys Limited	451	340
EdgeVerve Systems Limited	2	4
Infosys Consulting Pte Ltd(Singapore)	–	4
Infy Consulting Company Limited(UK)	11	17
Infosys Management Consulting Pty Limited( Australia)	6	6
Brilliant Basics	–	1
Infosys Technologies (China) Co. Limited	2	–
WDW Communications, Inc	1	–
Infosys Consulting GmbH	–	1
Infosys Consulting S.R.L	–	–
	473	373
<b>Purchase of shared services including facilities and personnel</b>		
Infosys Limited	25	27
EdgeVerve Systems Limited	–	–
Infy Consulting B.V.	–	–
Infy Consulting Company Ltd	–	–
Infosys Consulting GmbH	–	–
Infosys Consulting AG	2	2
Infosys Consulting Holding AG	–	–
	27	29
<b>Sale of services</b>		
Infosys Limited	885	763
Infosys Consulting AG	11	19
EdgeVerve Systems Limited	4	4
Infosys Technologies (China) Co. Limited	–	–
Infosys Public Services, Inc. USA	14	20
Infosys Technologies S.de R.L.de C.V. (Infosys Mexico)	–	1
Infy Consulting Company Limited(UK)	45	35
Infosys Consulting GmbH	12	19
Stater Nederland B.V.	2	–
Stater N.V.	1	–

Particulars	Year ended March 31,	
	2020	2019
HIPUS Co., Ltd	1	–
	975	861
<b>Sale of shared services including facilities and personnel</b>		
Infosys Limited	3	3
Infosys Consulting (Belgium) N.V.	–	–
Infosys Consulting AG	–	–
Infosys Consulting GmbH	–	–
Infosys Consulting SAS	–	–
Infy Consulting Company Ltd	–	–
Infy Consulting B.V.	–	–
Lodestone Management Consultants Portugal, Unipessoal, Lda.	–	–
	3	3
<b>Interest income</b>		
Infosys Technologies (Shanghai) Company Limited	1	1
Infosys Technologies (China) Co. Limited	–	–
Infosys Brazil	(1)	1
Infosys Consulting Ltda. (Brazil)	2	–
	2	2
<b>Interest Expense</b>		
Infosys Public Services, Inc. USA	2	1
	2	1

#### List of key management personnel

Name of the related party	Designation
Anantharaman Radhakrishnan	Managing Director and Chief Executive Officer
Prof. Jayanth R. Varma <sup>(6)</sup>	Independent Director
Ravikumar Singiseti	Chairman and Director
Inderpreet Sawhney <sup>(3)</sup>	Director
Sangita Singh <sup>(2)</sup>	Director
D.N. Prahlad <sup>(1)</sup>	Director
Prem Pereira <sup>(5)</sup>	Chief Financial Officer
Nishit Ajitkumar Shah <sup>(4)</sup>	Chief Financial Officer
Bindu Raghavan	Company Secretary
Gopal Devanahalli <sup>(7)</sup>	Additional Director
Michael Nelson Gibbs <sup>(7)</sup>	Additional Director

<sup>(1)</sup> Appointed as a Director effective January 6, 2017. Resigned effective April 15, 2019

<sup>(2)</sup> Resigned as Director effective June 23, 2018

<sup>(3)</sup> Appointed as a director effective October 13, 2018

<sup>(4)</sup> Resigned as a Chief Financial Officer effective January 16, 2019

<sup>(5)</sup> Appointed as a Chief Financial Officer effective January 17, 2019

<sup>(6)</sup> Retired as Director effective April 30, 2019

<sup>(7)</sup> Appointed as an Additional Director effective July 10, 2019

## Transaction with key management personnel

The table below describes the compensation to key managerial personnel which comprise directors and executive officers:  
(in ₹ crore)

Particulars	Year ended March 31,	
	2020	2019
Salaries and other employee benefits to whole-time directors and executive officers	5	5
Commission and other benefits to non-executive/independent directors	–	–
Total	5	5

## 2.23 Business combinations

### Accounting policy

Our business combinations are accounted for using Ind AS 3, Business Combinations. Business combinations between entities under common control is accounted for at carrying value. The identity of the reserves is preserved as they appear in the standalone financial statements of the Company in the same form in which they appeared in the financial statements of the acquired entity. The difference, if any, between the consideration and the amount of share capital of the acquired entity is transferred to business transfer reserve.

### Infosys Consulting Poland Sp.z.o.o

On February 20, 2020, Infosys Poland Sp.z.o.o, an wholly-owned subsidiary of Infosys BPM Limited acquired 100% voting rights in Infosys consulting Poland Sp.z.o.o, an wholly-owned subsidiary of Infosys Consulting holding AG., for a cash consideration of ₹113 crore (PLN 61.8m). As this transaction is a common control business combination, the difference, between the consideration and the amount of share capital of the acquired entity is transferred to “Business Transfer Reserve”.

As per Ind AS 103, the financial statements in respect of prior periods should be restated as if the business combination had occurred from the beginning of the preceding period in the financial statements, irrespective of the actual date of the combination, in line with this, Infosys consulting Poland Sp.z.o.o has been consolidated from April 1, 2018. Net Assets of Infosys Consulting Poland Sp.z.o.o consolidated as on April 1, 2018 is ₹7 crore. On account of this common control transaction, the difference between the consideration and the amount of share capital of Infosys Consulting Spzoo of Rs. 111 crore is recorded as business transfer reserve as at March 31, 2020.

## 2.24 Segment reporting

Ind AS 108 establishes standards for the way that public business enterprises report information about operating segments and related disclosures about products and services, geographic areas, and major customers. The Group’s operations predominantly relate to providing end-to-end business solutions to enable clients to enhance business performance.

From April 01, 2018 the Group internally reorganized its business segments to deepen customer relationships, improve focus of sales investments and increase management oversight. Consequent to the internal reorganization, there were changes in the reportable business segments based on “Management approach” as defined under Ind AS 108, Operating Segments. The CODM evaluates the Group’s performance and allocates resources based on an analysis of various performance indicators by business segments. Accordingly, information has been presented along business segments. The accounting principles used in the preparation of the financial statements are consistently applied to record revenue and expenditure in individual segments, and are as set out in the accounting policies.

Business segments for the Group are primarily Finance & Accounts (FA), Industry Solutions (IS), Customer Service(CS), Sales & Fulfilment (S&F), Sourcing & Procurement (S&P), Digital business(DB), McCamish (MCM) and Others. McCamish segment includes revenue from platform and other services.

Revenue and identifiable operating expenses in relation to segments are categorized based on items that are individually identifiable to that segment. Allocated expenses of segments include on-site expenses, which are categorized in relation to the associated efforts of the segment. Certain expenses such as depreciation, which form a significant component of total expenses, are not specifically allocable to specific segments as the underlying assets are used interchangeably. Management believes that it is not practical to provide segment disclosures relating to those costs and expenses, and accordingly these expenses are separately disclosed as “unallocated” and adjusted against the total income of the Group.

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

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

## Business segments

Year ended March 31, 2020 and March 31, 2019

(In ₹ crore)

Particulars	FA	IS	CS	S&F	S&P	DB	MCM	Others	Total
Revenue from operation	1029	964	538	1085	296	385	1612	1013	6,922
	974	921	476	764	288	341	1289	969	6,022
Identifiable operating expenses	495	357	325	572	137	180	1163	576	3,805
	433	359	227	390	141	170	915	539	3,174
Allocated expenses	437	279	209	219	97	145	280	395	2,061
	418	316	197	186	110	129	258	366	1,980
Operating income	97	328	4	294	62	60	169	42	1,056
	123	246	52	188	37	42	116	64	868
Unallocable expenses									236
									110
Operating profit									820
									758
Other income, net									279
									211
Finance cost									41
									-
Profit before tax									1,058
									969
Tax expense									252
									252
Net profit									806
									717
Depreciation and amortization									236
									110
Non-cash expenses other than depreciation and amortization									-
									-

## Significant customers :

No customer individually accounted for more than 10% of the revenues during the year ended March 31, 2020 and March 31, 2019.

## 2.25 Function-wise classification of consolidated Statement of Profit and Loss

(in ₹ crore)

Particulars	Year ended March 31,	
	2020	2019
Revenue from operations	6,922	6,022
Cost of sales	5,348	4,558
Gross profit	1,574	1,464
Operating expenses:		
Selling and marketing expenses	235	212
Administrative expenses	519	494
Total operating expenses	754	706
Operating profit	820	758
Other income, net	279	211
Finance cost	41	-
Profit before tax	1,058	969
Tax expense:		
Current tax	282	250
Deferred tax	(30)	2
Profit for the year	806	717
Other comprehensive income		
Items that will not be reclassified subsequently to profit or loss		

Particulars	Year ended March 31,	
	2020	2019
Remeasurement of the net defined benefit (liability) / asset	(3)	(5)
Equity instruments through other comprehensive income, net	(3)	(8)
	(6)	(13)
Items that will be reclassified subsequently to profit or loss		
Exchange differences on translation of foreign operations, net	40	(24)
Fair value changes on investments, net	6	1
	46	(23)
Total other comprehensive income, net of tax	40	(36)
Total comprehensive income for the year	846	681
Profit attributable to:		
Owners of the Company	806	717
Non-controlling interests	–	–
	806	717
Total comprehensive income attributable to:		
Owners of the Company	846	681
Non-controlling interests	–	–
	846	681

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

Ravikumar Singiseti  
Chairman

Anantharaman Radhakrishnan  
Managing Director and Chief Executive Officer

Bengaluru  
April 16, 2020

Prem Pereira  
Chief Financial Officer

Bindu Raghavan  
Company Secretary

## Ratio analysis

Particulars	2019-20	2018-19 <sup>(3)</sup>
<b>Ratios- Financial Performance (%)</b>		
Gross profit / Revenue	22.7	24.3
Cost of sales / Revenue	77.3	75.7
Selling and Marketing Expenses / Revenue	3.4	3.5
General and administrative expenses / Revenue	7.5	8.2
Selling and marketing, general and administrative expenses/ Revenue	10.9	11.7
Aggregate employee costs / Revenue	55.5	54.0
Operating profit / Revenue	11.8	12.6
Other Income / Revenue	4.0	3.5
Profit before tax / Revenue	15.3	16.1
Tax / Revenue	3.6	4.2
Effective tax rate - Tax / PBT	26.2	25.1
Profit after Tax/ Revenue	11.6	11.9
<b>Ratios - Balance Sheet</b>		
Days Sales Outstanding (DSO)	72	68
Liquid assets / total assets	36.2	39.3
Liquid assets / Revenue	45.3	43.6
Operating Cash Flows / Revenue	11.0	11.1
<b>Ratios- Return</b>		
ROCE (PBIT / average capital employed) <sup>(1)</sup>	20.6	20.5
<b>Ratios- Growth</b>		
Revenue	14.9	33.3
Operating profit after depreciation and interest	2.8	32.7
Net Profit	12.4	25.3
Earning per share- Basic <sup>(2)</sup>	12.4	25.3
Earning per share- Diluted	12.4	25.3

Note: The ratio calculations are based on consolidated Ind AS financial statements

<sup>(1)</sup> Capital employed and gross block considered based on average of opening and closing balance of the financial year

<sup>(2)</sup> Weighted average number of shares are used in computing earning per share

<sup>(3)</sup> Fiscal 19 ratios are restated after considering the Infosys Consulting Poland Sp.z.o.o subsidiary.



## Global presence

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### Registered office

Plot No. 26 / 3, 26 / 4 and 26 / 6  
Electronics City, Hosur Road, Bengaluru 560100  
Tel. : 91 80 -28522405  
Fax : 91 80 -28522411  
Web Site : www.infosysbpm.com

## Asia Pacific

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### Australia

#### Sydney

Level 6, 56 Station Street,  
Parramatta NSW 2150  
Tel : 61 2 8913 5900

### India

#### Bengaluru

Electronics City, Hosur  
Road, Bengaluru 560 100  
Tel. : 91 80 2852 2411  
Fax : 91 80 2852 2411

Salarpuria Infozone  
Wing A & B, 4th Floor, No.  
39 (P) 41 (P) and 42 (P)  
Electronic City  
Phase II, Hosur Road,  
Bengaluru 560 100  
Tel. : 91 80 4067 0035  
Fax : 91 80 4067 0034

Bharatiya Center of  
Information Technology  
Block 1, 3rd floor and  
portion of 4th  
floor, Thanisandra, Main  
Road, Chokkanahalli  
Bengaluru 560 064  
Tel : 080 46154600

Axis Sai Jyoti,  
No.785, Ground Floor,  
15th Cross, 100 Feet  
road, Sarakki, 1st Phase, JP  
Nagar, Bengaluru 560 078

#### Chennai

4th & 12th Floor,  
A Block, South Wing,  
Tidel Park Ltd, No 4,  
Rajiv Gandhi Salai (OMR),  
Taramani, Chennai 600113  
Tel. : 91 44 3090 7001  
Fax : 91 44 3090 7005

Unit of Ramanujan IT  
city SEZ Hardy towers,  
3rd & 4th Floor,  
TRIL infopark ltd,  
Taramani,  
Rajiv Gandhi Salai  
(OMR) Chennai 600113  
Tel. : 044-66855111  
Fax : 044-66855107

#### Gurugram

7th Floor, Tower B and C  
Building No. 6  
DLF Cyber  
City Developer Limited,  
Special  
Economic Zone Sector  
24 and 25 DLF PH-3,  
Gurugram, Haryana  
Tel. : 91 124 458 3700  
Fax : 91 124 458 3701

#### Hyderabad

Hyderabad STPI  
B-10, (II Floor), Survey  
No 210, Manikonda Village,  
Rajendranagar Mandal,  
Lingampally, Rangareddy  
District Hyderabad – 500032  
Tel : 91 40 2300 5223

Hyderabad SEZ  
10th & 11th Floor,  
Mantri Cosmos, ISB Road,  
Financial District,  
Nanakram Guda,  
Hyderabad 500032

#### Jaipur

IT-A-001 Mahindra World  
City Special Economic Zone  
Village Kalwara, Tahsil  
Sanganer, Jaipur 302037  
Tel. : 91 141 3956 000  
Fax : 91 141 3956 100

#### Mysuru

Plot No. 347 /  
A, 347 / C, 348, 349,  
373 to 375,  
Hebbal Electronics City,  
Hootagalli,  
Mysuru 570 027  
Tel : 91 821 240 4101  
Fax : 91 821 240 4200

#### Pune

Unit of Infosys  
Limited - SEZ, (UNIT-I)  
Plot No 24/3, Rajiv  
Gandhi InfoTech Park,  
Hinjawadi, Phase II,  
Village – Man,  
Taluka – Mulshi,  
Pune – 411057 India  
Tel: 91 20 4023 2000  
Fax: 91 20 3982 8000

(UNIT-II) Plot No 24/3,  
Rajiv Gandhi InfoTech Park,  
Hinjawadi, Phase II,  
Village –  
Man, Taluka – Mulshi,  
Pune – 411057 India  
Tel: 91 20 4023 2000  
Fax: 91 20 3982 8000

Plot No. 24, Phase II,  
(SDB-4),  
Village Mann, Tal- M  
Pune, Maharashtra-411057,  
India Tel: 91 20 4023 2000  
Fax: 91 20 3982 8000

SEZ Unit, Embassy Tech  
Zone, Rhine Building,  
LG, G & 1st Floor, Wing-A,  
G & 1st Floor Wing-B,  
Plot No. 3, Rajiv Gandhi  
Infotech Park, Hinjawadi,  
Phase - II, Pune – 411  
057, Maharashtra, India  
Tel: 91 02 067719099

Ascendas Services India Pvt  
Ltd. Ground floor, Juniper  
International Tech Park,  
Plot No. 18, MIDC  
Phase III Rajiv Gandhi  
Infotech Park, Hinjewadi  
Pune 411 057  
Tel: 91 20 4023 2000

### Philippines

#### Muntinlupa City

5th, 6th, 7th 12th and  
Ground Floor, Site  
3, Vector 2 Building,  
Northgate Cyberzone,  
Filinvest Corporate  
City, Alabang,  
Muntinlupa City, Metro  
Manila, Philippines 1781  
Tel. : 632 823 0000

11th, 12th, 14th Floor Unit  
01, One Giffinstone  
Building, 3 Spectrum,  
Midway Extension  
Alabang, Muntinlupa City,  
Metro Manila, Philippines

#### Quezon City

5th Floor, E Commerce  
Plaza Building, 1 Garden  
Road, East wood City,  
Libis, Quezon City

#### Taguig City

23rd Floor, BGC Corporate  
Center, 11th Ave, Cor  
30th St, Fort Bonifacio,  
Taguig City, Metro  
Manila Philippines, 1634  
Tel. : 6329449999  
Fax : 632944-9980

## Europe

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### United Kingdom

#### London

14th Floor,  
10 Upper Bank Street  
Canary Wharf,  
Tel.: 44 20 7715 3388  
Fax: 44 20 7715 3301

#### Birmingham

Parklands court  
24 Parklands, Birmingham  
Greak park  
Rubery,  
Birmingham  
B45 9PZ  
United Kingdom

### The Netherlands

#### Eindhoven

Flight Forum 40,  
Floor 0, 5657,  
DB Eindhoven,  
Tel : 31402321100

#### Utrecht

2nd and 3rd floor  
Pythagoraslaan  
2-1B, Utrecht 3584 BB  
Netherlands  
Tel 310302155030

### Ireland

#### Armagh

Infosys BMP Craigavon,  
Unit 9, Silverwood Business Park,  
Lurgan, Northern Ireland,  
BT66 6SY  
Tel:+353 51 337 800

#### Dublin

3046-3050 Lakedrive,  
Citywest,  
Dublin 24.  
Tel: 00353 1 467 7200

#### Tipperary

Infosys BPM Clonmel,  
Ard Gaoithe  
Business Park, Clonmel, Co.  
Tipperary, E91 V2N8  
Tel :+353 51 337 800

### Waterford

Infosys BPM Waterford,  
Unit 2, Cleaboy Business  
Park, Old Kilmeaden Road,  
Waterford, X91 W2WH  
Tel:+353 51 337 800

### Wexford

Infosys BPM Wexford,  
Knockenhy Office Centre,  
Sinnottstown Lane,  
Drinagh, Wexford, Y35 K124  
Tel :+353 51 337 800

## North America

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### United States

#### Atlanta

3225,Cumberland Boulevard,  
Suite 600 & 700,  
Atlanta, GA 30339  
Tel : 1 770 799 1958  
Fax : 1 770 799 1861

### Phoenix

15 10835 North 25 Avenue  
Suite 300  
Phoenix, Arizona  
USA 85029

### Puerto Rico

#### Aguadilla

Road No. 2,  
West of KM 126,  
BO Camital Bajo,  
Aguadilla, 00603  
Tel : 1 787 658 3400

### Costa Rica

#### San Jose

Piso 3 Edificio N & M2,  
Forum 2, Lindora, Santa,  
Ana San Jose 10901,  
Costa Rica.  
Tel. : 506 2205 1201  
Fax : 506 2205 1299

## Subsidiaries of Infosys BPM Limited

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### Infosys BPO Americas LLC

United States

Atlanta

3225, Cumberland Boulevard,

Suite 700, Atlanta, GA 30339

Tel : 1 770 799 1958

Fax : 1 770 799 1861

### Portland Group Pty Ltd

Australia

Brisbane

L18, Brisbane Club Tower, 241 Adelaide Street

Brisbane, QLD 4000

Tel : 61 7 3009 8100

Fax : 61 7 3009 8123

Perth

Level 9, 37 St Georges Terrace, Perth WA 6000 Australia

Tel : 61 8 9254 9313

Fax : 61 8 9254 9388

Sydney

Level 8, 68 Pitt Street

Sydney, NSW 2000

Tel : 61 2 9210 4399

Fax : 61 2 9210 4398

### Infosys Poland Sp. z o. o.

Poland

Łódź

Pomorska 106A, 91 402 Łódź

Tel : 48 42 278 15 00

Fax : 48 42 278 15 01

Wrocław

Sagittarius, ul. Sucha 2,

Wrocław 50-086

Tel: +48 7171 43458

Fax: +48 7171 43458

### Infosys Consulting Poland Sp.z.o.o

Poland

Wrocław

ul. Strzegomska 142 A

54-429 Wrocław, Poland

T: +48 71 72 76 550

F: +48 71 72 76 599

Warszawa

Aleja Jana Pawła II 12

00-124, Warszawa

Polska, Poland

Kraków

Klimeckiego 1

30-705, Kraków

Polska, Poland

### Infosys McCamish Systems LLC

United States

Atlanta

3225, Cumberland Boulevard

Suite 700, Atlanta, GA 30339

Tel : 1 770 690 1500

Fax : 1 770 690 1800

Des Moines

500 SW 7th St.

Suite 200 / 201 Des Moines, IA 50309

Tel : 1 515 365 1236

Fax : 1 515 365 0236

### Infosys (Czech Republic) Limited s.r.o

Czech Republic

Vlnena 526/1, Brno

Czech Republic

Tel: +420 733 644 446

Tel: +420 515 914 626

June 16, 2020

Dear Member,

You are cordially invited to attend the 18th Annual General Meeting of the members of Infosys BPM Limited (“the Company”) to be held on Thursday, July 9, 2020 at 5:00 p.m. IST through video conference and other audio visual means (VC).

The Notice of the meeting, containing the business to be transacted, is enclosed herewith.

Very truly,

Sd / -

Ravikumar Singiseti  
*Chairman of the Board*

*Enclosures:*

1. Notice to the 18th Annual General Meeting
2. Instructions for participation through VC

Note : Attendees who require technical assistance to access and participate in the meeting through VC are requested to contact the helpline number +91 80 41167775

## Notice of the 18th Annual General Meeting

Notice is hereby given that the 18th Annual General Meeting (AGM) of the Members of Infosys BPM Limited (the “Company”) will be held on Thursday, July 9, 2020 at 5:00 PM IST through video conference and other audio visual means(VC) to transact the following business:

### Ordinary business

#### Item No. 1 - Adoption of Financial Statements

To consider and adopt the audited financial statements (including the consolidated financial statements) of the Company for the financial year ended March 31, 2020 and the reports of the Board of Directors (“the Board”) and auditors thereon.

#### Item No. 2 - Appointment of Ravikumar Singiseti, as director liable to retire by rotation

To appoint a Director in place of Ravikumar Singiseti (DIN: 07534544), who retires by rotation and, being eligible, seeks re-appointment.

Members are requested to consider and if thought fit, to pass the following resolution as an ordinary resolution:

RESOLVED THAT, pursuant to the provisions of Section 152 and other applicable provisions of the Companies Act, 2013, Ravikumar Singiseti (DIN: 07534544), who retires by rotation, be and is hereby re-appointed as a director liable to retire by rotation.

### Special business

#### Item No. 3 - Appointment of Gopal Devanahalli as an independent director

To consider and if thought fit, to pass the following resolution as an ordinary resolution :

RESOLVED THAT, Gopal Devanahalli (DIN:07105349), who was appointed as an additional and independent director pursuant to Section 149, 152 and 161 and other relevant provisions of the Companies Act, 2013 and Rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), Articles of Association of the Company, approvals and recommendations of the nomination and remuneration committee, and that of the Board, be and is hereby appointed as an independent director, not liable to retire by rotation, for a period of one year.

RESOLVED FURTHER THAT, the Board be and is hereby authorized to delegate all or any of the powers to any committee of directors with power to further delegate to any other officer(s) / authorized representative(s) of the Company to do all acts, deeds and things and take all such steps as may be necessary, proper or expedient to give effect to this resolution.

#### Item No. 4 - Appointment of Michael Nelson Gibbs as an Independent Director

To consider and if thought fit, to pass the following resolution as an ordinary resolution :

RESOLVED THAT, Michael Nelson Gibbs (DIN : 08177291), who was appointed as an additional and independent director pursuant to Section 149, 152 and 161 and other relevant provisions of the Companies Act, 2013 and Rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), Articles of Association of the Company, approvals and recommendations of the nomination and remuneration committee, and that of the Board, be and is hereby appointed as an independent director, not liable to retire by rotation, for a period of one year.

RESOLVED FURTHER THAT, the Board be and is hereby authorized to delegate all or any of the powers to any committee of directors with power to further delegate to any other officer(s) / authorized representative(s) of the Company to do all acts, deeds and things and take all such steps as may be necessary, proper or expedient to give effect to this resolution.

#### Item No. 5 - Revision in terms of Remuneration of Anantharaman Radhakrishnan, Chief Executive Officer and Managing Director

To consider and if thought fit, to pass the following resolution as an ordinary resolution:

RESOLVED THAT, pursuant to the provisions of Section 196, 197 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder, read with Schedule V to the Act {including any statutory modification(s)} or re-enactment(s) thereof, consent of the members be and is hereby accorded for the following revised terms of remuneration to Anantharaman Radhakrishnan, Chief Executive Officer and Managing Director of the Company, with effect from January 1, 2020:

- 1. Annual Fixed Salary:** Fixed salary of ₹17,394,948 less applicable tax to be paid in accordance with the Company’s rules and policies.
- 2. Variable pay:** Variable compensation of ₹10,969,800 less applicable tax to be paid on achievement of targets set by the Board, and payable at such intervals as may be decided by the Board of Directors from time to time and in accordance with the Company’s rules and policies.
- 3. Stock compensation:**
  - a) 14,150 Restricted Stock Units (RSU)** under the 2015 Stock Incentive Compensation Plan (“2015 plan”) of Infosys Limited effective February 27, 2020. The RSU’s would vest over a period of four years and shall be exercisable within the period as approved by the Nomination and

Remuneration Committee of the Infosys Limited. The exercise price of the RSUs will be equal to the par value of the shares. RSUs in future periods, will be granted on achievement of performance parameters, as may be decided by the Nomination and Remuneration Committee/ Board of Infosys Limited;

- b) 15,000 Performance Stock units (PSU) under the Infosys Expanded Stock Ownership Program, 2019 (2019 Plan) of Infosys Limited effective February 27, 2020. PSUs are Restricted Stock Units that vest over a period of three years based on Infosys Limited's achievement of certain performance parameters as defined under the 2019 Plan. These performance parameters are (a) relative TSR against selected industry peers, (b) relative TSR against domestic and global indices and (c) operating lead performance metrics as may be decided by the Nomination and Remuneration Committee / the Board of Directors of Infosys Limited.
4. **Employee benefits:** During the term of his employment, Anantharaman Radhakrishnan will be entitled to all the employee benefit plans as may be applicable to other Senior Executives of the Company and as per the rules of the Company.
5. **Minimum remuneration:** Notwithstanding anything herein above contained, should the Company incur a loss or its profits are inadequate in any financial year closing on and after March 31, 2020, during the tenure of Anantharaman Radhakrishnan as a CEO & MD, the Company shall pay him the above remuneration by way of fixed pay, variable pay, bonus and other allowances as a minimum remuneration subject to the limits specified under Section II of Part II of Schedule V to the Companies Act, 2013 (including any statutory modifications or re-enactment(s) thereof, for the time being in force), or such other limits as may be prescribed by the Government from time to time as minimum remuneration;
6. Annual increases to components of Anantharaman Radhakrishnan's compensation will be determined on an annual basis by the Board or its committees at its sole discretion, taking into account the Company's prior years' audited financial performance, market conditions and independent compensation benchmarks.

RESOLVED FURTHER THAT, the Board be and is hereby authorized to decide annual increase and alter and vary the terms and conditions of appointment and / or components of remuneration payable to Anantharaman Radhakrishnan subject to the same not exceeding the limits specified above and as specified under Section 197, read with Schedule V of the Companies Act, 2013 (including any statutory modifications or re-enactments thereof, for the time being in force).

#### Item No. 6 - To consider and approve the consolidation of equity shares of the Company

To consider and if thought fit, to pass the following resolution as an special resolution :

RESOLVED THAT, pursuant to the provisions of Section 61 and other applicable provisions of the Companies Act, 2013, (including any statutory modification(s) or re-enactment(s) thereof for time being in force) ("Act"), read with Articles of Association of the Company, subject to such approval(s), consent(s), permission(s) and sanction(s) as may be required from jurisdictional National Company Law Tribunal ("NCLT") or any authority, consent of the members of the Company be and is hereby accorded to consolidate authorized, issued, subscribed and paid-up equity shares of the Company by increasing the face value of the equity shares from ₹ 10/- each to ₹ 10,000/- each such that every 1,000 equity shares with face value of ₹ 10/- each held by a member are consolidated and re-designated into 1 (one) equity share with face value of ₹ 10,000/-, provided that no member shall be entitled to a fraction of a share and all fractional entitlements resulting from the consolidation shall be aggregated and rounded off to the next integer and shall be held by a trustee appointed by the Board of Directors (herein after referred as "the Board" which term shall be deemed to include any Committee thereof) of the Company ("Trustee") who shall dispose the said shares and distribute the proceeds of the same in the same proportion of the fractional entitlement(s) held by members, at the price determined on the basis of the valuation report obtained from a registered valuer or, at a price of the equity share of the Company determined by a registered valuer, as on the date prior to the date of disposal of shares, whichever is higher.

RESOLVED FURTHER THAT, no member shall be entitled to a fraction of an equity share as a result of implementation of the aforesaid resolution for consolidation of equity shares and the Company shall not issue any certificate in respect of any fractional equity shares.

RESOLVED FURTHER THAT, the Trustee shall as soon as possible, dispose of the shares (upon consolidation of the fractional entitlements) to such person(s) as he may deem fit at his sole discretion, and the net sale proceeds from sale of whole equity shares after adjusting the cost and expenses in respect thereof.

RESOLVED FURTHER THAT, the existing share certificates held by the members of the Company, in physical form as on the date of registration of the order of the NCLT sanctioning this consolidation of the equity share capital of the Company with the jurisdictional Registrar of Companies, or such other date as may be fixed by the NCLT ("Effective Date"), be treated as cancelled and that fresh share certificates be issued for the fully paid up consolidated equity shares of the Company (including whole equity shares issued after consolidating fractional entitlements), to the members of the Company in lieu thereof, along with proportionate amount for the sale of fractional entitlements, if any.

RESOLVED FURTHER THAT, the members of the Company, who hold the existing equity shares of the Company in dematerialized form as on the Effective Date, their respective beneficiary accounts be credited with consolidated fully paid equity shares of the Company in lieu of the existing



equity shares of the Company and the proportionate amount for the sale of fractional entitlements, if any be distributed amongst such members.

RESOLVED FURTHER THAT, for the purpose of giving effect to the above resolutions, the Board or any person authorized by the Board be and is hereby authorized on behalf of the Company to take all necessary steps in this regard in order to facilitate the legal and / or procedural formalities, including making applications and/ or petitions, affidavits, reports and any such other documents that is required to be filed and/ or required during the NCLT process and to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary for such purpose and with power on behalf of the Company to settle any questions, difficulties or doubts that may arise in this regard without requiring the Board of the Company to secure any further consent or approval of the Members of the Company.

### Item No. 7 - Alteration of capital clause of Memorandum of Association of the Company

To consider and if thought fit, to pass the following resolution as an ordinary resolution :

RESOLVED THAT, pursuant to Section 13, Section 61 and other applicable provisions if any, of the Act and the rules made thereunder, the existing Clause V of the Memorandum of Association of the Company be substituted by the following: “V - The Authorized share capital of the Company is ₹123,37,50,000/- (Rupees one hundred and twenty three crores thirty seven lakhs fifty thousand) consisting of 1,23,375 (One lakh twenty three thousand and three hundred seventy five) equity shares of ₹10,000/- (Rupees ten thousand) each, with power to increase and reduce the capital of the Company and to divide the shares in the capital for the time being into several classes and attach thereto respectively such preferential, deferred, qualified or special rights, privileges or conditions as may be determined by or in accordance with the Articles of Association of the Company for the time being and to vary, modify or abrogate any such rights, privileges or conditions in such manner as may be permitted by the Companies Act, 2013 or by the Articles of Association of the Company for the time being.”

RESOLVED FURTHER THAT, the alteration to the Memorandum of Association as aforesaid shall take effect upon and simultaneous with sanction of consolidation of the existing issued, subscribed and paid-up equity shares of the Company into equity share of ₹10,000/- (Rupees ten thousand) each from ₹10/- (Rupees ten) each by the relevant authorities.

RESOLVED FURTHER THAT, the Board of Directors and Key Managerial Personnel of the Company be and is/are hereby severally / individually authorized carry out any correction or modification as may be directed by the relevant authorities and to do all such acts, deeds and things as may be considered necessary or expedient to give effect to this resolution.

### Notes

1. Pursuant to the General Circular numbers 20/2020, 14/2020, 17/2020 issued by the Ministry of Corporate Affairs (MCA) (hereinafter referred to as “the Circulars”), companies are allowed to hold AGM through VC, without the physical presence of members at a common venue. Hence, in compliance with the circulars, the AGM of the Company is being held through VC.
2. The explanatory statement pursuant to Section 102 of the Companies Act, 2013, which sets out details relating to Special business at the meeting, is annexed hereto.
3. A member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his / her behalf and the proxy need not be a member of the Company. Since this AGM is being held in accordance with the Circulars through VC, the facility for appointment of proxies by the members will not be available.
4. Corporate members intending to authorize their representatives to participate and vote at the meeting are requested to send a certified copy of the Board resolution / authorization letter to the Company.
5. Participation of members through VC will be reckoned for the purpose of quorum for the AGM as per section 103 of the Companies Act, 2013 (“the Act”).
6. The Register of Directors and their shareholding, maintained under Section 170 of the Act, and the Register of Contracts or Arrangements in which the directors are interested, maintained under Section 189 of the Act, will be available electronically for inspection by the members during the AGM. All documents referred to in the Notice will also be available for electronic inspection without any fee by the members from the date of circulation of this Notice up to the date of AGM. Members seeking to inspect such documents can send an email to [cosecretarybpm@infosys.com](mailto:cosecretarybpm@infosys.com)
7. In compliance with Section 108 of the Act, the Company will provide the voting through show of hands at the meeting for each of the resolutions.
8. Since the AGM will be held through VC in accordance with the Circulars, the route map, proxy form and attendance slip are not attached to this Notice.
9. Where a poll on any item is required, the members are requested to cast their vote on resolutions only by sending mails through their registered email addresses on the designated email address of the Company - [cosecretarybpm@infosys.com](mailto:cosecretarybpm@infosys.com)
10. Members who would like to express their views or ask questions during the AGM may register themselves as a speaker in advance by sending their request from their registered email address mentioning their name, at the Company's designated email address - [cosecretarybpm@infosys.com](mailto:cosecretarybpm@infosys.com), However, the members would also be given opportunity to express their views concurrently during the AGM without registering in advance.



11. Details of the VC are provided below;

Instructions to Join

Recommended browser: Google chrome

Meeting URL : <https://infosys.webex.com>

Meeting access code: 166 066 7734

Meeting Password: The password will be shared before the AGM

- Open URL on Google Chrome using the meeting access code provided above followed by the password.
- Kindly install one time Webex plugin to join the meeting by selecting “Join using browser” or “Run a temporary application”.
- Select your preferred audio option and turn on your video.
- You can click on “Join meeting” option to enter into meeting.

## Explanatory statement pursuant to Section 102 of the Act

### Item No. 3 - Appointment of Gopal Devanahalli as an independent director

The Board, based on the recommendation of nomination and remuneration committee has appointed Gopal Devanahalli as an additional and independent director of the Company effective July 10, 2019 pursuant to Section 161 of the Act. The Company has received from him, all statutory disclosures/ declarations including, (i) consent in writing to act as director in Form DIR-2 pursuant to Rule 8 of the Companies (Appointment & Qualification of Directors) Rules, 2014 (“the Appointment Rules”), (ii) intimation in Form DIR-8 in terms of the Appointment Rules to the effect that he is not disqualified under sub-section (2) of Section 164 of the Act, and (iii) a declaration to the effect that he meets the criteria of independence as provided in sub-section (6) of Section 149 of the Act. The Company has received a notice pursuant to section 160 of the Act from a member proposing his candidature as a director of the Company.

In the opinion of the Board, he fulfils all the conditions for independence specified under Section 149 of the Act, the Rules made thereunder. A copy of the draft letter of appointment of Gopal Devanahalli as an Independent Director setting out the terms and conditions is available for electronic inspection without any fee by the members.

The resolution seeks the approval of members for the appointment of Gopal Devanahalli as an Independent Director of the Company for a period of one year, pursuant to Sections 149, 152 and other applicable provisions of the Act and the Rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof) and he shall not be liable to retire by rotation.

As per the provisions of Section 161 of the Act, an additional director appointed by the Board shall hold office up to the

date of the ensuing annual general meeting and shall be appointed as a director by the members. The Board appointed Gopal Devanahalli as an additional and independent director effective July 10, 2019 who holds office up to the ensuing AGM. Accordingly, his appointment is placed for members approval. In accordance with the General circular number 20/2020 issued by MCA, this item is considered as unavoidable and forms part of this Notice.

No director, key managerial personnel or their relatives except Gopal Devanahalli to whom the resolution relates, is interested in or concerned with the resolution in item No.3.

The Board recommends the resolution set forth in Item No.3 for approval of the members.

### Item No. 4 - Appointment of Michael Nelson Gibbs as an independent director

The Board, based on the recommendation of nomination and remuneration committee has appointed Michael Nelson Gibbs as an additional and independent director of the Company effective July 10, 2019 pursuant to Section 161 of the Act. The Company has received from him, all statutory disclosures/ declarations including, (i) consent in writing to act as director in Form DIR-2 pursuant to Rule 8 of the Companies (Appointment & Qualification of Directors) Rules, 2014 (“the Appointment Rules”), (ii) intimation in Form DIR-8 in terms of the Appointment Rules to the effect that he is not disqualified under sub-section (2) of Section 164 of the Act, and (iii) a declaration to the effect that he meets the criteria of independence as provided in sub-section (6) of Section 149 of the Act. The Company has received a notice pursuant to section 160 of the Act from a member proposing his candidature as a director of the Company.

In the opinion of the Board, he fulfils all the conditions for independence specified under Section 149 of the Act, the Rules made thereunder. A copy of the draft letter of appointment of Michael Gibbs as an Independent Director setting out the terms and conditions is available for electronic inspection without any fee by the members.

The resolution seeks the approval of members for the appointment of Michael Gibbs as an Independent Director of the Company for a period of one year, pursuant to Sections 149, 152 and other applicable provisions of the Act and the Rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof) and he shall not be liable to retire by rotation.

As per the provisions of Section 161 of the Act, an additional director appointed by the Board shall hold office up to the date of the ensuing annual general meeting and shall be appointed as a director by the members. The Board appointed Michael Gibbs as an additional and independent director effective July 10, 2019 who holds office up to the ensuing AGM. Accordingly, his appointment is placed for members approval. In accordance with the General circular

number 20/2020 issued by MCA, this item is considered as unavoidable and forms part of this Notice.

No director, key managerial personnel or their relatives except Michael Gibbs to whom the resolution relates, is interested in or concerned with the resolution in item No.4.

The Board recommends the resolution set forth in Item No.4 for approval of the members.

### Item No. 5 - Revision in Remuneration of Anantharaman Radhakrishnan, Chief Executive Officer and Managing Director

The Nomination and Remuneration Committee ('the Committee'), based on performance in market conditions and independent compensation benchmarks and from a corporate parity standpoint had reviewed and recommended the revised remuneration to Anantharaman Radhakrishnan, Chief Executive Officer and Managing Director of the Company. The Board, vide resolution dated March 31, 2020, subject to the approval of the members in the general meeting, have approved the revised remuneration as stated in the Notice with effect from January 1, 2020.

The resolution seeks approval of the shareholders pursuant to Section 197 and other applicable provisions read with Schedule V of the Companies Act, 2013 for payment of increased remuneration.

This may also be treated as an abstract of the terms and conditions governing the variation in the payment of remuneration to Anantharaman Radhakrishnan pursuant to Section 190 of the Companies Act, 2013 and other applicable provisions of the Act, if any.

The Agreement entered into between the Company and Anantharaman Radhakrishnan is available for electronic inspection without any fee by the members till the date of AGM. The revision in terms of the remuneration is subject to the approval of the members. Since this is the first shareholder meeting of the Company after the approval of the remuneration by the Board. in accordance with the General circular number 20/2020 issued by MCA, this item is considered as unavoidable and forms part of this Notice.

None of the directors and key managerial personnel, except Anantharaman Radhakrishnan to whom the resolution relates, is interested or concerned in the resolution.

The Board recommends the resolution as set out in Item No. 5 of the notice for the approval of the shareholders.

### Item No. 6 - To consider and approve the consolidation of equity shares of the Company

The Company (formerly known as Infosys BPO Limited) was incorporated as Progeon Limited on April 3, 2002, with 74:26 joint venture between Infosys Technologies Limited (currently known as Infosys Limited) and Citibank Investments to provide business process management services to organizations that outsource their business processes.

There have been several changes in the issued, subscribed and paid up share capital of the Company from the year 2002 to 2007 and currently Infosys Limited holds 99.99% equity shareholding in the Company and remaining 0.01% equity shareholding of the Company is held by other 18 individual

members who are majorly former employees of the Company or Infosys Limited.

The present shareholding pattern of the Company is as follows:

Sl. No	Name of the members	No. of equity shares of ₹ 10/- each	Percentage
1	Infosys Limited	3,38,23,444	99.99
2	Other 18 members	4,307	0.01
Total		3,38,27,751	100

Majority of the members of the Company hold miniscule quantum of the equity shares of the Company ranging from 1 to 750 equity shares, which they have acquired under an employee stock option plan of the Company. Considering the nature, scale and size of the business activities of the Company, there are no commensurate benefits as compared to the servicing, compliance and administration costs incurred for such fragmented members.

Unlike in case of a Listed Company, the shares of an unlisted company are not freely marketable. Therefore, it is difficult for members to liquidate their investment when required and there is no easy exit. Though, the Company has been receiving requests frequently from some of its members to provide them with an exit route, until now, due to the small holding, it has not been possible for the Company to consider such individual requests. To cater to all such requests, it is proposed to consolidate the share capital of the Company to provide an opportunity of exit and better realization of value.

Therefore, with a view to provide an exit opportunity to the members of the Company and for better management and compliance purpose, considering the overall interest of the Company and all its stakeholders, it is considered expedient to and accordingly proposed to consolidate the share capital of the Company as provided under Section 61(1)(b) of the Act and Rules made thereunder.

Accordingly, subject to approval of members and receipt of other regulatory approvals, the Board of Directors at its meeting held on January 8, 2020 considered and approved the consolidation of equity share capital and consequent disposal of the said shares and distribute the proceeds of the same in the same proportion of the fractional entitlement(s) held by members, at a price to be determined on the basis of the valuation report obtained from a registered valuer.

The fractional entitlement, arising out of the consolidation of share capital, will be consolidated into a whole number and thereafter such whole number of shares shall be sold by the trustee at a price of ₹ 3,007 per equity share, determined on the basis of the valuation report dated March 17, 2020 of an Independent Chartered Accountant and Registered Valuer ("Valuation Report 1").

However, taking into consideration the time that could be involved from the date of Valuation Report 1 until the Effective Date, the Board of the Company would seek an additional valuation report from the said valuer determining the fair value of the equity share of the Company as on the Effective Date ("Valuation Report 2"). The members of the Company entitled to receive the fractional shares will be paid a fair value price per equity share of the Company for their

fractional entitlements, in accordance with the Valuation Report 1 or Valuation Report 2, whichever is higher. The aforesaid consolidation of the equity share capital of the Company shall take effect from the Effective Date.

The aforesaid Valuation Report 1 is available for electronic inspection without any fee by the members. Accordingly, the board approved, subject to the approval of shareholders and other regulatory authorities.

The consolidation of share capital will not be prejudicial to the creditors of the Company whose interests will not be affected, since the proposed consolidation of share capital does not involve either decrease in capital or diminution of liability in respect of unpaid share capital or reduction in liability of creditors or any payment against the share capital by the Company to any member.

The consolidation of capital will also have no adverse effect on the Company's ability to honor its commitments or pay its debts/ creditors in the ordinary course of business.

The said resolution is subject to the approval of member's and the National Company Law Tribunal. Since this is the first shareholder meeting of the Company after the approval of the consolidation by the Board, in accordance with the General Circular number 20/2020 issued by MCA, this item is considered as unavoidable and forms part of this Notice.

No Director, Manager, other key managerial personnel and relatives of the same are concerned or interested in the passing of this Resolution in item No. 6 except to the extent of their shareholding.

#### **Item No. 7 - Alteration of capital clause of Memorandum of Association of the Company**

In order to facilitate and as a consequence of proposed consolidation of equity shares and to conform to the requirements of the Act, Clause V of the Memorandum of

Association of the Company needs to be amended to reflect the change in the nominal value of shares.

As per section 13 of the Act, the alteration of Memorandum of Association of the Company requires the approval of members and accordingly the resolution seeks such approval of members for the alteration in the capital clause of the Memorandum to the effect that the share capital shall consist of equity shares of ₹10,000 each in place of equity shares of ₹10 each.

Upon approval of the members of the Company for consolidation of equity shares, the equity shares of the Company that are held in physical form, the old share certificates of face value of ₹10/- each will be cancelled on the Effective Date and the new share certificates of face value ₹10,000/- each will be sent to the members. In case where the equity shares of the Company are held in dematerialized form, the consolidated shares of face value ₹10,000/- each will be directly credited to the members' demat account on the Effective Date in lieu of the existing equity shares of the Company of face value ₹10/- each held by them, and the old equity shares of the Company of face value ₹10/- each shall be debited from the members' demat account

As a consequence of the proposed consolidation, Clause V of the Memorandum of Association of the Company needs to be amended to reflect the change in the nominal value of shares. In accordance with the General Circular number 20/2020 issued by MCA, this item is considered as unavoidable and forms part of this Notice.

No Director, Manager, other key managerial personnel and relatives of the same are concerned or interested in this Resolution in Item No. 7 except to the extent of their shareholding.

The Board recommends the passing of the resolution as set out in Item No. 7 of the Notice.

Additional information on director recommended for appointment / re-appointment/ revision of remuneration as required under the applicable Secretarial Standards



Ravikumar Singiseti

Ravikumar Singiseti is a President and the Deputy Chief Operating Officer at Infosys. In this role, he leads the Infosys global delivery organization across all global industry segments, driving digital transformation services, application development and maintenance; independent validation services, engineering services, emerging technology solutions, business intelligence & analytics, cloud & infrastructure, and enterprise package applications service lines. In addition, Ravi is championing and leading the U.S & Europe talent model for Infosys to drive the creation of new Innovation and Technology Hubs by collaborating with clients, local state governments and academic ecosystems. Currently he serves as Chairman of Infosys BPM Limited, Simplus, Fluidio Oy, HIPUS Co., Ltd and WongDoody Holding Company Inc. In addition, he is also director on the boards of Infosys Canada Public Service INC, Infosys Nova Holdings LLC, Infosys Public Services Inc, Brilliant Basics Limited, Brilliant Basics Holdings Limited and Infosys Consulting Holding AG – subsidiaries of Infosys Limited.

Ravi's responsibilities include managing the alliances organization and the partner ecosystems at Infosys. He is chairperson of the Infosys Foundation, USA focused on K12 Schools in the US. Ravi started his career as a nuclear scientist at the Bhabha Atomic Research Center.

Ravi has over 18 years of experience in the consulting space, incubating new practice lines, driving large transformational programs, and evangelizing new business models across industry segments. He has played diverse roles across organizations within the CRM space for Oracle Corporation, building a next generation CRM practice at Cambridge Technology Partners. He has also worked on process and technology transformation for the unbundling of Indian State Electricity Boards at PricewaterhouseCoopers. He is a part of the Skills Consortium of the World Economic Forum (WEF), Chair of the IT & BPS Workforce Committee for the Connecticut State, Member of the Young Presidents Organization (YPO)-Manhattan Chapter, and many other industry forums.

Ravi has a master's degree in business administration from Xavier Institute of Management, Bhubaneswar, India.

**Age:** 48 years

**Qualifications:** Master's degree in business administration from Xavier Institute of Management, Bhubaneswar, India.

**Experience:** 18 years

**Details of remuneration to be paid:** Ravikumar Singiseti., President & Deputy COO, does not receive any remuneration from Infosys BPM Limited. He receives remuneration from Infosys Limited

**Date of first appointment on Board:** June 2, 2016

**Number of Board meetings attended:** Please refer Corporate Governance Report

**Nature of expertise in specific functional areas:** Information Technology Services and Business Management

**Disclosure of inter-se relationships between directors and key managerial personnel:** None

**Companies (other than Infosys Group) in which RaviKumar S. holds directorship and committee membership**

**Directorship:** None

**Chairperson/ Membership on Board committees:** None

**Shareholding in the Company:** Nil



Gopal Devanahalli

Gopal has over 28 years of professional services experience. He is currently the CEO of Manipal Education Americas since Aug 2019. Earlier he was CEO of MeritTrac Services, a leading assessments Company, which is a part of Manipal Global Education. Earlier he was with Manipal Health Enterprises, where he was responsible for operating the various hospital units and incubating new growth engines which included Digital based Healthcare Delivery. He has been with the Manipal Group since April 2014. Prior to Manipal, he has spent over 15 years at Infosys and 7 years in Kotak. At Infosys, he has played various roles ranging from managing a business, developing corporate strategy as well as business development. His last role at Infosys was Vice President, Products & Platforms. Gopal has an Engineering Degree in Computer Science, from BITS, Pilani and a PGDM from IIM, Calcutta.

Age: 51 years

Qualifications: Engineering Degree in Computer Science, from BITS, Pilani and a PGDM from IIM, Calcutta.

Experience: 28 years

Key terms and conditions of re-appointment/appointment: As per the resolution at Item No. 3 of this Notice read with the explanatory statement thereto.

Date of first appointment on Board, last drawn remuneration and number of Board meetings attended: Please refer Corporate Governance Report

Nature of expertise in specific functional areas: Strategy, Offshoring, Business Operations, Digital

Disclosure of inter-se relationships between directors and key managerial personnel: None

Companies (other than Infosys Group) in which Gopal Devanahalli holds directorship and committee membership

Directorship: Manipal Education Americas LLC

Chairperson/ Membership on Board committees: None

Shareholding in the Company: Nil



Michael Nelson Gibbs

Michael Gibbs is an Independent Director of Infosys Limited. He is the former Group CIO for BP, PLC having responsibility for setting and implementing BP's IT strategy and providing computing and telecommunications technology services worldwide.

As CIO, Michael led a transformation of the IT function at BP, reorganizing the function and operating model. He led improvements in Cyber Security and the application of emerging digital technologies including plans for a migration of legacy data centers to the cloud.

Michael served as CIO for various businesses including Conoco Refining & Marketing, Europe and Asia, based in London and ConocoPhillips Supply and Trading, Corporate Functions and Global Downstream, based in Houston. In 2008, Michael returned to London joining BP as VP/CIO, Refining & Marketing, before becoming Group CIO in 2013. Currently, Michael does occasional business consulting and speaking. He has chaired several church and mission's boards and currently serves as Vice-Chair of "A Child's Hope – Haiti" serving the orphans of Haiti.

Michael graduated summa cum laude from Oklahoma State University with a degree in Management Science. He completed the Executive Management Program at Penn State University in 1997 and the Concours/Cash CIO Leadership Program in 2004. In 2015 he was named to CIO magazine's list of the most influential Global CIOs and ranked as I-CIO's 2nd most powerful IT executive in Europe.

Age: 62 years

Qualifications: Graduated summa cum laude from Oklahoma State University with a degree in Management Science. He completed the Executive Management Program at Penn State University in 1997 and the Concours/Cash CIO Leadership Program in 2004.

Experience: 18 years

Key terms and conditions of re-appointment/appointment: As per the resolution at Item No. 4 of this Notice read with the explanatory statement thereto.

Date of first appointment on Board, last drawn remuneration and number of Board meetings attended: Please refer Corporate Governance Report

Nature of expertise in specific functional areas: Legal Compliance and ethics

Disclosure of inter-se relationships between directors and key managerial personnel: None

Companies (other than Infosys Group) in which Michael Gibbs holds directorship and committee membership

Directorship: None

Chairperson/ Membership on Board committees: None

Shareholding in the Company: Nil



Anantharaman Radhakrishnan

Anantha Radhakrishnan (Radha) is the Chief Executive Officer and Managing Director of Infosys BPM.

Prior to this role, Radha was the Chief Operating Officer (COO) managing the global operations for the organization. He has played multiple roles at Infosys BPM, spanning technology, transformation, enterprise capability and global centers management, working with clients in their transformation journey, enhancing business value delivered. Further, Radha has spent many years with the Infosys group, working across consulting and IT services, before his stint in business process management. Before Infosys, he has worked with a transnational corporation and brings with him rich leadership experience and intensive domain capability across multiple industries.

Radha is a postgraduate from Indian Institute of Management, Lucknow (IIM-L), and an Honors graduate in mechanical engineering from the National Institute of Technology, Tiruchirappalli (NIT, Trichy).

**Age:** 52 years

**Qualifications:** Postgraduate from Indian Institute of Management, Lucknow (IIM-L), and an Honors graduate in mechanical engineering from the National Institute of Technology, Tiruchirappalli (NIT, Trichy)

**Experience:** 20 years

**Key terms and conditions of re-appointment/appointment:** As per the resolution at Item No.5 of this Notice read with the explanatory statement thereto.

**Date of first appointment on Board, last drawn remuneration and number of Board meetings attended:** Please refer Corporate Governance Report

**Nature of expertise in specific functional areas**

Information Technology Services and Business Management

**Disclosure of inter-se relationships between directors and key managerial personnel**

None

**Companies (other than Infosys Group) in which Anantharaman Radhakrishnan hold directorship and committee membership**

Directorship

None

**Chairperson/ Membership on Board committees**

None

**Shareholding in the Company**

Nil

Notes

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## Safe Harbor

This Annual Report contains 'forward-looking statements' within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, that involve substantial risks and uncertainties. Forward-looking statements generally relate to future events or our future financial or operating performance and are based on our current expectations, assumptions, estimates and projections about the Company, our industry, economic conditions in the markets in which we operate, and certain other matters. Generally, these forward-looking statements can be identified by the use of forward-looking terminology such as 'anticipate', 'believe', 'estimate', 'expect', 'intend', 'will', 'project', 'seek', 'should' and similar expressions. Those statements include, among other things, the discussions of our business strategy, including the localization of our workforce and investments to reskill our employees and expectations concerning our market position, future operations, margins, profitability, liquidity, capital resources and corporate actions. These statements are subject to known and unknown risks, uncertainties and other factors, which may cause actual results or outcomes to differ materially from those implied by the forward-looking statements. Important factors that may cause actual results or outcomes to differ from those implied by the forward-looking statements include, but are not limited to, those discussed in the "Outlook, risks and concerns" section in this Annual Report. In the light of these and other uncertainties, you should not conclude that the results or outcomes referred to in any of the forward-looking statements will be achieved. All forward-looking statements included in this Annual Report are based on information and estimates available to us on the date hereof, and we do not undertake any obligation to update these forward-looking statements unless required to do so by law.

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Infosys BPM Limited Annual Report 2019-20