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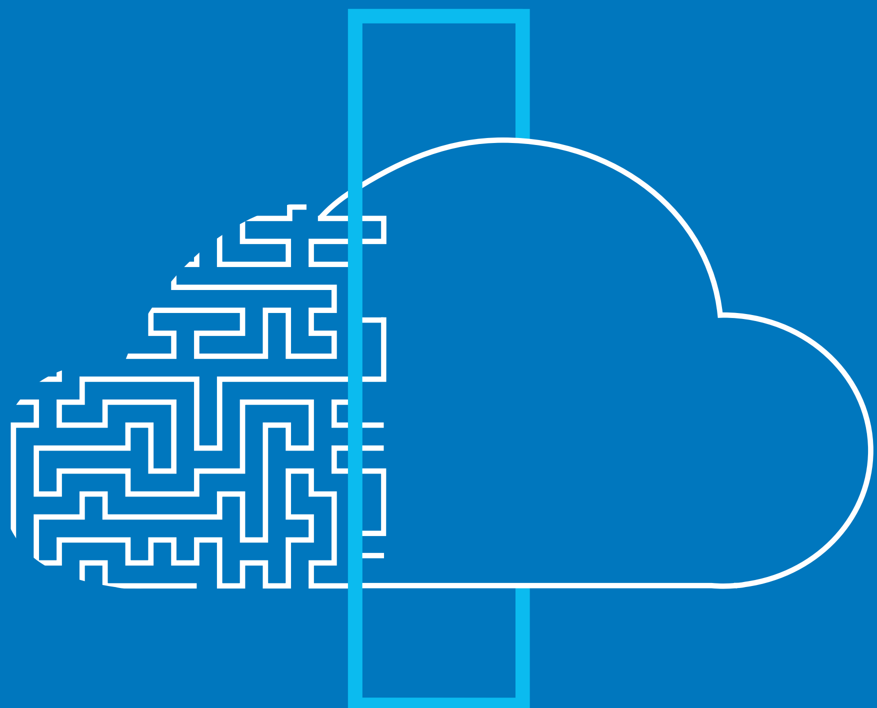

Cloud chaos to clarity

Infosys BPM Limited Annual Report 2020–21

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Board and Committees – Infosys BPM Limited

The Board of Directors

Ravikumar Singisetti
Chairman

Anantharaman Radhakrishnan
Chief Executive Officer and Managing Director

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 Singisetti
Member

Nomination and remuneration committee

Gopal Devanahalli
Chairperson

Michael Nelson Gibbs
Member

Ravikumar Singisetti
Member

Corporate social responsibility committee

Ravikumar Singisetti
Chairperson

Anantharaman Radhakrishnan
Member

Gopal Devanahalli
Member

Investment committee

Ravikumar Singisetti
Chairperson

Anantharaman Radhakrishnan
Member

Prem Joseph Pereira
Member

As on March 31, 2021

Board's report

Dear members,

The Board of Directors hereby submits the report of the business and operations of your Company ("the Company"), along with the audited financial statements, for the financial year ended March 31, 2021. 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 March 31,		For the year ended March 31,	
	2021	2020	2021	2020
Revenue from operations	5,450	4,595	8,846	6,922
Cost of sales	4,150	3,439	6,987	5,348
Gross profit	1,300	1,156	1,859	1,574
Operating expenses				
Selling and marketing expenses	212	219	222	235
General and administration expenses	349	337	564	519
Total operating expenses	561	556	1,342	754
Operating profit	739	600	1,073	820
Other income, net	207	290	199	279
Finance cost	(30)	(32)	(41)	(41)
Profit before tax	916	858	1,231	1,058
Tax expenses	221	210	323	252
Profit for the year	695	648	908	806
Other comprehensive income				
Items that will not be reclassified subsequently to profit or loss	(9)	(3)	(9)	(6)
Items that will be reclassified subsequently to profit or loss	(1)	6	35	46
Total other comprehensive income, net of tax	(10)	3	26	40
Total comprehensive income for the year	685	651	934	846
Earnings per share (EPS) [1]				
Basic	205.51	191.61	268.30	238.23
Diluted	205.51	191.61	268.30	238.23

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

(1) 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	
	2021	2020	2021	2020
Cash and cash equivalents	3,000	2,274	4,080	3,137
Current investments	175	630	175	630
Net current assets	3,320	3,260	4,430	4,081
Property, plant and equipment (including capital work-in-progress)	234	214	312	281
Right to use assets	479	427	896	836
Goodwill	19	19	426	406
Other intangible assets	–	–	16	5
Other non-current assets	78	108	110	141
Total assets	7,039	6,168	10,595	8,677
Non-current liabilities	483	419	1,383	843
Retained earnings – opening balance	4,632	4,000	5,479	4,768
Add:				
Profit for the year	695	648	908	806
Exchange differences on translation foreign operations and re measurement differences	(10)	3	26	40
Transfer from Special Economic Zone Re-investment Reserve on utilization[1]	80	71	80	71
Less:				
Impact on account of adoption of Ind AS 116	–	(19)	–	(8)
Dividends including dividend distribution tax	(321)	–	(321)	–
Transfer to Special Economic Zone Re-investment Reserve[1]	(80)	(71)	(80)	(71)
Retained earnings – closing balance	4,996	4,632	6,092	5,479
Other equity	34	34	34	34
Total equity	5,030	4,666	6,126	5,513
Total equity and liabilities	7,039	6,168	10,595	8,677
Number of equity shares	3,38,27,751	3,38,27,751	3,38,27,751	3,38,27,751

[1] 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 is a leader in providing end-to-end outsourcing services and 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. Our integrated IT and business process management solutions approach enables our clients across industries and service lines to unlock business value and address their business challenges.

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, with our traditional BPM service offerings, being complemented by our digital business offerings.

Our platform-based digital capabilities were given a further fillip with our strategic purchase of a new business and underwriting platform from STEP Solutions Group LLC, which will further enhance our existing industry-leading VPAS policy administration platform and our modernized insurance platform for global life insurance and annuity – McCamish NGIN. Our other existing vertical utilities platform in mortgage include our JV with ABN Amro's Stater while our joint venture with Hitachi, Panasonic and Pasona in Japan enhanced our traditional enterprise services in sourcing and procurement. Our acquisition of Eishtec, one of Ireland's leading customer service providers, has successfully enabled us to further enrich our services in the space, enabling us to better serve our clients from the UK and Ireland, further leveraging our deep expertise in technology, analytics, and digital.

Infosys BPM Limited continues to be ranked a leader 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.

The 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.

Infosys BPM has been consistently ranked among the leading BPM companies globally and has received 12 awards and recognitions this year, from key industry bodies and associations such as SSON, CMS Asia, NIQR, CII and TISS LeapVault CLO Awards, 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 ₹5,450 crore, up by 18.6% from ₹4,595 crore in the previous year. Our gross profits amounted to ₹1,300 crore as against ₹1,156 crore in the previous year. The operating profits amounted to ₹739 crore as against ₹600 crore in the previous year. Sales and marketing costs were ₹212 crore and ₹ 219 crore for the years ended March 31, 2021 and March 31, 2020 respectively. General and administration expenses were ₹349 crore and ₹337 crore during the current year and previous year respectively. Net profits after tax stood at ₹ 695 crore as against ₹ 648 crore in the previous year. The profit after tax for the year was 12.8% of revenue.

Performance overview (consolidated)

Our revenues from operations aggregated to ₹ 8,846 crore, up by 27.8% from ₹ 6,922 crore in the previous year. Our gross profits amounted to ₹1,859 crore as against ₹ 1,574 crore in the previous year. The operating profits amounted to ₹1,073 crore as against ₹820 crore in the previous year. Sales and marketing costs were ₹222 crore and ₹235 crore for the years ended March 31, 2021 and March 31, 2020 respectively. General and administration expenses were ₹564 crore and ₹519 crore during the current and previous year, respectively. Net profits after tax were ₹ 908 crore as against ₹806 crore in the previous year. The Group's profit after tax for the year is 10.3% of revenue. The Company continues to be amongst the most profitable BPM companies in India. The Company had 220 customers as on March 31, 2021. The Company ended fiscal 2021 with 46,130 employees across 115 nationalities.

Fiscal 2021 was a challenging one across the BPM industry due to the worldwide impact of COVID-19 pandemic, and the year was marked by a fundamental shift in the business model of delivering business process management services. For Infosys BPM, glowing testimonials from our clients stand out as a testament to our resilience, partnership and work ethics, ensuring seamless and secure client operations virtually, fulfilling client demands by delivering business as usual and beyond. With historic high employee and client satisfaction scores, this year was a year of continued growth, grit and tenacity, with employees adapting to the new hybrid model of working from home.

For clients, fiscal 2021 was a mixed bag with sectoral nuances, clients in some segments such as financial services and healthcare were positively impacted, while sectors such as retail, non-essential manufacturing and food services were negatively impacted. Demand for accelerated digital transformation increased during the year while the pace of decision making was relatively slower, with near shut-down of discretionary spends.

We won multiple new logos which includes large deals with US investment firm – Vanguard, a UK-based telecommunications and internet television company, an aerospace and motor vehicle design and manufacturing company among others.

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 fiscal 2021. We truly have a global delivery model, with 33 delivery centers across 14 countries spread across five continents (7 in India; 7 rest of APAC and Australia, 12 in Europe, 4 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 and Financial Services, Healthcare and Insurance, life sciences, Manufacturing, Energy and Utilities, Communication Services, Media & Entertainment, Retail, Consumer Packaged Goods, 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, evolving with our client and their digital maturity journey, we also have powerful stories of reimagined business processes by blending automation with cognitive digital solutions. We believe in providing integrated solutions to our clients 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 like automation, adoption of Artificial Intelligence, use of machine learning and technologies, Internet of Things and blockchain, calls for all of 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

During the past year our priority has been ensuring health and safety of our employees and continued highest level of service delivery for our clients. Health status of employees was monitored on a regular basis and support was provided to all infected employees and family members across the globe. We tied up with hospitals to support Covid19 infected employees and their family members across India. We also created exclusive tie up with hotels to support asymptomatic employees and their families across India. Managing in the world of remote working, counselling sessions was focused upon. Health Insurance coverage was extended for employees and their family members to include COVID19 related treatment. Vaccination drives, with the help of local government bodies, were facilitated for employees and their family.

In this financial year we hired a total of 8,869 employees globally, of which 6,074 employees were hired in India. Our recruitment campaigns were managed digitally, including AI based online assessments for both domain knowledge as well as behavioral competencies. Onboarding and induction activities were moved to complete digital system through "Launchpad", Infosys in-house portal for documentation management. Background verification checks of employees were completed faster than ever through digital, online, verbal and GPS tracking.

During the year, many employees were transferred to Infosys BPM Ltd as a part of multiple large deal programs. The human resources team's focus was on attracting, integrating, and retaining employees during these people transfer while being compliant to the applicable laws. All employees have been rewarded through different programs which has helped keep our workforce motivated and engaged. Special incentives were also given out to employees to reward them for their contribution during the pandemic times.

Our performance management practice bagged ISO 9000:2015 recertification with no non-conformity for the third time. Encapsulating technology and digitization for easy access to the system for employees in remote setup, the tool iCount was enabled on InfyMe mobile app.

Focusing on increasing the scale and breadth of internal mobility offerings we continue to hold the talent growth banner high, with majority of our position fulfillment done through internal talent movement. Design and delivery of all our learning and development programs were adapted for the virtual world due to the pandemic. All assessments for entry level training moved to Lex, Infosys learning platform.

Infosys Citizenship Quotient (iCQ), our organization citizenship rewards initiative saw most of our senior management globally rewarded for engaging in a host of activities beyond their usual job responsibilities. iCQ+ program was re-designed to include new behaviors and activities, points revamped and iCQ+ was also launched for leaders across all Global Delivery Centers.

A focused mentoring program led by a panel of Executive Committee members (CEO – 1 level leaders) was launched. Identified leaders were part of 5 months learning journey with the Executive Council as mentors. Program focused on building competencies and honing skills required by future senior leaders at IBPM.

Another unique program, where senior leaders are mentored by Subject Matter Experts, was launched. It upholds the culture of continuous learning and has so far seen leaders being open to learning digital, domain and people skills from SMEs irrespective of where they are placed in the hierarchy.

We institutionalized Authentic Leadership behaviors through workshops. Our Global Leadership Workshops were attended by managers & leaders from all our international centers focusing on building growth in capabilities in our global centers.

The pandemic taught us how differently we can ensure seamless connect with employees virtually and motivate and engage them through various employee and family connect programs to ensure their safety, wellbeing, work life balance. Our employee satisfaction survey “Pulse” shifted gears with its frequency and approach to stay relevant. The satisfaction level of the employees was at its peak.

The need for us to constantly recognize and celebrate high performance made us create an exclusive initiative through the launch of two high performer Clubs. Carved out of Club Elite+, Club Chevaliers recognizes Operations leads on their high performance and further encourages their developmental needs through extensive specialized learning on diverse topics, exclusive leadership connect, mentoring/ partnering and recognition programs

Club Stalwarts is a club designed in recognition of elite high performers at managerial level in the organization to enhance their leadership skills in turn addressing both their personal and professional development. The initiative involves weekly Bytes, Mentorship Program – “Milaap” and navigating further through Connects with Leadership.

Stories of employees’ growth, milestone and achievement were published through various channels like - My Infy Story, Good to join, great to grow, Team Matters Team Wins, Far from The Shores. Global Banyan Tree. Beyond Boundaries – A Global Collaborative IC initiative & Global ConneX launched in FY21 to showcase IBPM Global Centers and strengthen the connect with the Global Centers. Iconic – the IC newsletter launched in January 2021.

Stars of Infosys – A COVID Recognition Campaign supported the IC team, recognized, and rewarded 1300+ IBPM employees for their stellar contributions during the pandemic.

It is also important to Hear and address the concerns of employees and provide a safe & hostile free work environment to them. All grievances received continue to be addressed by concerned committees like HEAR [Hear Employee and Resolve], ASHI [Anti Sexual Harassment Initiative], ILMS [Information Leakage Monitoring System/ and Whistleblower Committee.

Our vision is to create an inclusive workplace and leverage the power of diversity for sustainable competitive advantage. IBPM’s vision is to create an inclusive workplace and leverage the power of diversity for sustainable competitive advantage across 42k+ employees, 115+ nationalities, 16 countries, 35 delivery centers and 44% Women in workforce. Our Initiatives are categorized under four areas IWIN (Infosys Women’s Inclusivity Network) for Gender Diversity, InfyAbility (for Employees with special ability), Multicultural Diversity (Inclusivity network creating common ground) and iPride (Infosys LGBTQI+ Network). As part of gender diversity initiatives FY21 saw closure of three batches of SOAR: Seize Opportunities & Achieve Resilience program for women managers and the start of two batches one for the America’s and one for Manila. In our continuous endeavor to inspire motivate and empower women employees, we organized internal & external women leader connect programs, self-defense workshops, parenting workshops and financial awareness workshops across locations covering 5000+ employees. To bring our employees with disabilities at par with other employees, exclusive sessions were organized including Certified Transaction Monitoring, Lex Awareness, Human ware, and Analytics etc. Pride month was celebrated in June 2020, National coming out day in Oct 2020.

Particulars of employees

The Company had 46,130 number of employees as on March 31, 2021. As per Section 197(12) of the Companies Act, 2013, read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 a statement containing the names of top 10 employees in terms of remuneration drawn, details of employees posted in India throughout the fiscal and in receipt of a remuneration of ₹1.02 crore or more per annum, details of employees posted in India for part of the year and in receipt of ₹ 8.5 lakh or more a month is enclosed as Annexure 3 to the Board’s report.

The details of employees posted outside India and in receipt of a remuneration of ₹ 60 Lakh or more per annum or ₹ 5 lakh or more a month can be made available on request.

Internal complaints committee

Infosys’ goal has always been to create an open and safe workplace for every employee to feel empowered, irrespective of gender, sexual preferences, and other factors, and contribute to the best of their abilities. Towards this, the Company has set up the Anti-Sexual Harassment Initiative (ASHI), which proudly completes 21 years of enabling a positive and safe work environment for our employees.

Our ASHI practices have set an industry benchmark as it ranked first among 300+ companies that participated in an external survey on the best anti-sexual harassment initiatives in 2017, 2019 and 2020. Infosys 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 IC has been constituted 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 locations, and a senior woman employee is the presiding officer over every case. Half of the total members of the IC are women. The role of the IC is not restricted to mere redressal of complaints but also encompasses prevention and prohibition of sexual harassment. In the last one year, the IC has worked extensively on creating awareness on relevance of sexual harassment issues in the new normal by using brand-new and innovative measures to help employees understand the forms of sexual harassment while working remotely.

The details of ASHI cases for the fiscal year 2021:

- Number of cases filed - 11
- Disposal by conciliation - 1
- Disposal by disciplinary action(s) – 9
- No action – 1

All cases of FY’21 have been closed

Corporate Social Responsibility

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 FY21, all the programs were conducted virtually to ensure continuity of our efforts to help youth in Tier 2 and 3 cities. 112 academicians were trained under Faculty Development programs. 3300+ students were further trained by the academicians. 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 1931 students. As of today, over 1,400 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. 32380 learning hours through Learn From Home Interventions benefited 500+ students during this academic year. These learning hours also aim at improving reading habits, inter and intra-personal skills of students in Government Schools. 62 volunteers from Infosys BPM registered with eVidyaloka for teaching and creating content for the students.

Infosys BPM supported Sparsha Trust to set up a Digital Lab, Classroom and Studio at Bangalore to support education for underprivileged children in Karnataka. This lab will support over 1000 students in its first year of operations which is expected to reach up to 5000 in the second year. Various engagements involving several our employees across India participated in initiatives like notebook and stationery, grocery, and essentials donation drives; visit to orphanages and old age home; mask donation etc. which touched lives of around 4770 beneficiaries.

Grow-trees is an initiative where employees can plant trees and contribute to a greener planet. 500+ saplings have been planted so far in association with the NGO – Grow-Trees.com. Books and stationery items were donated to college libraries and schools in Odisha, Rajasthan and Karnataka benefiting over 7200 students.

External HR Recognition in 2020 -21

- Brandon Hall Excellence in Human Capital Management Program in the category Best Advance in Assessment Utilization to Guide Talent Decisions
- TISS CLO Leap Vault for the reinvented management trainee program

External & Internal HR Best Practices Representation in 2020-21

- SSON Impact Awards 2020
- ATD Excellence in Practice Awards
- HR Department of the year Awards
- NHRD Best HR Practice award 2020
- SHRM HR Excellence Awards 2020
- CII SR Young HR Managers Competition - 6th Edition
- 1st NHRDN People First ACE Awards 2020
- HRDMCs participation in 25+ external HR forums
- Articles in external publications like ETHR, People Matters, SHRM, HR Katha by HRDMCs
- AFE 2021 Awards (Internal)
- Social Impact Awards 2021 (Internal)

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 Board of Directors, in their meeting on October 12, 2020, declared an interim dividend of ₹95/- per equity share, which resulted in a cash outflow of approximately ₹321 crore.

The Board of Directors, in their meeting on April 12, 2021, recommended a final dividend of ₹175 /- per equity share for the financial year ended March 31, 2021. This payment is subject to the approval of shareholders in the ensuing Annual General Meeting of the Company and if approved, would result in a cash outflow of approximately ₹592 crore.

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, 2021.

Subsidiaries

As on March 31, 2021, we have six 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, Infosys BPO Americas LLC and Infosys BPM UK Limited. The Company does not have any associate company.

Infosys Poland Sp.z.o.o. had acquired Infosys Consulting Sp.z.o.o on February 20, 2020 from sister concern Infosys Holding A.G. Infosys Consulting Sp.z.o.o is merged with Infosys Poland Sp.z.o.o. effective from October 21, 2020.

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, at www.infosysbpm.com. These documents will also be available for inspection by members during business hours at our registered office in Bengaluru, India.

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 11.4 % 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 and customer service. The business growth has driven expansion of the facilities and in March 2020, the company relocated to a larger brand-new modern office with a 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 ₹ 176 crore as against a revenue of ₹ 158 crore for the year ended on March 31, 2020 with a profit of ₹ 4 crore against the profit of ₹ 12 crore for the year ended on March 31, 2020.

B. Infosys Poland Sp. z o. o.

The Lodz delivery center revenue has increased 13.9% YoY. Lodz DC is focusing on F&A, Sourcing & 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 notified digital growth within digital transformations services, point solutions and automation.

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

Inspire 2020: Best Managed DC Global Award (Gold); AFE 2020: Best International DC; ACCA accreditation for Professional Development and Trainee Development Platinum programs ; Infosys Poland highlighted in "Reported Business in Poland 2020 Good Practices" report in several categories: Work Practices (Personal Development Plan, Finance Campus, Employee Volunteering, The #StayWell campaign), Human Rights (Diversity Team), Environment (Łódzka Kranówka), Social Involvement and Development of the Local Community (Run Against Hunger Challenge, Christmas Charity Auction); The Awards for Excellence 2020-21_Social Impact Award – Bronze.

During the year under review, the revenue was ₹685 crore as against revenue of₹ 516 crore for the period ended March 31, 2020 with a profit of ₹ 60 crore as against a profit of ₹ 3 crore for the period ended March 31, 2020.

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 ₹ 2,380 crore as against revenue of ₹ 1,556 crore for the period ended March 31, 2020 with a net profit of ₹ 162 crore as against a profit of ₹ 127 crore for the period ended March 31, 2020.

D. Portland Group Pty. Limited

Infosys Portland (Portland Group Pty Ltd) had a positive year, with increasing revenue and margins from software on-sell agreements, along with improved margins for Consulting Business despite a slight degrowth in consulting revenue and headcount in operating regions. Expansion of Portland Group's delivery footprint has continued with increased presence in the North American and European markets.

During the year under review, the Company generated a revenue of ₹ 146 crore as against a revenue of ₹ 99 crore for the previous year ended on March 31, 2020 and with a profit of ₹ 12 crore against the profit of ₹ 5 crore for the year ended on March 31, 2020.

E. Infosys BPO Americas LLC

Infosys BPO Americas LLC, a mortgage-focused entity of Infosys BPM Limited, was incorporated in 2016. The entity holds licenses to service mortgage operations across 48 states in the US as well as has the approval to set up the India branch as well. In the past 12 months, three new customers have been added to the two from the previous year. The aim is to strengthen the value proposition of customer delight through tech driven transformation and a blended operating model .

During the year under review, the revenue was ₹ 136 crore as against revenue of ₹ 22 crore for the period ended March 31, 2020 and with a loss of ₹ 38 crore and ₹ 2 crore for both the financial years.

Infosys BPM UK Limited

Infosys BPM UK Limited is an entity incorporated under the laws of England and Wales in December 2020 in order for us to provide services that would involve us carrying on UK-regulated activities, and hence would require us to be authorized by the Financial Conduct Authority (FCA). As on March 31, 2021, the entity has submitted its application to the FCA for authorizations in the areas of Home Finance Administration and Consumer Credit. Business is expected to begin later in fiscal 2022 with the receipt of FCA authorizations.

Awards and recognition

NelsonHall Research on Infosys BPM: from Legacy BPO to Digital BPM: Exclusive thought leadership with Anantharaman Radhakrishnan.

HFS Survey led Research on Re-inventing Finance as an Integral Part of the Digital OneOffice: Co-written by BPM F&A Practice and foreword by Kapil Jain

Infosys and Stater Mortgage BPaaS Solutions supporting Digital Mortgage Transformation : Celent Exclusive Briefing NoteNelson Hall Blog on Infosys BPM's $1 Bn Milestone & Future Trajectory

HFS Research on Infosys BPM joins the three-comma club, crossing $1B in revenues

Awards

- Infosys BPM wins the 2021 Frost & Sullivan Competitive Strategy Leadership Award
- Infosys BPM wins the 2020 Frost & Sullivan European Customer Experience Outsourcing Services Enabling Technology Leadership Award
- Infosys BPM recognized as a Finalist at the Hackett Digital Awards 2020
- Industry Analyst Ranking FY21
- Digital Transformation Services
- Leader in The Forrester Wave™: Digital Process Automation Service Providers, Q3 2020
- Leader in ISG Provider Lens™ Intelligent Automation - Solutions and Services – UK Quadrant Report, 2020
- Leader in ISG Provider Lens™ Intelligent Automation - Solutions and Services – US Quadrant Report, 2020
- Major Contender in Everest Group's Intelligent Process Automation (IPA) – Solution Provider Landscape with solutions PEAK Matrix® Assessment 2021
- Major Contender in Everest Group's Marketing BPS Services PEAK Matrix® Assessment 2020
- Leader in the NelsonHall Intelligent Automation in Banking NEAT 2021

Finance and Accounting

- Leader in Everest Group's Finance and Accounting Outsourcing (FAO) – Service Provider Landscape with Services PEAK Matrix® Assessment 2020
- Ranked 4th in HFS' Top 10 Finance & Accounting Service (F&A) Service Providers 2020
- A Leader in IDC MarketScape: Worldwide Digital Finance and Accounting Business Process Services 2020–2021 Vendor Assessment Nov 2020 | Doc #US45629320
- Leader in ISG Provider Lens™ Finance and Accounting Digital Outsourcing Services US 2020.
- Leader in ISG Provider Lens™ Finance and Accounting Digital Outsourcing Services UK 2020.
- Leader in ISG Provider Lens™ Finance and Accounting Digital Outsourcing Services Archetype Report 2020.
- Sourcing & Procurement
- Ranked 4th in HFS' Top 10 Source-to-Pay(S2P) Service Providers 2020
- Leader in Everest Group's Procurement Outsourcing (PO) – Service Provider Landscape with Services PEAK Matrix® Assessment 2020
- Leader in ISG Provider Lens™ Procurement BPO Services -Global
- Leader in ISG Provider Lens™ Procurement Digital Transformation Services-Global

Customer Services

- Major Contender in Everest Group's Digital Workplace Services PEAK Matrix® Assessment 2020
- Aspirant in Everest Group's Customer Experience Management (CXM) – Service Provider Landscape with Services PEAK Matrix® Assessment 2020
- Aspirant in Everest Group's Customer Experience Management (CXM) – Service Provider Landscape in EMEA with Services PEAK Matrix® Assessment 2020
- Market Challenger in the ISG Provider Lens™ Contact Center – Customer Experience Services – Digital Operations Quadrant 2020 – Global
- Product Challenger in the in the ISG Provider Lens™ Contact Center – Customer Experience Services – AI & Analytics 2020 – Global

Human Resources Outsourcing

- Major Contender in Everest Group's Multi-Process Human Resource Outsourcing (MPHRO) Services PEAK Matrix® Assessment 2021
- Major Contender in Everest Group's Learning Services PEAK Matrix® Assessment with Service Provider Landscape 2020
- A Leader in NelsonHall's Learning Services NEAT, March 2021
- High Achiever in NelsonHall's Payroll Services NEAT, March 2021

Sales & Fulfillment

- A Leader in IDC MarketScape: Worldwide Manufacturing Service Life-Cycle Management Strategic Consulting 2020 Vendor Assessment

Banking, Financial Services

- Leader and Star Performer in Everest Group's Banking BPS Services PEAK Matrix® Assessment with Service Provider Landscape 2020
- Leader and Star Performer in Everest Group's Financial Crime and Compliance (FCC) Operations – Services PEAK Matrix® Assessment 2021
- Leader and Star Performer in Everest group's Mortgage Operations PEAK Matrix® Assessment 2020
- Major Contender in Everest Group's Wealth Management Operations – Service Provider Landscape with Services PEAK Matrix® Assessment 2020
- A Leader in NelsonHall's Mortgage & Loan Services NEAT, June 2020
- A Leader in NelsonHall's Banking Managed Services NEAT, December 2020
- Leader in ISG Provider Lens™ Banking Payment Ecosystem Services Quadrant Report – US, UK, 2021
- Leader in ISG Provider Lens™ Banking KYC-AML Services Quadrant Report- US, UK 2021

Insurance

- Infosys McCamish Named a Leader in Gartner's Magic Quadrant for Life Insurance Policy Administration Systems, North America, August 2020(1)
- Leader in ISG Provider Lens™ Insurance BPO/Platforms Solutions & Services Quadrant Report 2021 (This is not released yet)
- A Major Player in NelsonHall's Life, Annuities & Pension BPS NEAT, June 2020
- Major Contender and Star performer in Everest Group's Life and Pensions (L&P) Insurance BPO – Service Provider Landscape with PEAK Matrix® Assessment 2020
- Major Contender in Everest Group's Property and Casualty (P&C) Insurance BPO – Service Provider Landscape with Services PEAK Matrix® Assessment 2020
- A Major Player in NelsonHall's Property & Casualty Insurance BPS Services NEAT, March 2020
- Contenders in Novarica Market Navigator BPO-BPaaS Providers for P/C Insurers
- Established Player in Novarica Market Navigator BPO-BPaaS Providers for L/A Insurers

(1) Gartner does not endorse any vendor, product or service depicted in its research publications, and does not advise technology users to select only those vendors with the highest ratings or other designation. Gartner research publications consist of the opinions of Gartner's research organization and should not be construed as statements of fact. Gartner disclaims all warranties, expressed or implied, with respect to this research, including any warranties of merchantability or fitness for a particular purpose.

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Healthcare

- Ranked 8th in HFS' Top 10 Healthcare Sector Service Providers 2020
- Major Contender in Healthcare Payer Operations – Services PEAK Matrix® Assessment 2020
- Leader in ISG Provider Lens™ Payer Digital Transformation Services - Quadrant Report, 2020

Retail

- Leader in the ISG Provider Lens™ Retail Software and Services 2021 – US

CMT

- A High Achiever in NelsonHall's CX Services In Telecom & Media NEAT, July 2020

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 Be the Navigator, 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 879.39 MN $ and 2,143 FTE's 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 seven industry awards for the improvement projects.
- Over 140K $ 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 200 new KM-certified practitioners.
- To stay attuned to achieve 'Right First Time' objective the early sate 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 12%.

- The Quality team has trained 13,368 employees (in 408 batches) across the organization in the various Quality Training programs to reinforce the Quality culture.
- Design Thinking is adopted across all quality sub-functions to reinforce the culture of innovation and creativity in the solutions. 32 team members are skilled and certified as D-Thinkers.
- To demonstrate our industry leadership and presence, we organized and hosted the BPM Quality Symposium for third consecutive year and presented a masterclass on knowledge management which was attended by 500+ participants from leading IT & ITES organizations.
- This year has been an exceptional year for Infosys BPM in terms of CVS scores, this was first time ever we got highest ever CVS score of 6.01 and Exp Index score of 72.6 with 90% of respondents across all engagements.

3. Corporate governance philosophy

Corporate governance is about maximizing shareholder value legally, ethically and sustainably. At Infosys BPM, 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. The 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 the 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 four 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. 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 2021, 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 12, 2021.

Directors and key managerial personnel (KMP)

Inductions

The shareholders approved the following appointments of Independent directors at their Annual General meeting held on July 9, 2020

- Gopal Devanahalli was appointed as independent director with effect from July 9, 2020:
- Michael Nelson Gibbs was appointed as independent director with effect from July 9, 2020

Retirement and resignation

There were no retirements / resignations of the Board of Directors for the period under review.

Reappointment

As per the provisions of the Companies Act, the Board of Directors, on the recommendation of the nomination and remuneration committee and subject to the approval of the members of the Company, have reappointed Anantharaman Radhakrishnan as the CEO & MD of the Company for a further period of five years from May 16, 2021 to May 15, 2026. The Board recommends his reappointment.

As per the provisions of the Companies Act, 2013, Inderpreet Sawhney, who has been longest in the office, retires by rotation at the ensuing AGM and, being eligible, seeks reappointment. The Board recommends her reappointment.

Committees of the Board

As on March 31, 2021, 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, 2021, the applicable accounting standards have been followed and 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 2021 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 2021 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 the Companies Act 2013 and Code of Ethics issued by the 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, Practicing Company Secretaries, as secretarial auditor of the Company for fiscal 2022.

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, the annual return in the prescribed format is available at https://www.infosysbpm.com/about/annual-reports.html

Secretarial standards

The Company complies with all applicable secretarial standards issued by the Institute of Company Secretaries of India.

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.

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 6.

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 Labor 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.

Bengaluru

April 12, 2021

For and on behalf of the Board of Directors

Sd/-
Ravikumar Singisetti
Chairman and Director

Sd/-
Anantharaman Radhakrishnan
Chief Executive Officer and Managing Director

Management's discussion and analysis of financial condition and results of operations – Year ended March 31, 2021

Overview

Infosys BPM Limited ("Infosys BPM") established in 2002, is the business process management (BPM) subsidiary of Infosys (NYSE: INFY). Over the last couple of decades, we have grown into a truly global organization, with a diverse, inclusive, and talented pool of over 44,450 employees across more than 80 nationalities, operating from 29 delivery centers spread across 10 countries, as of March 2021.

We have a substantial global client base, spanning a gamut of industries with deep domain expertise across multiple enterprise services. We leverage our digital services across several industry solutions and vertical platforms, combining the best of digital technology and people skills.

As a trusted transformation partner, we help our clients to unlock business value by enabling them to Navigate the Next. We utilize innovative business excellence frameworks, ongoing productivity improvements, process reengineering, automation, digitalization and cutting-edge technology platforms to enable end-users to achieve cost reduction objectives improve process efficiencies and enhance effectiveness with an ever-increasing focus on delivering superior customer experience with empathy.

Our business

Infosys BPM Limited was incorporated on April 3, 2002 as Progeon Limited and was subsequently renamed as Infosys BPO Limited on August 29, 2006. The Company's name was then changed to Infosys BPM Limited, on December 18, 2017, symbolizing the paradigm shift in the nature of services that we offer through our holistic approach of delivering end-to-end transformative BPM services.

At Infosys BPM, we enable clients to experience their next by delivering business value through deep domain expertise and technology prowess, leveraging our global delivery model to offer onshore, offshore, and nearshore services to our clients. We have augmented and amplified our growth through our innovative operating, pricing and talent models based on scalable and predicable delivery platforms. Through our unique approach of integrating 'employees with business domain expertise and technology', we continue to co-create business value and enhance experience for our clients and our employees.

We are committed to helping our clients reimagine their businesses with our best in class, next-generation digital services across a wide range of industries (verticals) and service lines (horizontals). Our horizontals primarily include Finance & Accounting (F&A), Sourcing & Procurement (S&P), Sales & Fulfilment (S&F), Customer Service (CS), Human Resource Outsourcing (HRO), Legal Process Management (LPM), Digital Interactive Services (DIS), Digital Transformation Services (DTS), BPM Analytics (AT) and Robotic Process Automation (RPA). Our verticals include Manufacturing; Retail, CPG & Logistics; Financial Services; Healthcare, Insurance & Life Sciences; Services, OEMs, Utilities & Energy, Resources, Communications and Media & Entertainment.

We believe in continuously building a business mix that allows us to provide long-term and consistent benefits to our clients. Our objective is to enable our clients to move up the growth curve by effectively managing and mitigating any risks, delivering enhanced business value, leveraging our deep process management skills and widespread experience. In addition to cost arbitrage, Infosys BPM consistently demonstrates value arbitrage with enterprise-wide improvements in client operations based on diverse best practices and consultative digital solutions. Since its inception, Infosys BPM has focused on end-to-end outsourcing and operates on the principle that true BPM is transformational.

I. Industry structure and development:

The BPM industry has undergone widespread disruption due to the COVID-19 induced changes in demand environment, workforce availability, customer expectations, and the geopolitical climate. The pandemic has accelerated digital transformation initiatives across enterprises. This is accompanied by trends like the rise of gig models, switch to location-agnostic operating models, reliance on hybrid / multi-cloud environment and the amalgamation of domain and technology.

These trends have also reshaped our approach of navigating our clients to their next by digitally transforming their services and by enhancing experience for all our stakeholders – customers, employees or suppliers through our niche solutions to different industries with an objective to enhance their productivity, business effectiveness, process efficiency and their stakeholder's experience. Infosys BPM thus offers solutions that combine deep domain knowledge, strategic program and process management experience with consulting, technology and proven integration and support capabilities. These solutions ensure businesses are resilient and responsive to demand by attaining real-time visibility across the value chain. This involves digital automation that improves efficiency through amplified business productivity, insights that accelerate business outcomes through effectiveness and innovation that consistently raises the bar on stakeholder experience and delight. Integrated solutions incorporating internal technologies and external partners to cater to all requirements including platform-driven differentiation through cloud-based tech platform solutions, vertical utility platforms, analytics tools and technologies will be the new solutions to bank upon.

1. Digitizing innovation

Today, businesses want BPM service providers to become their strategic / consulting partners and help streamline their business processes end-to-end. Our clients' customers are increasingly using multiple digital channels and technologies to interact with each other, thereby exponentially increasing the digital touchpoints and complexities service providers need to take care of. The growth of the digital ecosystem plays a huge role as it becomes faster and easier to engineer and deliver customized value for varied business requirements. Our digital + humanware approach to digitalization continues through our service offering, Digital Transformation Services that focusses on five specific dimensions: 'Insights' that enable decisions to drive effectiveness, 'Innovate' to drive better business outcomes, 'Accelerate' to amplify efficiency, 'Assure' to ensure and augment compliance and 'Experience' to enhance stakeholder delight.

2. Surge in data and need for analytics

Extracting actionable business insights from the immense stores of transactional data continues to be an immense opportunity for Infosys BPM. To help clients derive maximum value from available data, our digital transformation services offerings now provide analytics such as spend and procurement analytics, sales analytics, operational cost reporting, MDM reporting, digital and web analytics among others. Our analytics offerings provide the intelligence layer which provides visibility across the enterprise. It connects data across real-time analytical databases that enables the enterprise to sense events, provide insights and respond through effective decision-making.

3. Increased focus on intelligent automation to accelerate and amplify efficiency

Robotics Process Automation (RPA) and automation solutions continue to have a profound impact on business processes spanning finance and accounting, sourcing and procurement, financial services, customer service and human resources processes. Due to COVID-19, automation has become a key part of clients business continuity plans. RPaaS (RPA-as-a-service) and a multi-pronged approach of combining RPA and applied AI with business process transformation provides a significant edge for Infosys BPM in value delivery. Infosys BPM leverages both our internal technology (NIA, AINA and AssistEdge), business strengths and collaboration with proprietary tool partners to assist clients in becoming hyper-productive.

4. Stress on vertical specialization

There is a huge opportunity to help clients with more complex, industry-specific work that goes beyond the traditional process requirements. The future of BPM lies in domain specialization and for better operational performance and productivity for the clients with industry specific asks. At IBPM, we have a distinct unit which focuses on industry specific requirements with trained industry experts and senior leaders heading this specific industry solutions practice. This team has extensive domain knowledge as they undergo mandatory domain specific training certifications and programs (internal and external). Our industry specific services include: Wealth management; Actuarial services; Manufacturing reporting; Royalties management; Social media management; Pricing support; Investment banking; Fraud management; Asset data enrichment to name a few. Our approach towards industry specific client requirements has led us to tie up and collaborate with various associations: Some of them are listed here: Financial services and Insurance: Mortgage Bankers' Association (MBA), Retirement Services: Society of Professional Asset-Managers and Recordkeepers (SPARK) and Healthcare: America's Health Insurance plan (AHIP).

5. Transform processes using vertical utilities of the future (People + Software)

In order to assist clients with their costs, BPM providers are leveraging technology to move from a CAPEX to OPEX model. Industry and enterprise service processes where third-party vendors have developed expertise are now getting standardized platforms. At Infosys BPM, we leverage McCamish Insurance Utilities (VPAS platform, new business and underwriting platform), Infosys NIA™, the Company's first-generation AI platform for our CXOs. These platforms further enable an anytime / anywhere experience through a remote-first operating model leveraging mobility and pervasive technology.

COVID-19

The COVID-19 pandemic is a global humanitarian and health crisis, that continues to impact all of our stakeholders – employees, clients, investors and communities we operate in. Many countries are reporting a second wave and third wave of infection. The actions taken by various governments to contain the pandemic such as closing of borders and lockdown restrictions has resulted in significant disruption to people and businesses. While vaccines have been made available, there are delays in vaccinating larger populations, increased instances of variants and infections, and consequential stress on the health sector. Consequently, market demand and supply chains have been affected.

In responding to this crisis, our primary objective has been to ensure the safety of our employees worldwide, deliver our client commitments, and put in place mechanisms to protect the financial well-being of the Company and protect its long-term prospects.

During the year, we launched several health and wellness programs for our employees covering various aspects of physical and emotional well-being, counselling support and awareness. In particular, together with health professionals and hospitals across our various locations, we offered COVID-19 related care for our employees and their families. Working closely with government authorities, we launched COVID-19 vaccination centers in our campuses and at select hospitals in India for eligible employees. For those employees working from our physical offices, we have established a safe work environment and protocols for testing and quarantine. We are closely monitoring regulations and accordingly issuing travel advisories to our employees. We made arrangements to ensure the safety and wellbeing of our employees who have travelled for business to locations outside their home country and are currently restricted from travelling back.

During the pandemic time, we have enabled 98.8% of employees to work from secure work environment, as of March 31, 2021. 92.2% of employees are working remotely from their homes. In those cases where we could not get client consent for WFH, due to critical nature of the work, the employees are working from our offices.

During this period, we have been able to support our clients in all critical work including closure of accounts, seasonal high peak order processing, processing of high volume of mortgage loans and meeting all expected service levels. In almost all cases, the client's operations are not impacted due to our employees working remotely.

We continued to optimize our cost structure and execute operational rigor. We improved liquidity and cash management with a rigorous focus on working capital cycles, capital expenditures and cost optimization.

II. 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 29 delivery centers with 7 in India, 5 in APAC, 12 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. We have augmented and amplified our growth through our innovative operating, pricing and talent models. Through our integrated 'business domain people + software = 'humanware' approach we continue to co-create business value and enhancing experience for our clients and our employees. Through our focus on reskilling our humanware, Infosys BPM fulfils its 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 us enhance stakeholder's experience. We will continue to strengthen our position in the market through focused vertical utilities platform play, increased digital quotient and refreshing our service offerings in line with ongoing market trends. In terms of vertical capabilities, Infosys McCamish continues to increase its solution footprint through strategic purchase of a new business and underwriting platform from STEP Solutions Group LLC which will help to enhance our existing industry leading VPAS policy administration platform. Infosys BPM also acquired Eishtec, one of Ireland's leading customer service providers, to further enrich our services in the space, enabling us to better serve our clients from the UK and Ireland, further leveraging our deep expertise in technology, analytics, and digital. Infosys BPM has so far emerged as a trusted and valued collaboration partner for clients. Infosys BPM continues to be 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 as well as with divisions of large multinational technology firms. Besides these, we directly compete with core business process management players. Besides, we also expect intensified competition from new platform Business-Process-as-a-Service (BPaaS) players and captives in the future. 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.

III. Financial condition:

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 value. The 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.

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, 2021 (same as the previous year).

2. Other equity

A. Reserves and surplus

Securities premium reserve and capital reserve balance as at March 31, 2021 are ₹ 25 crore and ₹ 1 crore respectively which is same as at March 31, 2020 on both standalone and consolidated basis.

Retained earnings for the year increased by ₹ 294 crore and ₹ 507 crore mainly due to net profit for the year, amounting to ₹ 695 crore and ₹ 908 crore on a standalone and consolidated basis after considering a dividend payment of ₹ 321 crore from retained earnings.

Special Economic Zone Re-investment Reserve During the year, a net amount of ₹ 241 crore was transferred to the SEZ Re-investment Reserve net of utilization on a standalone and consolidated basis. This has been created out of the profit of eligible SEZ units in terms of the provisions under Section 10AA(1)(ii) of Income Tax Act, 1961. This 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.

General reserves balance as at March 31, 2021 amounted to ₹ 1,004 crore on consolidated basis and ₹ 1,000 crore same as the previous year on standalone basis.

B. Other Comprehensive Income

On a standalone basis, other components of equity decreased during the year by ₹ 10 crore mainly due to decrease in the fair value changes on investments, net of tax by ₹ 1 crore and decrease in remeasurement of the net defined benefit liability / asset, net of tax effect by ₹ 9 crore.

On a consolidated basis, other components of equity increased during the year by ₹ 26 crore mainly due to increase in exchange difference on translation of foreign operations by ₹ 36 crore, decrease in remeasurement of the net defined benefit liability, net of tax effect by ₹ 9 crore and decrease in the fair value changes on investments, net of tax effect by ₹ 1 crore.

in ₹ crore

Particulars	Standalone		Consolidated	
	2021	2020	2021	2020
Securities premium	25	25	25	25
Retained earnings	3,758	3,464	4,787	4,280
Capital reserve	1	1	1	1
General reserve	1,000	1,000	1,004	1,004
Special Economic Zone Re-investment Reserve	241	161	241	161
Other components of equity	(29)	(19)	145	119
Business transfer adjustment reserve	–	–	(111)	(111)
Total	4,996	4,632	6,092	5,479

Application of funds

3. Property, plant and equipment

Additions to gross block – Standalone

For the current year, we capitalized ₹ 104 crore of assets comprising of ₹ 89 crore in computer equipment and ₹ 15 crore in infrastructure investments. The infrastructure investments include expenditure on leasehold improvements, plant and machinery, furniture and fixtures and office equipment of ₹ 9 crore, ₹ 1 crore, ₹ 1 crore and ₹ 4 crore respectively for the year.

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

Additions to gross block – Consolidated

For the current year, we capitalized ₹ 150 crore of assets comprising of ₹ 119 crore in computer equipment and ₹ 31 crore in infrastructure investments. The infrastructure investments include expenditure on leasehold improvements, plant and machinery, furniture and fixtures, and office equipment of ₹ 18 crore, ₹ 1 crore, ₹ 5 crore and ₹ 7 crore respectively for the year.

During the previous year, we capitalized ₹ 132 crore of assets comprising of ₹ 74 crore in computer equipment and ₹ 58 crore in infrastructure investments. The infrastructure investments include expenditure on leasehold improvements, plant and machinery, furniture and fixtures and office equipment of ₹ 40 crore, ₹ 2 crore, ₹ 10 crore and ₹ 6 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 ₹ 23 crore.

Deductions from gross block – Consolidated

For the current year, we deducted ₹ 37 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 ₹ 35 crore.

Capital expenditure commitments

On a standalone basis, we have a capital expenditure commitment of ₹ 82 crore as at March 31, 2021 as compared to ₹ 34 crore as at March 31, 2020.

On a consolidated basis, we have a capital expenditure commitment of ₹ 95 crore as at March 31, 2021 as compared to ₹ 45 crore as at March 31, 2020.

4. Goodwill and other intangible Assets

A. Goodwill

in ₹ crore

Particulars	Standalone		Consolidated	
	2021	2020	2021	2020
Philips acquisition (Poland entity)	–	–	41	40
McCamish acquisition	–	–	224	232
Portland Group acquisition	–	–	156	129
Philips acquisition (IBPM entity)	19	19	5	5
Total	19	19	426	406

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to the cash generating units (CGU) or groups of CGUs, which benefit from the synergies of the acquisition. The chief operating decision maker reviews the goodwill for any impairment at the operating segment level which is represented through groups of CGUs. The increase / decrease in goodwill is due to translation difference. Refer to Note 2.3.2 of the Consolidated financial statements for further details.

B. Other intangible assets

in ₹ crore

Particulars	Standalone		Consolidated	
	2021	2020	2021	2020
McCamish (Software)	–	–	14	–
Portland (Customer contract)	–	–	2	5
Total	–	–	16	5

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 ₹ 1 crore was amortized towards STEP software which was acquired for 14 crore, translation difference of ₹ 1 crore and the current balance is ₹ 14 crore . (b) Portland (Customer contract-related): ₹ 3 crore was amortized towards customer contracts and the current balance is ₹ 2 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 Limited has following five wholly-owned subsidiaries as on March 31, 2021.

Name of the Company	Date of Incorporation	Amount invested in ₹ crore
Infosys (Czech Republic) limited s.r.o	Feb 4, 2004	3
Infosys Poland Sp.z.o.o*	Oct 1, 2007	59
Infosys McCamish Systems LLC*	Dec 4, 2009	289
Portland Group Pty Ltd.*	Jan 4, 2012	211
Infosys BPO Americas, LLC	Nov 23, 2015	58

* The date of incorporation is the date on which Infosys BPM Limited 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, wholly-owned subsidiary of Infosys BPM Limited acquired 100% voting rights in Infosys Consulting Poland Sp.z.o.o, wholly-owned subsidiary of Infosys Consulting holding AG., for cash consideration of ₹113 crore (PLN 61.8Mn). Subsequently, effective on October 21, 2020, Infosys Consulting Poland Sp. z.o.o merged with Infosys Poland Sp. z.o.o.

During the year Infosys BPM Ltd made an additional investment in Infosys BPO Americas, LLC for ₹ 38 crores.

Other investments

The details of investments as at March 31, 2021 and March 31, 2020 are as follows:

in ₹ crore

Category of investment	Standalone		Consolidated		Subsequent measurement as per Ind AS 109
	2021	2020	2021	2020	
Equity instruments and preference securities	–	–	11	9	Partly through profit and loss and partly through other comprehensive income
Government bonds	8	8	8	8	Amortized cost
Non-convertible debentures	447	473	447	473	Fair value through other comprehensive income
Fixed maturity plan securities	–	61	–	61	Fair value through profit and loss
Certificates of deposit	–	241	–	241	Fair value through other comprehensive income
Liquid mutual fund units	45	66	45	66	Fair value through profit and loss
Government securities	164	–	164	–	Fair value through profit and loss
Other securities			33	24	Fair value through profit and loss

Non-current investments represent investments in non-convertible debentures (NCDs), equity instruments, preference securities, government bonds, mutual funds and Promissory notes. Current investments include investments in certificates of deposit, liquid mutual funds and fixed maturity plan securities under both standalone and consolidated basis.

B. Trade receivables and unbilled revenues

On a standalone basis, trade receivables amounted to ₹ 934 crore (including ₹ 152 crore dues from holding, subsidiary and other group companies) as at March 31, 2021 as compared to ₹ 935 crore as at March 31, 2020 and unbilled revenue amounted to ₹ 220 crore and ₹ 177 crore as at March 31, 2021 and March 31, 2020. Trade receivables are at 17.1% of revenues for the year ended March 31, 2021 and 20.3% of revenues for the year ended March 31, 2020.

On a consolidated basis, trade receivables amounted to ₹ 1,575 crore (including ₹ 173 crore from Holding and other group companies) as at March 31, 2021 as compared to ₹ 1,359 crore as at March 31, 2020 and unbilled revenue amounted to ₹ 902 crore and ₹ 689 crore as at March 31, 2021 and March 31, 2020. Trade receivables are at 17.8% of revenues for the year ended March 31, 2021 and 19.6% of revenues for the year ended March 31, 2020.

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 65 days compared to 72 days in the previous year.

As per 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	
	2021	2020	2021	2020
Opening balance	18	15	28	20
Provisions recognized	(1)	4	25	9
Write-offs	(4)	–	(6)	–
Translation differences	(1)	(1)	(8)	(1)
Closing balance	12	18	39	28

C. Cash and cash equivalents

in ₹ crore

Particulars	Standalone		Consolidated	
	2021	2020	2021	2020
Current accounts	81	119	884	627
Deposit accounts	2,202	1,455	2,479	1,810
Add: Deposits with financial institutions / body corporate	717	700	717	700
Total cash and cash equivalents	3,000	2,274	4,080	3,137

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	
	2021	2020	2021	2020
Non-current				
Unsecured, considered doubtful				
Loans and advances to employees	5	5	7	5
Less: Allowance for doubtful loans to employees	5	5	5	5
Loans to fellow subsidiary company	–	–	48	48
Current				
Unsecured, considered good				
Loans and advances to employees	18	21	18	22
Loans to fellow subsidiary company	–	–	–	40
Total	18	21	68	110

Loans and advances to employees under current assets represent personal loans 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	
	2021	2020	2021	2020
Non-current				
Security deposits	3	3	4	4
Rental deposits	38	38	48	48
Unbilled revenues	–	–	388	–
Financial asset under revenue deals	–	–	27	–
Investment in sub-lease	–	–	2	–
Current				
Unbilled revenue	195	158	820	660
Interest accrued but not due	59	25	59	25
Rental deposits	–	1	–	2
Security deposits	–	1	1	1
Foreign currency forward contracts	9	–	9	1
Restricted deposit	137	108	137	108
Financial asset under revenue deals	–	–	18	–
Investment in sub-lease	–	–	1	–
Others	112	4	105	27
Total	553	338	1,619	876

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	
	2021	2020	2021	2020
Non-current				
Prepaid expenses	–	1	12	34
Capital advances	–	–	–	–
Prepaid gratuity	5	–	5	–

Particulars	Standalone		Consolidated	
	2021	2020	2021	2020
Deferred contract cost	56	90	55	90
Withholding and other taxes receivable	17	17	17	17
Unbilled revenues			19	–
Cost of fulfillment			2	–
Current				
Advances for goods and services	3	11	3	11
Withholding and other taxes receivable	110	68	119	77
Prepaid expenses	52	31	296	217
Deferred customer contracts	17	22	18	22
Unbilled revenue	25	19	82	29
Others	–	28	–	27
Total	285	287	628	524

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.

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	
	2021	2020	2021	2020
Deferred tax assets, net	95	97	126	129
Deferred tax liabilities, net	–	–	14	14
Total	95	97	112	115

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, lease liability and others. Deferred tax liability primarily comprises 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	
	2021	2020	2021	2020
Income tax assets (net)	137	125	141	132
Income tax liabilities (net)	(72)	(25)	(115)	(56)
Net Income tax asset/(liabilities)	65	100	26	76

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	
	2021	2020	2021	2020
Non-current				
Other financial liabilities				
Compensated absences	1	1	4	4
Financial liability under revenue deals	–	–	64	4
Accrued expenses			406	–
Current				
Other financial liabilities				
Accrued compensation to employees	477	188	592	283

Particulars	Standalone		Consolidated	
	2021	2020	2021	2020
Provision for expenses	159	157	964	777
Retention monies	–	–	–	–
Capital creditors	26	4	27	12
Compensated absences	111	98	155	130
Other payables	149	58	169	61
Foreign currency forward contracts	1	18	10	18
Total	924	524	2,391	1,285

Financial liabilities (except foreign currency forward contracts and compensated absences) 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	
	2021	2020	2021	2020
Non-current				
Withholding taxes	11	–	18	–
Gratuity liability	1	–	1	–
Current				
Unearned revenue	266	293	539	518
Withholding and other taxes payable	99	88	134	104
Client deposits	1	1	1	1
Total	378	382	693	623

Unearned revenue represents revenue not recognized due to non-conformity with revenue recognition principles. The unearned revenues amounted to ₹ 266 crore as at March 31, 2021 and ₹ 293 crore as at March 31, 2020 on a standalone basis. The unearned revenues amounted to ₹ 539 crore as at March 31, 2021 and ₹ 518 crore as at March 31, 2020 on a consolidated basis.

Withholding and other taxes payable represent withholding taxes on payments to employees, domestic and overseas vendors towards professional charges, rent payments, salaries, advertisement, ESI/PF payable etc.

11. Provisions

in ₹ crore

Particulars	Standalone		Consolidated	
	2021	2020	2021	2020
Post-sales client support and warranties	25	28	30	38
Total	25	28	30	38

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.

12. Leases:

On a standalone basis, right-of-use (ROU) assets was ₹ 479 crore. This comprises ₹ 10 crore in land and ₹ 469 crore in buildings. In the previous year, we had ROU assets of ₹ 427 crore. This comprised ₹ 10 crore in land and ₹ 417 crore in buildings.

On a consolidated basis, ROU assets was ₹ 896 crore. This comprises ₹ 10 crore in land, ₹843 crore in buildings, and ₹ 43 crore in computer equipment. In the previous year, we had ROU assets of ₹ 836 crore. This comprised ₹ 10 crore in land and ₹826 crore in buildings.

IV. 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,			
	2021	%	2020	%
Revenue from operations	5,450	100.0	4,595	100.0
Cost of revenue	4,150	76.1	3,439	74.8
Gross profit	1,300	23.9	1,156	25.2
Selling and marketing expenses	212	3.9	219	4.8
General and administrative expenses	349	6.4	337	7.3
Operating profit	739	13.6	600	13.1
Other income	207	3.8	290	6.3
Finance cost	30	0.6	32	0.7
Profit before tax	916	16.8	858	18.7
Tax expense	221	4.1	210	4.6
Profit after tax	695	12.8	648	14.1

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

in ₹ crore

Particulars	Year ended March 31,			
	2021	%	2020	%
Revenue from operations	8,846	100.0	6,922	100.0
Cost of revenue	6,987	79.0	5,348	77.3
Gross profit	1,859	21.0	1,574	22.7
Selling and marketing expenses	222	2.5	235	3.4
General and administrative expenses	564	6.4	519	7.5
Operating profit	1,073	12.1	820	11.8
Other income	199	2.2	279	4.0
Finance cost	41	0.5	41	0.6
Profit before tax	1,231	13.9	1,058	15.3
Tax expense	323	3.7	252	3.6
Profit after tax	908	10.3	806	11.6

1. Revenue

Of the total revenues for the year ended March 31, 2021, on a standalone basis, approximately 95.4% were export revenues whereas 4.6% were domestic revenues, as compared to 94.5% being export revenues and 5.5% domestic revenues during the previous year.

Of the total revenues for the year ended March 31, 2021, on a consolidated basis, approximately 97.1% were export revenues whereas 2.9% were domestic revenues, as compared to 96.3% being export revenues and 3.7% domestic revenues during the previous year.

Revenues for the current year increased by 18.6 % and 27.8 % 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	
	2021	2020	2021	2020
Onsite	44.0	34.7	65.8	57.0
Offshore	56.0	65.3	34.2	43.0
Total	100.0	100.0	100.0	100.0

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	
	2021	2020	2021	2020
Fixed-price	26.1	27.0	38.5	34.4
Time and material	73.9	73.0	61.5	65.6
Total	100.0	100.0	100.0	100.0

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, 2021, the voice and non-voice proportion was at 11:89 whereas for the previous year, the voice and non-voice proportion was 10:90. On a consolidated basis, for the current year ended March 31, 2021, the voice and non-voice proportion was at 7:93 for current and previous year.

2. Expenditure

in ₹ crore

Particulars	2021				2020				(YoY Growth %)
	Standalone	%	Consolidated	%	Standalone	%	Consolidated	%	Consolidated
Employee benefit expenses	3,689	67.7	4,793	54.2	2,926	63.7	3,842	55.5	24.8
Cost of technical sub-contractors and professional charges	456	8.4	605	6.8	385	8.4	675	9.8	(10.4)
Travel expenses	18	0.3	19	0.2	150	3.3	174	2.5	(89.1)
Cost of software for own use	87	1.6	1,656	18.7	71	1.5	761	11.0	117.7
Communication expenses	91	1.7	108	1.2	66	1.4	78	1.1	38.5
Office expenses	100	1.8	110	1.2	125	2.7	140	2.0	(21.2)
Power and fuel	22	0.4	24	0.3	29	0.6	31	0.5	(22.3)
Insurance charges	7	0.1	9	0.1	6	0.1	8	0.1	10.8
Short-term leases	27	0.5	31	0.4	32	0.7	36	0.5	(12.5)
Depreciation and amortization expense	159	2.9	249	2.8	153	3.3	236	3.4	5.5
Finance cost	30	0.6	41	0.5	32	0.7	41	0.6	-
Other expenses	56	1.0	168	1.9	53	1.1	121	1.7	39.3
Total expenses	4,741	87.0	7,814	88.3	4,027	87.6	6,143	88.7	27.2
Revenue	5,450	100.0	8,846	100.0	4,595	100.0	6,922	100.0	27.8

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

The utilization rates of billable employees are as follows:

in %

Particulars	Standalone		Consolidated	
	2021	2020	2021	2020
Including trainees	87.0	89.8	87.1	89.1
Excluding trainees	88.6	92.0	88.7	91.0

On a standalone basis, cost of technical subcontractors, represents purchase of services from subsidiaries, legal and professional charges, recruitment and training expenses and auditor's remuneration constituting approximately 8.4% of total revenue for both current and previous year. On a consolidated basis, cost of technical subcontracts was 6.8% and 9.8% 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 0.3% and 3.3% of total revenue for the current year and previous year, respectively. On a consolidated basis, travel expenses constituted approximately 0.2% and 2.5% of total revenue for the current year and previous year respectively.

Cost of software for own use primarily 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 1.6% and 1.5% of revenues for the current year and previous year, respectively. On a consolidated basis, cost of software was 18.7% and 11.0% 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 1.7% and 1.4% of revenues for the current year and previous year, respectively. On a consolidated basis, communication expenses constituted 1.2% 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 and machinery, etc. constituting approximately 1.8% and 2.7% of total revenue for the current year and previous year, respectively. On a consolidated basis, office expenses constituted approximately 1.2% and 2.0% of total revenue for the current year and previous year respectively.

Under Ind AS 116, we recognized a right-of use asset ("ROU asset") and a corresponding lease liability for all lease arrangements in which we are a lessee, except for leases with a term of 12 months or less (short-term leases). For these short-term leases, we recognized the lease payments as an operating expense on a straight-line basis over the term of the lease. On a standalone basis, the short-term leases represent approximately 0.5% and 0.7% of total revenue for the current year and previous year, respectively. On a consolidated basis, the short-term leases represent approximately 0.4% and 0.5% of total revenue for the current year and previous year respectively.

Other expenses represent brand building, consumables, rates and taxes, marketing expenses, donations, provisions, etc., which were 1.0% and 1.1% of the revenues for the current year and previous year respectively, on a standalone basis. On a consolidated basis, other expenses constituted approximately 1.9% and 1.7% 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 ₹ 1,300 crore representing 23.9% of revenues as compared to ₹ 1,156 crore representing 25.2% of revenues during the previous year.

During the current year, on a consolidated basis, the Company earned a gross profit of ₹ 1,859 crore representing 21.0% of revenues as compared to ₹ 1,574 crore representing 22.7% 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 ₹ 15.50 crore.

4. Operating profits

During the current year, on a standalone basis, the Company earned an operating profit of ₹ 739 crore representing 13.6% of revenues as compared to ₹ 600 crore representing 13.1% of revenues during the previous year.

During the current year, on a consolidated basis, the Company earned an operating profit of ₹ 1,073 crore representing 12.1% of revenues as compared to ₹ 820 crore representing 11.8% of revenues during the previous year.

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

5. Interest & Finance cost

On a standalone basis, the Company continued to be debt-free during the year . On a consolidated basis, the Company is debt-free during the year whereas the Company had paid interest for the loan taken from fellow subsidiary (Infosys Public Services, Inc. US) of Infosys Limited which amounts to ₹ 0.03 crore in previous year.

Finance cost is on account of leases. 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.

On consolidated basis, Finance cost is ₹41 for both current and previous year

On Standalone basis, Finance cost is ₹30 crore and ₹32 crore for current year and previous year respectively

6. Depreciation and amortization

On a standalone basis, the Company provided a sum of ₹ 159 crore and ₹ 153 crore towards depreciation and amortization for the year ended March 31, 2021 and March 31, 2020, respectively representing 2.9% and 3.3% of total revenues respectively. The depreciation as a percentage of average gross block is 16.6% and 17.5% for the year ended March 31, 2021 and March 31, 2020 respectively.

On a consolidated basis, the Company provided a sum of ₹ 249 crore and ₹ 236 crore towards depreciation and amortization for the year ended March 31, 2021 and March 31, 2020 respectively representing 2.8% and 3.4% of total revenues respectively. The depreciation as a percentage of average gross block is 20.8% and 21.7% for the year ended March 31, 2021 and March 31, 2020 respectively.

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.

in ₹ crore

Particulars	Standalone		Consolidated	
	2021	2020	2021	2020
Interest received on financial assets				
Financial assets – carried at amortized cost	137	170	139	182
Financial assets – carried at fair value through other comprehensive income	37	40	37	40
Financial assets – carried at fair value through profit or loss and gain / loss				
Dividend on investment in mutual fund units	3	–	3	–
Miscellaneous income, net	5	45	7	51
Exchange gains / (losses) on foreign currency forward contracts and other assets and liabilities	17	17	7	10
Profit on sale of property, plant and equipment	1	1	–	1
Gains / (losses) on sale of investment	2	14	2	14
Fair valuation loss on Investments	–	–	(1)	(22)
Rental income from holding company	3	3	3	3
Income on financial assets carried at fair value through other comprehensive income	2	–	2	–
Total	207	290	199	279

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. The SEZ units which began the provision of services on or after April 1, 2005 are eligible for a deduction of 100% of profits or gains derived from the export of services for the first five years from the financial year in which the unit commenced the provision of services and 50% of such profits or gains for further five years. Up to 50% of such profits or gains is also available for a further five years subject to creation of a Special Economic Zone Re-investment Reserve out of the profit of the eligible SEZ units and utilization of such reserve by the Group for acquiring new plant and machinery for the purpose of its business as per the provisions of the Income Tax Act, 1961.

Provisions for taxation represent estimated income tax liabilities, both in India and abroad. On a standalone basis, for the year ended March 31, 2021, provision for taxation amounting to ₹ 218 crore and deferred tax asset of ₹ 3 crore was recognized. Effective tax rate for the current year is 25.18% as compared to 26.18% 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, provisions and other tax deductions. The decrease in effective tax rate from fiscal 2020 to fiscal 2021 was mainly due to decrease in non-operating income and decrease in taxable business profits due to currency fluctuations and other disallowances.

On a consolidated basis, for the year ended March 31, 2021, provision for taxation amounts to ₹ 318 crore and deferred tax liability of ₹ 5 crore was recognized. Net impact of provision for taxation for different period is as follows:

in ₹ crore

Particulars	Standalone		Consolidated	
	2021	2020	2021	2020
Current taxes	218	244	318	282
Deferred taxes	3	(34)	5	(30)
Total	221	210	323	252

9. Net profit after tax

On a standalone basis, the net profit of the Company from ordinary activities amounted to ₹ 695 crore and ₹ 648 crore for the year ended March 31, 2021 and March 31, 2020 respectively. This represents 12.8% and 14.1% of total revenue for the respective years. Excluding other income of ₹ 207 crore (3.8% of revenues) in the current year as compared to ₹ 290 crore (6.3% of revenues) in the previous year, the net profit would have been ₹ 488 crore and ₹ 358 crore in the current and previous years respectively.

On a consolidated basis, the net profit of the Company from ordinary activities amounted to ₹ 908 crore and ₹ 806 crore for the year ended March 31, 2021 and March 31, 2020, respectively. This represents 10.3% and 11.6% of total revenue for the respective years. Excluding other income of ₹ 199 crore (2.2% of revenues) in the current year as compared to ₹ 279 crore (4.0% of revenues) in the previous year, the net profit would have been ₹ 709 crore and ₹ 527 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)

Particulars	Standalone			Consolidated		
	2021	2020	% increase	2021	2020	% increase
Basic	205.51	191.61	7.3	268.30	238.23	12.6
Diluted	205.51	191.61	7.3	268.30	238.23	12.6

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

Particulars	Standalone		Consolidated	
	2021	2020	2021	2020
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

Particulars	FA [1]	IS [2]	CS [3]	S&F [4]	S&P [5]	DB [6]	MCM [7]	Others	Total
Segmental revenues									
2021	1,198	1,523	835	1,049	316	485	2,379	1,061	8,846
2020	1,029	964	538	1,085	296	385	1,612	1,013	6,922
Segmental operating income									
2021	211	408	23	293	82	60	179	66	1,322
2020	97	328	4	294	62	60	169	42	1,056
Segmental operating income (%)									
2021	17.6%	26.8%	2.8%	27.9%	25.9%	12.4%	7.5%	6.2%	14.9%
2020	9.4%	34.0%	0.7%	27.1%	20.9%	15.6%	10.5%	4.1%	15.3%

[1] Finance & Accounts
[2] Industry Solutions
[3] Customer Service
[4] Sales & Fulfilment
[5] Sourcing & Procurement
[6] Digital Business
[7] McCamish

Geographic segment – Consolidated

in %

Particulars	North America	Europe	Others*	Total
Segmental revenues				
Fiscal 2021	6,036	2,043	767	8,846
Fiscal 2020	4,459	1,683	780	6,922
Growth %	35.4	21.4	(1.7)	27.8

* 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, 2021 the Company had cash and cash equivalents of ₹ 3,000 crore as compared to ₹ 2,274 as at March 31, 2020. The cash and cash equivalents increased by ₹ 726 crore during the current year. On a consolidated basis, as at March 31, 2021 the Company had cash and cash equivalents of ₹ 4,080 crore as compared to ₹ 3,137 as at March 31, 2020. The cash and cash equivalents increased by ₹ 943 crore during the current year.

Cash flow statement

in ₹ crore

Particulars	Standalone		Consolidated	
	2021	2020	2021	2020
Cash flows:				
Operating activities	959	410	1,169	758
Investment activities	182	111	174	(72)
Financing activities	(417)	(85)	(400)	(175)
Net increase/ (decrease) in cash and cash equivalents	724	436	943	511
Effect of exchange differences on translation of foreign currency cash and cash equivalents	2	1	–	(1)
Net increase/ (decrease) in cash and cash equivalents	724	436	943	511
Cash and cash equivalents at the beginning of the period	2,274	1,837	3,137	2,627
Cash and cash equivalents at the end of the period	3,000	2,274	4,080	3,137

Consolidated cash and investments of ₹ 4,744 crore comprise cash and cash equivalents, current and non-current investments excluding investments in unquoted equity and preference shares, compulsorily convertible debentures and others.

13. Related party transactions

These have been discussed in detail in Note 2.22 to the Standalone financial statements in this Annual Report.

14. Events occurring after the Balance Sheet date

There were no significant events that occurred after the Balance Sheet date apart from the ones mentioned in 'Material changes and commitments affecting financial position between the end of the fiscal and date of the report' in the Board's report.

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:

- One of the key impacts from COVID-19 was around delays in decision-making at the client end, conservative discretionary spend except for digital transformation, deals being put on hold or abandoned, productivity benefit requirements from clients with continuing pricing pressure
- With many countries going through the second and third waves of COVID-19, there could be potential impact on talent availability, even in the WFH mode
- Many customers are exploring the possibility of driving cost down through vendor consolidation and client moving to managed services model which may marginally impact profitability in future
- 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
- A large part of our revenues is dependent on our limited number of clients, and the loss of any one of our major clients could significantly impact our business.
- Legislation in certain countries in which we operate, may restrict companies in those countries from outsourcing work to us, or may limit our ability to send our employees to certain client sites
- 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
- We may be liable to our clients for damage caused by disclosure of confidential information, system failures, errors or unsatisfactory performance of services
- 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 severity of pandemic/ availability of vaccine ,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.

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

in ₹ crore except % of shareholding and exchange rate

Name of the subsidiary	Financial period ended	Exchange rate	Share capital	Reserves and surplus	Total assets	Total liabilities (excluding share capital and reserves and surplus)	Investments*	[1]Turnover	[1]Profit / (Loss) before taxation	[1]Provision for taxation	[1]Profit / (Loss) after taxation	% of shareholding
Infosys (Czech Republic) Limited s.r.o[2][3] (formerly Infosys BPO s.r.o)	March 31, 2021	1 CZK = ₹ 3.28	3	79	210	128	-	173	9	5	4	100.00%
Infosys Poland Sp. z o.o. [2][4] (formerly Infosys BPO Poland, Sp. z.o.o)	March 31, 2021	1 PLN = ₹ 18.47	4	577	1,018	437	43	755	110	35	75	100.00%
Infosys McCamish Systems LLC [2][5]	December 31, 2020	1 USD = ₹ 73.07	175	359	2,173	1,639	-	2,213	196	42	154	100.00%
Portland Group Pty. Limited [2][6]	March 31, 2021	1 AUD = ₹ 55.70	18	131	236	87	-	147	18	5	13	100.00%
Infosys BPO Americas LLC[2][7]	March 31, 2021	1 USD = ₹ 73.11	57	(49)	49	41	-	136	(37)	-	(37)	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

Notes :

* Investments exclude investments in subsidiaries.

** Infosys BPM UK Limited, a wholly-owned subsidiary of Infosys BPM Ltd, was incorporated effective December 9, 2020 and is yet to commence operations

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

Sd/- for everyone

Ravikumar Singisetti
Chairman and Director

Anantharaman Radhakrishnan
Chief Executive Officer and Managing Director

Prem Pereira
Chief Financial Officer

Bindu Raghavan
Company Secretary

Bengaluru
April 12, 2021

Annexures to the Board's Report

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.

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, 2021 that 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, 2021 are as follows:

In ₹ crore

Name of related party	Nature of relationship	Duration of contract	Salient terms [1]	Amount
Revenue transactions				
Purchase of services				
Infosys Limited	Holding company	Apr 1, 2012 – ongoing	Based on transfer pricing guidelines	110
Purchase of shared services including facilities and personnel				
Infosys Limited	Holding company	Apr 1, 2012 – ongoing	Based on transfer pricing guidelines	24
Sale of services				
Infosys Limited	Holding company	Apr 1, 2012 – ongoing	Based on transfer pricing guidelines	1,322
Sale of shared services including facilities and personnel				
Infosys Limited	Holding company	Apr 1, 2012 – ongoing	Based on transfer pricing guidelines	3

[1] Appropriate approvals have been taken for related party transactions.

For and on behalf of the Board of Directors

Bengaluru
April 12, 2021

Sd / -
Ravikumar Singisetti
Chairman and Director

Sd / -
Anantharaman Radhakrishnan
Chief Executive Officer and Managing Director

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 2021 (in ₹)	Previous employment and designation
1	Radhakrishnan Anantharaman	Chief Executive Officer & Managing Director	BE, PGD	53	30	6,29,86,909	Infosys Limited, AVP & GEM
2	Neil Simon Lawson	Client Partner	Diploma	56	22	6,16,31,630	Accenture, Global BPO Sales Director
3	Kapil Jain	Global Head of Sales and Capability	BE, MS, MBA	54	31	5,93,30,668	Infosys Limited, Senior Engagement Manager
4	Vivek Sharma	Sales Head	BE, PGD	50	26	5,91,08,783	Igate Global Solutions, Group Sales Manager
5	Binod Choudhary	Business Head	BE, MA, PGD	60	32	4,71,17,661	Equinox - I Flex, Vice President
6	Sanjay Arora	Business Head	B.Com., CA	52	30	4,08,28,530	Arvato Bertelsmann, COO & EVP, Arvato Global BPS & North America Lead
7	Madhusudan Hegde	Sales Head	BE, MMS	47	24	3,50,94,274	Syntel INC, Divisional Manager
8	Ritesh Gandhi	Sales Head	BE, PGDBA	45	22	3,19,96,841	IBM Daksh, Business Development Manager
9	Thothathri V	VP – Business Head	BE, PGCCA	58	35	3,17,11,427	Infosys Limited, Delivery Head, Application Development & Maintenance
10	Timothy Mai	Senior Industry Principal	BS, MBA	58	33	3,16,72,213	Yahoo, Director, Global Procurement

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 the Indian Rupee.

\# Remuneration comprises of fixed pay, variable pay, retiral benefits and the perquisite value of stock incentives exercised during the period, determined in accordance with the provisions of the Income-tax Act, 1961 or relevant overseas tax regulations as applicable.

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

Sl. no	Name	Designation	Education qualification	Age	Experience (in years)	Gross remuneration in fiscal 2021 (in ₹)	Previous employment and designation
1	Anup Kapoor	Global Head Operations	CA	55	22	2,35,17,421	Anasal Properities & Infra LTD, Chief Financial Officer
2	Sheshadri B C	Business Head – Delivery Excellence	B.Sc., LLB, MBA	57	35	1,66,09,660	Infosys Limited, Delivery Manager
3	Dependra Mathur	Head – Human Resource Development	BE, PGD	56	32	1,59,38,874	WEP Peripherals, General Manager
4	Prem Joseph Pereira	Chief Financial Officer	CA, ICWA	45	22	1,40,48,813	EdgeVerve Systems Limited, CFO
5	Satish Nair	Business Head	BE, MBA	49	23	1,39,89,495	Fabmall (India) PVT LTD, Head - Technology & Service
6	Vinay Gopala Rao	Strategic Business Practice Head – Finance & Accounting	B.Com., CA	53	29	1,38,04,544	K P Rao And Company, Partner
7	Binny Mathews	Business Head	B.Sc., PGD	52	27	1,26,94,417	Mjunction Services LTD, Senior General Manager
8	V Raja	Head – Global Transition and Solutions	BE, PGD	53	32	1,26,65,805	Maven BPO Services, Chief Operating Officer

Sl. no	Name	Designation	Education qualification	Age	Experience (in years)	Gross remuneration in fiscal 2021 (in ₹)	Previous employment and designation
9	Vijay Narsapur	Strategic Business Practice Head – Customer Experience & Human Resource Management	B.Tech., PGD	49	25	1,24,97,406	Aditya Birla Minacs, Senior Vice President – Operations
10	Srimathi Kanakapura Swamy	Head – Technology Services	BE	51	30	1,16,47,315	Infosys Limited, Group Project Manager
11	Clifford M Pai	HR Business Leader and Head – Employee Relations	BA, MLS	54	27	1,15,71,708	Glenmark Pharmaceuticals, General Manager
12	Rajesh Mahabal Shetty	Business Head	B.Com	54	25	1,07,03,993	Trac Mail, Vice President
13	Santosh Kumar Premdas	Senior Solution Design Head	B.Sc., PGDBM	46	19	1,06,11,739	E&Y Private Limited, Senior Manager
14	Ravishankar Panchanathan	Business Head	CA, ICWA	53	28	1,04,60,382	Infosys Limited, Practice Head
15	Sanjay Nayak	Business Head	BE, PGD	52	27	1,01,54,501	Cognizant Tech Solutions, Senior Manager

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

\# Remuneration Includes fixed pay, variable pay, retiral benefits and the perquisite value of stock incentives exercised during the period, determined in accordance with the provisions of the Income-tax Act, 1961 or relevant overseas tax regulations as applicable.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 lakh per month posted in India

Sl. no	Name	Designation	Education qualification	Age	Experience (in years)	Gross remuneration in fiscal 2019 (in ₹)	Previous employment and designation
1	Raghavendra K	Head – Human Resource Development	B.Com, PGD	60	36	3,91,64,087	Strides Acrolab LTD, VP - HR

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

\# Remuneration includes fixed pay, variable pay, retiral benefits and the perquisite value of stock incentives exercised during the period, determined in accordance with the provisions of the Income-tax Act, 1961 or relevant overseas tax regulations as applicable.

for and on behalf of the Board of Directors

Sd / -

Ravikumar Singisetti
Chairman

Sd / -

Anantharaman Radhakrishnan
Chief Executive Officer and Managing Director

Bengaluru
April 12, 2021

Annexure 4 – Secretarial audit report for the financial year ended March 31, 2021

(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,
Plot Nos. 26/3, 26/4 and 26/6
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, 2021** 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, 2021** 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;
   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 the 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 the 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, pursuant to the resolution of the shareholders passed in the Annual General Meeting held on July 9, 2020 under Section 61 of the Act approving the consolidation of its equity shares of Rs 10 each into equity share of Rs 10,000 each the Company has made application to the National Company Law Tribunal, Bengaluru Bench, (NCLT) seeking its confirmation of the consolidation of equity shares and the application is pending disposal by the NCLT; and

except that there were no other 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: F001325C000030992

Bengaluru
April 12, 2021

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. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I 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 check basis to ensure that correct facts are reflected in secretarial records. I believe that the process and practices, I followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, I 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. My 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.
7. Due to prevailing circumstance of COVID-19 pandemic, the audit was conducted based on the verification of the Company's books, papers, minutes books, forms and returns filed, documents and other records furnished by / obtained from the company electronically and also the information provided by the Company and its officers by audio and visual means.

Sd/-
P. G. Hegde
Hegde & Hegde
Company Secretaries
FCS: 1325/ C.P.No: 640
UDIN: F001325C000030992

Bengaluru
April 12, 2021

Annexure 5 – Annual report on CSR activities

[Pursuant to Section 135 of the Companies Act, 2013 read with Companies (Corporate Social Responsibility Policy) Rules, 2014, as amended.]

1. Brief outline on CSR Policy of the Company

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. Our CSR Policy aims to provide a dedicated approach to community development in the areas of improving healthcare infrastructure, supporting primary education, rehabilitating the destitute, abandoned women and children, preserving Indian art and culture, removing malnutrition, rural development, and contribute to the sustainable development of society and environment, and to make our planet a better place for future generations.

Objectives

Our broad objectives, as stated in our CSR Policy, include:

- Making a positive impact on society through economic development and reduction of our resource footprint
- Taking responsibility for the actions of the Company while also encouraging a positive impact through supporting causes concerning the environment, communities and our stakeholders

Focus areas

- Promoting healthcare including preventive healthcare
- Eradicating hunger, poverty and sanitation programs
- Destitute care and rehabilitation
- Environmental sustainability and ecological balance
- Promoting education, enhancing vocational skills
- Rural development
- Protection of national heritage, restoration of historical sites, promotion of art and culture

2. Composition of CSR committee

Sl no.	Name of the director	Designation / nature of directorship	Number of meetings of CSR committee held during the year	Number of meetings of CSR committee attended during the year
1	Ravikumar Singisetti	Chairman and Director	4	4
2	Anantharaman Radhakrishnan	Chief Executive Officer and Managing Director	4	4
3	Gopal Devanahalli	Independent Director	4	4

3. Web links where composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company:

- The composition of the CSR committee is available on our website, at https://www.infosysbpm.com/about/documents/csr-policy.pdf
- The Committee, with the approval of the Board, has adopted the CSR Policy as required under Section 135 of the Companies Act, 2013. The CSR Policy of the Company is available on our website, at https://www.infosysbpm.com/about/documents/csr-policy.pdf
- The Company has also adopted the CSR committee charter, which is available on our website, at https://www.infosysbpm.com/about/documents/csr-policy.pdf
- The Board, based on the recommendation of the CSR committee, at its meeting held on April 12, 2021, has approved the annual action plan / projects for fiscal 2022, the details of which are available on our website, at https://www.infosysbpm.com/about/annual-reports.html

4. Details of impact assessment of CSR projects carried out in pursuance of sub-rule (3) of Rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable:

The Company has been voluntarily conducting impact assessments through independent agencies to screen and evaluate select CSR programs. The Company takes cognizance of sub-rule (3) of Rule 8 of the Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021 ("CSR Amendment Rules"). There are no projects undertaken or completed after the effective date of the aforementioned rules for fiscal 2021.

5. Details of the amount available for set-off in pursuance of sub-rule (3) of Rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set-off for the financial year, if any: Nil
6. Average net profit of the Company as per Sec 135(5): ₹ 775 crore
7. a. Two percent of average net profit of the Company as per Section 135(5): ₹ 15.50 crore
   b. Surplus arising out of the CSR projects or programs or activities of the previous financial years: Nil
   c. Amount required to be set-off for the financial year, if any: Nil
   d. Total CSR obligation for the financial year (7a+7b-7c): ₹ 15.50 crore

8. (a) CSR amount spent or unspent for the financial year:

Total amount spent for the financial year (in ₹ crore)	Amount unspent (in ₹ crore)				
	Total amount transferred to Unspent CSR Account as per Section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to Section 135(5)		
	Amount (in ₹ cr)	Date of transfer	Name of the fund	Amount	Date of transfer
15.50	Nil	NA	NA	Nil	NA

(b) Details of CSR amount spent against ongoing projects for the financial year: - Not applicable

(c) Details of CSR amount spent against other than ongoing projects for the financial year :

Sl. no.	Name of the project	Item from the list of activities in Schedule VII to the Act	Local area (Yes / No)	Location of the project		Amount spent for the project (in ₹ crore)	Mode of implementation – Direct (Yes / No)	Mode of implementation – Through implementing agency	
				State	District			Name	CSR registration number[1]
1	Support research and set up of chair professorships in the area of Mathematical Science at International Centre for Theoretical Sciences	(ii)	Yes	Karnataka	Bengaluru	4.00	No	Infosys Foundation	NA
2	Support the construction of 800 bed Infosys Vishram Sadan at All India Institute of Medical Sciences	(iii)	Yes	Haryana	Jhajjar	4.00	No	Infosys Foundation	NA
3	Support to improve school infrastructure through the provision of 8 new school buses for the tribal children at Ramakrishna Mission, Aalo	(iii), (x)	No	Arunachal Pradesh	West Siang	2.00	No	Infosys Foundation	NA
4	Support the construction of a new, state-of-the-art museum at the Art and Photography Foundation	(v)	Yes	Karnataka	Bengaluru	1.50	No	Infosys Foundation	NA

Sl. no.	Name of the project	Item from the list of activities in Schedule VII to the Act	Local area (Yes / No)	Location of the project		Amount spent for the project (in ₹ crore)	Mode of implementation – Direct (Yes / No)	Mode of implementation – Through implementing agency	
				State	District			Name	CSR registration number[1]
5	Enhancing the skills of graduate students in tier II & III towns and increase employability in the ITeS industry through rigorous training, support, and guidance.	(ii)	Yes	Karnataka	Bengaluru	1.20	Yes	Infosys BPM	NA
6	Educating children in rural areas in various districts of India through eVidyaloka Trust	(ii), (x)	No	Pan-India	Pan-India	1.00	No	Infosys Foundation	NA
7	Support the construction of a girl's hostel at Saraswathi Education and Welfare Trust	(iii), (x)	No	Meghalaya	Jaintia Hills	1.00	No	Infosys Foundation	NA
8	Identify, nurture and organize the young changemakers to solve various societal challenges through Search-Nirman	(iii)	Yes	Maharashtra	Mumbai	0.25	No	Infosys Foundation	NA
9	Support the publishing of the daily Prekshaa journal, books, monographs, related seminars, and conferences	(v)	Yes	Karnataka	Bengaluru	0.25	No	Infosys Foundation	NA
10	Support dialysis treatment of the poor and needy patients through Bangalore Kidney Foundation	(i), (iii)	Yes	Karnataka	Bengaluru	0.10	No	Infosys Foundation	NA
11	Support the polyclinic at R K Mission Sevashrama	(i)	Yes	Kerala	Kozhikode	0.10	No	Infosys Foundation	NA
12	Support blanket donation for destitute through ARPAN	(iii)	Yes	Punjab	Chandigarh	0.05	No	Infosys Foundation	NA
13	Support the set up of a community center library at Shri Pavnadevi Kripa Shikshana Mandal	(ii), (x)	Yes	Maharashtra	Sindhudurg	0.05	No	Infosys Foundation	NA
	Total					15.50			

[1] CSR registration will be obtained within the prescribed timeline, wherever applicable, as per the CSR Amendment Rules. The requirement does not apply to CSR projects or programs approved prior to April 1, 2021.

(d) Amount spent in administrative overheads: Nil
(e) Amount spent on impact assessment, if applicable: Nil
(f) Total amount spent for the financial year (8b+8c+8d+8e): ₹ 15.50 crore
(g) Details of excess amount for set-off are as follows:

Sl.no.	Particulars	Amount (in ₹ crore)
(i)	2% of average net profit of the Company as per Section 135(5)	15.50
(ii)	Total amount spent for the financial year	15.50
(iii)	Excess amount spent for the financial year [(ii)-(i)]	NA
(iv)	Surplus arising out of the CSR projects or programs or activities of the previous financial years, if any	Nil
(v)	Amount available for set-off in succeeding financial years [(iii)-(iv)]	Nil

9. (a) Details of unspent CSR amount for the preceding three financial years: Nil
   (b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s): Not applicable
10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year: No capital asset was created / acquired for fiscal 2021 through CSR spend.
11. Specify the reason(s), if the company has failed to spend two percent of the average net profit as per Section 135(5): Not applicable

for and on behalf of the Board of Directors

Bengaluru
April 12, 2021

Sd / -
Ravikumar Singisetti
Chairman and Director

Sd / -
Anantharaman Radhakrishnan
Chief Executive Officer and Managing Director

Annexure 6 – Conservation of energy, research and development, technology absorption, foreign exchange earnings and outgo

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

Conservation of energy

Conservation of resources has been our 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 an '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 rooftop solar systems with an aim to increase in the 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 was the theme of our transformation journey of the last two years. 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. Theresponse has been phenomenal, with all our key processes becoming faster and more responsive, with more than 80% of our employees experiencing 250+ features on the InfyMe app, which is built on the latest open source stack.

Cloud-native application platform: As part of modernizing applications, some of the applications need to be exposed to different user bases with varied authentication mechanisms.The cloud-native application platform gives the capabilities in a ready-to-use architecture. This enables quick onboarding of applications with industry-standard security along with greater scalability and availability using the power of cloud.

Modern, hybrid, and secure workplace: Bringing together technologies like borderless ODCs, virtual collaboration tools, and self-serve applications, our hybrid workplace ecosystem empowers employees with much-needed flexibility to work from anywhere. A resilient IT management system minimizes threats and prevents attacks, through a continuous cycle of vulnerability assessment and remediation, to safeguard our data and brand reputation.

OneStop platform: We have introduced 'OneStop' unified provisioning platform for endpoint, cloud, software, and tools. The PolyCloud digital backplane provides an abstraction of managed private cloud and public cloud services, empowering full stack developers. The 'go any cloud' platform empowers digital natives to consume Kubernetes containers, WebDevStacks, database, and platforms, as services through self-service models; powering business-led innovations and Live Enterprise Platform Suites. The OneStop platform lets project managers request IT hardware and software in advance, enabling new hires to be productive on Day One. The 'IT Genie' intuitive app in the laptop helps users self-configure basic applications, reducing interactions with IT Support team.

Energy-efficient IT infrastructure

We have adopted a multi-pronged strategy to make our IT infrastructure energy-efficient and green. Some of the measures implemented are:

Public cloud adoption: Currently, more than 60% of the internal computer workload has been migrated to public cloud.

Datacenter modernization: A strategic initiative launched by InfosysIT to modernize the datacenter IT landscape to make it future-ready, continues to yield high rewards. Density-optimized hyperscale platforms have been deployed to deliver high density server virtualization and consolidation across the enterprise. The hyperscale platforms are open-driven infrastructure innovations, which provide cloud-scale agility and enables efficient resource pooling and utilization. This initiative has delivered 75% power savings on green energy efficiency aspects and drastically reduced thetotal cost of ownership for the organization.

Enterprise storage: We continue to provide around 1.8PB storage capacity for employees, revenue projects and internal requirements on All Flash storage with Fabric Pool and Storage Grid technology. Data is marked hot and cold based on policy, cold data is automatically moved onto cheaper larger capacity storage, thereby achieving tiering of data and savings in terms of Data Center footprint, power consumption and cooling. This resulted in CO2 reduction per year and power saving of 14,32,811 kWh per year.

Cloud-native development environment: The open source-based cloud-native development platform is built on Hyper Converged Infrastructure (HCI) and compute which has helped in data center footprint reduction by 80% along with the reduction in power and cooling consumption by 30%.

Foreign exchange earnings and outgo (Standalone)

in ₹ crore

Particulars	As at March 31,	
	2021	2020
Foreign exchange earnings	5,167	4,150
Foreign exchange outgo	2,783	1,946
Net foreign exchange earnings (NFE)	2,384	2,204
NFE / earnings (%)	46.14	53.11

for and on behalf of the Board of Directors

Bengaluru
April 12, 2021

Sd / -
Ravikumar Singisetti
Chairman and Director

Sd /
Anantharaman Radhakrishnan
Chief Executive Officer and Managing Director

Corporate governance report

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 shareholders' capital and not the owner.

Corporate conduct is an 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 reflects 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 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, the Company has constituted Audit Committee, Nomination and Remuneration committee and Corporate Social Responsibility Committee consisting of majority of independent directors. The 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 the Board and general meetings issued by the Institute of Company Secretaries of India.

A. Board of Directors

Size and composition of the Board

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

The composition of the Board and directorships held as on March 31, 2021 are as follows:

Directorships held as at March 31, 2021

Name of the director	Age	Position	Relationship with other directors	Indian listed companies	All companies around world(1)
Ravikumar Singisetti	49	Chairman and Director	None	–	15
Anantharaman Radhakrishnan	53	CEO & MD	None	–	2
Gopal Devanahalli(2)	53	Independent director	None	–	2
Michael Nelson Gibbs(3)	63	Independent director	None	1	2
Inderpreet Sawhney	56	Non-executive director	None	–	4

(1) Directorship in companies around the world including Infosys BPM Limited, its holding and subsidiaries

(2) Appointed as Independent Director effective July 9, 2020

(3) Appointed as Independent Director effective July 9, 2020

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, the Chairman 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 CEO & MD 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 CEO & 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 the shareholders;
- It assigns sufficient number of non-executive members of the Board of Directors 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 states 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.

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, the 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 reappointments 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 reappointment. Executive directors are appointed by the shareholders for the tenure of a maximum period of five years, but are eligible for reappointment 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 reappointment 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 2021 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 the Board Meetings

The tentative dates of the 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 the CEO & MD 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. This year, these meetings were held virtually in line with the relaxations provided by the Ministry of Corporate Affairs.

Number of Board meetings and the attendance during fiscal 2021

Name of the Director	Number of meetings held during the tenure	Number of meetings attended during the tenure
Ravikumar Singisetti	4	4
Anantharaman Radhakrishnan	4	4
Gopal Devanahalli[(1)]	4	4
Michael Nelson Gibbs[(2)]	4	4
Inderpreet Sawhney	4	4

(1) Appointed as independent effective director on July 9, 2020

(2) Appointed as independent effective director on July 9, 2020

Remuneration to directors in fiscal 2021

Non-executive/ Independent directors

in ₹

Name of the Director	Director Identification Number (DIN)	Relationship with other Directors	Salary	Perquisites	Commission	Sitting fees	Total
Ravikumar Singisetti **	07534544	None	–	–	–	–	–
Gopal Devanahalli(1)*	07105349	None	–	–	20,00,000	80,000	20,80,000
Michael Nelson Gibbs (2)*	08177291	None	–	–	20,00,000	60,000	20,60,000
Inderpreet Sawhney**	07925783	None	–	–	–	–	–

(1) Appointed as independent director effective July 9, 2020

(2) Appointed as independent director effective July 9, 2020

* Independent directors

** Non-executive directors

Executive director / CEO & MD

in ₹

Name of the Director	Director Identification Number (DIN)	Relationship with other Directors	Salary*	Salary Perquisites	Commission	Sitting fees	Total
Anantharaman Radhakrishnan	7516278	None	6,29,86,909	–	–	–	6,29,86,909

* 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.

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 ("the 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 ₹ 5,449 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, 2021, the Committee consists of the following members:

- Gopal Devanahalli, *Chairperson*
- Michael Nelson Gibbs, *Member*
- Ravikumar Singisetti, *Member*

Audit committee attendance

During the year, the Committee met four times. The meetings were held on April 16, 2020, July 13, 2020, October 12, 2020 and January 11, 2021.

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(1)	4	4
Micheal Nelson Gibbs(2)	4	4
Ravikumar Singisetti	4	4

(1) Appointed as Independent Director effective July 9, 2020

(2) Appointed as Independent Director effective July 9, 2020

Report for the year ended March 31, 2021

The Audit committee helps the Board monitor the Management's financial reporting process, and ensures that the disclosures are not only accurate and timely, but follow the highest levels of transparency, integrity and quality of financial reporting. The Committee also oversees the work of the internal and the independent auditors, and reviews the processes and safeguards employed by them. 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. In addition, the Committee reviews the policies, processes and controls relating to the valuation of undertakings or assets of the Company that are carried out as and when required.

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 addition, the Committee recommends to the Board the appointment of the Company's internal and independent auditors. In this context, the Committee discussed with the Company's auditors the overall scope and plans for the independent audit. In this context, the Committee discussed the overall scope and plans for the independent audit with the Company's auditors.

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 2021. 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, 2021 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, 2021 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, 2022, 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, 2022 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

USA

April 12, 2021

2. Nomination and remuneration committee

Composition

Our nomination and remuneration committee ("the Committee") consists of three members as on March 31, 2021:

- Gopal Devanahalli, *Chairperson*
- Michael Nelson Gibbs, *Member*
- Ravikumar Singisetti, *Member*

The main objective of the Committee is to assist the Board in discharging its responsibilities relating to compensation of the Company's executive 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 criteria for determining Board composition, Board effectiveness, Board succession, and independent functioning of the Board, oversee the Company's nomination process for the KMP and senior management and identify through acomprehensive selection process, 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

During the year, the Committee met four times. The meetings were held on April 16, 2020, July 13, 2020, October 12, 2020 and January 11, 2021.

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[1]	4	4
Micheal Nelson Gibbs[2]	4	4
Ravikumar Singisetti	4	4

[1] Appointed as independent director effective July 9, 2020

[2] Appointed as independent director effective July 9, 2020

Report for the year ended March 31, 2021

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.

Based on evaluation, the Committee recommended the reappointment of Anantharaman Radhakrishnan as the Chief Executive Officer and Managing Director for a further period of 5 years. Based on evaluation, recommended the reappointment of Inderpreet Sawhney who is eligible to retire by rotation at the ensuing AGM.

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.

Gopal Devanahalli
Chairperson – Nomination and remuneration committee

USA

April 12, 2021

3. Corporate social responsibility committee

The CSR report, as required under the Companies Act, 2013 for the year ended March 31, 2021 is attached as Annexure 5 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 the Corporate social responsibility committee ("the Committee"). The CSR committee of the Board is responsible for overseeing the execution of the Company's CSR policy.

Composition

As on March 2021, the Committee consists of the following three members:

- Ravikumar Singisetti, *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.

Corporate social responsibility committee attendance

During the year, the Committee met four times. The meetings were held on April 16, 2020, July 13, 2020, October 12, 2020 and January 11, 2021.

Name of the Director	Numberof meetings held during the tenure	Number of meetings attended
Ravikumar Singisetti	4	4
Anantharaman Radhakrishnan	4	4
Gopal Devanahalli[1]	4	4

[1] Appointed as independent director effective July 9, 2020

Ravikumar Singisetti

Chairperson – Corporate social responsibility committee

USA

April 12, 2021

4. Investment committee

Composition of the Committee

As on March 31, 2021, the Investment committee ("the Committee") consists of the following members:

- Ravikumar Singisetti, *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.

Investment committee attendance

During the year, the Committee met four times. The meetings were held on April 16, 2020, July 13, 2020, October 12, 2020 and January 11, 2021.

Name of the director	Number of meetings held during the tenure	Number of meetings attended
Ravikumar Singisetti	4	4
Anantharaman Radhakrishnan	4	4
Prem Joseph Pereira	4	4

Report for the year ended March 31, 2021

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 2021.

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 our Company, performance is assessed based on clearly defined objective criteria. Performance is measured against commitments and best-in class benchmarks. Our 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 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 three 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, 2021

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 Hedge & Hedge 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

The 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

The 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;
- 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, 2020	July 9, 2020	5.00 pm	Held through video conferencing / other audio visual means
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

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.

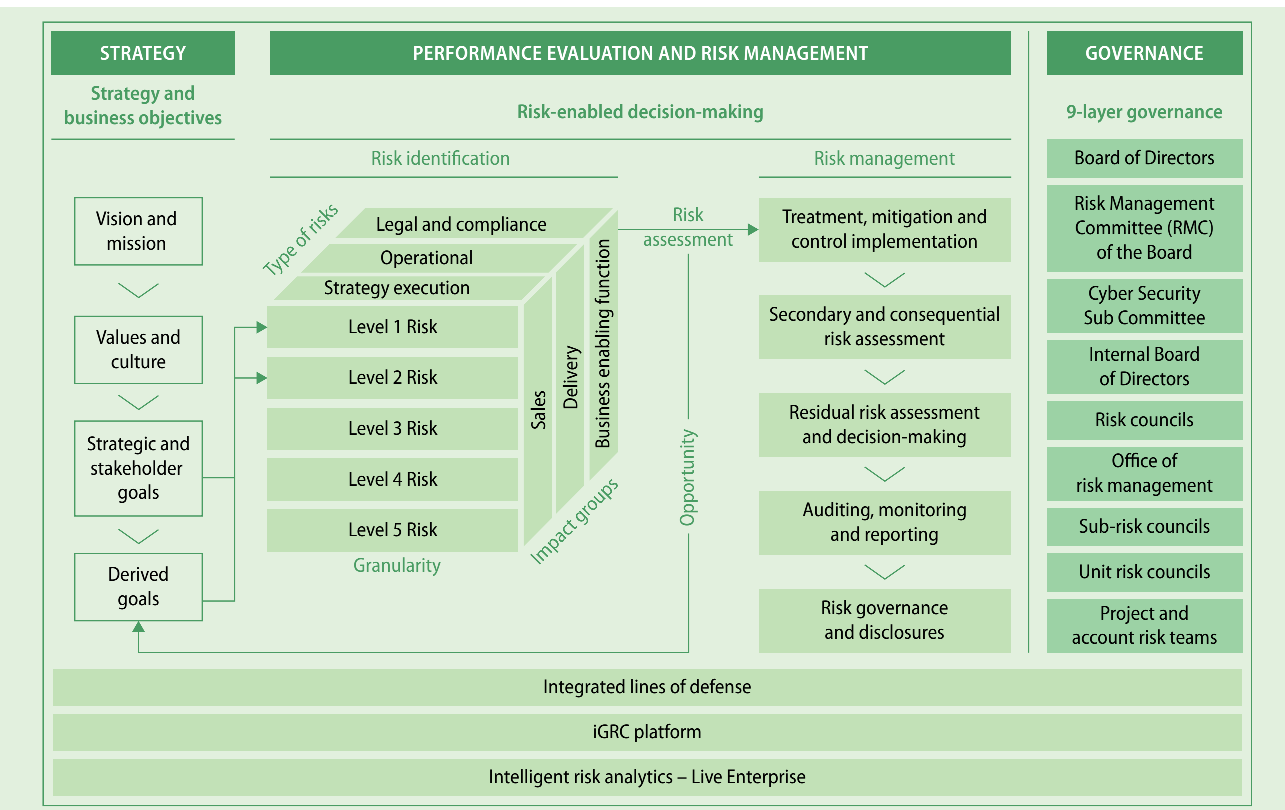
Overview

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 integrated risk management framework that is being implemented across the Group companies. The 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 lead by the Chief Executive Officer are responsible for managing the risks. The Board of Directors ("the Board") are responsible for monitoring the management of risks. Risks identified by risk management functions or roles at different levels in the organization 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 internal Board of Directors 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 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 the Group's Strategic and Strategic Execution Risk Council (SSERC) on a quarterly basis.
- Operational and legal and compliance risks at the subsidiary are routed to the Group's 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, the 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 2020-21 for details of Infosys integrated risks management framework.

Risk management highlights of the year

During the year, our focus was on 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 the 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 and BGC), Philippines; Bengaluru, Mysuru, Hyderabad, Chennai (TRIL and TIDEL), Pune, Jaipur and Gurugram, India; Lodz, Poland; Brno, Czech Republic; Dalian and Hangzhou, China; Monterrey, Mexico; Belo Horizonte, Brazil; San Jose, Costa Rica; Arizona, Phoenix; Aguadilla, Puerto Rico; Dublin, Republic of Ireland; Utrecht, Netherlands; United Kingdom, Birmingham.

CEO and CFO certification

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, 2021, 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, 2021.
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 12, 2021

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, 2021

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Independent Auditor's Report

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, 2021, the Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date and a summary of significant accounting policies and other explanatory information (hereinafter referred to as the "standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, 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, the 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 the 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 the 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 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, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164 (2) of the Act.

f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in “Annexure A”. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company’s internal financial controls over financial reporting.

g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of Section 197(16) of the Act, as amended : In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of Section 197 of the Act.

h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us :

i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements.

ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts;

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company and its subsidiary companies incorporated in India.

2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For Deloitte Haskins & Sells LLP
Chartered Accountants
Firm Registration Number : 117366W/W-100018

Anand Subramanian
Partner
Membership Number : 110815
UDIN : 21110815AAAABD7615

Bengaluru
April 12, 2021

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")

We have audited the internal financial controls over financial reporting of Infosys BPM Limited ("the Company") as of March 31, 2021 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The management of the Company is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to 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 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 authorizations of the 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, 2021, 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 Registration Number : 117366W/W-100018

Anand Subramanian
Partner
Membership Number : 110815

UDIN : 21110815AAAABD7615
Bengaluru
April 12, 2021

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 software services and does not have any physical inventories. Accordingly, reporting under Clause 3 (ii) of the Order is not applicable to the Company.

iii. 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. There were no loans granted during the year under Section 185 of the Act.

v. The Company has not accepted deposits during the year and does not have any unclaimed deposits as at March 31, 2021 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, 2021 for a period of more than six months from the date they became payable.

(c) Details of dues of Income Tax, Sales Tax, Service Tax, and Value Added Tax which have not been deposited as at March 31, 2021 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
Amount Relates				
Finance Act, 1994	Service Tax	Appellate Tribunal	F.Y. 2004-05 to F.Y. 2011-12	94.69
The Income Tax Act, 1961	Income Tax	Appellate Authority up to Commissioner's Level	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	0.01
	Income Tax	Appellate Tribunal	A.Y. 2011-12	(1) 0.00
The Rajasthan Sales Tax Act, 1994	RVAT	Appellate Authority up to Commissioner's Level	F.Y. 2017-18	0.02

(1) Less than ₹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 money by way of initial public offer or further public offer (including debt instruments) or term loans and hence reporting under Clause 3 (ix) of the Order is not applicable to the Company.

x. To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or no material fraud on the Company by its officers or employees has been noticed or reported during the year.

xi. In our opinion and according to the information and explanations given to us, the Company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

xii. The Company is not a Nidhi company and hence reporting under Clause 3 (xii) of the Order is not applicable to the Company.

xiii. In our opinion and according to the information and explanations given to us, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013 where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.

xiv. During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly paid convertible debentures and hence reporting under Clause 3 (xiv) of the Order is not applicable to the Company.

xv. In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its Directors or persons connected to its directors and hence provisions of Section 192 of the Companies Act, 2013 are not applicable to the Company.

xvi. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

For Deloitte Haskins & Sells LLP
Chartered Accountants
Firm Registration Number : 117366W/W-100018

Anand Subramanian
Partner
Membership Number : 110815

UDIN : 21110815AAAABD7615
Bengaluru
April 12, 2021

Balance Sheet

in ₹ crore

Particulars	Note no.	As at March 31, 2021	As at March 31, 2020
ASSETS			
Non-current assets			
Property, plant and equipment	2.1	234	214
Right-of-use assets	2.2	479	427
Capital work-in-progress		–	–
Goodwill		19	19
Financial assets			
Investments	2.3	1,109	801
Loans	2.4	1	–
Other financial assets	2.5	41	41
Deferred tax assets (net)	2.15	95	97
Income tax assets (net)	2.15	137	118
Other non-current assets	2.8	78	108
Total non-current assets		2,193	1,825
Current assets			
Financial assets			
Investments	2.3	175	630
Trade receivables	2.6	934	935
Cash and cash equivalents	2.7	3,000	2,274
Loans	2.4	18	21
Other financial assets	2.5	512	297
Income tax assets (net)	2.15	–	7
Other current assets	2.8	207	179
Total current assets		4,846	4,343
Total assets		7,039	6,168
EQUITY AND LIABILITIES			
Equity			
Equity share capital	2.10	34	34
Other equity		4,996	4,632
Total equity		5,030	4,666
LIABILITIES			
Non-current liabilities			
Financial liabilities			
Lease liabilities	2.2	470	418
Other financial liabilities	2.11	1	1
Other non-current liabilities	2.13	12	–
Total non-current liabilities		483	419
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		62	55
Lease liabilities	2.2	78	70
Other financial liabilities	2.11	923	523
Other current liabilities	2.13	366	382
Provisions	2.14	25	28
Income tax liabilities (net)	2.15	72	25
Total current liabilities		1,526	1,083
Total equity and liabilities		7,039	6,168

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 Registration Number : 117366W/ W-100018

Anand Subramanian
Partner
Membership Number : 110815

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

Ravikumar Singisetti
Chairman and Director

Anantharaman Radhakrishnan
Managing Director and
Chief Executive Officer

Prem Pereira
Chief Financial Officer

Bindu Raghavan
Company Secretary

Bengaluru
April 12, 2021

Statement of Profit and Loss

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

Particulars	Note no.	Year ended March 31, 2021	Year ended March 31, 2020
Revenue from operations	2.16	5,450	4,595
Other income, net	2.17	207	290
Total income		5,657	4,885
Expenses			
Employee benefit expenses	2.18	3,689	2,926
Cost of technical sub-contractors and professional charges	2.18	456	385
Travel expenses		18	150
Depreciation and amortization expense	2.1 and 2.2	159	153
Finance cost	2.2	30	32
Other expenses	2.18	389	381
Total expenses		4,741	4,027
Profit before tax		916	858
Tax expense :			
Current tax	2.15	218	244
Deferred tax	2.15	3	(34)
Profit for the year		695	648
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss			
Remeasurement of the net defined benefit liability / asset, net of tax	2.19	(9)	(3)
		(9)	(3)
Items that will be reclassified subsequently to profit or loss			
Fair value changes on investments, net of tax	2.3	(1)	6
		(1)	6
Total other comprehensive income / (loss), net of tax		(10)	3
Total comprehensive income for the year		685	651
Earnings per equity share			
Equity shares of par value ₹ 10/- each			
Basic and diluted (₹)		205.51	191.61
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 Deloitte Haskins & Sells LLP
Chartered Accountants
Firm Registration Number : 117366W/ W-100018

Anand Subramanian
Partner
Membership Number : 110815

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

Ravikumar Singisetti
Chairman and Director

Anantharaman Radhakrishnan
Managing Director and Chief Executive Officer

Prem Pereira
Chief Financial Officer

Bindu Raghavan
Company Secretary

Bengaluru
April 12, 2021

Statement of Changes in Equity

in ₹ crore

Particulars	Equity share capital	Other equity						Total equity attributable to equity holders of the Company
		Reserves and surplus					Other comprehensive income [2]	
		Securities premium [2]	Retained earnings [2]	Capital reserve	General reserve	Special Economic Zone Re-investment Reserve [1][2]		
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	–	–	(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 year	–	–	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
Balance as at April 1, 2020	34	25	3,464	1	1,000	161	(19)	4,666
Changes in equity for the year ended March 31, 2021								
Profit for the year	–	–	695	–	–	–	–	695
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	–	–	–	–	–	–	(9)	(9)
Total comprehensive income for the year	–	–	695	–	–	–	(10)	685
Transfer to Special Economic Zone Re-investment Reserve	–	–	(151)	–	–	151	–	–
Transfer from Special Economic Zone Re-investment Reserve on utilization	–	–	71	–	–	(71)	–	–
Dividends	–	–	(321)	–	–	–	–	(321)
Balance as at March 31, 2021	34	25	3,758	1	1,000	241	(29)	5,030

(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) 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 Registration Number : 117366W/ W-100018

Anand Subramanian
Partner
Membership Number : 110815

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

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Chairman and Director

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Managing Director and Chief Executive Officer

Prem Pereira
Chief Financial Officer

Bindu Raghavan
Company Secretary

Bengaluru
April 12, 2021

Statement of Cash Flows

Accounting policy

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

in ₹ crore

Particulars	Note no.	Year ended March 31, 2021	Year ended March 31, 2020
Cash flow from operating activities :			
Profit for the year		695	648
Adjustments to reconcile net profit to net cash provided by operating activities :			
Depreciation and amortization expense	2.1 & 2.2	159	153
Finance cost	2.2	30	32
Income tax expense	2.15	221	210
Sale of duty scrips		–	(27)
Profit on sale of property, plant and equipment		(1)	(1)
Interest on bank deposits and others		(137)	(170)
Income on other financial assets		(42)	(54)
Exchange differences on translation of assets and liabilities		1	(2)
Allowance for credit loss on financial assets		1	6
Other adjustments		39	9
Changes in assets and liabilities			
Trade receivables and unbilled revenue		(43)	(262)
Other financial assets and other assets		(159)	(92)
Trade payables		7	(17)
Other financial liabilities, other liabilities and provisions		371	236
Cash generated from operations		1,142	669
Income taxes paid, net of refunds		(183)	(259)
Net cash generated by operating activities		959	410
Cash flow from investing activities :			
Expenditure on property, plant and equipment, net of sale proceeds		(81)	(70)
Loans to employees		1	(4)
Deposits placed with corporation		(22)	(10)
Interest received on bank deposits and others		134	202
Investment in subsidiary	2.3	(38)	–
Payment to acquire financial assets			
Non-convertible debentures		(285)	(252)
Government securities		(162)	–
Certificates of deposit		–	(238)
Government bonds		–	(7)
Liquid mutual fund units and fixed maturity plan securities		(2,315)	(2,992)
Proceeds on sale of financial assets			
Non-convertible debentures		302	100
Government bonds		–	6
Certificates of deposit		249	370
Liquid mutual fund units and fixed maturity plan securities		2,399	3,006
Net cash from investing activities		182	111
Cash flows from financing activities :			
Payment of lease liabilities	2.2	(96)	(85)
Payment of dividends		(321)	–
Net cash used in financing activities		(417)	(85)
Effect of exchange differences on translation of foreign currency cash and cash equivalents		2	1
Net increase in cash and cash equivalents		724	436

Particulars	Note no.	Year ended March 31,	
		2021	2020
Cash and cash equivalents at the beginning of the year	2.7	2,274	1,837
Cash and cash equivalents at the end of the year	2.7	3,000	2,274
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 Registration Number : 117366W/ W-100018

Anand Subramanian
Partner
Membership Number : 110815

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

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Bindu Raghavan
Company Secretary

Bengaluru
April 12, 2021

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 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 12, 2021.

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 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 these 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 the Management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the standalone financial statements.

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

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

1.4 Critical accounting estimates and judgments

a. Revenue recognition

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

The Company uses the percentage-of-completion method in accounting for its other fixed-price contracts. Use of the percentage-of-completion method requires the Company to determine the actual efforts or costs expended to date as a proportion of the estimated total efforts or costs to be incurred.

Efforts or costs expended have been used to measure progress towards completion as there is a direct relationship between input and productivity. The estimation of total efforts or costs involves significant 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 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 Notes 2.15 and 2.21.

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

c. Property, plant and equipment

Property, plant and equipment represent a significant proportion of the asset base of the Company. The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of 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. After considering current and future economic conditions, the Company has concluded that no material changes are required to lease period relating to the existing lease contracts. Also, refer to Note 2.2.

e. Allowance for credit losses on receivables and unbilled revenue

The Company determines the allowance for credit losses based on historical loss experience adjusted to reflect current and estimated future economic conditions. The Company considered current and anticipated future economic conditions relating to industries the Company deals with and the countries where it operates. In calculating expected credit loss, the Company has also considered credit reports and other related credit information for its customers to estimate the probability of default in future and has taken into account estimates of possible effect from the pandemic relating to COVID-19.

2.1 Property, plant and equipment

Accounting policy

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

Building [1]	22-25 years
Plant and machinery [1]	5 years
Computer equipment [1]	3-5 years
Furniture and fixtures [1]	5 years
Office equipment [1]	5 years
Leasehold improvements	Over the lease term or 5 years whichever is lower

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

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 put to use before such date are disclosed under 'Capital work-in-progress'. Subsequent expenditures relating to property, plant and equipment is capitalized only when it is probable that future economic benefits associated with these will flow to the 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 generating unit ("CGU") to which the asset belongs.

If such assets are considered to be impaired, the impairment to be recognized in the Statement of Profit and Loss is measured by the amount by which the carrying value of the assets exceeds the estimated recoverable amount of the asset. An impairment loss is reversed in the Statement of Profit and Loss if there has been a change in the estimates used to determine the recoverable amount. The carrying amount of the asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated 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, 2021 are as follows :

in ₹ crore

Particulars	Land – leasehold	Buildings [1]	Leasehold improvements	Plant and machinery	Office equipment	Computer equipment	Furniture and fixtures	Total
Gross carrying value as at April 1, 2020	–	155	132	63	111	345	68	874
Additions	–	–	9	1	4	89	1	104
Deletions	–	–	–	–	(1)	(22)	–	(23)
Gross carrying value as at March 31, 2021	–	155	141	64	114	412	69	955
Accumulated depreciation as at April 1, 2020	–	73	107	52	103	264	61	660
Depreciation	–	6	12	6	3	53	3	83
Accumulated depreciation on deletions	–	–	–	–	(1)	(21)	–	(22)
Accumulated depreciation as at March 31, 2021	–	79	119	58	105	296	64	721
Carrying value as at March 31, 2021	–	76	22	6	9	116	5	234
Carrying value as at April 1, 2020	–	82	25	11	8	81	7	214

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

in ₹ crore

Particulars	Land – leasehold	Buildings [1]	Leasehold improvements	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

Particulars	Land – leasehold	Buildings [(1)]	Leasehold improvements	Plant and machinery	Office equipment	Computer equipment	Furniture and fixtures	Total
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

(1) Includes certain assets provided on cancellable operating lease to holding company.

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 contact 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 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. The 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 ROU asset arising from the head lease.

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

The changes in the carrying value of ROU assets for the year ended March 31, 2021 are as follows :

in ₹ crore

Particulars	Category of ROU asset		Total
	Land	Buildings	
Balance as of April 1, 2020	10	417	427
Additions [(1)]	–	136	136
Deletions	–	(8)	(8)
Depreciation	–	(76)	(76)
Balance as of March 31, 2021	10	469	479

(1) Net of lease incentives of ₹ 1 crore related to lease of buildings

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

in ₹ crore

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)
Depreciation	(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, 2021 and March 31, 2020 is as follows :

in ₹ crore

Particulars	As at March 31,	
	2021	2020
Non-current lease liabilities	470	418
Current lease liabilities	78	70
Total	548	488

The movement in lease liabilities during the year ended March 31, 2021 is as follows :

in ₹ crore

Particulars	Amount
Balance as of April 1, 2020	488
Additions [(1)]	136
Deletions	(8)
Finance cost accrued during the year	30
Payment of lease liabilities	(96)
Translation difference	(2)
Balance as of March 31, 2021	548

(1) Net of lease incentives of ₹ 1 crore related to lease of buildings

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

in ₹ crore

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 ₹27 and ₹32 crore for the years ended March 31, 2021 and March 31, 2020.

The details regarding the contractual maturities of lease liabilities as at March 31, 2021 on an undiscounted basis is as follows :

in ₹ crore

Particulars	Amount
Less than one year	107
One to five years	352
More than five years	217
Total	676

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

in ₹ crore

Particulars	As at March 31,	
	2021	2020
Non-current investments		
Equity instruments of subsidiaries	620	582
Government bonds	8	8
Non-convertible debentures	317	211
Government securities	164	–
Total non-current investments	1,109	801
Current investments		
Liquid mutual fund units	45	66
Fixed maturity plan securities	–	61
Certificates of deposit	–	241
Non-convertible debentures	130	262
Total current investments	175	630
Total carrying value	1,284	1,431

in ₹ crore, except as otherwise stated

Particulars	As at March 31,	
	2021	2020
Non-current investments		
Unquoted		
Investments carried at cost		
Investments in equity instruments of subsidiaries		
Infosys (Czech Republic) Limited s.r.o., 18,75,000 (18,75,000) equity shares of CZK 10 each, full paid	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

Particulars	As at March 31, 2021	As at March 31, 2020
Portland Group Pty Limited, 1,74,50,000 (1,74,50,000) equity shares, fully paid	211	211
Infosys BPO Americas LLC	58	20
	620	582
Quoted		
Investments carried at amortized cost		
Government bonds (Refer to Note 2.3.2)	8	8
	8	8
Investments carried at fair value through other comprehensive income		
Non-convertible debentures (Refer to Note 2.3.3)	317	211
Government securities (Refer to Note 2.3.6)	164	–
	481	211
Total non-current investments	1,109	801
Current investments		
Unquoted		
Investments carried at fair value through profit or loss		
Liquid mutual fund units (Refer to Note 2.3.1)	45	66
	45	66
Investments carried at fair value through other comprehensive income		
Certificates of deposit (Refer to Note 2.3.5)	–	241
	–	241
Quoted		
Investments carried at fair value through other comprehensive income		
Non-convertible debentures (Refer to Note 2.3.3)	130	262
	130	262
Investments carried at fair value through profit or loss		
Fixed maturity plan securities (Refer to Note 2.3.4)	–	61
	–	61
Total current investments	175	630
Total investments	1,284	1,431
Aggregate amount of quoted investments	619	542
Market value of quoted investments (including interest accrued thereon) – non-current	489	219
Market value of quoted investments (including interest accrued thereon) - current	130	323
Aggregate amount of unquoted investments	665	889
Investment carried at cost	620	582
Investment carried at amortized cost	8	8
Investment carried at fair value through other comprehensive income	611	714
Investment carried at fair value through profit or loss	45	127

Refer to Note 2.9 for accounting policies on financial instruments.

The details of amounts recorded in other comprehensive income is as follows :

in ₹ crore

Particulars	Year ended March 31,					
	2021			2020		
	Gross	Tax	Net	Gross	Tax	Net
Net gain / (loss) on						
Non-convertible debentures	–	–	–	6	(1)	5
Government securities	–	–	–	–	–	–
Certificates of deposit	(2)	1	(1)	1	–	1

Method of fair valuation :

in ₹ crore

Class of investment	Method	Fair value as at March 31, 2021	Fair value as at March 31, 2020
Non-convertible debentures	Quoted price and market observable inputs	447	473
Fixed maturity plan securities	Market observable inputs	–	61
Liquid mutual fund units	Quoted price	45	66
Government securities	Quoted price	164	–
Certificates of deposit	Market observable inputs	–	241

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

2.3.1 Details of investments in Liquid mutual fund units

The balances held in liquid mutual fund units as at March 31, 2021 and March 31, 2020 are as follows :

in ₹ crore

Particulars	As at March 31,			
	2021		2020	
	Units	Amount	Units	Amount
Aditya Birla Sun Life Cash Plus – Growth – Direct Plan	–	–	15,33,992	49
Aditya Birla Sun Life Overnight Fund – Growth – Direct Plan	4,05,033	45	–	–
IDFC Corporate Bond – Fund Direct Plan	–	–	1,19,02,495	17
	4,05,033	45	1,34,36,487	66

2.3.2 Details of investments in government bonds

The balances held in government bonds as at March 31, 2021 and March 31, 2020 are as follows :

in ₹ crore

Particulars	As at March 31,			
	2021		2020	
	Units	Amount	Units	Amount
PHILIPPINE T BILL PHY6972HAF39 MAT DATE 08 MARCH 2023	–	8	–	8
	–	8	–	8

2.3.3 Details of investments in non-convertible debentures

The balances held in non-convertible debentures as at March 31, 2021 and March 31, 2020 are as follows :

in ₹ crore

Particulars	As at March 31,			
	2021		2020	
	Units	Amount	Units	Amount
8.58% Housing Development Finance Corporation Ltd 22MAR2022	1,250	130	1,250	129
8.50% Life Insurance Corporation Housing Finance Limited 20JUN2022	750	83	750	82
9.05% Housing Development Finance Corporation Ltd 20NOV2023	250	28	–	–
5.5315% Life Insurance Corporation Housing Finance Limited 20DEC2024	750	75	–	–
7.33% Life Insurance Corporation Housing Finance Limited 12FEB2025	1,250	131	–	–
8.60% Life Insurance Corporation Housing Finance Limited 22JUL2020	–	–	1,000	107
8.60% Life Insurance Corporation Housing Finance Limited 29JUL2020	–	–	350	37
8.80% Life Insurance Corporation Housing Finance Limited 24DEC2020	–	–	650	66
7.585% Life Insurance Corporation Housing Finance Limited 11JUN2020	–	–	500	52
	4,250	447	4,500	473

2.3.4 Details of investments in fixed maturity plan securities

The balances held in fixed maturity plan securities as at March 31, 2021 and March 31, 2020 are as follows :

in ₹ crore

Particulars	As at March 31,			
	2021		2020	
	Units	Amount	Units	Amount
ICICI FMP Series 80 – 1194 D Plan F Div	–	–	1,50,00,000	19
Nippon India Fixed Horizon Fund – XXXII Series 8 – Dividend Plan	–	–	1,50,00,000	18
HDFC FMP 1155D Feb 2017 – Direct Growth Series 37	–	–	1,00,00,000	12
Aditya Birla Sunlife Fixed Term Plan – Series OD (1145 days)	–	–	1,00,00,000	12
	–	–	5,00,00,000	61

2.3.5 Details of investments in certificates of deposit

The balances held in certificates of deposit as at March 31, 2021 and March 31, 2020 are as follows :

in ₹ crore

Particulars	As at March 31,			
	2021		2020	
	Units	Amount	Units	Amount
AXIS BANK LIMITED CD 30 OCT 20	–	–	10,000	97
AXIS BANK LIMITED CD 13 JAN 21	–	–	10,000	96
AXIS BANK LIMITED CD 17 NOV 20	–	–	5,000	48
	–	–	25,000	241

2.3.6 Details of investments in government securities

The balances held in government securities as at March 31, 2021 and March 31, 2020 are as follows :

in ₹ crore

Particulars	As at March 31,			
	2021		2020	
	Units	Amount	Units	Amount
5.85% Government of India 01DEC2030	5,000	5	–	–
8.08% Government of India 02AUG2022	1,50,000	159	–	–
	1,55,000	164	–	–

2.4 Loans

in ₹ crore

Particulars	As at March 31,	
	2021	2020
Non-current		
Unsecured, considered doubtful		
Loans to employees	5	5
Less : Allowance for doubtful loans to employees	5	5
	–	–
Unsecured, considered good		
Loans to employees	1	–
Total non-current loans	1	–
Current		
Unsecured, considered good		
Loans to employees	18	21
Total current loans	18	21
Total loans	19	21

2.5 Other financial assets

in ₹ crore

Particulars	As at March 31,	
	2021	2020
Non- current		
Security deposits (1)	3	3
Rental deposits (1)	38	38
Total non-current other financial assets	41	41
Current		
Security deposits (1)	–	1
Rental deposits (1)	–	1
Restricted deposits (1) (5)	137	108
Unbilled revenues (1) (3) (4)	195	158
Interest accrued but not due (1)	59	25
Foreign currency forward contracts (2)	9	–
Others (1) (3) (3)	112	4
Total current other financial assets	512	297
Total other financial assets	553	338
(1) Financial assets carried at amortized cost	544	338
(2) Financial assets carried at fair value through Profit or Loss	9	–
(3) Includes dues from holding company, subsidiaries and other group companies (Refer to Note 2.22)	183	7

(4) Classified as financial asset as right to consideration is conditional upon passage of time.

(5) 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

in ₹ crore

Particulars	As at March 31,	
	2021	2020
Current (2)		
Unsecured		
Considered good (1) (2)	934	935
Considered doubtful	12	18
	946	953
Less : Allowances for credit losses	12	18
Total trade receivables	934	935
(1) Includes dues from companies where directors are interested		
(2) Includes dues from holding company, subsidiaries and other group companies (Refer to Note 2.22)	152	65

2.7 Cash and cash equivalents

in ₹ crore

Particulars	As at March 31,	
	2021	2020
Balances with banks		
In current and deposit accounts	2,283	1,574
Cash on hand	–	–
Others		
Deposits with financial institution	717	700
Total cash and cash equivalents	3,000	2,274
Balances with banks in unpaid dividend accounts	–	–
Deposits with more than 12 months maturity	1,519	555

Cash and cash equivalents as at March 31, 2021 and March 31, 2020 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

in ₹ crore

Particulars	As at March 31,	
	2021	2020
Non-current		
Capital advances	–	–
Advances other than capital advance		
Prepaid gratuity	5	–
Others		
Prepaid expenses	–	1
Deferred contract cost (2)	56	90
Withholding taxes and others (3)	17	17
Total non-current other assets	78	108
Current		
Advances other than capital advance		
Payment to vendors for supply of goods	3	11
Others		
Prepaid expenses	52	31
Deferred contract cost (2)	17	22
Withholding taxes and others (3)	110	68
Unbilled revenues (1)	25	19
Others	–	28
Total current other assets	207	179
Total other assets	285	287

(1) Classified as non-financial asset as contractual right to consideration is dependent on completion of contractual milestones.

(2) 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.

(3) 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 twelve 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, 2021 are as follows :

in ₹ crore

Particulars	Amortized cost	Financial assets / liabilities at fair value through profit or loss		Financial assets / liabilities at fair value through OCI		Total carrying value	Total fair value
		Designated upon initial recognition	Mandatory	Equity instruments designated upon initial recognition	Mandatory		
Assets :							
Cash and cash equivalents (Refer to Note 2.7)	3,000	–	–	–	–	3,000	3,000
Investments (Refer to Note 2.3)							
Non-convertible debentures (1)	–	–	–	–	447	447	447
Government bonds (3)	8	–	–	–	–	8	8
Liquid mutual fund units	–	–	45	–	–	45	45
Government securities	–	–	–	–	164	164	164
Trade receivables (Refer to Note 2.6)	934	–	–	–	–	934	934
Loans (Refer to Note 2.4)	19	–	–	–	–	19	19
Other financial assets (Refer to Note 2.5) (3) (4)	544	–	9	–	–	553	553

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		
Total	4,505	–	54	–	611	5,170	5,170
Liabilities :							
Trade payables (Refer to Note 2.12)	62	–	–	–	–	62	62
Lease liabilities (Refer to Note 2.2)	548	–	–	–	–	548	548
Other financial liabilities (Refer to Note 2.11)	811	–	1	–	–	812	812
Total	1,421	–	1	–	–	1,422	1,422

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

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

(3) Excludes unbilled revenue on contracts where the right to consideration is dependent on completion of contractual milestones

(4) Excludes interest accrued on government bonds carried at amortized cost of less than ₹1 crore

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

in ₹ crore

Particulars	Amortized cost	Financial assets / liabilities at fair value through profit or loss		Financial assets / liabilities at fair value through OCI		Total carrying value	Total fair value
		Designated upon initial recognition	Mandatory	Equity instruments designated upon initial recognition	Mandatory		
Assets :							
Cash and cash equivalents (Refer to Note 2.7)	2,274	–	–	–	–	2,274	2,274
Investments (Refer to Note 2.3)							
Non-convertible debentures [1]	–	–	–	–	473	473	473
Government bonds [2]	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) [3] [4]	338	–	–	–	–	338	338
Total	3,576	–	127	–	714	4,417	4,417
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
Total	950	–	18	–	–	968	968

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

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

(3) Excludes unbilled revenue on contracts where the right to consideration is dependent on completion of contractual milestones

(4) Excludes interest accrued on government bonds carried at amortized cost of less than ₹ 1 crore

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, 2021 is as follows :

in ₹ crore

Particulars	As at March 31, 2021	Fair value measurement at end of the reporting year using		
		Level 1	Level 2	Level 3
Assets				
Investments in liquid mutual fund units (Refer to Note 2.3)	45	45	–	–
Investment in non-convertible debentures (Refer to Note 2.3)	447	447	–	–
Investments in government securities (Refer to Note 2.3)	164	164	–	–
Derivative financial instruments – Fair value gain on outstanding foreign currency forward contracts (Refer to Note 2.5)	9	–	9	–
Liabilities				
Derivative financial instruments – Fair value loss on outstanding foreign currency forward contracts (Refer to Note 2.11)	1	–	1	–

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

in ₹ crore

Particulars	As at March 31, 2020	Fair value measurement at end of the reporting year using		
		Level 1	Level 2	Level 3
Assets				
Investments in liquid mutual fund units (Refer to Note 2.3)	66	66	–	–
Investment in non-convertible debentures (Refer to Note 2.3) [1]	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	–
Liabilities				
Derivative financial instruments – Fair value loss on outstanding foreign exchange forward contracts (Refer to Note 2.11)	18	–	18	–

[1] 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.

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 financial assets and liabilities as at March 31, 2021 :

in ₹ crore

Particulars	US dollars	Euro	United Kingdom Pound Sterling	Australian dollars	Other currencies	Total
Net financial assets	984	214	50	23	45	1,316
Net financial liabilities	(347)	(97)	(20)	(19)	(234)	(717)
Total	637	117	30	4	(189)	599

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

in ₹ crore

Particulars	US dollars	Euro	United Kingdom Pound Sterling	Australian dollars	Other currencies	Total
Net financial assets	846	191	65	43	36	1,181
Net financial liabilities	(197)	(89)	(34)	(24)	(151)	(495)
Total	649	102	31	19	(115)	686

Sensitivity analysis between Indian Rupees and USD

Particulars	Year ended March 31,	
	2021	2020
Impact on the Company's incremental operating margins	0.32%	0.36%

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 details in respect of outstanding foreign exchange forward contracts are as follows :

Particulars	As at March 31,			
	2021		2020	
	In million	In ₹ crore	In million	In ₹ crore
Forward contracts				
In US dollars	91	662	59	446
In Euro	10	86	4	33
In Czech koruna	313	103	–	–
In Australian dollars	–	–	2	9
In Philippine pesos	–	–	400	60
Total forwards		851		548

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,	
	2021	2020
Not later than one month	574	123
Later than one month and not later than three months	277	425
Later than three months and not later than one year	–	–
	851	548

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 :

in ₹ crore

Particulars	As at March 31,			
	2021		2020	
	Derivative financial asset	Derivative financial liability	Derivative financial asset	Derivative financial liability
Gross amount of recognized financial asset / liability	11	(3)	–	(18)
Amount set-off	(2)	2	–	–
Net amount presented in the Balance Sheet	9	(1)	–	(18)

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 ₹ 934 crore and ₹ 935 crore as March 31, 2021 and March 31, 2020, respectively and unbilled revenue amounting to ₹ 220 crore and ₹ 177 crore as at March 31, 2021 and March 31, 2020, 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,	
	2021	2020
Revenue from top customer	11%	13%
Revenue from top ten customers	47%	42%

Credit risk exposure

The allowance for lifetime expected credit loss on customer balances is Nil and ₹ 4 crore for the year ended March 31, 2021 and March 31, 2020, respectively.

in ₹ crore

Particulars	Year ended March 31,	
	2021	2020
Balance at the beginning	18	15
Provisions recognized / (reversed)	(1)	4
Write-offs	(4)	–
Translation differences	(1)	(1)
Balance at the end	12	18

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, 2021, the Company had a working capital of ₹ 3,320 crore including cash and cash equivalents of ₹ 3,000 crore and current investments of ₹ 175 crore. 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, 2021 and March 31, 2020, the outstanding compensated absences were ₹ 112 crore and ₹ 99 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, 2021 :

in ₹ crore

Particulars	Less than 1 year	1-2 years	2-4 years	4-7 years	Total
Trade payables	62	–	–	–	62
Other financial liabilities (Refer to Note 2.11)	812	–	–	–	812

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

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.

Description of reserves

Retained earnings

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

Securities premium

The amount received in excess of the par value of equity shares has been classified as securities premium.

Special Economic Zone Re-investment reserve

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

Other components of equity

Other components of equity consist of remeasurement of net defined benefit liability / asset, equity instruments fair valued through other comprehensive income, changes on fair valuation of investments and changes in fair value of derivatives designated as cash flow hedges, net of taxes.

I) Equity share capital

in ₹ crore, except as otherwise stated

Particulars	As at March 31,	
	2021	2020
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. However, no such preferential amounts exist currently.

The details of shareholder holding more than 5% shares as at March 31, 2021 and March 31, 2020 are as follows :

Name of the shareholder	As at March 31,			
	2021		2020	
	Number of shares	% held	Number of shares	% held
Infosys Limited, the holding company	3,38,23,444	99.99	3,38,23,444	99.99

II) Other equity

in ₹ crore, except as otherwise stated

Particulars	As at March 31,	
	2021	2020
i) Other reserves		
Others		
Securities premium (1)	25	25
Capital reserve	1	1
ii) Special Economic Zone Re-investment Reserve	241	161
	267	187

(1) 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 rupees. The Finance Act 2020 has repealed the Dividend Distribution Tax (DDT). Companies are now required to pay / distribute dividend after deducting applicable taxes. The remittance of dividends outside India is also subject to withholding tax at applicable rates.

The Board of Directors, in their meeting on October 12, 2020, declared an interim dividend of ₹ 95/- per equity share, which resulted in a cash outflow of approximately ₹ 321 crore.

The Board of Directors, in their meeting on April 12, 2021, recommended a final dividend of ₹ 175 /- per equity share for the financial year ended March 31, 2021. This payment is subject to the approval of shareholders in the ensuing Annual General Meeting of the Company and if approved, would result in a cash outflow of approximately ₹ 592 crore.

2.11 Other financial liabilities

in ₹ crore

Particulars	As at March 31,	
	2021	2020
Non-current		
Others		
Compensated absences	1	1
Total non-current other financial liabilities	1	1
Current		
Others		
Accrued compensation to employees (1)	477	188
Accrued expenses (1) (3)	159	157
Compensated absences	111	98
Capital creditors (1)	26	4
Other payables (1) (4)	149	58
Foreign currency forward contracts (2)	1	18
Total current other financial liabilities	923	523
Total other financial liabilities	924	524
(1) Financial liability carried at amortized cost	811	407
(2) Financial liability carried at fair value through profit or loss	1	18
(3) Includes dues to other group companies (Refer to Note 2.22)	–	–
(4) Includes dues to holding, subsidiaries and other group companies (Refer to Note 2.22)	146	7

2.12 Trade payables

in ₹ crore

Particulars	As at March 31,	
	2021	2020
Current		
Trade payables [1]	62	55
Total Trade payables	62	55
[1] Includes dues to holding, subsidiaries and other group companies (Refer to Note 2.22)	24	27

As at March 31, 2021 and March 31, 2020, there are no outstanding dues to micro, small and medium enterprises. There is no interest due or outstanding on the same. During the year ended March 31, 2021 and March 31, 2020, an amount of ₹2 crore and less than ₹1 crore was paid beyond the appointed day as defined in the Micro, Small and Medium Enterprises Development Act 2006.

2.13 Other liabilities

in ₹ crore

Particulars	As at March 31,	
	2021	2020
Non-current		
Withholding taxes	11	–
Gratuity liability	1	–
Total non-current other liabilities	12	–
Current		
Unearned revenue	266	293
Others		
Withholding taxes and others	99	88
Client deposits	1	1
Total other liabilities	366	382

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.

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, 2021 and March 31, 2020 is as follows :

in ₹ crore

Particulars	As at March 31,	
	2021	2020
Others		
Post-sales client support and others	25	28
Total provisions	25	28

Provision for post-sales client support and others

The movement in the provision for post-sales client support and others is as follows :

in ₹ crore

Particulars	As at March 31,	
	2021	2020
Balance at the beginning	28	28
Provision recognized	4	5
Provision utilized	(5)	(5)
Exchange difference	(2)	–
Balance at the end	25	28

Provision for post-sales client support and others 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 net profit in the Statement of Profit and Loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in other comprehensive income. Current income tax for current and prior periods is recognized at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date. Deferred income tax assets and liabilities are recognized for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

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

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

Income tax expense in the Statement of Profit and Loss comprises :

in ₹ crore

Particulars	Year ended March 31,	
	2021	2020
Current taxes	218	244
Deferred taxes	3	(34)
Income tax expense	221	210

Income tax expense for the year ended March 31, 2021 and March 31, 2020 includes reversal (net of additional provisions) of ₹ 10 crore and ₹ 15 crore respectively, pertaining to earlier periods. These reversals pertain to prior periods on account of adjudication of certain disputed matters in favor of the Company and upon filing of return across various jurisdictions.

Deferred income tax for the year ended March 31, 2021 and March 31, 2020 substantially 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 :

in ₹ crore

Particulars	Year ended March 31,	
	2021	2020
Profit before income taxes	916	858
Enacted tax rates in India	34.94%	34.94%
Computed expected tax expense	320	300
Tax effect due to non-taxable income for Indian tax purposes	(101)	(84)
Tax effect of non-deductible losses of 10AA units	–	3
Overseas taxes	12	14
Tax provision (reversals)	(10)	(15)
Effect of non-deductible expenses	3	(2)
Others	(3)	(6)
Income tax expense	221	210

The applicable Indian corporate statutory tax rate for the years ended March 31, 2021 and March 31, 2020 is 34.94%.

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, 2021 and March 31, 2020 are as follows :

in ₹ crore

Particulars	As at March 31,	
	2021	2020
Income tax assets	137	125
Current Income tax liabilities	(72)	(25)
Net income tax assets at the end	65	100

The gross movement in the current income tax asset / (liability) for the year ended March 31, 2021 and March 31, 2020 is as follows :

in ₹ crore

Particulars	Year ended March 31,	
	2021	2020
Net income tax asset / (liability) at the beginning	100	80
Translation differences	(4)	4
Income tax paid, net of refunds	183	259
Income tax expense	(218)	(244)
MAT credit utilization	–	–
Income tax on other comprehensive income	4	1
Net income tax asset at the end	65	100

The movement in gross deferred income tax assets and labilities (before set-off) for the year ended March 31, 2021 is as follows :

Particulars	Carrying value as on April 1, 2020	Changes through profit and loss	Changes through OCI	Impact on account of Ind AS 116	Translation difference	Carrying value as on March 31, 2021
Property, plant and equipment	33	–	–	–	–	33
Lease liabilities	16	1	–	–	–	17
Compensated absences	28	5	–	–	–	33
Trade receivables	7	(2)	–	–	–	5
Derivative financial instruments	6	(9)	–	–	–	(3)
Others	7	2	1	–	–	10
Total deferred tax assets and liabilities	97	(3)	1	–	–	95

The movement in gross deferred income tax assets and labilities (before set-off) for the year ended March 31, 2020 was 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
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 and liabilities	58	34	(1)	6	–	97

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, the Management considers whether some portion or all of the deferred income tax assets will not be realized. The ultimate realization of deferred income tax assets is dependent upon the generation of future taxable income during the periods in which the temporary differences become deductible. Management considers the scheduled reversals of deferred income tax liabilities, projected future taxable income, and tax planning strategies in making this assessment. Based on the level of historical taxable income and projections for future taxable income over the periods in which the deferred income tax assets are deductible, the Management believes that the 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, 2021 and March 31, 2020 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.

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

Revenue on time-and-material 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 Company's costs to fulfil the contract is not even through the period of contract because the services are generally discrete in nature and not repetitive.

Revenue from other fixed-price, fixed-timeframe contracts, where the performance obligations are satisfied over time is recognized using the percentage-of-completion method. Efforts or costs expended have been used to determine progress towards completion as there is a direct relationship between input and productivity. Progress towards completion is measured as the ratio of costs or efforts incurred to date (representing work performed) to the estimated total costs or efforts. Estimates of transaction price and total costs or efforts are continuously monitored over the 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).

Arrangements to deliver software products generally have three elements : license, implementation and Annual Technical Services (ATS).When implementation services are provided in conjunction with the licensing arrangement and the license and implementation have been identified as two distinct separate performance obligations, the transaction price for such contracts are allocated to each performance obligation of the contract based on their relative standalone selling prices. In the absence of standalone selling price for implementation, the Company uses the expected cost-plus margin approach in estimating the standalone selling price. Where the license is required to be substantially customized as part of the implementation service the entire arrangement fee for license and implementation is considered to be a single performance obligation and the revenue is recognized using the percentage-of-completion method as the implementation is performed. Revenue from client training, support and other services arising due to the sale of software products is recognized as the performance obligations are satisfied. ATS revenue is recognized ratably 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. Certain eligible, nonrecurring costs (e.g. set-up or transition or transformation costs) that do not represent a separate performance obligation are recognized as an asset when such costs (a) relate directly to the contract; (b) generate or enhance resources of the Company that will be used in satisfying the performance obligation in the future; and (c) are expected to be recovered. Such capitalized contract costs are amortized over the respective contract life on a systematic basis consistent with the transfer of goods or services to customer to which the asset relates.

The Company presents revenues net of indirect taxes in its Statement of Profit and Loss.

Revenue from operations for the and year ended March 31, 2021 and March 31, 2020 is as follows :

in ₹ crore

Particulars	Year ended March 31,	
	2021	2020
Income from business process management services	5,450	4,595
	5,450	4,595

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 continues 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, 2021 and March 31, 2020 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.

in ₹ crore

Particulars	Year ended March 31,	
	2021	2020
Revenue by offerings		
Digital	609	523
Core	4,841	4,072
Total	5,450	4,595

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, 2021 and March 31, 2020, the Company recognized revenue of ₹ 186 crore and ₹ 140 crore arising from opening unearned revenue as of April 1, 2020 and April 1, 2019 respectively.

During the year ended March 31, 2021 and March 31, 2020 , ₹ 19 crore and ₹ 11 crore of unbilled revenue pertaining to fixed-price development contracts as of April 1, 2020 and April 1, 2019 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 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, 2021 other than those meeting the exclusion criteria mentioned above, is ₹ 2,611 crore. Out of this, the Company expects to recognize revenue of around 36.30% 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. These standalone financial statements are presented in Indian rupees (rounded off to crore; one crore equals ten million).

b. 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 and reported within exchange gains / (losses) on translation of assets and liabilities, net. Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at fair value are translated at the exchange rate prevalent at the date when the fair value was determined. Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of transaction. The related revenue and expense are recognized using the same exchange rate.

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

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

Other income for the and year ended March 31, 2021 and March 31, 2020 is as follows :

in ₹ crore

Particulars	Year ended March 31,	
	2021	2020
Interest received on financial assets carried at amortized cost		
Government bonds	–	–
Deposit with banks and others	137	170
Interest income on financial assets carried at fair value through other comprehensive income		
Non-convertible debentures	28	26
Certificates of deposit	9	14
Government securities	–	–
Income on financial assets carried at fair value through other comprehensive income		
Non-convertible debentures	1	–
Certificates of deposit	1	–
Income on investments carried at fair value through profit or loss		
Dividend income on liquid mutual funds units	3	–
Gains / (losses) on liquid mutual funds units	2	14
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	40	(20)
Exchange gains / (losses) on translation of other assets and liabilities	(23)	37
Miscellaneous income, net (1)	5	45
Total Other Income	207	290

(1) Includes sale of duty scrips of Nil and ₹27 crores for the year ended March 31, 2021 and March 31, 2020 respectively.

2.18 Expenses

in ₹ crore

Particulars	Year ended March 31,	
	2021	2020
Employee benefit expenses		
Salaries including bonus	3,568	2,796
Contribution to provident and other funds	94	96
Staff welfare	27	34
	3,689	2,926
Cost of technical sub-contractors and professional charges		
Cost of technical sub-contractors	412	332
Legal and professional	27	27
Recruitment and training	17	26
	456	385
Other expenses		
Consumables	12	5
Brand building and advertisement	11	7
Short-term leases (Refer to Note 2.2)	27	32
Marketing expenses	3	6
Rates and taxes	5	5
Contribution towards corporate social responsibility	16	16
Communication expenses	91	66
Power and fuel	22	29
Repairs and maintenance	100	125
Bank charges and commission	4	1
Postage and courier	2	–
Impairment loss recognized / (reversed) under expected credit loss model	–	4
Professional membership and seminar participation fees	1	1
Provision for doubtful loans and advances	1	2
Provision for post-sales client support and others	(1)	1
Cost of software packages	87	71
Insurance	7	6
Auditor's remuneration		
Statutory audit fees	–	–
Tax matters	–	–
Reimbursement of expenses	–	–
Others	1	4
	389	381

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"). The trustees administer contributions made to the Trusts and contributions are invested in a scheme with Life Insurance Corporation of India as permitted by the 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.

The Company provides for Minimum mandated retirement benefit scheme under Republic Act 7641 (R.A. 7641) covering eligible employees in Philippines. The R.A. 7641 scheme is a final salary Defined Benefit Plan that provides for a lumpsum payment made on retirement. During the year ended March 31, 2021, the Company recognized net defined liability of ₹ 1 crore. Also, refer to Note 2.13.

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.

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

(a) Gratuity

The funded status of the gratuity plan and the amounts recognized in the Company's financial statements as of March 31, 2021 and March 31, 2020 is as follows :

in ₹ crore

Particulars	As at March 31,	
	2021	2020
Change in benefit obligations		
Benefit obligations at the beginning	103	94
Service cost	15	12
Interest expense	6	6
Transfer of obligation	–	(1)
Remeasurements – Actuarial losses	13	4
Benefits paid	(8)	(12)
Benefit obligations at the end	129	103
Change in plan assets		
Fair value of plan assets at the beginning	103	98
Interest income	7	7
Transfer of employees	–	(1)
Remeasurements – Return on plan assets excluding amounts included in interest income	1	–
Contributions	31	11
Benefits paid	(8)	(12)
Fair value of plan assets at the end	134	103
Funded status	5	–
Prepaid gratuity asset	5	–

The amount for the year ended March 31, 2021 and March 31, 2020 recognized in the Statement of Profit and Loss under employee benefit expenses are as follows :

in ₹ crore

Particulars	Year ended March 31,	
	2021	2020
Service cost	15	12
Net interest on the net defined benefit liability / (asset)	(1)	(1)
Net gratuity cost	14	11

The amount for the year ended March 31, 2021 and March 31, 2020 recognized in the Statement of Other Comprehensive Income are as follows :

in ₹ crore

Particulars	Year ended March 31,	
	2021	2020
Remeasurements of the net defined benefit liability / (asset)		
Actuarial losses	13	4
(Return) / loss on plan assets excluding amounts included in the net interest on the net defined benefit liability / (asset)	(1)	–
	12	4

in ₹ crore

Particulars	Year ended March 31,	
	2021	2020
(Gain) / loss from change in demographic assumptions	–	–
(Gain) / loss from change in financial assumptions	–	2
(Gain) / loss from change in experience assumptions	13	2
	13	4

The weighted-average assumptions used to determine benefit obligations as of March 31, 2021 and March 31, 2020 are as follows :

in %

Particulars	As at March 31,	
	2021	2020
Discount rate	6.1%	6.2%
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, 2021 and March 31, 2020 are as follows :

Particulars	Year ended March 31,	
	2021	2020
Discount rate (in %)	6.2%	7.1%
Weighted average rate of increase in compensation levels (in %)	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

in ₹ crore

Impact of percentage point increase / decrease in	As at March 31,	
	2021	2020
Discount rate	3	3
Weighted average rate of increase in compensation level	3	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, 2021, and March 31, 2020, the plan assets have been primarily invested in insurer managed funds.

Actual return on assets for the year ended March 31, 2021 and March 31, 2020 were ₹ 8 crore and ₹ 7 crore respectively.

The Company expects to contribute ₹28 crore to the gratuity trusts during the fiscal 2022.

Maturity profile of defined benefit obligation :

in ₹ crore

Within 1 year	40
1-2 year	34
2-3 year	30
3-4 year	27
4-5 year	23
5-10 years	58

(b) Superannuation

The Company contributed ₹ 7 crore to the Superannuation Trust for the year ended March 31, 2021 (₹ 6 crore for the year ended March 31, 2020).

(c) Provident fund

The Company contributed ₹ 77 crore towards Provident Fund for the year ended March 31, 2021 (₹ 78 crore for the year ended March 31, 2020).

(d) Pension Fund

The Company contributed ₹ 12 crore to pension funds for the year ended March 31, 2021 (₹ 9 crore for the year ended March 31, 2020).

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 :

in ₹ crore

Particulars	As at March 31,	
	2021	2020
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)

Accounting policy

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

in ₹ crore

Particulars	As at March 31,	
	2021	2020
Contingent liabilities :		
Claims against the Company, not acknowledged as debts [(1)]	234	126
[Amount paid to statutory authorities ₹ 61 crore (₹ 49 crore)]		
Commitments :		
Estimated amount of contacts remaining to be executed on capital contracts and not provided for (net of advances and deposits) [(2)]	82	34

(1) The claims against the Company majorly represent demands arising on completion of assessment proceedings under the Income Tax Act, 1961. These claims are on account of multiple issues of disallowances such as disallowance of expenditure towards software being held as capital in nature, disallowance under Section 80G, disallowance on account of denial of certain foreign tax credit among others. 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.

(2) Capital contracts primarily comprises of commitments for infrastructure, facilities and computer equipment.

Legal proceedings

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

2.22 Related party transactions

List of related parties :

Name of related parties	Country	Holding as at March 31,	
		2021	2020
Holding Company			
Infosys Limited	India	Holding Company	Holding Company
Subsidiaries			
Infosys (Czech Republic) Limited s.r.o. [(1)]	Czech Republic	100%	100%
Infosys Poland Sp z.o.o [(1)]	Poland	100%	100%
Infosys BPO Americas LLC. [(1)]	US	100%	100%
Infosys McCamish Systems LLC [(1)]	US	100%	100%
Portland Group Pty Ltd [(1)]	Australia	100%	100%
Infosys Consulting Sp. z.o.o [(24)] [(32)]	Poland	–	100%
Infosys BPM UK Limited [(1)] [(38)]	UK	–	–

Fellow subsidiaries

Name of related parties	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) (18)	Brazil
Infosys Nova Holdings LLC. (Infosys Nova)	US
EdgeVerve Systems Limited (EdgeVerve)	India
Infosys Austria GmbH	Austria
Skava Systems Pvt. Ltd. (Skava Systems) (44)	India
Kallidus Inc. (Kallidus) (45)	US
Infosys Chile SpA	Chile
Infosys Arabia Limited (3)	Saudi Arabia
Infosys Consulting Ltda. (2)	Brazil
Infosys CIS LLC (2) (19)	Russia
Infosys Luxembourg S.à.r.l	Luxembourg
Infosys Americas Inc., (Infosys Americas)	US
Infosys Technologies (Australia) Pty. Limited (Infosys Australia) (4)	Australia
Infosys Public Services, Inc. USA (Infosys Public Services)	US
Infosys Canada Public Services Inc (48)	Canada
Infosys Consulting Holding AG (Infosys Lodestone)	Switzerland
Infosys Management Consulting Pty Limited (5)	Australia
Infosys Consulting AG (5)	Switzerland
Infosys Consulting GmbH (5)	Germany
Infosys Consulting S.R.L. (2)	Romania
Infosys Consulting SAS (5)	France
Infosys Consulting s.r.o. v likvidaci (formerly Infosys Consulting s.r.o.) (5) (44)	Czech Republic
Infosys Consulting (Shanghai) Co., Ltd. (5) (44)	China
Infy Consulting Company Ltd (5)	UK
Infy Consulting B.V. (5)	The Netherlands
Lodestone Management Consultants Portugal, Unipessoal, Lda. (5) (37)	Portugal
Infosys Consulting S.R.L. (5)	Argentina
Infosys Consulting (Belgium) NV (6)	Belgium
Panaya Inc. (Panaya)	US
Panaya Ltd. (7)	Israel
Panaya GmbH (7)	Germany
Panaya Japan Co. Ltd (7) (23)	Japan
Brilliant Basics Holdings Limited (Brilliant Basics)	UK
Brilliant Basics Limited (8)	UK
Brilliant Basics (MENA) DMCC (8) (25)	UAE
Infosys Consulting Pte Limited (Infosys Singapore) (2)	Singapore
Infosys Middle East FZ LLC (9)	UAE
Fluido Oy (9)	Finland
Fluido Sweden AB (Extero) (12)	Sweden
Fluido Norway A/S (12)	Norway
Fluido Denmark A/S (12)	Denmark
Fluido Slovakia s.r.o (12)	Slovakia
Fluido Newco AB (12) (39)	Sweden
Infosys Compaz Pte. Ltd (10)	Singapore
Infosys South Africa (Pty) Ltd (9)	South Africa
WongDoody Holding Company Inc. (WongDoody) (2)	US
WDW Communications, Inc (11)	US
WongDoody, Inc (11)	US
HIPUS Co., Ltd (formerly Hitachi procurement Service Co. Ltd) (10) (13)	Japan
Stater N.V. (10) (14)	The Netherlands
Stater Nederland B.V. (15)	The Netherlands
Stater Duitsland B.V. (15) (41)	The Netherlands
Stater XXL B.V. (15)	The Netherlands

Name of related parties	Country
HypoCasso B.V. [15]	The Netherlands
Stater Participations B.V. [15]	The Netherlands
Stater Deutschland Verwaltungs-GmbH [16] [40]	Germany
Stater Deutschland GmbH & Co. KG [16] [40]	Germany
Stater Belgium N.V./S.A. [17] [42]	Belgium
Outbox systems Inc. dba Simplus (US) [20]	US
Simplus North America Inc. [21]	Canada
Simplus ANZ Pty Ltd. [21]	Australia
Simplus Australia Pty Ltd [22]	Australia
Sqware Peg Digital Pty Ltd [22]	Australia
Simplus Philippines, Inc. [21]	Philippines
Simplus Europe, Ltd. [21]	UK
Infosys Fluido UK, Ltd. (formerly Simplus U.K, Ltd) [12] [26]	UK
Infosys Fluido Ireland, Ltd. (formerly Simplus Ireland, Ltd) [12] [26]	Ireland
Infosys Limited Bulgaria EOOD[2] [27]	Bulgaria
Kaleidoscope Animations, Inc. [30]	US
Kaleidoscope Prototyping LLC [31]	US
GuideVision s.r.o. [28]	UK
GuideVision Deutschland GmbH [29]	Germany
GuideVision Suomi Oy [29]	Finland
GuideVision Magyarország Kft [29]	Hungary
GuideVision Polska SP.Z.O.O [29]	Poland
GuideVision UK Ltd [29]	UK
Beringer Commerce Inc [33]	US
Beringer Capital Digital Group Inc [33]	US
Mediotype LLC [34]	US
Beringer Commerce Holdings LLC [34]	US
SureSource LLC [35]	US
Blue Acorn LLC [35]	US
Simply Commerce LLC [35]	US
iCiDIGITAL LLC [36]	US
Infosys Turkey Bilgi Teknolojikeri Limited Sirketi [2] [43]	Turkey
Infosys Germany Holding Gmbh [2] [46] [47]	Germany

[1] Wholly-owned subsidiary of Infosys BPM Limited

[2] 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

[6] Majority-owned and controlled subsidiary of Infosys Consulting 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] Majority-owned and controlled subsidiary of Infosys Consulting Pte. Ltd

[11] Wholly-owned subsidiary of WongDoody

[12] Wholly-owned subsidiary of Fluido Oy

[13] On April 1, 2019, Infosys Consulting Pte. Ltd, acquired 81% of the voting interests in HIPUS Co., Ltd (formerly Hitachi Procurement Service Co. Ltd)

[14] On May 23, 2019, Infosys Consulting Pte. Ltd, acquired 75% of the voting interests in Stater N.V.

[15] Wholly-owned subsidiary of Stater N.V

[16] Wholly-owned subsidiary of Stater Duitsland B.V.

[17] Majority-owned and controlled subsidiary of Stater Participations B.V.

[18] Effective October 1, 2019, merged into Infosys Consulting Ltda, a wholly-owned subsidiary of Infosys Ltd.

[19] Liquidated effective January 28, 2021

[20] On March 13, 2020, Infosys Nova Holdings LLC, acquired 100% of the voting interests in Outbox Systems Inc.

[21] Wholly-owned subsidiary of Outbox Systems Inc.

[22] Wholly-owned subsidiary of Simplus ANZ Pty Ltd

[23] Liquidated effective October 31, 2019

[24] 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

[25] Liquidated effective July 17, 2020

[26] On June 1, 2020, Fluido Oy, acquired 100% of the voting interests in Infosys Fluido U.K,Ltd (formerly Simplus U.K, Ltd) and Infosys Fluido Ireland, Ltd. (formerly Simplus Ireland, Ltd) from Simplus Europe, Ltd

[27] Incorporated effective September 11, 2020

[28] On October 1, 2020, Infy Consulting Company Limited acquired 100% of voting interests in GuideVision s.r.o

[29] Wholly-owned subsidiary of GuideVision s.r.o.

[30] On October 9, 2020, Infosys Nova Holdings LLC, acquired 100% voting interest in Kaleidoscope Animations, Inc.

[31] Wholly-owned subsidiary of Kaleidoscope Animations, Inc.

[32] Merged with Infosys Poland Sp. z.o.o, effective October 21, 2020

[33] On October 27, 2020, Infosys Nova Holding LLC, a wholly-owned subsidiary of Infosys Limited, acquired 100% voting interest in Beringer Commerce Inc and Beringer Capital Digital Group Inc

[34] Wholly-owned subsidiary of Beringer Commerce Inc

[35] Wholly-owned subsidiary of Beringer Commerce Holdings LLC

[36] Wholly-owned subsidiary of Beringer Capital Digital Group Inc.

[37] Liquidated effective November 19,2020

[38] Incorporated, effective December 9, 2020

[39] Merged into Fluido Sweden AB (Extero), effective December 18, 2020

[40] Merged into Stater Duitsland B.V., effective December 18, 2020

[41] Merged with Stater N.V., effective December 23, 2020

[42] On December 29, 2020, Stater Participation B.V acquired non-controlling interest of 28.01% of the voting interests in Stater Belgium NV/SA

[43] Incorporated on December 30, 2020.

[44] Under liquidation

[45] Liquidated effective March 9,2021

[46] Incorporated on March 23, 2021

[47] On March 28, 2021 Infosys Limited and Infosys Germany Holding Gmbh registered Infosys Automotive and Mobility GmbH & Co. KG, a partnership firm.

[48] Wholly-owned subsidiary of Infosys Public Services, Inc.

List of other related parties

Name of the 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, 2021 and March 31, 2020 are as follows :

in ₹ crore

Particulars	As at March 31,	
	2021	2020
Capital transactions :		
Trade receivables		
Infosys Limited	145	59
Infosys McCamish Systems LLC	3	2
Infosys BPO Americas	2	–
EdgeVerve	1	1
Infosys Public Services	1	1
Infosys China	–	1
Stater Nederland B.V.	–	1
Portland Group Pty Ltd	–	–
HIPUS Co., Ltd	–	–
Infosys Luxembourg S.à.r.l	–	–
Infosys Mexico	–	–
Infosys Poland Sp z.o.o	–	–
Infy Consulting Company Ltd	–	–
	152	65
Other financial assets :		
Infosys Limited	177	6
McCamish Systems LLC	6	–
HIPUS Co., Ltd	–	1
Infosys BPO Americas	–	–

Particulars	As at March 31,	
	2021	2020
EdgeVerve	–	–
Infosys Poland sp. z o o	–	–
Infosys (Czech Republic) Limited s.r.o.	–	–
Infosys Mexico	–	–
	183	7
Trade payables :		
Infosys Limited	11	12
Infosys McCamish Systems LLC	8	9
Infosys Poland Sp z.o.o	2	5
HIPUS Co., Ltd	1	–
Infosys Consulting Ltda.	1	–
EdgeVerve	1	–
Infosys Management Consulting Pty Limited	–	1
Portland Group Pty Ltd	–	–
Infosys (Czech Republic) Limited s.r.o.	–	–
Infosys China	–	–
	24	27
Other financial liabilities :		
Infosys Limited	144	6
EdgeVerve	2	1
Infosys BPO Americas	–	–
Infosys Poland Sp.z.o.o	–	–
Infosys McCamish Systems LLC	–	–
Portland Group Pty Ltd	–	–
	146	7
Accrued expense :		
Stater N.V.	–	–
	–	–

The details of the related parties transactions entered into by the Company for year ended March 31, 2021 and March 31, 2020 are as follows :

in ₹ crore

Particulars	Year ended March 31,	
	2021	2020
Capital transactions :		
Equity		
Infosys BPO Americas LLC	38	–
	38	–
Revenue transactions :		
Purchase of services		
Infosys Limited	110	121
Infosys McCamish Systems LLC	118	102
Infosys Poland Sp z.o.o	24	14
Portland Group Pty Limited	5	1
EdgeVerve	5	2
Infosys Management Consulting Pty Limited	2	6
Infosys (Czech Republic) Limited s.r.o.	1	6
Infosys China	3	2
Infy Consulting Company Ltd	–	3
Infosys Consulting Ltda.	1	–
HIPUS Co., Ltd	–	–
Infosys Consulting Pte. Ltd.	–	–
WDW Communications, Inc.	–	–
	269	257
Purchase of shared services including facilities and personnel		
Infosys Limited	24	25
	24	25

Particulars	Year ended March 31,	
	2021	2020
Sale of services		
Infosys Limited	1,322	733
Infosys McCamish Systems LLC	35	28
Infosys Public Services	8	14
Infosys BPO Americas	3	–
Portland Group Pty Ltd	3	2
EdgeVerve	4	4
Infosys Poland sp. z o o	1	–
Stater Nederland B.V.	2	2
HIPUS Co., Ltd	–	1
Infosys China	–	–
Infy Consulting Company Ltd	–	–
Infosys Luxembourg S.à.r.l	–	–
Infosys Mexico	–	–
Stater N.V.	–	1
	1,378	785
Sale of shared services including facilities and personnel		
Infosys Limited	3	3
	3	3
Dividend paid		
Infosys Limited	321	–
	321	–

List of key management personnel

Name of the related party	Designation
Anantharaman Radhakrishnan	Managing Director and Chief Executive Officer
Prof. Jayanth R. Varma (1)	Independent Director
Ravikumar Singisetti	Chairman and Director
Inderpreet Sawhney	Director
D.N. Prahlad (2)	Director
Prem Pereira	Chief Financial Officer
Bindu Raghavan	Company Secretary
Gopal Devanahalli (3)	Independent Director
Michael Nelson Gibbs (3)	Independent Director

(1)Retired as Director effective April 30, 2019

(2)Resigned as Director effective April 15, 2019

(3)Appointed as Independent 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,	
	2021	2020
Salaries and other employee benefits to whole-time directors and executive officers (1)	8	5
Commission and other benefits to non-executive/independent directors	–	–
Total	8	5

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

2.23 Segment reporting

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

in ₹ crore

Sl.No 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	Note no.	Year ended March 31,	
		2021	2020
Revenue from operations	2.16	5,450	4,595
Cost of sales		4,150	3,439
Gross profit		1,300	1,156
Operating expenses			
Selling and marketing expenses		212	219
General and administration expenses		349	337
Total operating expenses		561	556
Operating profit		739	600
Other income	2.17	207	290
Finance cost	2.2	(30)	(32)
Profit before tax		916	858
Tax expense :			
Current tax	2.15	218	244
Deferred tax	2.15	3	(34)
Profit for the year		695	648
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss			
Remeasurement of the net defined benefit liability / asset, net of tax		(9)	(3)
		(9)	(3)
Items that will be reclassified to profit or loss			
Fair value changes on investments, net of tax	2.3	(1)	6
		(1)	6
Total other comprehensive income, net of tax		(10)	3
Total comprehensive income for the year		685	651

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 Registration Number : 117366W/ W-100018

Anand Subramanian
Partner
Membership Number : 110815

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

Ravikumar Singisetti
Chairman and Director

Anantharaman Radhakrishnan
Managing Director and Chief Executive Officer

Prem Pereira
Chief Financial Officer

Bindu Raghavan
Company Secretary

Bengaluru
April 12, 2021

Consolidated Financial Statements under Indian Accounting Standards (Ind AS) for the year ended March 31, 2021

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Independent auditor's report

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, 2021, and the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as the "consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements, give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards ("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, 2021, 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 ("SA"s) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

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 Boards of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Company, as aforesaid.

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

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

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

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

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

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

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

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

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

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, 2021 taken on record by the Boards of Directors of the Company and the reports of the statutory auditors of its subsidiary companies incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164 (2) of the Act.

f) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our separate Report in "Annexure A" which is based on the auditors' reports of the Company and its subsidiary companies incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of internal financial controls over financial reporting of those companies.

g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

i) The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group.

ii) Provision has been made in the consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts;

iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company and its subsidiary companies incorporated in India.

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

Anand Subramanian
Partner
(Membership No. 110815)
UDIN: 21110815AAAABE2200

Place: Bengaluru
Date: April 12, 2021

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, 2021, we have audited the internal financial controls over financial reporting of Infosys BPM Limited (hereinafter referred to as the "Company") and its subsidiary companies, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Company and its subsidiary companies, which are companies incorporated in India.

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the Company and its subsidiary companies, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2021, based on the criteria for internal financial control over financial reporting established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

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

Anand Subramanian
Partner
(Membership No. 110815)
UDIN: 21110815AAAABE2200

Place: Bengaluru
Date: April 12, 2021

Consolidated Balance Sheet

In ₹ crore

Particulars	Note No.	As at March 31, 2021	As at March 31, 2020
ASSETS			
Non-current assets			
Property, plant and equipment	2.1	311	273
Right-of-use assets	2.2	896	836
Capital work-in-progress		1	8
Goodwill	2.3	426	406
Other intangible assets	2.3	16	5
Financial assets			
Investments	2.4	533	252
Loans	2.5	50	48
Other financial assets	2.6	469	52
Deferred tax assets (net)	2.16	126	129
Income tax assets (net)	2.16	141	125
Other non-current assets	2.9	110	141
Total non-current assets		3,079	2,275
Current assets			
Financial assets			
Investments	2.4	175	630
Trade receivables	2.7	1,575	1,359
Cash and cash equivalents	2.8	4,080	3,137
Loans	2.5	18	62
Other financial assets	2.6	1,150	824
Income tax assets (net)	2.16	–	7
Other current assets	2.9	518	383
Total current assets		7,516	6,402
Total assets		10,595	8,677
EQUITY AND LIABILITIES			
Equity			
Equity share capital	2.11	34	34
Other equity		6,092	5,479
Total equity attributable to equity holders of the Company		6,126	5,513
Non-controlling interests		–	–
Total equity		6,126	5,513
Liabilities			
Non-current liabilities			
Financial liabilities			
Lease liabilities	2.2	876	825
Other financial liabilities	2.12	474	4
Deferred tax liabilities (net)	2.16	14	14
Other non-current liabilities	2.14	19	–
Total non-current liabilities		1,383	843
Current liabilities			
Financial liabilities			
Trade payables	2.13	208	205
Lease liabilities	2.2	142	118
Other financial liabilities	2.12	1,917	1,281
Other current liabilities	2.14	674	623
Provisions	2.15	30	38
Income tax liabilities (net)	2.16	115	56
Total current liabilities		3,086	2,321
Total equity and liabilities		10,595	8,677

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

Anand Subramanian
Partner
Membership Number: 110815

Bengaluru
April 12, 2021

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

Ravikumar Singisetti
Chairman

Anantharaman Radhakrishnan
Managing Director and Chief Executive Officer

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,	
		2021	2020
Revenue from operations	2.17	8,846	6,922
Other income, net	2.18	199	279
Total income		9,045	7,201
Expenses			
Employee benefit expenses	2.19	4,793	3,842
Cost of technical sub-contractors and professional charges	2.19	605	675
Travel expenses		19	174
Cost of software packages and others		1,656	761
Finance cost	2.2	41	41
Depreciation and amortization expense	2.1 , 2.2 & 2.3	249	236
Other expenses	2.19	451	414
Total expenses		7,814	6,143
Profit before tax		1,231	1,058
Tax expense			
Current tax	2.16	318	282
Deferred tax	2.16	5	(30)
		323	252
Profit for the period		908	806
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss			
Remeasurement of the net defined benefit (liability)/asset, net of tax		(9)	(3)
Equity instruments through other comprehensive income, net of tax	2.4	–	(3)
		(9)	(6)
Items that will be reclassified subsequently to profit or loss		36	40
Fair value changes on investments, net of tax	2.4	(1)	6
		35	46
Total other comprehensive income, net of tax		26	40
Total comprehensive income for the period		934	846
Profit attributable to			
Owners of the Company		908	806
Non-controlling interests		–	–
		908	806
Total comprehensive income attributable to			
Owners of the Company		934	846
Non-controlling interests		–	–
		934	846
Earnings per equity share			
Equity shares of par value ₹10 each			
Basic and diluted (₹)		268.30	238.23
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

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

Anand Subramanian
Partner
Membership Number: 110815

Ravikumar Singisetti
Chairman

Anantharaman Radhakrishnan
Managing Director and Chief Executive Officer

Bengaluru
April 12, 2021

Prem Pereira
Chief Financial Officer

Bindu Raghavan
Company Secretary

Consolidated Statement of Changes in Equity

(In ₹ crore)

Particulars	Equity share capital	Other equity								Total equity attributable to equity holders of the company
		Reserves and surplu					Capital reserve	Other comprehensive income		
		Securities premium[2]	Retained earnings	Capital reserve	General reserve	Special Economic Zone Re-investment Reserve [1]	Business transfer adjustment reserve[3]	Equity Instruments through other comprehensive income	Other items of other comprehensive income	
Balance as at April 1, 2019	34	25	3,567	1	1,004	90	2	(9)	88	4,802
Impact on account of adoption of Ind AS 116 (refer to Note 2.18)	–	–	(8)	–	–	–	–	–	–	(8)
Adjusted Balance as at April 1,2019	34	25	3,559	1	1,004	90	2	(9)	88	4,794
Changes in equity for the year ended March 31, 2020										
Dividend paid to erstwhile holding company of Infoys Consulting Poland Sp.z.o.o[4]	–	–	(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
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
Transferred to Special Economic Zone Re-investment Reserve	–	–	(116)	–	–	116	–	–	–	–
Utilization of Special Economic Zone Re-investment Reserve	–	–	45	–	–	(45)	–	–	–	–
Balance as at March 31, 2020	34	25	4,280	1	1,004	161	(111)	(12)	131	5,513
Balance as at April 01, 2020	34	25	4,280	1	1,004	161	(111)	(12)	131	5,513
Changes in equity for the year ended March 31, 2021										
Profit for the period	–	–	908	–	–	–	–	–	–	908
Exchange differences on translation foreign operations	–	–	–	–	–	–	–	–	36	36
Fair value changes on investments, net of tax	–	–	–	–	–	–	–	–	(1)	(1)
Remeasurement of the net defined benefit (liability) / asset, net of tax	–	–	–	–	–	–	–	–	(9)	(9)

Particulars	Equity share capital	Other equity								Total equity attributable to equity holders of the company
		Reserves and surplu					Capital reserve	Other comprehensive income		
		Securities premium[2]	Retained earnings	Capital reserve	General reserve	Special Economic Zone Re-investment Reserve [1]	Business transfer adjustment reserve[3]	Equity Instruments through other comprehensive income	Other items of other comprehensive income	
Equity instruments through other comprehensive income, net of tax	–	–	–	–		–	–	–	–	–
Total comprehensive income for the period	–	–	908	–	–	–	–	–	26	934
Dividends	–	–	(321)	–	–	–		–	–	(321)
Transfer to Special Economic Zone Re-investment Reserve[1]	–	–	(151)	–	–	151	–	–	–	–
Transfer from Special Economic Zone Re-investment Reserve on utilization[1]	–	–	71	–	–	(71)	–	–	–	–
Balance as at March 31, 2021	34	25	4,787	1	1,004	241	(111)	(12)	157	6,126

[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 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 the Section 10AA(2) of the Income-tax Act, 1961.

[2]Securities premium – Refer to Note 2.11

[3]Capital reserve created on account of acquisition of entity which is under common control. A cash consideration of ₹ 113 crore was paid on February 20, 2020 (acquisition date) and the business transfer reserve is created on account of this transfer for ₹ 111 crore. Refer to Note 2.23.

[4]Dividend paid by Infosys Consulting Sp.z.o.o to Infosys Holding A.G. amounting to ₹ 14 crore in 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

Membership Number: 110815

Bengaluru
April 12, 2021

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

Ravikumar Singisetti
Chairman

Anantharaman Radhakrishnan
Managing Director and Chief Executive Officer

Prem Pereira
Chief Financial Officer

Bindu Raghavan
Company Secretary

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, 2021	Year ended March 31, 2020
Cash flow from operating activities			
Profit for the period		908	806
Adjustments to reconcile net profit to net cash provided by operating activities			
Income tax expense	2.16	323	252
Depreciation and amortization	2.1 , 2.2 & 2.3	249	236
Finance cost		40	41
Sale of duty scrips		–	(27)
Interest on bank deposits and others		(139)	(182)
Income on other financial assets		(42)	(54)
Impairment loss recognized / (reversed) under expected credit loss model		27	12
Other adjustments		37	7
Profit / loss / fair value change on investments		1	22
Profit on sale of property, plant and equipment		–	(1)
Exchange difference on translation of assets and liabilities		16	(10)
Changes in assets and liabilities			
Trade receivables and unbilled revenue		(861)	(438)
Other financial assets and other assets		(188)	(121)
Trade payables		3	(24)
Other financial liabilities, other liabilities and provisions		1,072	534
Cash generated from operations		1,446	1,053
Income taxes paid, net of refunds		(277)	(295)
Net cash generated by operating activities		1,169	758
Cash flow from investing activities			
Expenditure on property, plant and equipment including intangible assets net of sale proceeds		(139)	(129)
Deposits placed with corporations		(22)	(10)
Loans to employees		3	(5)
Financial asset under financial arrangement		(49)	–
Interest received on bank deposits and others		145	212
Payment towards acquisition of business		–	(113)
Loan repaid by fellow subsidiary		39	–
Payments to acquire financial assets			
Preference and other securities		(13)	(28)
Liquid mutual fund units and fixed maturity plan securities		(2,315)	(2,992)
Certificates of deposit		–	(238)
Non-convertible debentures		(285)	(252)
Government securities		(162)	–
Government bonds		–	(7)
Proceeds on sale of financial assets			
Equity instruments		–	5
Preference and other securities		22	3
Non-convertible debentures		302	100
Certificates of deposit		249	370
Liquid mutual fund units and fixed maturity plan securities		2,399	3,006

Particulars	Note No.	Year ended March 31,	
		2021	2020
Government bonds		–	6
Net cash from / (used in) investing activities		174	(72)
Cash flow from financing activities			
Payment of dividends		(321)	(14)
Financial liability under financial arrangement		83	–
Loan repaid to fellow subsidiary		–	(4)
Repayment towards financial liability under revenue deals		(1)	–
Payment of lease liability		(161)	(157)
Net cash used in financing activities		(400)	(175)
Effect of exchange rate on translation of foreign currency cash and cash equivalents		–	(1)
Net increase in cash and cash equivalents		943	511
Cash and cash equivalents at the beginning	2.8	3,137	2,627
Cash and cash equivalents at the end	2.8	4,080	3,137
Supplementary information:			
Restricted cash balance	2.8	-	-

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 Number: 110815

Ravikumar Singisetti
Chairman

Anantharaman Radhakrishnan
Managing Director and Chief Executive Officer

Bengaluru

April 12, 2021

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, Infosys BPO Americas LLC and Infosys BPM UK Limited, 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 the clients' 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 were approved by the Company's Board of Directors on April 12, 2021.

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 add up to the year figures reported in these consolidated financial statements.

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 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 the Management to make estimates, judgments and assumptions. These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the period. Application of accounting policies that require critical accounting estimates involving complex and subjective judgments and the use of assumptions in these financial statements have been disclosed in Note 1.5. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as the Management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the 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 in the preparation of these consolidated financial statements including the recoverability of carrying amounts of financial and non-financial assets. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the Group has, at the date of approval of these consolidated financial statements, used internal and external sources of information and related information and expects that the carrying amount of these assets will be recovered. The impact of COVID-19 on the Group's consolidated financial statements may differ from that estimated as at the date of approval of these consolidated financial statements.

1.5 Critical accounting estimates and judgments

a. Revenue recognition

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

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 to Note 2.17.

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 2.16.

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

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 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. 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 the 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 the 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. After considering current and future economic conditions, the Group has concluded that no changes are required to lease period relating to the existing lease contracts. Also, refer to Note 2.2.

f. Allowance for credit losses on receivables and unbilled revenue

The Group determines the allowance for credit losses based on historical loss experience adjusted to reflect current and estimated future economic conditions. The Group considered current and anticipated future economic conditions relating to industries the Group deals with and the countries where it operates. In calculating expected credit loss, the Group has also considered credit reports and other related credit information for its customers to estimate the probability of default in future and has taken into account estimates of possible effect from the pandemic relating to COVID-19.

2.1 Property, plant and equipment

Accounting policy

Property, plant and equipment are stated at cost, less accumulated depreciation and impairment, if any. Costs directly attributable to acquisition are capitalized until the property, plant and equipment are ready for use, as intended by the Management. The 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[1]	22-25 years
Plant and machinery[1]	5 years
Computer equipment[1]	3-5 years
Furniture and fixtures[1]	5 years
Office equipment[1]	5 years
Leasehold improvements	Over lease term or 5 years whichever is lower

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

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 recognized in the consolidated Statement of Profit and Loss when incurred. The cost and related accumulated depreciation are eliminated from the financial statements upon sale or retirement of the asset and the resultant gains or losses are recognized in the consolidated Statement of Profit and Loss.

Impairment

Property, plant and equipment 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 Generating Unit ("CGU") to which the asset belongs.

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

in ₹ crore

Particulars	Land-leasehold	Buildings	Leasehold improvements	Plant and machinery	Office equipment	Computer equipment	Furniture and fixtures	Total
Gross carrying value as at April 1, 2020	–	155	184	64	123	470	91	1,087
Additions	–	–	18	1	7	119	5	150
Deletions	–	–	–	–	(3)	(31)	(3)	(37)
Translation difference	–	–	–	–	–	–	–	–
Gross carrying value as at March 31, 2021	–	155	202	65	127	558	93	1,200
Accumulated depreciation as at April 1, 2020	–	73	136	53	112	362	78	814
Depreciation	–	6	20	5	5	68	6	110
Accumulated depreciation on deletions	–	–	–	–	(2)	(30)	(3)	(35)
Translation difference	–	–	–	–	–	–	–	–
Accumulated depreciation as at March 31, 2021	–	79	156	58	115	400	81	889
Carrying value as of March 31, 2021	–	76	46	7	12	158	12	311
Carrying value as at April 1, 2020	–	82	48	11	11	108	13	273

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

in ₹ crore

Particulars	Land-leasehold	Buildings	Leasehold improvements	Plant and machinery	Office equipment	Computer equipment	Furniture and fixtures	Total
Gross carrying value as at April 1, 2019	12	155	144	62	122	415	86	996
Reclassified on account of adoption of Ind AS 116 (Refer to Note 2.2)	(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 at March 31, 2020	–	155	184	64	123	470	91	1,087
Accumulated depreciation as at April 1, 2019	1	68	117	46	112	318	78	740
Reclassified on account of adoption of Ind AS 116 (Refer to Note 2.2)	(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 at March 31, 2020	–	73	136	53	112	362	78	814
Carrying value as at March 31, 2020	–	82	48	11	11	108	13	273
Carrying value as at April 1, 2019	11	87	27	16	10	97	8	256

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

2.2 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 contact 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 asset") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of 12 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 include the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The 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 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 ROU 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 Group as a lessor

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

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

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

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

in ₹ crore

Particulars	Category of ROU asset			Total
	Land	Buildings	Computers	
Balance as of April 1, 2020	10	826	–	836
Additions / Adjustments[1]	–	149	47	196
Deletions / Adjustments	–	(11)	–	(11)
Depreciation	–	(130)	(4)	(134)
Translation difference	–	9	–	9
Balance as of March 31, 2021	10	843	43	896

(1) Net of lease incentives of ₹1 crore related to lease of buildings

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

in ₹ crore

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 to Note 2.1)	11	–	11
Additions / Adjustments[1]	–	218	218
Deletions / Adjustments	–	(68)	(68)
Depreciation	(1)	(121)	(122)
Translation difference	–	10	10
Balance as of March 31, 2020	10	826	836

(1) Includes adjustments based on the change in Indexation rates and tenancy incentives.

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 liability as at March 31, 2021 and March 31, 2020 is as follows:

in ₹ crore

Particulars	As at March 31,	
	2021	2020
Non-current lease liability	876	825
Current lease liability	142	118
Total	1,018	943

The movement in lease liability during the year ended March 31, 2021 is as follows:

in ₹ crore

Particulars	Amount
Balance as of April 1, 2020	943
Additions / Adjustments	200
Deletions / Adjustments	(10)
Finance cost accrued during the period	40
Payment of lease liability	(161)
Translation difference	6
Balance as of March 31, 2021	1,018

Rental expense recorded for short-term leases was ₹31 crore for the year ended March 31, 2021.

The movement in lease liability during the year ended March 31, 2020 was as follows:

in ₹ crore

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 details regarding the contractual maturities of lease liabilities as at March 31, 2021 on an undiscounted basis are as follows:

in ₹ crore

Particulars	Amount
Less than one year	181
One to five years	625
More than five years	384
Total	1,190

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.

The movement in the net investment in sublease of ROU assets during the year ended March 31, 2021 is as follows:

in ₹ crore

Particulars	Amount
Balance as of April 1, 2020	–
Additions	3
Interest income accrued during the period	–
Lease receipts	–
Balance as of March 31, 2021	3

The details regarding the contractual maturities of net investment in sublease of ROU asset as of March 31, 2021 on an undiscounted basis are as follows:

in ₹ crore

Particulars	Amount
Less than one year	1
One to five years	2
More than five years	–
Total	3

Leases not yet commenced to which Group is committed amounts to ₹10 crore for a lease term of five years.

2.3 Goodwill and other intangible assets

Accounting policy

Goodwill represents the cost of business acquisition in excess of the Group's interest in the net fair value of identifiable assets, liabilities and contingent liabilities of the acquiree. When the net fair value of the identifiable assets, liabilities and contingent liabilities acquired exceeds the cost of business acquisition, a gain is recognized immediately in net profit in the 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 CGUs'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 recognized in the net profit the consolidated Statement of Profit and Loss and is not reversed in the subsequent period.

A summary of changes in the carrying amount of goodwill is as follows:

in ₹ crore

Particulars	As at March 31,	
	2021	2020
Carrying value at the beginning	406	394
Translation differences	20	12
Carrying value at the end	426	406

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

The allocation of goodwill to operating segments as at March 31, 2021 are as follows:

in ₹ crore

Segment	As at March 31, 2021
Finance and accounts	46
Sourcing and procurement	156
McCamish	224
Total	426

The allocation of goodwill to operating segments as at March 31, 2020 were as follows:

in ₹ crore

Segment	As at March 31, 2021
Finance and accounts	45
Sourcing and procurement	129
McCamish	232
Total	406

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,	
	2021	2020
Long-term growth rate	9-11	8-10
Operating margins	10-11	10-11
Discount rate	11.5	13.5

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

The changes in the carrying value of acquired intangible assets for the year ended March 31, 2021 are as follows:

in ₹ crore

Particulars	Software	Customer related	Total
Gross carrying value as of April 1, 2020	9	114	123
Additions during the year	14	–	14
Deletions during the year	–	–	–
Translation difference	1	4	5
Gross carrying value as of March 31, 2021	24	118	142
Accumulated amortization as of April 1, 2020	(9)	(109)	(118)
Amortization expense	(1)	(3)	(4)
Deletion during the year	–	–	–
Translation differences	–	(4)	(4)
Accumulated amortization as of March 31, 2021	(10)	(116)	(126)
Carrying value as of March 31, 2021	14	2	16
Carrying value as of April 1, 2020	–	5	5
Estimated useful life (in years)	5	10	
Estimated remaining useful life (in years)	5	1	

The changes in the carrying value of acquired intangible assets for the year ended March 31, 2020 were as follows:

in ₹ crore

Particulars	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	

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

2.4 Investments

in ₹ crore

Particulars	As at March 31, 2021	As at March 31, 2020
Non-current investments		
Preference securities	11	9
Other securities	33	24
Non-convertible debentures	317	211
Government bonds	8	8
Government securities	164	–
Total non-current investments	533	252
Current investments		
Liquid mutual fund units	45	66
Non-convertible debentures	130	262
Certificates of deposit	–	241
Fixed maturity plan securities	–	61
Total current investments	175	630
Total carrying value	708	882

(In ₹ crore)

Particulars	As at March 31, 2021	As at March 31, 2020
Non-current		
Quoted investments – carried at amortized cost		
Investments in government bonds (Refer to Note 2.4.2)	8	8
Quoted investments – carried at fair value through other comprehensive income		
Non-convertible debentures (Refer to Note 2.4.3)	317	211
Government securities (Refer to Note 2.4.6)	164	–
Unquoted investments – carried at fair value through profit or loss		
Tidal Scale Inc. – Preference and other securities	11	9
The House Fund II,L.P. – other securities	33	24
Total non-current investments	533	252
Current		
Quoted investments – carried at fair value through other comprehensive income		
Non-convertible debentures (Refer to Note 2.4.3)	130	262
Quoted investments – carried at fair value through profit and loss		
Fixed maturity plan securities (Refer to Note 2.4.4)	–	61
Unquoted investments – carried at fair value through other comprehensive income		
Certificates of deposit (Refer to Note 2.4.5)	–	241
Unquoted investments – carried at fair value through profit or loss		
Liquid mutual fund units (Refer to Note 2.4.1)	45	66
Total current investments	175	630
Total investments	708	882
Aggregate amount of quoted investments	619	542
Market value of quoted investments (Including interest thereon) – Non-current	489	219
Market value of quoted investments (Including interest thereon) – Current	130	323
Aggregate amount of unquoted investments	89	340
Investments carried at fair value through other comprehensive income	611	714
Investment carried at amortized cost	8	8
Investment carried at fair value through Profit or Loss	89	160

Refer to Note 2.10 for accounting policies on financial instruments.

Details of amounts recorded in other comprehensive income:

in ₹ crore

	Year ended March 31,					
	2021			2020		
	Gross	Tax	Net	Gross	Tax	Net
Net gain / (loss) on						
Non-convertible debentures	–	–	–	6	(1)	5
Government securities	–	–	–	–	–	–
Certificates of deposit	(2)	1	(1)	1	–	1
Equity / Preference / Others	–	–	–	(2)	(1)	(3)

Method of fair valuation:

Class of investment	Method	Fair Value as at March 31,	
		2021	2020
Non-convertible debentures	Quoted price and market observable inputs	447	473
Fixed maturity plan securities	Market observable inputs	–	61
Liquid mutual fund units	Quoted price	45	66
Certificates of deposit	Market observable inputs	–	241
Government Securities	Quoted price	164	–
Preference securities	Discounted cash flows method, Market multiple method	11	9
Other securities	Discounted cash flows method, Market multiple method	33	24

2.4.1 Details of investments in Liquid mutual fund units

The balances held in liquid mutual fund units as at March 31, 2021 and March 31, 2020 is as follows:

in ₹ crore

Particulars	As at March 31, 2021		As at March 31, 2020	
	Units	Amount	Units	Amount
Aditya Birla Sun Life Cash Plus – Growth – Direct Plan	–	–	1,533,992	49
Aditya Birla Sun Life Overnight Fund – Growth – Direct Plan	405,033	45	–	–
IDFC Corporate Bond – Fund Direct Plan	–	–	11,902,495	17
	405,033	45	13,436,487	66

2.4.2 Details of Investments in government bonds

The balances held in government bonds as at March 31, 2021 and March 31, 2020 are as follows:

in ₹ crore

Particulars	As at March 31, 2021		As at March 31, 2020	
	Units	Amount	Units	Amount
PHILIPPINE T BILL PHY6972HAF39 MAT DATE 8 MAR 2023	–	8	–	8
	–	8	–	8

2.4.3 Details of investments in non-convertible debentures

The balances held in non-convertible debentures as at March 31, 2021 and March 31, 2020 are as follows:

in ₹ crore

Particulars	As at March 31, 2021		As at March 31, 2020	
	Units	Amount	Units	Amount
8.58% Housing Development Finance Corporation Ltd 22MAR2022	1,250	130	1,250	129
8.50% Life Insurance Corporation Housing Finance Limited 20JUN2022	750	83	750	82
9.05% Housing Development Finance Corporation Ltd 20NOV2023	250	28	–	–
5.5315% Life Insurance Corporation Housing Finance Limited 20DEC2024	750	75	–	–
7.33% Life Insurance Corporation Housing Finance Limited 12FEB2025	1,250	131	–	–
8.6% Life Insurance Corporation Housing Finance Limited 22 JUL 2020	–	–	1,000	107
8.6% Life Insurance Corporation Housing Finance Limited 29 JUL 2020	–	–	350	37
8.80% Life Insurance Corporation Housing Finance Limited 24DEC2020	–	–	650	66
7.585% Life Insurance Corporation Housing Finance Limited 11JUN2020	–	–	500	52
	4,250	447	4,500	473

2.4.4 Details of investments in Mutual Fund-Fixed maturity plan (FMPs)

The balances held in mutual fund FMPs as at March 31, 2021 and March 31, 2020 are as follows:

in ₹ crore

Particulars	As at March 31, 2021		As at March 31, 2020	
	Units	Amount	Units	Amount
ICICI FMP Series 80 – 1194 D Plan F Div	–	–	15,000,000	19
Nippon India Fixed Horizon Fund – XXXII Series 8 – Dividend Plan	–	–	15,000,000	18
HDFC FMP 1155D Feb 2017 – Direct Growth Series 37	–	–	10,000,000	12
Birla Sunlife Fixed Term Plan – Series OD (1145 days)	–	–	10,000,000	12
	–	–	50,000,000	61

2.4.5 Details of investments in Certificate of Deposits

The balances held in certificate of deposit as at March 31, 2021 and March 31, 2020 are as follows:

in ₹ crore

Particulars	As at March 31, 2021		As at March 31, 2020	
	Units	Amount	Units	Amount
Axis Bank Limited CD 30 OCT 20	–	–	10,000	97
Axis Bank Limited CD 13 JAN 21	–	–	10,000	96
Axis Bank Limited CD 17 NOV 20	–	–	5,000	48
	–	–	25,000	241

2.4.6 Details of investments in government securities

The balances held in government securities as at March 31, 2021 and March 31, 2020 are as follows:

in ₹ crore

Particulars	As at March 31, 2021		As at March 31, 2020	
	Units	Amount	Units	Amount
5.85% Government of India 01DEC2030	5,000	5	–	–
8.08% Government of India 02AUG2022	150,000	159	–	–
	155,000	164	–	–

2.5 Loans

in ₹ crore

Particulars	As at March 31,	
	2021	2020
Non-current		
Unsecured, considered doubtful		
Loans to employees	5	5
Less: Allowance for doubtful loans to employees	5	5
	–	–
Unsecured, considered good		
Loans to employees	2	–
	2	–
Loans to fellow subsidiary (Refer to Note 2.22)	48	48
	50	48
Current		
Unsecured, considered good		
Loans to employees	18	22
Loans to fellow subsidiary (Refer to Note 2.22)	–	40
	18	62

2.6 Other financial assets

in ₹ crore

Particulars	As at March 31,	
	2021	2020
Non-current		
Security deposits(1)	4	4
Rental deposits(1)	48	48
Unbilled revenues(1)#	388	–
Financial asset under revenue deals	27	–
Investment in sub-lease	2	–
Total non-current other financial assets	469	52
Current		
Security deposits(1)	1	1
Rental deposits(1)	–	2
Restricted deposits(1)*	137	108
Unbilled revenues(1)#	820	660
Interest accrued but not due(1)	59	25
Foreign currency forward contracts(2)	9	1
Financial asset under revenue deals	18	–
Investment in sub-lease	1	–
Others(1)(3)	105	27
Total current other financial assets	1,150	824
Total financial assets	1,619	876
(1) Financial assets carried at amortized cost	1,174	875
(2) Financial assets carried at fair value through Profit or Loss	9	1
(3) Includes dues from holding company and other group companies	177	9

* 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.

2.7 Trade receivables

in ₹ crore

Particulars	As at March 31,	
	2021	2020
Current		
Unsecured	1,575	1,359
Considered good[(1)(2)]	39	28
Considered doubtful	1,614	1,387
Less: Allowances on for credit losses	39	28
	1,575	1,359
Total trade receivables	1,575	1,359
[(1)] Includes dues from holding company and group companies (Refer to Note 2.22)	173	83
[(2)] Includes dues from companies where directors are interested.		

2.8 Cash and cash equivalents

in ₹ crore

Particulars	As at March 31,	
	2021	2020
Balances with banks		
In current and deposit accounts	3,363	2,437
Cash on hand	–	–
Others		
Deposits with financial institution	717	700
	4,080	3,137
Balances with banks in unpaid dividend accounts	–	–
Deposit with more than 12 months maturity	1,519	555

Cash and cash equivalents as at March 31, 2021 and March 31, 2020 includes 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.

2.9 Other assets

in ₹ crore

Particulars	As at March 31,	
	2021	2020
Non-current		
Capital advances	–	–
Advances other than capital advance		
Others		
Prepaid expenses	12	34
Deferred contract cost[(3)]	55	90
Withholding taxes and others[(1)]	17	17
Unbilled revenues[(2)]	19	–
Prepaid gratuity	5	–
Cost of fulfillment	2	–
Total non-current other assets	110	141
Current		
Unsecured, considered good		
Payment to vendors for supply of goods	3	11
Others		
Withholding taxes and others[(1)]	119	77
Prepaid expenses	296	217
Unbilled revenues[(2)]	82	29
Deferred contract cost[(3)]	18	22
Others	–	27
Total current other assets	518	383
Total other assets	628	524

[(1)] Withholding taxes and others primarily consist of input tax credits.

[2] Classified as non-financial asset as the contractual right to consideration is dependent on completion of contractual milestones.

[3] 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.

2.10 Financial instruments

Accounting policy

2.10.1 Initial recognition

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

2.10.2 Subsequent measurement

a. Non-derivative financial instruments

(i) Financial assets carried at amortized cost

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

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

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. The Group has made an irrevocable election for its investments which are classified as equity instruments to present the subsequent changes in fair value in other comprehensive income based on its business model.

(iii) Financial assets at fair value through profit or loss

A financial asset which is not classified in any of the above categories 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 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 recognized initially at fair value and attributable transaction costs are recognized in net profit in the consolidated Statement of Profit and Loss when incurred. Subsequent to initial recognition, these derivatives are measured at fair value through profit or loss and the resulting exchange gains or losses are included in other income. Assets / liabilities in this category are presented as current assets / current liabilities if they are either held for trading or are expected to be realized within 12 months after the Balance Sheet date.

2.10.3 Derecognition of financial instruments

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

2.10.4 Fair value of financial instruments

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

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

2.10.5 Impairment

The Group recognizes loss allowances using the expected credit loss (ECL) model for the financial assets and unbilled revenue which are not fair valued through profit or loss. Loss allowance for trade receivables and unbilled 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, 2021 are as follows:

in ₹ crore

Particulars	Amortized cost	Financial assets / liabilities at fair value through profit or loss		Financial assets / liabilities at fair value through OCI		Total carrying value	Total fair value
		Designated upon initial recognition	Mandatory	Equity instruments designated upon initial recognition	Mandatory		
Assets:							
Cash and cash equivalents (Refer to Note 2.8)	4,080	–	–	–	–	4,080	4,080
Investments (Refer to Note 2.4)							
Preference and other securities	–	–	44	–	–	44	44
Non-convertible debentures[(1)]	–	–	–	–	447	447	447
Government bonds[(3)]	8	–	–	–	–	8	8
Liquid mutual fund units	–	–	45	–	–	45	45
Government Securities	–	–	–	–	164	164	164
Trade receivables (Refer to Note 2.7)	1,575	–	–	–	–	1,575	1,575
Loans (Refer to Note 2.5)	68	–	–	–	–	68	68
Other financial assets (Refer to Note 2.6)[(2)(4)]	1,610	–	9	–	–	1,619	1,619
Total	7,341	–	98	–	611	8,050	8,050
Liabilities:							
Trade payables (Refer to Note 2.13)	208	–	–	–	–	208	208
Lease liabilities (Refer to Note 2.2)	1,018	–	–	–	–	1,018	1,018
Other financial liabilities (Refer to Note 2.12)	2,222	–	10	–	–	2,232	2,232
Total	3,448	–	10	–	–	3,458	3,458

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

(2) Excludes unbilled revenue on contracts where the right to consideration is dependent on completion of contractual milestones.

(3) On account of fair value changes including interest accrued

(4) Excludes interest accrued on government bonds carried at amortized cost of less than ₹1 crore.

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

in ₹ crore

Particulars	Amortized cost	Financial assets / liabilities at fair value through profit or loss		Financial assets / liabilities at fair value through OCI		Total carrying value	Total fair value
		Designated upon initial recognition	Mandatory	Equity instruments designated upon initial recognition	Mandatory		
Assets:							
Cash and cash equivalents (Refer to Note 2.8)	3,137	–	–	–	–	3,137	3,137
Investments (Refer to Note 2.4)							
Preference and other securities	–	–	33	–	–	33	33
Non-convertible debentures(1)	–	–	–	–	473	473	473
Certificates of deposit	–	–	–	–	241	241	241
Government bonds(3)	8	–	–	–	–	8	8
Fixed maturity plan securities	–	–	61	–	–	61	61
Liquid mutual fund units	–	–	66	–	–	66	66
Trade receivables (Refer to Note 2.7)	1,359	–	–	–	–	1,359	1,359
Loans (Refer to Note 2.5)	110	–	–	–	–	110	110
Other financial assets (Refer to Note 2.6)(2)(4)	875	–	1	–	–	876	876
Total	5,489	–	161	–	714	6,364	6,364
Liabilities:							
Trade payables (Refer to Note 2.13)	205	–	–	–	–	205	205
Lease liabilities (Refer to Note 2.2)	943	–	–	–	–	943	943
Other financial liabilities (Refer to Note 2.12)	1,133	–	18	–	–	1,151	1,151
Total	2,281	–	18	–	–	2,299	2,299

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

(2) Excludes unbilled revenue on contracts where the right to consideration is dependent on completion of contractual milestones.

(3) On account of fair value changes including interest accrued

(4) Excludes interest accrued on government bonds carried at amortized cost of less than ₹1 crore.

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, 2021:

in ₹ crore

Particulars	As at March 31, 2021	Fair value measurement at end of the reporting period using		
		Level 1	Level 2	Level 3
Assets				
Investments in preference securities (Refer to Note 2.4)	11	–	–	11
Investments in other securities (Refer to Note 2.4)	33	–	–	33
Investments in non-convertible debentures (Refer to Note 2.4)	447	447	–	–
Investments in liquid mutual fund units (Refer to Note 2.4)	45	45	–	–
Investments in government securities (Refer to Note 2.4)	164	164	–	–
Derivative financial instruments – gain on outstanding foreign currency forward and option contracts (Refer to Note 2.6)	9	–	9	–
Liabilities				
Derivative financial instruments – fair value loss on outstanding foreign exchange forward contracts (Refer to Note 2.12)	10	–	10	–

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 year using		
		Level 1	Level 2	Level 3
Assets				
Investments in fixed maturity plan (Refer to Note 2.4)	61	–	61	–
Investments in preference securities (Refer to Note 2.4)	9	–	–	9
Investments in other securities (Refer to Note 2.4)	24	–	–	24
Investments in non-convertible debentures (Refer to Note 2.4)*	473	473	–	–
Investments in liquid mutual fund units (Refer to Note 2.4)	66	66	–	–
Investments in certificates of deposit (Refer to Note 2.4)	241	–	241	–
Derivative financial instruments – gain on outstanding foreign currency forward and option contracts (Refer to Note 2.6)	1	–	1	–
Liabilities				
Derivative financial instruments – fair value loss on outstanding foreign exchange forward contracts (Refer to Note 2.12)	18	–	18	–

* During the year ended March 31, 2020, the non-convertible debentures of ₹ 143 crore were transferred from Level 2 to Level 1 of fair value hierarchy , since these were valued based on Quoted price.

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 United States 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 assets and liabilities as at March 31, 2021:

in ₹ crore

Particulars	US dollar	Euro	United Kingdom Pound Sterling	Australian dollars	Other currencies	Total
Net financial assets	1,243	353	62	24	54	1,736
Net financial liabilities	(580)	(416)	(35)	(15)	(232)	(1,278)
Total	663	(63)	27	9	(178)	458

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

in ₹ crore

Particulars	US dollar	Euro	United Kingdom Pound Sterling	Australian dollars	Other currencies	Total
Cash and cash equivalents	1,064	267	71	43	47	1,492
Trade receivables	(204)	(429)	(47)	(20)	(150)	(850)
Total	860	(162)	24	23	(103)	642

Sensitivity analysis between Indian rupee and USD

Particulars	Year ended March 31,	
	2021	2020
Impact on the Company's incremental Operating Margins	0.20%	0.24%

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,			
	2021		2020	
	In million	In ₹ crore	In million	In ₹ crore
Forward contracts				
In US dollars	111	809	77	583
In Euro	10	86	24	198
In United Kingdom Pound Sterling	–	–	–	–
In Australian dollars	–	–	2	9
In Philippine Pesos	–	–	400	60
In Czech koruna	313	103	–	–
In Poland zloty	14	26	–	–
Total forwards		1,023		850

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,	
	2021	2020
Not later than one month	746	123
Later than one month and not later than three months	277	727
	1,023	850

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,			
	2021		2020	
	Derivative financial asset	Derivative financial liability	Derivative financial asset	Derivative financial liability
Gross amount of recognized financial asset / liability	11	(11)	3	(20)
Amount set-off	(2)	2	(2)	2
Net amount presented in Balance Sheet	9	(9)	1	(18)

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 ₹ 1,575 crore and ₹ 1,359 crore as of March 31, 2021 and March 31, 2020, respectively and unbilled revenue amounting to ₹ 1309 crore and ₹ 689 crore as of March 31, 2021 and March 31, 2020, respectively. Trade receivables and unbilled revenue are typically unsecured and are derived from revenue earned from customers primarily located in the United States. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Group grants credit terms in the normal course of business. 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,	
	2021	2020
Revenue from top customer	7%	9%
Revenue from top ten customers	35%	35%

Credit risk exposure

The allowance for lifetime expected credit loss on customer balances for the year ended March 31, 2021 was ₹ 25 crore. The allowance for lifetime expected credit loss on customer balances for the year ended March 31, 2020 was ₹ 9 crore.

In ₹ crore

Particulars	Year ended March 31,	
	2021	2020
Balance at the beginning	28	20
Provisions recognized	25	9
Write-offs	(6)	–
Translation differences	(8)	(1)
Balance at the end	39	28

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, 2021, the Group had a working capital of ₹ 4,430 crore including cash and cash equivalents of ₹ 4,080 crore and current investments of ₹ 175 crore. 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, 2021, and March 31, 2020, the outstanding compensated absences were ₹ 159 crore and ₹ 134 crore, respectively, which have been substantially funded. Further, as of March 31, 2021 and March 31, 2020, 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, 2021:

in ₹ crore

Particulars	Less than 1 year	1-2 years	2-4 years	4-7 years	Total
Trade payables	208	–	–	–	208
Other financial liabilities (Refer to Note 2.12)	2,232	–	–	–	2232

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 financial liabilities (Refer to Note 2.12)	1,151	–	–	–	1,151

2.11 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.

Description of reserves

Retained earnings

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

Securities premium

The amount received in excess of the par value of equity shares has been classified as securities premium.

Special Economic Zone Re-investment reserve

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

Other components of equity

Other components of equity consist of remeasurement of net defined benefit liability / asset, equity instruments fair valued through other comprehensive income, changes on fair valuation of investments and changes in fair value of derivatives designated as cash flow hedges, net of taxes.

Equity share capital

in ₹ crore, except as otherwise stated

Particulars	As at March 31,	
	2021	2020
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. However, no such preferential amounts exist currently.

The details of shareholder holding more than 5% shares as at:

Name of the shareholder	As at March 31,			
	2021		2020	
	Number of shares	% held	Number of shares	% held
Infosys Limited, the holding company	3,38,23,444	99.99	3,38,23,444	99.99

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,			
	2021		2020	
	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.

The Company declares and pays dividends in Indian rupees. The Finance Act 2020 has repealed the Dividend Distribution Tax (DDT). Companies are now required to pay/distribute dividend after deducting applicable taxes. The remittance of dividends outside India is also subject to withholding tax at applicable rates.

The Board of Directors, in their meeting on October 12, 2020, recommended an interim dividend of ₹ 95/-per equity, which resulted in a cash outflow of approximately ₹ 321 crore.

The Board of Directors, in their meeting on April 12, 2021, recommended a final dividend of ₹ 175/- per equity share for the financial year ended March 31, 2021. This payment is subject to the approval of shareholders in the ensuing Annual General Meeting of the company and if approved, would result in a cash outflow of approximately ₹ 592 crore.

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.

2.12 Other financial liabilities

in ₹ crore

Particulars	As at March 31,	
	2021	2020
Non-current		
Others		
Compensated absences	4	4
Financial liability under revenue deals	64	–
Accrued expenses[1]*	406	–
Total non-current other financial liabilities	474	4
Current		
Others		
Accrued compensation to employees[1]	592	283
Capital creditors[1]	27	12
Accrued expenses[1]*	964	777
Other payables[1]**	169	61
Compensated absences	155	130
Foreign currency forward contracts[2]	10	18
Total current other financial liabilities	1,917	1,281
Total other financial liabilities	2,391	1,285
[1]Financial liability carried at amortized cost	2,222	1,133
[2]Financial liability carried at fair value through Profit or loss	10	18
* Includes dues to holding Company and other Group Companies (Refer to Note 2.22)	–	–
** Includes dues to holding company and other Group Companies (Refer to Note 2.22)	150	9

2.13 Trade payables

in ₹ crore

Particulars	As at March 31,	
	2021	2020
Current		
Trade payables[(1)]	208	205
Total Trade payables	208	205
[(1)] Includes dues to holding company and other Group Companies (Refer to Note 2.22)	66	118

As at March 31, 2021 and March 31, 2020, there are no outstanding dues to micro, small and medium enterprises. There is no interest due or outstanding on the same. During the year ended March 31, 2021 and March 31, 2020, an amount of ₹2 crore and less than ₹1 crore was paid beyond the appointed day as defined in the Micro, Small and Medium Enterprises Development Act 2006.

2.14 Other liabilities

in ₹ crore

Particulars	As at March 31,	
	2021	2020
Non-current		
Withholding taxes	18	–
Gratuity liability	1	–
Total non-current other liabilities	19	–
Current		
Unearned revenue	539	518
Others		
Withholding taxes and other payables	134	104
Client deposits	1	1
Total current other liabilities	674	623
Total other liabilities	693	623

2.15 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 recognized when the expected benefits to be derived by the Group from a contract are lower than the unavoidable costs of meeting the future obligations under the contract. The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established the Group recognizes any impairment loss on the assets associated with that contract.

Provision for post-sales customer support and other provisions

in ₹ crore

Particulars	As at March 31,	
	2021	2020
Current		
Others		
Post-sales client support and other provisions	30	38
Total provisions	30	38

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,	
	2021	2020
Balance at the beginning	38	46
Provision recognized / (reversed)	(1)	1
Provision utilized	(5)	(9)
Exchange difference	(2)	–
Balance at the end	30	38

Provision for post-sales client support and other provisions are expected to be utilized over a period of 6 months to 1 year.

2.16 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 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 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,	
	2021	2020
Current taxes	318	282
Deferred taxes	5	(30)
Income tax expense	323	252

Income tax expense for the year ended March 31, 2021 and March 31, 2020 includes reversal (net of additional provisions) of ₹ 1 crore and ₹ 49 crore respectively, pertaining to earlier periods. These reversals pertain to prior periods on account of adjudication of certain disputed matters in favor of the Company and upon filing of return across various jurisdictions.

Deferred income tax for the year ended March 31, 2021 and March 31, 2020, substantially 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,	
	2021	2020
Profit before income taxes	1,231	1,058
Enacted tax rates in India	34.94%	34.94%
Computed expected tax expense	430	370
Tax effect due to non-taxable income for tax purposes	(96)	(78)
Tax effect of non-deductible losses of 10AA units	–	3
Overseas taxes	13	14
Base erosion and anti-abuse (BEAT) tax liability	–	–
Tax provision (reversals), overseas and domestic	(1)	(26)
Effect of exempt non-operating income	–	–
Effect of differential overseas tax rates	(18)	(30)
Effect of non-deductible expenses	26	6
Others	(31)	(7)
Income tax expense	323	252

The applicable Indian statutory tax rates for fiscal 2021 and fiscal 2020 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. Up to 50% of such profits or gains is also available for a further five years subject to creation of a Special Economic Zone Re-investment Reserve out of the profit of the eligible SEZ units and utilization of such reserve by the Group for acquiring new plant and machinery for the purpose of its business as per the provisions of the Income Tax Act, 1961.

The details of income tax assets and income tax liabilities are as follows:

in ₹ crore

Particulars	As at March 31,	
	2021	2020
Income tax assets	141	132
Current Income tax liabilities	(115)	(56)
Net income tax assets at the end	26	76

The gross movement in the current income tax asset / (liability) for the years ended March 31, 2021 and March 31, 2020 is as follows:

in ₹ crore

Particulars	Year ended March 31,	
	2021	2020
Net income tax asset at the beginning	76	55
Translation differences	(13)	7
Income tax paid, net of tax	277	295
Income tax expense	(318)	(282)
Income tax on other comprehensive income	4	1
Net income tax asset at the end	26	76

The movement in gross deferred income tax assets and labilities (before set-off) for the year ended March 31, 2021 is as follows:

in ₹ crore

Particulars	Carrying Value as on April 1, 2020	Changes through Profit and Loss	Changes through OCI	Impact on account of Ind AS 116	Translation difference	Carrying Value as on March 31,2021
Deferred income tax assets						
Property, plant and equipment	33	–	–	–	–	33
Lease Liabilities	16	1	–	–	–	17
Compensated absences	36	6	–	–	–	42
Accrued compensation to employees	13	(5)	–	–	–	8
Intangible assets	9	(1)	–	–	–	8
Minimum alternative tax carry forwards	–	–	–	–	–	–
Trade receivables	6	8	–	–	–	14
Post-sales client support	5	(3)	–	–	–	2
Derivative financial instruments	6	(9)	–	–	–	(3)
Others	37	5	1	–	–	43
Total deferred tax assets	161	2	1	–	–	164
Deferred income tax liabilities						
Property, plant and equipment	–	(2)	–	–	–	(2)
Others	(17)	(3)	–	–	1	(19)
Intangibles	(29)	(2)	(1)	–	1	(31)
Total deferred tax liabilities	(46)	(7)	(1)	–	2	(52)

The movement in gross deferred income tax assets and labilities (before set-off) for the year ended March 31, 2020 was 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
Minimum alternative tax carry forwards	–	–	–	–	–	–
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	(4)	4	–	–	–	–
Others	(19)	2	1	–	(1)	(17)
Intangibles	(25)	(2)	(4)	–	2	(29)
Total deferred tax liabilities	(48)	4	(3)	–	1	(46)

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

Particulars	Year ended March 31,	
	2021	2020
Deferred income tax assets after set-off	126	129
Deferred income tax liabilities after set-off	(14)	(14)

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

The charge relating to temporary differences during the year ended March 31, 2021 and March 31, 2020 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.

2.17 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 Company expects to recover them. Certain eligible, nonrecurring costs (e.g. set-up or transition or transformation costs) that do not represent a separate performance obligation are recognized as an asset when such costs (a) relate directly to the contract; (b) generate or enhance resources of the Company that will be used in satisfying the performance obligation in the future; and (c) are expected to be recovered. Such capitalized contract costs are amortized over the respective contract life on a systematic basis consistent with the transfer of goods or services to customer to which the asset relates.

The Group presents revenues net of indirect taxes in its consolidated Statement of Profit and Loss.

Revenues for the year ended March 31, 2021 and March 31, 2020 are follows:

in ₹ crore

Particulars	Year ended March 31,	
	2021	2020
Income from business process management services	8,846	6,922
	8,846	6,922

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 material based on these estimates. Due to the nature of the pandemic, the Group continues 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, 2021 and March 31, 2020 by offerings. The Group 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	Year ended March 31,	
	2021	2020
Revenue by offerings		
Digital	1,138	920
Core	7,708	6,002
Total	8,846	6,922
Revenues by geography		
North America	6,036	4,459
Europe	2,043	1,683
India	256	253
Rest of the world	511	527
Total	8,846	6,922

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 Group'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 consolidated Balance Sheet.

During the year ended March 31, 2021 and March 31, 2020, the Group recognized revenue of ₹ 377 crore and ₹ 307 crore arising from opening unearned revenue as of April 1, 2020 and April 1, 2019, respectively.

During the year ended March 31, 2021 and March 31, 2020, ₹ 13 crore and ₹ 44 crore of unbilled revenue pertaining to fixed price development contracts as of April 1, 2020 and April 1, 2019, 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 March31, 2021 other than those meeting the exclusion criteria mentioned above is ₹5,252 crore. Out of this, the Group expects to recognize revenue of around 35.3% 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.

2.18 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 and reported within exchange gains / (losses) on translation of assets and liabilities, net. Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at fair value are translated at the exchange rate prevalent at the date when the fair value was determined. Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of transaction. The related revenue and expense are recognized using the same exchange rate.

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

The translation of financial statements of the foreign subsidiaries to the presentation currency is performed for assets and liabilities using the exchange rate in effect at the Balance Sheet date and for revenue, expense and cash flow items using the average exchange rate for the respective periods. The Gains or losses resulting from such translation are included in currency translation reserves under other components of equity. When a subsidiary is disposed-off, in full, the relevant amount is transferred to 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.

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.

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.

Other income for the year ended March 31, 2021 and March 31, 2020 is as follows:

in ₹ crore

Particulars	Year ended March 31,	
	2021	2020
Interest income on financial assets at carried at amortized cost:		
Deposit with banks and others	139	182
Interest income on financial assets at fair value through other comprehensive income:		
Non-convertible debentures	28	26
Certificates of deposit	9	14
Government securities	–	–
Income on financial assets carried at fair value through other comprehensive income		
Non-convertible debentures	1	–
Certificates of deposit	1	–
Income on investments carried at fair value through profit or loss:		
Dividend income on liquid mutual funds units	3	–
Gains / (losses) on liquid mutual funds units	2	14
Profit on sale of property, plant and equipment	–	1
Rental income from holding company	3	3
Exchange gains / (losses) on foreign currency forward and options contracts	42	(23)
Exchange gains / (losses) on translation of other assets and liabilities	(35)	33
Profit / (loss) on sale of Investments	–	–
Fair valuation loss on investments	(1)	(22)
Other miscellaneous income, net	7	51
	199	279

2.19 Expenses

in ₹ crore

Particulars	Year ended March 31,	
	2021	2020
Employee benefit expenses		
Salaries and bonus including overseas staff expenses	4,657	3,707
Staff welfare	38	45
Contribution to provident and other funds	98	90
	4,793	3,842

Particulars	Year ended March 31,	
	2021	2020
Cost of technical sub-contractors and professional charges		
Cost of technical sub-contractors	534	596
Legal and professional	44	43
Recruitment and training	27	36
	605	675
Other expenses		
Computer maintenance	18	13
Printing and stationery	1	5
Short-term leases	31	36
Office maintenance	110	140
Consumables	15	7
Brand building and advertisement	11	7
Marketing expenses	3	6
Power and fuel	24	31
Insurance charges	9	8
Communication	108	78
Rates and taxes	15	21
Contribution to Corporate Social Responsibility	15	16
Donations	26	11
Bank charges and commission	5	3
Postage and courier	33	21
Allowances for credit losses on financial assets	25	10
Provision for doubtful loans and advances	1	2
Professional membership and seminar participation fees	1	1
Provision for post-sale customer support and others	(3)	(5)
Other miscellaneous expenses	3	3
	451	414

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 lumpsum 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 is recognized in the condensed consolidated Statement of Profit and Loss.

The Company provides for Minimum mandated retirement benefit scheme under Republic Act 7641 (R.A. 7641) covering eligible employees in Philippines. The R.A. 7641 scheme is a final salary Defined Benefit Plan that provides for a lump sum payment made on retirement. During the year ended March 31, 2021, the Company recognized net defined liability of ₹ 1 crore. Also, refer to Note 2.14.

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 recognized in the period in which the absences occur.

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

(a) Gratuity

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, 2021 and March 31, 2020:

in ₹ crore

Particulars	As at March 31,	
	2021	2020
Change in benefit obligations		
Benefit obligations at the beginning	103	94
Service cost	15	12
Interest expense	6	6
Transfer of obligation	–	(1)
Remeasurements – Actuarial losses	13	4
Benefits paid	(8)	(12)
Benefit obligations at the end	129	103
Change in plan assets		
Fair value of plan assets at the beginning	103	98
Interest income	7	7
Transfer of employees	–	(1)
Remeasurements – Return on plan assets excluding amounts included in interest income	1	–
Contributions	31	11
Benefits paid	(8)	(12)
Fair value of plan assets at the end	134	103
Funded status	5	–
Prepaid gratuity	5	–

Amounts for the year ended March 31, 2021 and March 31, 2020 recognized in the Statement of Profit and Loss under employee benefit expenses.

in ₹ crore

Particulars	Year ended March 31,	
	2021	2020
Service cost	15	12
Net interest on the net defined benefit liability / asset	(1)	(1)
Net gratuity cost	14	11

Amounts for the year ended March 31, 2021 and March 31, 2020 recognized in the Statement of Other Comprehensive Income:

in ₹ crore

Particulars	Year ended March 31,	
	2021	2020
Remeasurements of the net defined benefit liability / (asset)		
Actuarial losses	13	4
(Return) / loss on plan assets excluding amounts included in the net interest on the net defined benefit liability / (asset)	(1)	–
	12	4

in ₹ crore

Particulars	Year ended March 31,	
	2021	2020
(Gain) / loss from change in demographic assumptions	–	–
(Gain) / loss from change in financial assumptions	–	2
(Gain) / loss from change in experience assumptions	13	2
	13	4

The weighted-average assumptions used to determine benefit obligations as of March 31, 2021 and March 31, 2020 are as follows:

Particulars	As at March 31,	
	2021	2020
Discount rate	6.1%	6.2%
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, 2021 and March 31, 2020 are as follows:

Particulars	Year ended March 31,	
	2021	2020
Discount rate	6.2%	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.

in ₹ crore

Impact of percentage point increase / decrease in	As at March 31,	
	2021	2020
Discount rate	3	3
Weighted-average rate of increase in compensation level	3	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, 2021, and March 31, 2020, the plan assets have been primarily invested in insurer managed funds.

Actual return on assets for the year ended March 31, 2021 and March 31, 2020 were ₹ 8 crore and ₹ 7 crore, respectively.

The Group expects to contribute ₹ 28 crore to gratuity trust during fiscal 2022.

Maturity profile of defined benefit obligation:

in ₹ c6rore

Within 1 year	40
1-2 year	34
2-3 year	30
3-4 year	27
4-5 year	23
5-10 years	58

(b) Superannuation

The Company contributed ₹ 11 crore to the Superannuation Trust for the year ended March 31, 2021 (₹ 10 crore for year ended March 31, 2020).

(c) Provident fund

The Company contributed ₹ 77 crore towards Provident Fund for year ended March 31, 2021 (₹ 78 crore for the year ended March 31, 2020).

(d) Pension fund

The Company contributed ₹ 12 crore to pension funds for year ended March 31, 2021 (₹ 9 crore for the year ended March 31, 2020).

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

Accounting policy

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

in ₹ crore

Particulars	As at March 31,	
	2021	2020
Contingent liabilities:		
Claims against the Group, not acknowledged as debts(1)	182	126
[Amount paid to statutory authorities ₹ 61 crore (₹49 crore)]		
Commitments:		
Estimated amount of unexecuted capital contracts(2)	95	45
(Net of advances and deposits)		
Other commitments(3)	32	46

(1) The claims against the Company majorly represent demands arising on completion of assessment proceedings under the Income Tax Act, 1961. These claims are on account of multiple issues of disallowances such as disallowance of expenditure towards software being held as capital in nature, disallowance under section 80G, disallowance on account of denial of certain foreign tax credit among others.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 Company's financial position and results of operations.

(2) Capital contracts primarily comprises of commitments for infrastructure, facilities and computer equipment.

(3) 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 year 2018-19).

Legal proceedings

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

List of related parties:

Name of subsidiaries	Country	Holding as at March 31, 2021
Holding company		
Infosys Limited	India	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)[18]	Brazil
Infosys Nova Holdings LLC. (Infosys Nova)	US
EdgeVerve Systems Limited (EdgeVerve)	India
Infosys Austria GmbH	Austria
Skava Systems Pvt. Ltd. (Skava Systems)[41]	India
Kallidus Inc. (Kallidus)[42]	US
Infosys Chile SpA	Chile
Infosys Arabia Limited[3]	Saudi Arabia
Infosys Consulting Ltda.[2]	Brazil
Infosys CIS LLC[2] [19]	Russia
Infosys Luxembourg S.a.r.l	Luxembourg
Infosys Americas Inc., (Infosys Americas)	US
Infosys Technologies (Australia) Pty. Limited (Infosys Australia)[4]	Australia
Infosys Public Services, Inc. USA (Infosys Public Services)	US
Infosys Canada Public Services Inc	Canada
Infosys Consulting Holding AG (Infosys Lodestone)	Switzerland
Infosys Management Consulting Pty Limited[5]	Australia
Infosys Consulting AG[5]	Switzerland
Infosys Consulting GmbH[5]	Germany
Infosys Consulting S.R.L.[2]	Romania
Infosys Consulting SAS[5]	France
Infosys Consulting s.r.o. v likvidaci (formerly Infosys Consulting s.r.o.)[5][41]	Czech Republic
Infosys Consulting (Shanghai) Co., Ltd.[5][41]	China
Infy Consulting Company Ltd[5]	UK
Infy Consulting B.V.[5]	The Netherlands
Lodestone Management Consultants Portugal, Unipessoal, Lda.[5][35]	Portugal
Infosys Consulting S.R.L.[5]	Argentina
Infosys Consulting (Belgium) NV[6]	Belgium
Panaya Inc. (Panaya)	US
Panaya Ltd.[7]	Israel
Panaya GmbH[7]	Germany
Panaya Japan Co. Ltd[7][23]	Japan
Brilliant Basics Holdings Limited (Brilliant Basics)	UK

Fellow subsidiaries	Country
Brilliant Basics Limited[8]	UK
Brilliant Basics (MENA) DMCC[8][24]	Dubai
Infosys Consulting Pte Limited (Infosys Singapore)[2]	Singapore
Infosys Middle East FZ LLC[9]	Dubai
Fluido Oy[9]	Finland
Fluido Sweden AB (Extero)[12]	Sweden
Fluido Norway A/S[12]	Norway
Fluido Denmark A/S[12]	Denmark
Fluido Slovakia s.r.o[12]	Slovakia
Fluido Newco AB[12][36]	Sweden
Infosys Compaz Pte. Ltd [10]	Singapore
Infosys South Africa (Pty) Ltd[9]	South Africa
WongDoody Holding Company Inc. (WongDoody)[2]	US
WDW Communications, Inc[11]	US
WongDoody, Inc[11]	US
HIPUS Co., Ltd (formerly Hitachi procurement Service Co. Ltd)[10][13]	Japan
Stater N.V.[10][14]	The Netherlands
Stater Nederland B.V.[15]	The Netherlands
Stater Duitsland B.V.[15][38]	The Netherlands
Stater XXL B.V.[15]	The Netherlands
HypoCasso B.V.[15]	The Netherlands
Stater Participations B.V.[15]	The Netherlands
Stater Deutschland Verwaltungs-GmbH[16][37]	Germany
Stater Deutschland GmbH & Co. KG[16][37]	Germany
Stater Belgium N.V./S.A.[17][39]	Belgium
Outbox systems Inc. dba Simplus (US)[20]	US
Simplus North America Inc.[21]	Canada
Simplus ANZ Pty Ltd.[21]	Australia
Simplus Australia Pty Ltd[22]	Australia
Sqware Peg Digital Pty Ltd[22]	Australia
Simplus Philippines, Inc.[21]	Philippines
Simplus Europe, Ltd.[21]	UK
Infosys Fluido UK, Ltd. (formerly Simplus U.K, Ltd)[25]	UK
Infosys Fluido Ireland, Ltd.(formerly Simplus Ireland, Ltd)[25]	Ireland
Infosys Limited Bulgaria[2][26]	Bulgaria
Kaleidoscope Animations[29]	US
Kaleidoscope Prototyping[30]	US
GuideVision s.r.o.[27]	UK
GuideVision Deutschland GmbH[28]	Germany
GuideVision Suomi Oy[28]	Finland
GuideVision Magyarország Kft[28]	Hungary
GuideVision Polska SP.Z.O.O[28]	Poland
GuideVision UK Ltd[28]	UK
Beringer Commerce Inc[31]	US
Beringer Capital Digital Group Inc[31]	US
Mediotype LLC[32]	US
Beringer Commerce Holdings LLC[32]	US
SureSource LLC[33]	US
Blue Acorn LLC[33]	US
Simply Commerce LLC[33]	US
iCiDIGITAL LLC[34]	US
Infosys Turkey Bilgi Teknolojikeri Limited Sirketi[2][40]	Turkey
Infosys Germany Holding Gmbh[2][1][46]	Germany

[1] Incorporated on March 23, 2021

[2] 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

(6) Majority-owned and controlled subsidiary of Infosys Consulting 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) Majority-owned and controlled subsidiary of Infosys Consulting Pte. Ltd
(11) Wholly-owned subsidiary of WongDoody
(12) Wholly-owned subsidiary of Fluido Oy
(13) On April 1, 2019, Infosys Consulting Pte. Ltd, acquired 81% of the voting interests in HIPUS Co., Ltd (formerly Hitachi Procurement Service Co. Ltd)
(14) On May 23, 2019, Infosys Consulting Pte. Ltd, acquired 75% of the voting interests in Stater N.V
(15) Wholly-owned subsidiary of Stater N.V
(16) Wholly-owned subsidiary of Stater Duitsland B.V.
(17) Majority-owned and controlled subsidiary of Stater Participations B.V.
(18) Effective October 1, 2019, merged into Infosys Consulting Ltda, a wholly owned subsidiary of Infosys Ltd.
(19) Liquidated effective January 28, 2021.
(20) On March 13, 2020, Infosys Nova Holdings LLC, acquired 100% of the voting interests in Outbox Systems Inc.
(21) Wholly-owned subsidiary of Outbox Systems Inc.
(22) Wholly-owned subsidiary of Simplus ANZ Pty Ltd
(23) Liquidated effective October 31, 2019
(24) Liquidated effective July 17, 2020
(25) On June 1, 2020, Fluido Oy, acquired 100% of the voting interests in Infosys Fluido U.K,Ltd (formerly Simplus U.K, Ltd) and Infosys Fluido Ireland, Ltd.(formerly Simplus Ireland, Ltd) from Simplus Europe, Ltd
(26) Incorporated effective September 11, 2020.
(27) On October 1, 2020, Infy Consulting Company Limited acquired 100% of voting interests in GuideVision s.r.o
(28) Wholly-owned subsidiary of GuideVision s.r.o.
(29) On October 9, 2020, Infosys Nova Holdings LLC, acquired 100% voting interest in Kaleidoscope Animations, Inc.
(30) Wholly owned subsidiary of Kaleidoscope Animations, Inc.
(31) On October 27, 2020, Infosys Nova Holding LLC, a wholly-owned subsidiary of Infosys Limited, acquired 100% voting interest in Beringer Commerce Inc and Beringer Capital Digital Group Inc
(32) Wholly-owned subsidiary of Beringer Commerce Inc
(33) Wholly-owned subsidiary of Beringer Commerce Holdings LLC
(34) Wholly-owned subsidiary of Beringer Capital Digital Group Inc.
(35) Liquidated effective November 19,2020
(39) Merged into Fluido Sweden AB (Extero), effective December 18, 2020
(40) Merged into Stater Duitsland B.V., effective December 18, 2020
(41) Merged with Stater N.V., effective December 23, 2020
(42) On December 29, 2020, Stater Participation B.V acquired non-controlling interest of 28.01% of the voting interests in Stater Belgium NV/SA
(43) Incorporated on December 30, 2020.
(44) Under liquidation
(45) Liquidated effective March 9,2021
(46) On March 28, 2021 Infosys Limited and Infosys Germany Holding Gmbh registered Infosys Automotive and Mobility GmbH & Co. KG, a partnership firm.

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 to Note 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, 2021, March 31, 2020 are as follows:

in ₹ crore

Particulars	As at March 31,	
	2021	2020
Trade receivables		
Infosys Limited	169	75
Infosys China	–	1
Infosys Technologies S. de R. L. de C. V.	–	–
Infosys Public Services, Inc. USA	1	1
Infosys Technologies (China) Co. Limited	–	–
Infosys Consulting (Belgium) N.V.	–	–
Infosys Consulting AG	–	–
Infy Consulting Company Limited(UK)	–	3
Infosys Consulting GmBH	1	1
EdgeVerve Systems Limited	1	1
Stater N.V.	–	1
Stater Nederland B.V.	–	–
HIPUS Co., Ltd	1	–
Infosys Luxembourg S.à.r.l	–	–
	173	83
Other financial assets		
Infosys Limited	177	6
EdgeVerve Systems Limited	–	–
Infosys Management Consulting Pty Limited	–	–
HIPUS	–	1
Infosys Consulting GmbH	–	2
Infosys Luxembourg S.à.r.l	–	–
	177	9
Loans given		
Infosys Technologies (China) Co. Limited	6	6
Infosys Consulting Ltda. (Brazil)	–	40
Infosys Technologies (Shanghai) Company Limited	42	42
	48	88
Trade payables		
Infosys Limited	63	116
EdgeVerve Systems Limited	1	–
Infosys Management Consulting Pty Limited(Australia)	–	1
Infy Consulting Company Limited	–	1
Infosys Technologies (China) Co. Limited	–	–
Infy Consulting B.V.	–	–
Infosys Consulting S.R.L	–	–
Infosys Consulting GmBH	–	–
Infosys Consulting AG	–	–
Infosys Consulting Ltda. (Brazil)	1	–
HIPUS Co., Ltd	1	–
	66	118
Other financial liabilities		
Infosys Limited	148	8
EdgeVerve Systems Limited	2	1
	150	9
Provision for expenses		
Infosys Limited	–	–
	–	–

Details of related party transactions entered into by the Group

in ₹ crore

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Capital transactions:		
Loan repaid		
Infosys Public Services, Inc. USA	–	4
	–	4
Revenue transactions:		
Purchase of services		
Infosys Limited	291	451
EdgeVerve Systems Limited	5	2
Infosys Consulting Pte Ltd (Singapore)	–	–
Infy Consulting Company Limited (UK)	3	11
Infosys Management Consulting Pty Limited (Australia)	2	6
Infosys Technologies (China) Co. Limited	3	2
WDW Communications, Inc	–	1
Infosys Consulting S.R.L	–	–
HIPUS Co., Ltd	1	–
Infosys Consulting Ltda. (Brazil)	1	–
	306	473
Purchase of shared services including facilities and personnel		
Infosys Limited	24	25
Infy Consulting B.V.	–	–
Infy Consulting Company Ltd	–	–
Infosys Consulting GmbH	–	–
Infosys Consulting AG	1	2
Infosys Consulting Holding AG	–	–
	25	27
Sale of services		
Infosys Limited	1,550	885
Infosys Consulting AG	1	11
EdgeVerve Systems Limited	4	4
Infosys Technologies (China) Co. Limited	–	–
Infosys Public Services, Inc. USA	8	14
Infosys Technologies S.de R.L.de C.V. (Infosys Mexico)	–	–
Infy Consulting Company Limited(UK)	21	45
Infosys Consulting GmbH	11	12
Stater Nederland B.V.	2	2
Stater N.V.	–	1
HIPUS Co., Ltd	–	1
Infosys Consulting (Belgium) N.V.	–	–
Infosys Luxembourg S.à.r.l	1	–
	1,598	975
Sale of shared services including facilities and personnel		
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
Interest income		
Infosys Technologies (Shanghai) Company Limited	1	1
Infosys Technologies (China) Co. Limited	–	–
Infosys Brazil	–	(1)
Infosys Consulting Ltda. (Brazil)	1	2
	2	2

Particulars	Year ended March 31,	
	2021	2020
Interest Expense		
Infosys Public Services, Inc. USA	–	2
	–	2
Dividend Paid		
Infosys Limited	321	–
	321	–

Changes in key management personnel

Name of the related party	Designation
Anantharaman Radhakrishnan	Managing Director and Chief Executive Officer
Prof. Jayanth R.Varma(1)	Independent Director
Ravikumar Singisetti	Chairman and Director
Inderpreet Sawhney	Director
D.N. Prahlad(2)	Director
Prem Pereira	Chief Financial Officer
Bindu Raghavan	Company Secretary
Gopal Devanahalli (3)	Independent Director
Michael Nelson Gibbs (3)	Independent Director

(1) Retired as director effective April 30, 2019

(2) Resigned as director effective April 15, 2019

(3) Appointed as Independent 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,	
	2021	2020
Salaries and other employee benefits to whole-time directors and executive officers(1)	8	5
Commission and other benefits to non-executive/independent directors	–	–
Total	8	5

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

2.23 Business combinations

Accounting policy

Our business combinations are accounted for using Ind AS 103, 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".

Infosys Consulting Sp. z.o.o was merged with Infosys Poland Sp z.o.o as per court order effective October 21, 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 1, 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 and 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 onsite expenses, which are categorized in relation to the associated efforts of the segment. Certain expenses such as depreciation, which form a significant component of total expenses, are not specifically allocable to specific segments as the underlying assets are used interchangeably. The Management believes that it is not practical to provide segment disclosures relating to those costs and expenses, and accordingly these expenses are separately disclosed as "unallocated" and adjusted against the total income of the Group.

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

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

Disclosure of revenue by geographic locations is given in Note 2.17, Revenue from operations.

Business segments

Year ended March 31, 2021 and March 31, 2020

in ₹ crore

Particulars	FA	IS	CS	S&F	S&P	DB	MCM	Others	Total
Revenue from operation	1198	1523	835	1049	316	485	2379	1061	8,846
	1029	964	538	1085	296	385	1612	1013	6,922
Identifiable operating expenses	565	785	575	578	157	301	1871	617	5,449
	495	357	325	572	137	180	1163	576	3,805
Allocated expenses	422	330	237	178	77	124	329	378	2,075
	437	279	209	219	97	145	280	395	2,061
Operating income	211	408	23	293	82	60	179	66	1,322
	97	328	4	294	62	60	169	42	1,056
Unallocable expenses									249
									236
Operating profit									1,073
									820
Other income, net									199
									279
Finance cost									41
									41
Profit before tax									1,231
									1,058
Tax expense									323
									252
Net profit									908
									806
Depreciation and amortization									249
									236
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, 2021 and March 31, 2020.

2.25 Function-wise classification of Consolidated Statement of Profit and Loss

in ₹ crore

Particulars	Note no.	Year ended March 31,	
		2021	2020
Revenue from operations	2.17	8,846	6,922
Cost of sales		6,987	5,348
Gross profit		1,859	1,574
Operating expenses:			
Selling and marketing expenses		222	235
Administrative expenses		564	519
Total operating expenses		786	754
Operating profit		1,073	820
Other income, net	2.18	199	279
Finance cost	2.2	41	41
Profit before tax		1,231	1,058
Tax expense:			
Current tax	2.16	318	282
Deferred tax	2.16	5	(30)
Profit for the year		908	806
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss			
Remeasurement of the net defined benefit (liability) / asset, net of tax		(9)	(3)
Equity instruments through other comprehensive income, net of tax	2.4	-	(3)
		(9)	(6)
Items that will be reclassified subsequently to profit or loss			
Exchange differences on translation of foreign operations, net of tax		36	40
Fair value changes on investments, net of tax	2.4	(1)	6
		35	46
Total other comprehensive income, net of tax		26	40
Total comprehensive income for the year		934	846
Profit attributable to:			
Owners of the Company		908	806
Non-controlling interests		–	–
		908	806
Total comprehensive income attributable to:			
Owners of the Company		934	846
Non-controlling interests		–	–
		934	846

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

Ravikumar Singisetti
Chairman

Anantharaman Radhakrishnan
Managing Director and Chief Executive Officer

Bengaluru
April 12, 2021

Prem Pereira
Chief Financial Officer

Bindu Raghavan
Company Secretary

Ratio Analysis

Particulars	2020-21	2019-20
Ratios – Financial performance (%)		
Gross profit / Revenue	21.0	22.7
Cost of sales / Revenue	79.0	77.3
Selling and marketing expenses / Revenue	2.5	3.4
General and administrative expenses / Revenue	6.4	7.5
Selling and marketing, general and administrative expenses / Revenue	8.9	10.9
Aggregate employee costs / Revenue	54.2	55.5
Operating profit / Revenue	12.1	11.8
Other income / Revenue	2.2	4.0
Profit before tax / Revenue	13.9	15.3
Tax / Revenue	3.7	3.6
Effective tax rate – Tax / PBT	25.2	26.2
Profit after tax / Revenue	10.3	11.6
Ratios – Balance Sheet		
Days Sales Outstanding (DSO)	65	72
Consolidated cash and investments / total assets	44.8	45.9
Consolidated cash and investments / revenue	53.6	57.6
Operating cash flows / Revenue	13.2	11.0
Ratios – Return		
ROCE (PBIT / average capital employed)[(1)]	21.2	20.6
Ratios – Growth		
Revenue	27.8	14.9
Operating profit after depreciation and interest	32.5	2.8
Net profit	12.7	12.4
Earnings per share – Basic[(2)]	12.7	12.4
Earnings per share – Diluted	12.7	12.4

Note: The ratio calculations are based on consolidated Ind AS financial statements

[(1)] Capital employed and Gross block considered based on average of opening and closing balance of the financial year

[(2)] Weighted average number of shares are used in computing earnings per share

Global Presence

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
Website: www.infosysbpm.com

Asia Pacific

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)
Electronics 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 600 113
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 600 113
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 500 032
Tel: 91 40 2300 5223

Hyderabad SEZ
10th & 11th Floor,
Mantri Cosmos, ISB Road, Financial District,
Nanakram Guda,
Hyderabad 500 032
Fax: 91 141 3956 100

Jaipur

IT-A-001 Mahindra World City Special Economic Zone
Village Kalwara
Tahsil Sanganer
Jaipur 302 037
Tel: 91 141 3956 000

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 411 057, 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 411 057, India
Tel: 91 20 4023 2000
Fax: 91 20 3982 8000

Plot No. 24,
Phase II, (SDB-4),
Village Mann, Tal - M Pune,
Maharashtra 411 057, 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-ll,
Pune 411 057,
Maharashtra, India
Tel: 91 20 67719099

Ascendas Services India Pvt Ltd
Ground floor, Juniper International Tech Park,
Plot No. 18, MIDC Phase III Rajiv Gandhi Infotech Park, Hinjewadi (one line)
Pune 411057
Tel: 91 20 4023 2000

Kapil Towers, Wing B
Ground Floor
Dr Ambedkar Road
Near Sangam Bridge
Pune 411 001

Philippines

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

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 and 14th Floor Unit
01, One Giffinstone Building,
3 Spectrum, Midway Extension
Alabang, Muntinlupa City,
Metro Manila, Philippines

Europe

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 Great 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

Dublin

3046-3050 Lakedrive,
Citywest,
Dublin 24.
Tel: 00353 1 467 7200

Waterford

Infosys BPM Waterford,
Unit 2,
Cleaboy Business Park,
Old Kilmeaden Road,
Waterford, X91 W2WH
Tel:+353 51 337 800

Causeway
Capital Railway Square
Block B Ground Floor
Waterford, X91
Ireland

Ireland

Tipperary

Infosys BPM Clonmel,
Ard Gaoithe
Business Park, Clonmel, Co.
Tipperary, E91 V2N8
Tel: +353 51 337 800

Armagh

Infosys BMP Craigavon,
Unit 9, Silverwood
Business Park,
Lurgan, Northern Ireland,
BT66 6SY
Tel:+353 51 337 800

Wexford

Infosys BPM Wexford,
Knockenhoy Office Centre,
Sinnottstown Lane,
Drinagh, Wexford, Y35 K124
Tel :+353 51 337 800

North America

United States

Atlanta

3225,
Cumberland Boulevard,
Suite 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

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

Suite 401, Level 4, 40 Creek Street,
Brisbane, QLD 4000
Tel: 61 7 3009 8100

Perth

Level 9, 37 St Georges Terrace Perth WA 6000 Australia
Tel: 61 8 9254 9313
Fax: 61 8 9254 9388

Sydney

Suite 9.01, Level 9, 130 Pitt Street
Sydney NSW 2000
Tel: 61 2 9210 4399

Infosys Poland Sp. z o. o.

Poland

Łódz

Pomorska 106A, 91 402 Łódz
Tel: 48 42 278 15 00
Fax: 48 42 278 15 01

Wroclaw

Sagittarius, ul. Sucha 2, Wroclaw 50-086
Tel: +48 7171 43458
Fax: +48 7171 43458

ul. Strzegomska 142 A
54-429 Wrocław, Poland
Tel: +4871 7276 550
Fax: +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 14, 2021

Dear Member,

You are cordially invited to attend the 19th Annual General Meeting of the members of Infosys BPM Limited ("the Company") to be held on Wednesday, July 7, 2021 at 5:00 p.m. IST through video conference and other audiovisual means (VC).

The Notice of the meeting, containing the business to be transacted, is enclosed herewith.

Very truly yours,

Sd/-

Ravikumar S.
Chairman

Enclosures:

1. Notice to the 19th 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

INFOSYS BPM LIMITED
CIN : U72200KA2002PLC030310
Electronics City, Hosur Road
Bengaluru 560100, India
T : 91 80 2858 2405
F : 91 80 2852 2411
cosecretarybpm@infosys.com
www.infosysbpm.com

Notice of the 19th Annual General Meeting

Notice is hereby given that the Nineteenth Annual General Meeting (AGM) of the Members of Infosys BPM Limited ("the Company") will be held on Wednesday, July 7, 2021 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, 2021 and the reports of the Board of Directors ("the Board") and auditors thereon.

Item no. 2 – Declaration of dividend

To declare a final dividend of ₹175 per equity share for the year ended March 31, 2021.

Item No. 3 – Appointment of Inderpreet Sawhney, as director liable to retire by rotation

To appoint a Director in place of Inderpreet Sawhney (DIN: 07925783), who retires by rotation and, being eligible, seeks reappointment.

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, Inderpreet Sawhney (DIN: 07925783), who retires by rotation, be and is hereby reappointed as a director liable to retire by rotation.

Special business

Item No.4 – Reappointment of Anantharaman Radhakrishnan as 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 Sections 196, 197, 203, Schedule V and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder (including any statutory modifications or re enactment(s) thereof, for the time being in force), and Articles of Association of the Company, the consent of the members of the Company be and is hereby accorded for reappointment of Anantharaman Radhakrishnan (DIN: 07516278) as the Chief Executive Officer and Managing Director, a Key Managerial Personnel of the Company for a further period of five (5) years with effect from May 16, 2021 on the existing terms and conditions and the remuneration as hereunder:

1. Fixed gross salary per annum – Gross salary per annum of ₹ 17,394,948 and total gross salary per annum inclusive of performance bonus (at an indicative payment of 100%) will be ₹ 28,364,748
2. Performance bonus / Variable pay –The performance bonus of ₹ 10,969,800 to be paid on achievement of targets and in accordance with the Company's rules and policies.
3. Superannuation – Eligible for a Superannuation / Superannuation allowance which is calculated at 15% of the sum of basic salary and fixed dearness allowance. Out of this amount, a maximum amount of ₹ 8,333 per month will be contributed to the superannuation fund of the Company; the balance amount shall be paid to as a part of the monthly salary.
4. Stock compensation - Subject to the approval of the Board or the nomination and remuneration committee of the Company, Anantharaman Radhakrishnan may, from time to time be granted equity-based compensation awards in respect of the shares of the common stock of parent company, Infosys Limited pursuant to the parent company's stock incentive compensation plans. Such equity-based awards will be subject to the terms and conditions of the Plan in force from time to time and the applicable award agreement.
5. 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.
6. 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, 2021, during the tenure of Anantharaman Radhakrishnan as Chief Executive Officer and Managing Director, 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, or such other limits as may be prescribed by the Government from time to time as minimum remuneration.

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 of Directors of the Company be and is hereby authorized to alter and vary the terms and conditions of appointment and / or components of remuneration, subject to the same not exceeding the limits specified under Section 197, read with Schedule V of the Companies Act, 2013 (including any statutory modification(s) or re-enactment(s) there-of, for the time being in force).

Item No. 5 – Reappointment of Michael Gibbs as an independent director

To consider and if thought fit, to pass the following resolution as a special resolution:

RESOLVED THAT pursuant to the provisions of Sections 149, 152 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, Michael Gibbs (DIN: 08177291) who holds office as an independent director up to July 8, 2021 be and is hereby reappointed as an independent director, not liable to retire by rotation, for a second term with effect from July 9, 2021 up to the date of the 20th annual general meeting.

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. 6 – Reappointment of Gopal Devanahalli as an independent director

To consider and if thought fit, to pass the following resolution as a special resolution:

RESOLVED THAT pursuant to the provisions of Sections 149, 152 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, Gopal Devanahalli (DIN: 07105349), who holds office as an independent director up to July 8, 2021 be and is hereby reappointed as an independent director, not liable to retire by rotation, for a second term with effect from July 9, 2021 up to the date of the 20th annual general meeting.

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. 7 – Appointment of Martha King as a Director

To consider and, if thought fit, to pass, the following resolution as an ordinary resolution:

RESOLVED THAT pursuant to the provisions of Sections 152 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, Martha King (DIN: 09166670) who was appointed as an additional director of the Company effective May 11, 2021 and who holds office up to the date of the annual general meeting and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013 proposing her candidature, be and is hereby appointed as Director of the Company, liable to retire by rotation.

RESOLVED FURTHER THAT, the Board be and is hereby authorized to delegate all or any powers conferred herein, to any committee of directors, with power to further delegate to any executives / officers of the Company to do all such acts, deeds, matters and things and also to execute such documents, writings, etc., as may be necessary in this regard.

By order of
the Board of Directors
For Infosys BPM Limited

Sd/-
Bindu Raghavan
Company Secretary

June 14, 2021
Bengaluru

Notes

1. Pursuant to the General Circular numbers 20/2020, 14/2020, 17/2020 and 02/2021 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.
7. In compliance with Section 107 of the Act, the Company will provide the voting through show of hands at the meeting for each of the resolutions.
8. Members are requested to address all correspondence, including dividend-related matters, to RTA, KFin Technologies Private Limited, Unit: Infosys Limited,

Selenium Tower B, Plot 31-32, Financial District, Nanakramguda, Serilingampally Mandal, Hyderabad 500032.

9. Members wishing to claim dividends that remain unclaimed are requested to correspond with the RTA as mentioned above, or with the Company Secretary, at the Company's registered office or at cosecretarybpm@infosys.com. Members are requested to note that dividends that are not claimed within seven years from the date of transfer to the Company's Unpaid Dividend Account, will be transferred to the Investor Education and Protection Fund ("IEPF"). Shares on which dividend remains unclaimed for seven consecutive years shall be transferred to IEPF as per Section 124 of the Act, read with applicable IEPF rules.
10. 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.
11. 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 at cosecretarybpm@infosys.com
12. Details of the VC are provided below:

    Instructions to join
    Recommended browser: Google chrome
    Meeting access code: 1847 53 8215
    URL: https://infosys.webex.com
    Meeting password: The password will be shared before the AGM

- Open the 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

Item No. 4 – Reappointment of Anantharaman Radhakrishnan as Chief Executive Officer and Managing Director

The members of the Company have approved the appointment of Anantharaman Radhakrishnan as the Chief Executive Officer and Managing Director (CEO & MD) for a period of five years effective May 17, 2016. His first term of appointment completed on May 16, 2021.

Anantharaman Radhakrishnan 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. Under his able leadership as the CEO & MD, implemented a client-facing but employee-friendly strategy to turn around BPM from negative growth and revenue of 554 M$ in fiscal 2016 to more than double the growth (approx. 1,129 M$) and also be one of the fastest growing service lines within Infosys in fiscal 2021. During fiscal 2020, the Company achieved a milestone of a Billion US $ in revenue and successfully navigated through the pandemic with record accolades from clients.

Considering his performance and contribution to the growth of the Company, the Board of Directors of the Company at their meeting held on April 12, 2021, on the recommendation of the nomination and remuneration committee and subject to the approval of the members of the Company have reappointedt Anantharaman Radhakrishnan as the CEO & MD of the Company for a further period of five years from May 16, 2021 to May 15, 2026, on such remuneration as set out in the resolution and the agreement of appointment of Managing Director entered into with him.

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") and (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.

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.

In compliance with the general circular number 20/2020 issued by the MCA, this item is considered unavoidable and forms part of this Notice.

No director, key managerial personnel or their relatives except Anantharaman Radhakrishnan, 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 the approval of members.

Item No. 5 – Reappointment of Michael Nelson Gibbs as an independent director

Michael Gibbs was appointed as an independent director of the Company pursuant to Section 149 of the Companies Act, 2013, read with Companies (Appointment and Qualification of Directors) Rules, 2014, by the members in the AGM held on July 9, 2021, to hold office up to July 8, 2021. He is due for retirement from the first term as an independent director on July 8, 2021. The Board, after taking into account the performance evaluation of Michael Gibbs and considering his knowledge, acumen, expertise, experience and substantial contribution, has recommended to the Board his reappointment for a second term. Based on the recommendation of the nomination and remuneration committee, the Board has recommended the reappointment of Michael Gibbs as independent director, not liable to retire by rotation, for a second term with effect from July 9, 2021, up to the date of the 20th annual general meeting.

In accordance with the provisions of Section 149 of the Companies Act, 2013, an independent director shall hold office for a term up to five consecutive years on the Board of a Company but shall be eligible for reappointment on passing of a special resolution by the Company.

Michael Gibbs fulfills the requirements of an independent director as laid down under Section 149(6) of the Companies

Act, 2013.The Company has received all statutory disclosures / declarations from Michael Gibbs 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 Companies Act, 2013. The Company has also received a notice under Section 160 of the Companies Act, 2013 from a member, intending to propose Michael Gibbs candidature for the office of Independent Director.

In the opinion of the Board, and based on its evaluation, Michael Gibbs fulfils the conditions specified in the Companies Act, 2013 and the Rules made thereunder for his reappointment as an independent director of the Company and he is independent of the management of the Company. A copy of the draft letter for the reappointment of Michael Gibbs 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 reappointment of Michael Gibbs as an independent director of the Company up to the date of the 20th annual general meeting.

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 his office shall not be liable to retire by rotation.

In compliance with the general circular number 20/2020 issued by the MCA, this item is considered 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. 5.

The Board recommends the resolution set forth in Item no. 5 for the approval of members.

Item No. 5 – Reappointment of Gopal Devanahalli as an independent director

Gopal Devanahalli was appointed as an independent director of the Company pursuant to Section 149 of the Companies Act, 2013, read with Companies (Appointment and Qualification of Directors) Rules, 2014, by the members in the AGM held on July 9, 2021, to hold office up to July 8, 2021. He is due for retirement from the first term as an independent director on July 8, 2021. The Board, after taking into account the performance evaluation of Gopal Devanahalli and considering his knowledge, acumen, expertise, experience and substantial contribution, has recommended to the Board his reappointment for a second term. Based on the recommendation of the nomination and remuneration committee, the Board has recommended the reappointment of Gopal Devanahalli as independent director, not liable to retire by rotation, for a second term with effect from July 9, 2021, up to the date of the 20th annual general meeting.

In accordance with the provisions of Section 149 of the Companies Act, 2013, an independent director shall hold office for a term up to five consecutive years on the Board of a Company but shall be eligible for reappointment on passing of a special resolution by the Company.

Gopal Devanahalli fulfills the requirements of an independent director as laid down under Section 149(6) of the Companies Act, 2013.The Company has received all statutory disclosures / declarations from Gopal Devanahalli 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 Companies Act, 2013. The Company has also received a notice under Section 160 of the Companies Act, 2013 from a member, intending to propose Gopal Devanahalli candidature for the office of Independent Director.

In the opinion of the Board, and based on its evaluation, Gopal Devanahalli fulfils the conditions specified in the Companies Act, 2013 and the Rules made thereunder for his reappointment as an independent director of the Company and he is independent of the management of the Company. A copy of the draft letter for the reappointment of Gopal Devanahalli 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 reappointment of Gopal Devanahalli as an independent director of the Company up to the date of the 20th annual general meeting.

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 his office shall not be liable to retire by rotation.

In compliance with the general circular number 20/2020 issued by the MCA, this item is considered 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. 6.

The Board recommends the resolution set forth in Item no. 6 for the approval of members.

Item No. 7 – Appointment of Martha King as a Director

Martha King was appointed as an additional director of the Company with effect from May 11, 2021 by the Board of Directors of the Company on the recommendation of the nomination and remuneration committee. In terms of Section 161(1) of the Act, Martha King holds office only up to the date of the forthcoming Annual General Meeting. The Company has also received a notice under Section 160 of the Companies Act, 2013 from a member, proposing Martha King's candidature for the office of a Director in the Company.

The Company has received all statutory disclosures / declarations from Martha King (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") and (ii) intimation in Form DIR-8 in terms of the Appointment Rules to the effect that she is not disqualified under sub-section (2) of Section 164 of the Act. The Company has also received a notice under Section 160 of the Companies Act, 2013 from a member, intending to propose Martha King's candidature for the office of Director.

In compliance with the general circular number 20/2020 issued by the MCA, this item is considered unavoidable and forms part of this Notice.

No director, key managerial personnel or their relatives except Martha King, to whom the resolution relates, is interested in or concerned with the resolution in Item no. 7.

The Board recommends the resolution set forth in Item no. 7 for the approval of members.

Additional information on director recommended for appointment / re-appointment/ revision of remuneration as required under the applicable Secretarial Standards

Inderpreet Sawhney

Inderpreet Sawhney is the Group General Counsel and the Chief Compliance Officer of Infosys. In this role she leads the legal and compliance function of the Company. She is a strategic business partner supporting the business in legal and regulatory matters and ensuring the implementation of the compliance and ethics program of the Company in line with Infosys' core C-LIFE values. Inderpreet is a seasoned international professional with over 25 years of experience, including as a General Counsel of a large IT Service company, and as Managing Partner of a mid-sized law firm in Silicon Valley where her mandate included counsel on complex international transactions. She also serves on the National Advisory Council of SABANA (South Asian Bar Association of North America). She is a frequent speaker at international conferences. Inderpreet has a BA (Hons.) and LL.B degree from Delhi University and an LL.M from Queen's University, Kingston, Canada

Age: 56 years

Nature of expertise in specific functional areas: Legal Compliance and ethics

Disclosure of inter-se relationships between directors and key managerial personnel: Nil

Companies (other than Infosys Group) in which Inderpreet Sawhney holds directorship and committee membership Directorship: Nil

Shareholding in the Company: Nil

Remuneration proposed to be paid: Nil

Date of first appointment on Board, last drawn remuneration and number of Board meetings attended: Inderpreet was first appointed to the Board on October 13, 2018. The details of number of meetings attended are provided in the Corporate governance report section of the Annual Report.

Anantharaman Radhakrishnan

Anantharaman Radhakrishnan (Radha) is the Chief Executive Officer and Managing Director of Infosys BPM Limited.

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: 53 years

Nature of expertise in specific functional areas: Information Technology Services and Business Management

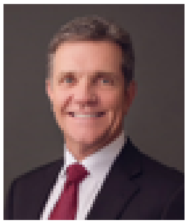
Disclosure of inter-se relationships between directors and key managerial personnel: Nil

Companies (other than Infosys Group) in which Anantharaman Radhakrishnan hold directorship and committee membership: Nil

Shareholding in the Company: Nil

Remuneration proposed to be paid: The details of remuneration paid during fiscal 2021 is available in the Corporate governance report section of the Annual Report.

Key terms and conditions of reappointment: As per the resolution at Item no. 4 of this Notice, read with the explanatory statement thereto.



Michael Nelson Gibbs

Michael Gibbs is an Independent Director of Infosys Limited. Michael Gibbs is the former Group CIO for BP, PLC who held the responsibility of setting up 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 cybersecurity 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 and 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 and Marketing, before becoming Group CIO in 2013.

Currently, Michael does occasional business consulting and speaking. He has chaired several church and missions 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 second most powerful IT executive in Europe.

Age: 63 years

Nature of expertise in specific functional areas: Information Technology Services and Business Management

Disclosure of inter-se relationships between directors and key managerial personnel: Nil

Companies (other than Infosys Group) in which Michael Gibbs holds directorship and committee membership: - Nil

Shareholding in the Company: Nil

Remuneration proposed to be paid: The shareholders of the Company at their 13th AGM held on July 31, 2015 have approved a sum not exceeding 1% of the net profit of the Company per annum, calculated as per Section 198 of the Companies Act, 2013, to be paid the non-executive independent directors of the Company in the manner decided by the Board.

Key terms and conditions of reappointment: 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: Michael Gibbs was first appointed to the Board on July 10, 2019. The details of remuneration drawn, and number of meetings attended are provided in the Corporate governance report section of the Annual Report.

Gopal Devanahalli

Gopal has over 29 years of professional services experience. Since July 2019, he is the CEO of Manipal Education Americas. Prior to that, he was the CEO of MeritTrac Services, a leading assessments company. MeritTrac is part of Manipal Global Education (Manipal). Gopal was also responsible for all digital initiatives for Manipal. Earlier, he was the COO of 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, a leading technology company and seven years in Kotak Mahindra Finance. At Infosys, Gopal has played various roles ranging from managing a business, developing corporate strategy as well as business development. His last role there was as Vice President, Products and Platforms.

Gopal has an Engineering Degree in Computer Science, from BITS, Pilani and a PGDM from IIM, Kolkata.

Age: 53 years

Nature of expertise in specific functional areas: Information Technology Services, Healthcare, Learning

Disclosure of inter-se relationships between directors and key managerial personnel: Nil

Companies (other than Infosys Group) in which Gopal Devanahalli holds directorship and committee membership

Directorship/Manager: Manipal Education Americas LLC

Shareholding in the Company: Nil

Remuneration proposed to be paid: The shareholders of the Company at their 13th AGM held on July 31, 2015 have approved a sum not exceeding 1% of the net profit of the Company per annum, calculated as per Section 198 of the Companies Act, 2013, to be paid the non-executive independent directors of the Company in the manner decided by the Board.

Key terms and conditions of reappointment: As per the resolution at Item no. 6 of this Notice, read with the explanatory statement thereto.

Date of first appointment on Board, last drawn remuneration and number of Board meetings attended: Gopal Devanahalli was first appointed to the Board on July 10, 2019. The details of remuneration drawn, and number of meetings attended are provided in the Corporate governance report section of the Annual Report.

Martha King

Martha King is the Chief Client Officer at Infosys, as well as the Executive Vice President and head of Infosys' Retirement Services Center of Excellence. She is responsible for navigating the next client-centric technology frontier in the financial services industry in order to enable better outcomes for millions of retirement savers. At the Retirement Services Center of Excellence, the current focus is on revolutionizing the retirement plan experience by developing the industry's first cloud-native recordkeeping system, delivering greater insights and unprecedented personalization to plan sponsors and retirement savers, and maintaining an unwavering commitment to world-class client service.

Core to the Retirement Services Center of Excellence is a strategic relationship between Infosys and Vanguard, where Martha King most recently served as the Managing Director of the firm's institutional investor group, which serves nearly five million participants and 1,500 sponsors – all of whom will benefit from this relationship. Prior to that, she served as the Managing Director and founder of Vanguard's financial advisor services division, which now oversees more than $2 trillion in assets.

Martha Kind joined Vanguard in 1985 and earned a B.S. from Bloomsburg University of Pennsylvania. She has completed the Advanced Management Program at the Wharton School of the University of Pennsylvania.

Age: 57 years

Nature of expertise in specific functional areas: Information Technology Services

Disclosure of inter-se relationships between directors and key managerial personnel: Nil

Companies (other than Infosys Group) in which Martha King holds directorship and committee membership: Nil

Shareholding in the Company: Nil

Remuneration proposed to be paid: Nil

Key terms and conditions of appointment: As per the resolution at Item no. 7 of this Notice, read with the explanatory statement thereto.

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, risks and uncertainties regarding COVID-19 and the effects of government and other measures seeking to contain its spread, 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, wage increases in India, change in the Indian regulations governing wages, restrictions on immigration in the US, and corporate actions including timely completion of the proposed buyback of our equity shares.

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 2020-21