Particulars	As at March 31,	
	2020	2019
Current		
Advances other than capital advance		
Payment to vendors for supply of goods	129	94
Others		
Unbilled revenues[2]	3,856	2,904
Prepaid expenses[1]	736	580
Deferred contract cost	11	52
Withholding taxes and others	1,356	1,290
Total current other assets	6,088	4,920
Total other assets	7,361	6,660
(1) Includes dues from subsidiaries	168	109
(2) Classified as non-financial asset as the contractual right to consideration is dependent on completion of contractual milestones.		

Withholding taxes and others primarily consist of input tax credits and Cenvat recoverable from the Government of India. As at March 31, 2020 Cenvat recoverable includes ₹355 crore which are pending adjudication. The Company expects these amounts to be sustainable on adjudication and recoverable on final resolution.

2.10 Financial instruments

Accounting policy

2.10.1 Initial recognition

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

2.10.2 Subsequent measurement

a. Non-derivative financial instruments

(i) Financial assets carried at amortized cost

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

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

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

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

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

(iv) Financial liabilities

Financial liabilities are subsequently carried at amortized cost using the effective interest method, except for contingent consideration recognized in a business combination which is subsequently measured at fair value through profit or loss. For trade and other payables maturing within one year from the Balance Sheet date, the carrying amounts approximate 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 options contracts to mitigate the risk of changes in exchange rates on foreign currency exposures. The counterparty for these contracts is generally a bank.

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

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

Although the Company believes that these derivatives constitute hedges from an economic perspective, they may not qualify for hedge accounting under Ind AS 109, *Financial Instruments*. Any derivative that is either not designated as hedge, or is so designated but is ineffective as per Ind AS 109, is categorized as a financial asset or financial liability, at fair value through profit or loss.

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

(ii) Cash flow hedge

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

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

2.10.3 Derecognition of financial instruments

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

2.10.4 Fair value of financial instruments

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

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

2.10.5 Impairment

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

Financial instruments by category

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

in ₹ crore

Particulars	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)*	13,562	–	–	–	–	13,562	13,562
Investments *(Refer to Note 2.4)*							
Preference securities, equity instruments and others	–	–	30	103	–	133	133
Tax-free bonds and government bonds	1,838	–	–	–	–	1,838	2,135[2]
Liquid mutual fund units	–	–	2,019	–	–	2,019	2,019
Redeemable, non-convertible debentures [1]	1,159	–	–	–	–	1,159	1,159
Fixed maturity plan securities	–	–	428	–	–	428	428
Certificates of deposit	–	–	–	–	886	886	886
Non-convertible debentures	–	–	–	–	1,924	1,924	1,924
Government securities	–	–	–	–	664	664	664
Trade receivables *(Refer to Note 2.7)*	15,459	–	–	–	–	15,459	15,459
Loans *(Refer to Note 2.5)*	605	–	–	–	–	605	605
Other financial assets *(Refer to Note 2.6)*[4]	4,992	–	10	–	9	5,011	4,929[3]
Total	37,615	–	2,487	103	3,483	43,688	43,903

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		
Liabilities							
Trade payables (*Refer to Note 2.13*)	1,529	–	–	–	–	1,529	1,529
Lease liabilities (*Refer to Note 2.3*)	3,165	–	–	–	–	3,165	3,165
Other financial liabilities (*Refer to Note 2.12*)	5,844	–	592	–	20	6,456	6,456
Total	10,538	–	592	–	20	11,150	11,150

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

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

[(3)] Excludes interest accrued on tax-free bonds and government bonds carried at amortized cost of ₹82 crore

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

The carrying value and fair value of financial instruments by categories as at March 31, 2019 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*)	15,551	–	–	–	–	15,551	15,551
Investments (*Refer to Note 2.4*)							
Preference securities, equity instruments and others	–	–	16	90	–	106	106
Tax-free bonds and government bonds	1,840	–	–	–	–	1,840	2,048[(2)]
Liquid mutual fund units	–	–	1,701	–	–	1,701	1,701
Redeemable, non-convertible debentures[(1)]	1,445	–	–	–	–	1,445	1,445
Fixed maturity plan securities	–	–	401	–	–	401	401
Certificates of deposit	–	–	–	–	2,123	2,123	2,123
Government securities	–	–	–	–	724	724	724
Non-convertible debentures	–	–	–	–	2,955	2,955	2,955
Commercial paper	–	–	–	–	495	495	495
Trade receivables (*Refer to Note 2.7*)	13,370	–	–	–	–	13,370	13,370
Loans (*Refer to Note 2.5*)	1,064	–	–	–	–	1,064	1,064
Other financial assets (*Refer to Note 2.6*)[(4)]	4,709	–	284	–	37	5,030	4,948[(3)]
Total	37,979	–	2,402	90	6,334	46,805	46,931
Liabilities							
Trade payables (*Refer to Note 2.13*)	1,604	–	–	–	–	1,604	1,604
Other financial liabilities (*Refer to Note 2.12*)	7,067	–	128	–	1	7,196	7,196
Total	8,671	–	128	–	1	8,800	8,800

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

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

[(3)] Excludes interest accrued on tax-free bonds and government bonds carried at amortized cost of ₹82 crore

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

Fair value hierarchy

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

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

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

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

in ₹ crore

Particulars	March 31, 2020	Fair value measurement at end of the reporting period using		
		Level 1	Level 2	Level 3
Assets				
Investments in tax-free bonds *(Refer to Note 2.4)*	2,122	1,960	162	–
Investments in government bonds *(Refer to Note 2.4)*	13	13	–	–
Investments in liquid mutual fund units *(Refer to Note 2.4)*	2,019	2,019	–	–
Investments in equity instruments *(Refer to Note 2.4)*	2	–	–	2
Investments in preference securities *(Refer to Note 2.4)*	101	–	–	101
Investments in fixed maturity plan securities *(Refer to Note 2.4)*	428	–	428	–
Investments in certificates of deposit *(Refer to Note 2.4)*	886	–	886	–
Investments in non-convertible debentures *(Refer to Note 2.4)*	1,924	1,558	366	–
Investments in government securities *(Refer to Note 2.4)*	664	664	–	–
Other investments *(Refer to Note 2.4)*	30	–	–	30
Derivative financial instruments – gain on outstanding foreign currency forward and options contracts *(Refer to Note 2.6)*	19	–	19	–
Liabilities				
Derivative financial instruments – loss on outstanding foreign currency forward and options contracts *(Refer to Note 2.12)*	461	–	461	–
Liability towards contingent consideration *(Refer to Note 2.12)*[(1)]	151	–	–	151

[(1)] Discount rate pertaining to contingent consideration is 14%

During the year ended March 31, 2020, tax-free bonds and non-convertible debentures of ₹518 crore were transferred from Level 2 to Level 1 of fair value hierarchy, since these were valued based on quoted price, and tax-free bonds of ₹50 crore were transferred from Level 1 to Level 2 of fair value hierarchy, since these were valued based on market observable inputs.

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

in ₹ crore

Particulars	March 31, 2019	Fair value measurement at end of the reporting period using		
		Level 1	Level 2	Level 3
Assets				
Investments in government securities *(Refer to Note 2.4)*	724	724	–	–
Investments in tax-free bonds *(Refer to Note 2.4)*	2,036	1,765	271	–
Investments in liquid mutual fund units *(Refer to Note 2.4)*	1,701	1,701	–	–
Investments in government bonds *(Refer to Note 2.4)*	12	12	–	–
Investments in equity instruments *(Refer to Note 2.4)*	1	–	–	1
Investments in preference securities *(Refer to Note 2.4)*	89	–	–	89
Investments in fixed maturity plan securities *(Refer to Note 2.4)*	401	–	401	–
Investments in certificates of deposit *(Refer to Note 2.4)*	2,123	–	2,123	–
Investments in non-convertible debentures *(Refer to Note 2.4)*	2,955	1,612	1,343	–
Investments in commercial paper *(Refer to Note 2.4)*	495	–	495	–
Other investments *(Refer to Note 2.4)*	16	–	–	16
Derivative financial instruments – gain on outstanding foreign currency forward and options contracts *(Refer to Note 2.6)*	321	–	321	–
Liabilities				
Derivative financial instruments – loss on outstanding foreign currency forward and options contracts *(Refer to Note 2.12)*	13	–	13	–
Liability towards contingent consideration *(Refer to Note 2.12)*[(1)]	116	–	–	116

[(1)] Discount rate pertaining to contingent consideration ranges from 10% to 16%

During the year ended March 31, 2019, tax-free bonds and non-convertible debentures of ₹336 crore were transferred from Level 2 to Level 1 of fair value hierarchy, since these were valued based on quoted price, and ₹746 crore were transferred from Level 1 to Level 2 of fair value hierarchy, since these were valued based on market observable inputs.

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

Financial risk management

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

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

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

The foreign currency risk from financial assets and liabilities as at March 31, 2020 is as follows :

in ₹ crore

Particulars	US Dollar	Euro	UK Pound Sterling	Australian Dollar	Other currencies	Total
Cash and cash equivalents	434	80	15	40	162	731
Trade receivables	10,369	2,035	1,061	610	733	14,808
Other financial assets (including loans)	2,414	408	129	135	445	3,531
Lease liabilities	(1,520)	(378)	(337)	(47)	(127)	(2,409)
Trade payables	(746)	(132)	(179)	(73)	(77)	(1,207)
Other financial liabilities	(3,071)	(432)	(157)	(190)	(308)	(4,158)
Net assets / (liabilities)	7,880	1,581	532	475	828	11,296

The foreign currency risk from financial assets and liabilities as at March 31, 2019 was as follows :

in ₹ crore

Particulars	US Dollar	Euro	UK Pound Sterling	Australian Dollar	Other currencies	Total
Cash and cash equivalents	1,013	102	23	58	185	1,381
Trade receivables	9,009	1,688	1,005	484	693	12,879
Other financial assets (including loans)	1,613	377	145	95	865	3,095
Trade payables	(645)	(99)	(201)	(77)	(52)	(1,074)
Other financial liabilities	(2,945)	(291)	(179)	(104)	(174)	(3,693)
Net assets / (liabilities)	8,045	1,777	793	456	1,517	12,588

Sensitivity analysis between Indian Rupee and US Dollar

Particulars	Year ended March 31,	
	2020	2019
Impact on the Company's incremental operating margins	0.47%	0.48%

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

Derivative financial instruments

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

The details of outstanding foreign currency forward and options contracts are as follows:

Particulars	March 31, 2020		As at March 31, 2019	
	In million	in ₹ crore	In million	in ₹ crore
Derivatives designated as cash flow hedges				
Options contracts				
In Australian Dollar	110	507	120	588
In Euro	120	993	135	1,049
In UK Pound Sterling	21	196	25	226
Other derivatives				
Forward contracts				
In Canadian Dollar	21	117	13	68
In Euro	171	1,415	166	1,289
In Japanese Yen	–	–	550	34
In New Zealand Dollar	16	72	16	75
In Norwegian Krone	40	29	40	32
In South African Rand	–	–	–	–
In Singapore Dollar	80	425	140	716
In Swedish Krona	50	37	50	37
In Swiss Franc	–	–	25	172
In US Dollar	925	6,990	855	5,910
In UK Pound Sterling	45	421	70	634
Options contracts				
In Australian Dollar	–	–	10	49
In Canadian Dollar	–	–	13	69
In Euro	–	–	60	466
In Swiss Franc	–	–	5	35
In US Dollar	555	4,196	433	2,995
In UK Pound Sterling	–	–	10	91
Total forward and options contracts		15,398		14,535

The foreign exchange forward and options contracts mature within 12 months. The table below analyzes the derivative financial instruments into relevant maturity groupings based on the remaining period as at the Balance Sheet date:

in ₹ crore

Particulars	As at March 31,	
	2020	2019
Not later than one month	4,796	4,082
Later than one month and not later than three months	7,396	6,368
Later than three months and not later than one year	3,206	4,085
	15,398	14,535

During the year ended March 31, 2020, the Company has designated certain foreign exchange forward and options contracts as cash flow hedges to mitigate the risk of foreign exchange exposure on highly probable forecast cash transactions. The related hedge transactions for balance in cash flow hedge reserve as at March 31, 2020 are expected to occur and reclassified to Statement of Profit and Loss within three months.

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

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

The reconciliation of cash flow hedge reserve for the years ended March 31, 2020 and March 31, 2019 is as follows:

in ₹ crore

Particulars	Year ended March 31,	
	2020	2019
Gain / (Loss)		
Balance at the beginning of the year	21	–
Gain / (Loss) recognized in other comprehensive income during the year	25	118
Amount reclassified to profit and loss during the year	(73)	(90)
Tax impact on above	12	(7)
Balance at the end of the year	(15)	21

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

The quantitative information about offsetting of derivative financial assets and derivative financial liabilities is as follows:

in ₹ crore

Particulars	March 31, 2020		As at March 31, 2019	
	Derivative financial asset	Derivative financial liability	Derivative financial asset	Derivative financial liability
Gross amount of recognized financial asset / liability	43	(485)	323	(15)
Amount set off	(24)	24	(2)	2
Net amount presented in Balance Sheet	19	(461)	321	(13)

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 ₹15,459 crore and ₹13,370 crore as at March 31, 2020 and March 31, 2019, respectively and unbilled revenue amounting to ₹5,829 crore and ₹4,445 crore as at March 31, 2020 and March 31, 2019, respectively. Trade receivables and unbilled revenue are typically unsecured and are derived from revenue from customers primarily located in the US. Credit risk has always been managed by the Company through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of the customers to which the Company grants credit terms in the normal course of business. The Company uses the expected credit loss model to assess any required allowances; and uses a provision matrix to compute the expected credit loss allowance for trade receivables and unbilled revenues. This matrix takes into account credit reports and other related credit information to the extent available.

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

The details in respect of percentage of revenues generated from top customer and top 10 customers are as follows:

(In %)

Particulars	Year ended March 31,	
	2020	2019
Revenue from top customer	3.5	4.0
Revenue from top 10 customers	20.6	20.3

Credit risk exposure

The allowance for lifetime expected credit loss on customer balances for the years ended March 31, 2020 and March 31, 2019 is ₹127 crore and ₹176 crore, respectively.

Movement in credit loss allowance

in ₹ crore

Particulars	Year ended March 31,	
	2020	2019
Balance at the beginning	521	401
Impairment loss recognized / (reversed)	127	176
Amounts written off	(89)	(67)
Translation differences	21	11
Balance at the end	580	521

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

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

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

Liquidity risk

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

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

As at March 31, 2020, the Company had a working capital of ₹28,600 crore including cash and cash equivalents of ₹13,562 crore and current investments of ₹4,006 crore. As at March 31, 2019, the Company had a working capital of ₹30,793 crore including cash and cash equivalents of ₹15,551 crore and current investments of ₹6,077 crore.

As at March 31, 2020 and March 31, 2019, the outstanding compensated absences were ₹1,529 crore and ₹1,411 crore, respectively, which have been substantially funded. Accordingly, no liquidity risk is perceived.

The details regarding the contractual maturities of significant financial liabilities as at March 31, 2020 are as follows:

in ₹ crore

Particulars	Less than 1 year	1-2 years	2-4 years	4-7 years	Total
Trade payables	1,529	–	–	–	1,529
Other financial liabilities (excluding liability towards contingent consideration) *(Refer to Note 2.12)*	5,827	12	5	–	5,844
Liability towards contingent consideration on an undiscounted basis *(Refer to Note 2.12)*	152	–	–	–	152

The details regarding the contractual maturities of significant financial liabilities as at March 31, 2019 were as follows:

in ₹ crore

Particulars	Less than 1 year	1-2 years	2-4 years	4-7 years	Total
Trade payables	1,604	–	–	–	1,604
Other financial liabilities (excluding liability towards contingent consideration) *(Refer to Note 2.12)*	7,067	–	–	–	7,067
Liability towards contingent consideration on an undiscounted basis *(Refer to Note 2.12)*	82	53	–	–	135

2.11 Equity

Accounting policy

Ordinary shares

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

In December 2017, Ind AS 12, *Income Taxes* was amended which clarified that an entity shall recognize the income tax consequences of dividends on financial instruments classified as equity according to where the entity originally recognized those past transactions or events that generated distributable profits were recognized. On April 1, 2019, the Company adopted these amendments and there was no impact of these amendments on the Company's financial statements.

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.

Share options outstanding account

The Share options outstanding account is used to record the fair value of equity-settled, share-based payment transactions with employees. The amounts recorded in share options outstanding account are transferred to securities premium upon exercise of stock options and transferred to general reserve on account of stock options not exercised by employees.

Other reserves

The Special Economic Zone Re-investment Reserve has been created out of the profit of the eligible SEZ unit in terms of the provisions of Sec 10AA(1)(ii) of 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 terms of the provisions of the Sec 10AA(2) of the Income-tax Act, 1961.

Capital redemption reserve

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

Other components of equity

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

Cash flow hedge reserve

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

2.11.1 Equity share capital

in ₹ crore, except as otherwise stated

Particulars	As at March 31, 2020	As at March 31, 2019
Authorized		
Equity shares, ₹ 5 par value		
4,80,00,00,000 (4,80,00,00,000) equity shares	2,400	2,400
Issued, subscribed and paid up		
Equity shares, ₹ 5 par value [(1)]	2,129	2,178
4,25,89,92,566 (4,35,62,79,444) equity shares fully paid-up		
	2,129	2,178

(1) Refer to Note 2.21 for details of basic and diluted shares

Forfeited shares amounted to ₹ 1,500 (₹ 1,500)