Infosys®

POWERED BY INTELLECT
DRIVEN BY VALUES

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"Innovation across borders is essential to accelerate the pace of world prosperity."

N. R. Narayana Murthy
Founder and Chairman Emeritus, Infosys Limited

Every day we ask ourselves how we can deliver greater value to our clients and shareholders. And look for ways to help our clients take on a future that is full of unknown challenges and yet brimming with opportunities to explore. We clearly see that tomorrow's enterprise will be nothing like today's. That is why our mission is to enable our clients to most effectively compete, not just today, but in the years ahead. As we go about our daily business, we keep relentlessly innovating in order to remain relevant to our clients and their customers.

This tireless commitment to new ideas is in our DNA. It has powered our success through the last three decades and continues to guide us as we go about building tomorrow's enterprise for our clients. We believe each great idea that we bring to life can change how business works, eventually cascading to change how the world works. We measure our success by how these solutions help drive the world — and its enterprises — forward.

Infosys — a company of relentless innovators on a mission.

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Awards for Excellence 2012-13

"The secret of joy in work is contained in one word – excellence. To know how to do something well is to enjoy it."

Pearl S. Buck

– recipient of the Nobel Prize in Literature

At Infosys, innovation and excellence is a way of life while creating business value for our clients. In our pursuit of innovation opportunities, we constantly look at the world around us and think of ways to challenge its functions and most importantly, stay relevant to our clients. It is imperative then, that we recognize and reward those talents that drive excellence through innovation.

The 2012-2013 Awards for Excellence were given across three categories — gold, silver and bronze. The list of awardees is as follows:

Gold Winners

Account Management (Large)

Large Consumer Electronics Company

Brijesh B. Krishnan
Harish Kumar Shetty
Krishna Prakash
Nirmalya Patra
Pankaj Chugh
Sourav S. Banerjee
Vasudev Kamath
Vivek Goel

Brand Management

Talent Branding

Charlotte Mariann Sjoberg
Deepika Subramanian
Divya Bajaj
Ruchi Prasad
Shruthi Bopaiah
Sumit Virmani
Syeda Meher Taj
Varadharaj Venkataraman

Transforming Infosys brand globally with Analyst Relations

Gaurav Ullhas Parab
Maureen Susan McCann
Nidhi Ann Alexander
Shyam Harigovind Mundhada
Sujata Shailesh Chandekar
Sunderkumar Sarangan
Susan Elizabeth Lyddon
Wendy Lynn Shlensky

Client Delight

The de-merger program for a leading Consumer Packaged Goods company

Anitha Martin
Hemang Dhirajlal Shah
Nitin Saxena
Prateek Sinha
Sampathkumar Bhamidipati
Swaminathan S.
Vijay Ashok Raje

Code Champion

Naga Prathyusha Chirravuri
Puneet Gupta

Development Center Management (Large)

Hyderabad Development Center Team

Amiteshwar Dayal Seth
Dass Gunalan
Ganesh Guntur
Laxminath Gopisetty
Mani Sri Vellanki
Manisha Sanjay Saboo
Raghu Boddupally
Rajnish Sharma
Rakesh MK
Rama Murthy Prabhala
Rambabu Sampangi Kaipa
Sachin Ashok Pandhare
Shrinivas Udatha
Srinivas Kamadi
Srinivas Prabhala

Development Center Management (Small)

Thiruvananthapuram Development Center Team
Abhilash Kumar Y.
Ajayan Pillai
Ajith Sreekumaran Nair
Anil J. Rajan
Anna Daniel
Jinson Punnackal Kuruvilla
Pradeep S.
Raghuraman G.
Ramakrishnan Arackal Parameswaran
Ranjith Narayana Pillai
Sara Mathews
Shibil Jose
Sundar Rajan Rengamani
Sunil Jose
Umesh J.

Infy Champion – Domain

Championing Digital Commerce
Gautam Bandyopadhyay

Infy Champion – Technology

Immersive Technologies
Atul Gupta

Innovation – Initiatives

Infosys Software Delivery Platform the Fastest concept to significant commercialization story in the Infosys IP efforts
Anand Chandravadan Shah
Ananth Prasad
Karthik G. V.
Puneet Gupta
Puspakala Ramasamy
Renji Kuruvilla Thomas
Sameer Singh Choudhary
Sivaram Elango

Innovation – Products, Platforms and Solutions

Cloud Ecosystem Hub
Abhijit Paresh Shroff
Bruce Krisanankutty Rajeswari
Chandra Sekhar Allaka
Phani Krishna Kollapur Gandla
Prasanna Raman Sridhar
Santhakumar Rajangam
Senthilkumaran Balasubramanian
Venkata Reddy Donthireddy

Innovation – Thought Leadership

Mobility and Allied Technologies
Puneet Gupta
Akshay Darbari

Internal Customer Delight

The new Sparsh – One Infy intranet
Gaurav Kumar
Jayalakshmi Venugopal
Manoj Kumar Gangwar
Nagamani Ramasamudra Aradhya
Ram Prasad Meenavalli
Senthil Kumaran P.
Shweta Gaur
Tejaswini Thirtha

People Development

Quality Enablement Program – Australia and New Zealand region
Ganesh Karthik Jonnalagadda
Harneet Singh Chitkara
Reema Gupta
Shireesha Duvvuru
Srinivas Mukthavaram
Sripriya Medisetty

Project Excellence

Application Support for a Large Specialty Apparel Retailer
Anshul Balodi
Anusheel Gupta
Ashutosh Agrawal
Dilip Kumar
Mohit Agarwal
Prakash Kumar Agarwal
Roopashree Jagannath
Tushar Ashok Dagade

Revenue Assurance and IT System Controls Management for a leading Telecom Service provider in North America
Drona Gupta
Gaurav Tyagi
Manpreet Singh Dhingra
Naveen Tayal
Prashant Singh Parmar
Rajit Arora
Roopak Kansra
Vishal Sharma

Automation of Field Management Compensation Distribution for a leading Life Insurance Company
Abhishek Majumdar
Abinash Mohapatra
Anand Gopal Sah
Bishwa Bijayee Das
Debasish Roy
Pragyan Patnaik
Satesh Kumar Puti
Sayantan Giri

MS Marketing Engagement
Koteshwari Konduri
Krishna Prasad Jammula
Kumar M. S. S. R. R.
Neelagiri Swetha Rao
Pavan Kumar Pamarty V. N. S.
Sakthivel Nallusamy
Sriram Srinivasan
Veera Venkata Satyanarayana Basava

Transportation BI Solution for a leading retailer
Abhishek Jannawar
Alistair Dsouza
Avinash Kona
Bapi Raju Ipperla
Ravi Kumar Kota
Santosh Kumar Rajamahanthi
Suresh Narra
Venkatanaga Swamy Devanaboyina

Sales Management

IT Outsourcing Pursuit for the largest Food distribution company in North America
Aruni Acharya
Ashish Pant
Jeffrey Anderson Bannister
Karen Elizabeth Hunter
Mathen Thomas
Meyyappan K. R.
Prasanna Srinivasan R.
Sriram Natarajan

Sustainability / Social Consciousness

Parishud
Aditya S. N.
Ashokkumar Baburao Katagi
Bharati Bidari
Maheshkumar Basavarajappa
Ritesh Ramesh Ageton
Vasudevrao Madhukarrao Deshpande
Vinayak Manohar Balamkar

Systems & Processes

IT Asset Management
Antony Prakash J.
Atul Kumar N. J.
Chandrakanth Desai
Krishna Kumar C.
Peeyush Agarwal
Rajashekhar Sethurajan
Vineeta Prabhakar
Yoganand T. D.

Technology Excellence

Data center transformation and end-to-end managed services for managed print services provider
Anil Wangoo
Ashish Birla
Ashish Pant
Bhalchandra Deshpande
Nitin Madhukarrao Doifode

The Infosys Client Value Survey

Engineering Services Team
Chetan Kumar Gupta
Madhusudhana C. V.
Mandeep Singh
Manjunath D. Kulkarni
Nagabhushana Samaga
Ravi Ramaiah
Manjunath R.
Geetha G.
Sundaresh Shankaran
Vivek Gupta
Abhishek
Raghavendra K. A.
Nandan Hemkant Kaluskar
Frederic Ramioulle
Naveen Kumar Jain

Retail, CPG, Logistics and Life Sciences (RCL) team
Bhaskar Kakuturu
Binu Roy
Dheeshjith V. G.
Girish A. R.
Karmesh Gul Vaswani
Pravin Rao U. B.
Rajesh K. Murthy
Rangarajan V. R.
Sai Kumar Shamanna
Sandeep Deepak Dadlani
Surya Prakash K.
Vaidyanatha Balasubramaniam Siva

Unit Management

Retail, CPG, Logistics and Life Sciences (RCL) Team
Ajayan Pillai
Balakrishnan Mayilarangam Sundararajan
Krishnan Subramanian
Pravin Rao U. B.
Raj Kumar Bansal
Sangamesh Bagali
Satish M. R.
Shreeja Nair
Shveta Arora
Superna Shanker
Varsha Bharat Verma

Value Champion
Kumar Rahul

Silver Winners

Account Management (Large)

Account Management for one of Australia's leading Banks
Amit Raj
Arun Srinivas
Guruprasad Raghunatha Rao
Micha Helbig
Naga Siva Ram Mantha
Rajneesh Malviya
Ravikumar M.
Tom O'Brien

Brand Management

Launch of Infosys Cloud Ecosystem Hub
Abhijit Paresh Shroff
Balaji Desikamani
Balaji Sampath
Danielle Mary D'Angelo
Kiran Tumkur Jayanna
Pramod Chaitanya Pratap
Vishnu G. Bhat
Wendy Lynn Shlensky

Client Delight

Enterprise mobile channel development for leading 'online only' Bank
Ankit Kumar Kalanoria
Kalindi Joshi
Pavan Kumar Kamisetty
Sandeep Chouksey
Srinivas S. Deshpande
Sunil Kumar Yadav
Sushil Ramesh Hinduja
Vijendra Pratap Singh

Improving On Time Content Availability for a leading Global Information Services provider
Abhinav Jain
Ajay Krishnankutty Pisharody
Ashish Ramesh Mantri
Mitesh Girishchandra Modi
Pranjal Dashora
Rajeev Gautam Herekar
Rohini Nitesh Thacker

Income-tax Department, CPC – Tax Processing Automation
Anil Pandey
Kotresh Matadha Gurumallapal
Madhan Raj Jeyapragasam
Mallikarjuna Bhadravathi Shivamurthaiah
Manoj Velliyatt
Pushpak Banerjee
Sriram K.
Vinay Gupta

Custom Loyalty Management platform implementation for a leading U.S. based retailer
Alkesh Mohandas Prabhudesai
Aravind Parameswaran
Arun Thomas George
Ayyappadas Govindan
Kunal Vijay Puri
Niraj Kumar Verma
Sajeeva Kumaran Pillai
Vinayak Subray Hegde

Code Champion
Shraman Ghosh

Infy Champion – Domain

Leading Food and Beverage company
Gaurav Mehra

Sustainability in Manufacturing Supply Chain
Jagmeet Singh

Infy Champion – Technology

Legacy Modernization Solutions
Vivek Shukla

Innovation – Initiatives

Finacle Solution Delivery Platform – FSDP
Jasdeep Singh Kaler
Manoj Narayanan Potti
Mukunda D.
Padmavathi Lakshmi Venkatadurga Tallapragada
Prasad C.
Sangram Suhas Karkhanis
Sita Chandrakant Bhatt

Innovation – Products, Platforms and Solutions

Finacle e-banking
Apratim Datta
Manoj Kumar Agrawal
Nishant Sharma
Rajagopal P. K.
Rosemary George
Shripriya Ragunathan
Sudheer H. R.
Vimal Agarwal

Infosys Omni Channel Personalization Engine
Amith Krishnan
Anna Daniel
Mohan Kumar K.
Sajeesh P. J.
Sanoj Mathew Panicker
Sridhar Honnavali Sharma
Subramanian Swaminathan
Varsha Raj

Infosys Transaction Reconciliation System – FinRecon
Anindya Paramanik
Annapurna Samanta
Aparajita Pati
Kaushik Ghosh
Mousum Kumar
Pritamjeet Sarangi
Sanat Kanungo
Santanu Saha

Innovation – Thought Leadership

Information Security Area
Ashutosh Saxena

People Development

High Octane Trend Setters
Amit Lal
Dhinakaran T.
Jai Saravanan Sankaralingam
Karthik Rajamani
Ponselvakumar Palaniappan Sundaram
Rajesh S.
Seema Ramachandran
Thothadri Srinivasan

Project Excellence

CPR – Application Support & Maintenance
Chaitanya Gupte
Chetan G.
Krishnan G. R.
Kurian Jose Marattil
Naveen Guha Narain Govindarajulu
Raghav Vijayashanker Yesodha
Sovan Sunil Panda
Sudeendra Nagaraj

Customer Marketing, Fraud and Privacy Group for a Fortune 500 Global Financial Services Company
Bal Mukund Shukla
Dhiraj Dhake
Gopesh Kumar
Lakshminarasimhan Raghunathan
Priyank Jain
Ravindra Vadiraj Kulkarni
Sandeep Nivritti Lokhande
Vijay Anand

Mass Member Movement Solution for a leading health insurance client in U.S.
Avijeet Mohanty
Debashis Rath
Devidutta Rabindra Nath Mohanty
Jyotirmaya Rath
Monalisa Mandal
Sumartya Sen
Sweta Joshi
Trinankur Dasgupta

Sales Management

Consolidation and transformation of IT Infrastructure and SAP landscape for an iconic American motorcycle manufacturer
Anant Raghavendra Adya
Bharat Pasupathy
Jennifer Patience McClennan
John Premkumar R.
Mary Nicole Oden
Rama Murthy Prabhala
Shridhar Iyengar Raman
Sujeet Sankar

Sustainability / Social Consciousness

Community Empathy
Suja Warrier

Corporate Social Responsibility – Australia and New Zealand
Alana Pascolo
Benjamin Hay Mcleod
Jackie Korhonen
Kshama Upadhyay
Micha Helbig
Michael McKone
Niranjan Venkatachala
Sonia Edwards
Venkateswaran Ramaseshan

Environment Sustainability at Mangalore
Andrea Clarissa Dsilva
Biss Varghese
Cheriyanda Madappa Kuttappa
Chetticha Bollachettira Biddappa
Hareesha J.
Jerry Mathew Jacob
Joe Shameer D'souza
Prapanna Pandian
Sreekanth Sreedharan
Suresh Mannam Kunnath

'My School' – School Adoption Program
Amod Bandu Kumbhar
Gautam Sham Bandivadekar
Kanika Makkar
Manoj Vishwanath Surve
Rakesh Omprakash Chhabra
Rohit Arvind Sant
Sujata Shailesh Chandekar
Sunil Kumar Sharma
Varsha Vijay Bhat
Vishal Kumar Taluja

Systems & Processes

Infosys Tools Group Systems and Processes
Kudaka V. V. Vijayakumar
Mallika Singh
Naresh Balaram Choudhary
Pallavi Bomma
Prabhat Ranjan Kumar
Pradeepa Ariyanathan
Srinivasa Sujit Rao
Tejaswini Amol Sugandhi

Technology Excellence

Technology Rationalization Program for a leading Financial Investment Company
Ahmed Zubair Alpuri
Asheesh Chaddha
Shekhar Mathur
Vasanti Gopalrao Katti
Venu Madhav Venkata Brundavanam

Contribution in SOA Transformation Initiative for a leading global financial services firm
Aabhas Chawla
Abhinab Sarkar
Dinesh Janardhan Patil
Sumeet Chawla
Tarun Bansal

HD video chat solution for a Cable Multiple System Operator
Channa Reddy Kandi
Inish Kollattu
Priya Boloor
Simhachalam Naidu B.
Srinivasa Rao Makkapati
Vinayak Vijaykumar Bhat

Value Champion

Rajendra Prabhakar Pai

Bronze Winners

Account Management (Large)

Major Financial Services Corporation
Jayanthi D.
Mathuchen P. G.
Pradeep Kumar K. S.
Rajesh Goyal
Rajesh Puthupurackal Sreedharan Pillai
Sandeep Kumar
Thirumala Arohi
Vinay K.

Brand Management

Consulting and Systems Integration – Marketing
Amandeep Singh Syali
Bappaditya Roy
Nidhi Rajesh Parikh
Priyanka Chandra
Stephen Bruce Lane
Varinder Verma

Sustainability / Social Consciousness

Akanksha – Bhubaneswar
Akshaya Kumar Satpathy
Amit Kumar Agarwal
Ansuman Parida
Biswajeet Mohanty
Dipankar Rath
Manish Kumar Pandey
Prashant Kumar Sahu
Ramakrishna Sahoo
Sachin Kumar Agarwalla
Saswat Kumar Nayak

Corporate Social Responsibility – Australia and New Zealand
Venkateswaran Ramaseshan
Sonia Edwards
Niranjan Venkatachala
Michael McKone
Micha Helbig
Kshama Upadhyay
Jackie Korhonen
Benjamin Hay Mcleod
Alana Pascolo

Infosys First Radiant Cooled Building
Guruprakash Sastry
Rohan M. Parikh
Santosh Kamath
Sweta Daga
Vegesana Venkata Satya Suryanarayana Raju

Mamata Trust
Kankanala Sundeep Reddy
Kumar M. S. S. R. R.
Padmaja Ramani
Panasa Rama Krishna Yella
Phani Raja Kumar Mudigonda
Rama Murthy Prabhala
Rambabu Sampangi Kaipa
Ramya Kosaraju
Santhosh Kusuma
Satish Kumar Gunda

Infy Champion – Domain

Lease End Of Term, Remarketing & Compliance Automation for a fastest growing Auto Captive in the U.S.
Vinay Sudhakar Joshi

Infy Champion – Technology

Digital Technology
Sampath Kumar Maddali

Distributed Computing
Amith Krishnan

Innovation – Initiatives

SnipeNext Migration Accelerator
Balaji C.
Dhawal Pankaj Kumar Mehta
Janki Ramesh
Kapila Jain
Madhuri Sayajirao Sawant
Manjusha Aditya Shah
Ujjval Nareshbhai Pandya
Varsha Ramachandran

Innovation – Products, Platforms and Solutions

Infosys Vehicle Finance Insurance and Reinsurance Solution
Amit Jayant Soman
Ankur Kapur
Arvind Krishna Baddepudi
Mehwish Siddiqui
Ravi Appayya
Ravi Shankar Gollapudi
Unnikrishnan Menon
Vinay Sudhakar Joshi

Innovation – Thought Leadership

Cloud Computing and Big Data Technologies
Sourav Mazumder
Shyam Kumar Doddavula

Internal Customer Delight

Compliance Tracking System
Arjunaksha Basu
Harmanjot Singh Sodhi
Kashyapa V. Gururaj
Maneesha Nigam
Parshant
Rajeev Thykatt
Shilpa Jhunjhunwala
Sunil Thakur

InfyRadio
Amit Jaiswal
Divya Bajaj
Rani Merin Jose
Ronie Thomas John
Roshni Bhaumik
Ruchi Prasad
Shruthi Bopaiah
Sreelesh Kakkarayil

People Development

Higher Education Collaboration with Coventry University, U.K.
Manoj Deshpande
Rekha Talakad Shanmukha Swamy
Sarma K. V. R. S.
Shivakumar K. S.
Sriranga Ramanuj Acharya K. N.
Sumana YS
Veena Nellissery Sethuraman
Victor Sundararaj

Project Excellence

Setting up an SOA Test Centre of excellence for a leading insurance customer
Dhivya R.
Eucharista Manohari D L
Joyner Joisy D Cunha
Keshavarao Ganeshrao
Kiran Kumar Sandur Kanchgar
Manoj Philip Mathen
Srikantha Nagaraj
Vinay P.

Sales Management

Lease End Of Term, Remarketing & Compliance Automation for a fastest growing Auto Captive in the U.S.
Ajay S. Anand
Ankasha Ashish Tejam
Ashish Goel
Kethesh Thiru
Kirti Jindal
Lohith M. Jajee
Nitesh Banga
Ramanan Ramakrishna

Systems & Processes

Implementation of Integrated Account Model
Anurag Vardhan Sinha
Aruna Chittaranjan Newton
Divya Amarnath
Manoj Deshpande
Nidhi Dhanju
Pankaj Ramesh Mohite
Renu Vadhvani

Value Champion

Ramdass Manjeshwar Kamath
Shrawan Mangalam

Special Mention

Unit Management

Business Platform (BIZP) Team
Ajay S. Anand
Anuradha Balasubramaniam
Deepak Bhatia
Dhanalakshmi
Ghanashyam Wagle
Hariprasad Karnam Bhupasamudram
Hasit G. Trivedi
Nagaraj Nanjundaram
Nitesh Banga
Rahul Shah
Saji Antony K.
Samson David
Sanjay Nambiar R.
Satadal Bandyopadhyay
Sunil Senan

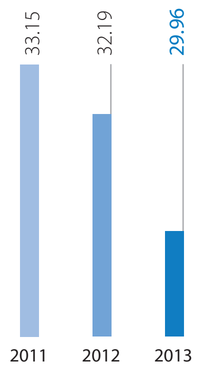
Ratio analysis

Year ended March 31,	2013	2012	2011
Financial performance (%)			
Export revenue / revenue	97.73	97.63	97.66
Domestic revenue / revenue	2.27	2.37	2.34
Software development expenses / revenue	58.92	57.06	56.20
Gross profit / revenue	41.08	42.94	43.80
Selling and marketing expenses / revenue	5.09	4.65	4.80
General and administration expenses / revenue	6.03	6.10	5.85
Selling and marketing, General and administration expenses / revenue	11.12	10.75	10.65
Aggregate employee costs / revenue	54.21	49.51	49.08
Operating profit (PBIDTA) / revenue	29.96	32.19	33.15
Depreciation and amortization / revenue	2.60	2.54	2.92
Operating profit after depreciation and amortization and interest / revenue	27.36	29.65	30.23
Other income / revenue	6.02	5.85	4.52
Profit before exceptional item and tax / revenue	33.39	35.50	34.75
Profit before tax (PBT) / revenue	33.61	37.35	34.75
Tax / revenue	8.82	10.25	9.37
Effective tax rate - Tax (excluding tax on exceptional item) / PBT before exceptional item	26.29	28.03	26.96
Effective tax rate - Tax / PBT	26.23	27.45	26.96
Profit after tax (PAT) before exceptional item, net of taxes / revenue	24.61	25.55	25.38
Profit after tax (PAT) / revenue	24.80	27.10	25.38
Balance sheet			
Debt-equity ratio	–	–	–
Current ratio	4.82	4.72	5.05
Day's sales outstanding (Days)	63	63	61
Liquid assets / total assets (%) (1)	51.80	55.56	52.97
Liquid assets / revenue (%) (1)	60.63	63.67	60.21
Capital expenditure / revenue (%)	5.02	4.15	4.54
Operating cash flows / revenue (%)	18.88	18.75	16.82
Depreciation and amortization / average gross block (%) (3)	13.96	12.34	11.90
Technology investment / revenue (%)	3.33	2.27	2.25
Return			
PAT before exceptional item, net of taxes / average net worth (%)	27.49	29.44	27.69
PAT / average net worth (%)	27.70	31.22	27.69
Return On Capital Employed (ROCE) (PBIT before exceptional item, net of taxes / Average Capital Employed) (%) (1)	37.30	40.87	37.58
Return on average invested capital before exceptional item, net of taxes (%) (1)	64.94	71.46	67.73
Capital output ratio	1.12	1.15	1.08
Invested capital output ratio (1)	3.11	3.28	3.01
Valued added / total income (%)	85.11	82.71	82.99
Enterprise–value / revenue (x) (4)	3.92	4.63	6.73
Dividend / adjusted public offer price (%)	5,659	4,985	4,042
Market price / adjusted public offer price (%)	3,89,302	3,86,196	4,36,723
Year-on-year Growth (%)			
Overseas revenue	17.76	23.08	18.78
Revenue	17.63	23.12	20.08
Operating profit before depreciation	9.48	19.57	14.32
Net profit before exceptional item, net of taxes	13.29	23.95	11.95
Net profit after exceptional item	7.63	31.46	11.03
Basic EPS before exceptional item,	13.29	23.88	11.85
Basic EPS after exceptional item	7.63	31.40	10.91
Per share			
Basic EPS before exceptional item (₹)	157.55	139.07	112.26
Basic EPS after exceptional item(₹)	158.76	147.51	112.26
Basic cash EPS before exceptional item (₹)	174.21	152.90	125.14
Basic cash EPS after exceptional item(₹)	175.41	161.34	125.14
Price / earnings, end of the year before exceptional item	18.34	20.61	28.87
Price / cash earnings, end of the year before exceptional item	16.59	18.75	25.90
PE / EPS growth before exceptional item	1.38	0.86	2.44
Book value (₹)	627.95	518.21	426.73
Price / book value, end of the year	4.60	5.53	7.60
Dividend per share (par value of ₹5) (₹) (2)	42	37	30
Dividend (%) (2)	840	740	600
Dividend payout (%) (2)	29.90	29.70	29.34
Market capitalization / revenue, end of year (x) (4)	4.51	5.27	7.33

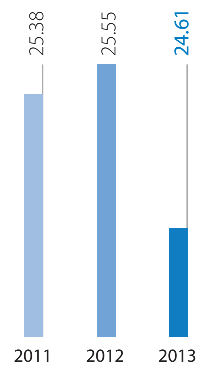
Notes : The ratio calculations are based on standalone Indian GAAP financial statements.
The previous period figures have been regrouped / reclassified, wherever necessary to conform to the current presentation.
(1) *Liquid assets include cash and cash equivalents, investments in liquid mutual funds, certificates of deposit and tax free bonds.*
(2) *Excludes special dividend for fiscal 2012 and 2011.*
(3) *Gross block excludes land (non-depreciable asset).*
(4) *X represents number of times.*

Ratio analysis

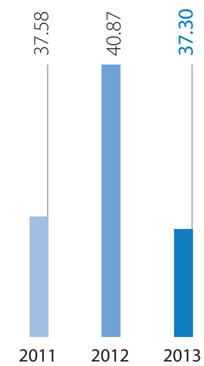
Operating profit (PBIDTA) / revenue (%)



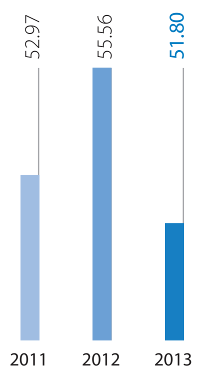
Profit after tax (PAT) before exceptional item, net of taxes / revenue (%)



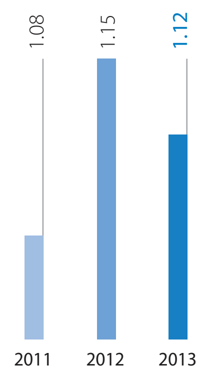
Return On Capital Employed (ROCE) (PBIT before exceptional item, net of taxes / Average Capital Employed) (%)



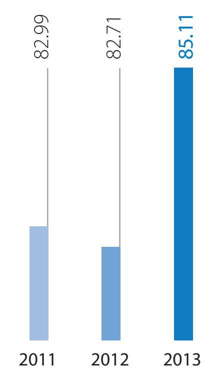
Liquid assets [1] / total assets (%)



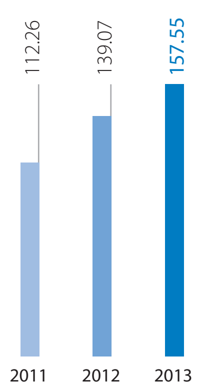
Capital output ratio (x) [3]



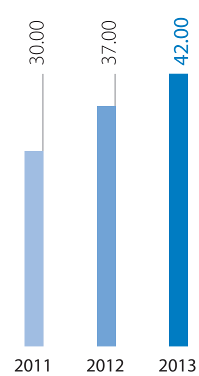
Value added / total income (%)



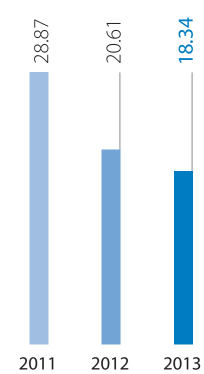
Basic EPS before exceptional item (₹)



Dividend per share (₹) [2]



Price / earnings, end of the year before exceptional item (x) [3]



[1] Includes cash and cash equivalents, investments in liquid mutual funds, certificates of deposit and tax free bonds.
[2] Excludes special dividend for fiscal 2012 and 2011
[3] X represents number of times

Independent Auditor's Report

To the Members of Infosys Limited

Report on the Financial Statements

We have audited the accompanying financial statements of Infosys Limited ('the Company') which comprise the balance sheet as at 31 March 2013, the statement of profit and loss and the cash flow statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ('the Act'). This responsibility includes the design, implementation and maintenance of internal control 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. 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. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

(i) in the case of the balance sheet, of the state of affairs of the Company as at 31 March 2013;

(ii) in the case of the statement of profit and loss, of the profit for the year ended on that date; and

(iii) in the case of the cash flow statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ('the Order'), as amended, issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
    a. we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
    b. in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
    c. the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
    d. in our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956; and
    e. on the basis of written representations received from the directors as on 31 March 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

for B S R & Co.
Chartered Accountants
Firm's registration number: 101248W

Natrajh Ramakrishna
Partner
Membership number: 32815

Bangalore
12 April 2013

Annexure to the Auditors' Report

The Annexure referred to in our report to the members of Infosys Limited ('the Company') for the year ended 31 March 2013. We report that:

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) The Company has a regular programme of physical verification of its fixed assets by which fixed assets are verified in a phased manner over a period of three years. In accordance with this programme, certain fixed assets were verified during the year and no material discrepancies were noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.

(c) Fixed assets disposed off during the year were not substantial, and therefore, do not affect the going concern assumption.

(ii) The Company is a service company, primarily rendering information technology services. Accordingly, it does not hold any physical inventories. Thus, paragraph 4(ii) of the Order is not applicable.

(iii) (a) The Company has granted loans to bodies corporate covered in the register maintained under section 301 of the Companies Act, 1956 ('the Act'). The maximum amount outstanding during the year was ₹1,885,474,274 and the year-end balance of such loan amounted to ₹1,844,887,863. Other than the above, the Company has not granted any loans, secured or unsecured, to companies, firms or parties covered in the register maintained under section 301 of the Act.

(b) In our opinion, the rate of interest and other terms and conditions on which the loans have been granted to the bodies corporate listed in the register maintained under Section 301 of the Act are not, prima facie, prejudicial to the interest of the Company.

(c) In the case of the loans granted to the bodies corporate listed in the register maintained under section 301 of the Act, the borrowers have been regular in the payment of the interest as stipulated. The terms of arrangement do not stipulate any repayment schedule and the loans are repayable on demand. Accordingly, paragraph 4(iii)(c) of the Order is not applicable to the Company in respect of repayment of the principal amount.

(d) There are no overdue amounts of more than rupees one lakh in respect of the loans granted to the bodies corporate listed in the register maintained under section 301 of the Act.

(e) The Company has not taken any loans, secured or unsecured from companies, firms or parties covered in the register maintained under section 301 of the Act. Accordingly, paragraphs 4(iii)(e) to 4(iii)(g) of the Order are not applicable.

(iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchase of fixed assets and sale of services. The activities of the Company do not involve purchase of inventory and the sale of goods. We have not observed any major weakness in the internal control system during the course of the audit.

(v) (a) In our opinion and according to the information and explanations given to us, the particulars of contracts or arrangements referred to in section 301 of the Act have been entered in the register required to be maintained under that section.

(b) In our opinion, and according to the information and explanations given to us, the transactions made in pursuance of contracts and arrangements referred to in (v)(a) above and exceeding the value of ₹5 lakh with any party during the year have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.

(vi) The Company has not accepted any deposits from the public.

(vii) In our opinion, the Company has an internal audit system commensurate with the size and the nature of its business.

(viii) The Central Government of India has not prescribed the maintenance of cost records under Section 209(1)(d) of the Act for any of the services rendered by the Company.

(ix) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Income-tax, Sales-tax, Wealth tax, Service tax and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities. As explained to us, the Company did not have any dues on account of Employees' State Insurance, Customs duty and Excise duty.

According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Income-tax, Sales-tax, Wealth tax, Service tax and other material statutory dues were in arrears as at 31 March 2013 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, there are no material dues of Wealth tax and Cess which have not been deposited with the appropriate authorities on account of any dispute. However, according to information and explanations given to us, the following dues of Income tax, Sales tax, and Service tax, have not been deposited by the Company on account of disputes:

Name of the statute	Nature of dues	Amount (in ₹)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Interest on Income-tax	5,084,704	Assessment year 2006-2007	CIT(Appeals), Bangalore
Income Tax Act, 1961	Demand under section 156	948,934,671	Assessment year 2009-2010 to 2011-12	CIT(Appeals), Bangalore
Service tax	Service tax	57,563,973 (1)	July 2004 to October 2005	CESTAT-Bangalore
Service tax	Service tax	25,784,864 (1)	January 2005 to March 2009	CESTAT-Bangalore
Service tax	Service tax and penalty	231,521,178 (1)	February 2007 to March 2009	CESTAT-Bangalore
Service tax	Service tax	41,972,658	April 2009 to March 2010	CESTAT-Bangalore
Service tax	Service tax	1,912,886,144 (1)	2006 to 2010	CESTAT-Bangalore
Service tax	Service tax	109,013,495	October 2004 to March 2009	CESTAT-Bangalore
Service tax	Service tax	64,654,051	April 2010 to March 2011	CESTAT-Bangalore
Service tax	Service tax	552,274,733	October 2010 to September 2011	CESTAT-Bangalore
APVAT Act, 2005	Inter-state sales	417,650	April 2006 to March 2007	Sales tax appellate Tribunal, Andhra Pradesh
APVAT Act, 2005	Sales tax	3,112,450 (1)(2)	April 2007 to March 2008	High Court of Andhra Pradesh
MVAT Act, 2005	Sales tax	935,455 (1)(2)	April 2006 to December 2007	Jt. Commissioner (Appeals)
MVAT Act, 2005	Sales tax	45,250,506	April 2006 to December 2007	Specified Officer of SEZ
Central Excise Act, 1944	Excise Duty & penalty	386,148,018 (1)	March 2009 to December 2009	CESTAT, Bangalore
Central Excise Act, 1944	Excise Duty & penalty	26,746,497 (1)	January 2010 to December 2010	Commissioner, Bangalore
Central Excise Act, 1944	Excise Duty & penalty	45,132,885 (1)	January 2011 to June 2011	CESTAT, Bangalore
KVAT Act, 2003	Sales tax, interest and penalty	245,343,982 (1)(2)	April 2005 to March 2009	High Court of Karnataka

(1) *A stay order has been received against the amount disputed and not deposited.*

(2) *Net of amounts paid under protest.*

(x) The Company does not have any accumulated losses at the end of the financial year and has not incurred cash losses in the financial year and in the immediately preceding financial year.

(xi) The Company did not have any outstanding dues to any financial institution, banks or debenture holders during the year.

(xii) The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.

(xiii) In our opinion and according to the information and explanations given to us, the Company is not a chit fund/ nidhi/ mutual benefit fund/ society.

(xiv) According to the information and explanations given to us, the Company is not dealing or trading in shares, securities, debentures and other investments.

(xv) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.

(xvi) The Company did not have any term loans outstanding during the year.

(xvii) The Company has not raised any funds on short-term basis.

(xviii) The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Act.

(xix) The Company did not have any outstanding debentures during the year.

(xx) The Company has not raised any money by public issues during the year.

(xxi) According to the information and explanations given to us, no material fraud on or by the Company has been noticed or reported during the course of our audit.

for B S R & Co.
Chartered Accountants
Firm's registration number: 101248W

Natrajh Ramakrishna
Partner
Membership number: 32815

Bangalore
12 April 2013

Balance Sheet

in ₹ crore

Balance Sheet	Note	As at March 31, 2013	2012
EQUITY AND LIABILITIES			
SHAREHOLDERS' FUNDS			
Share capital	2.1	287	287
Reserves and surplus	2.2	35,772	29,470
		36,059	29,757
NON-CURRENT LIABILITIES			
Deferred tax liabilities (net)	2.3	56	-
Other long-term liabilities	2.4	120	21
		176	21
CURRENT LIABILITIES			
Trade payables	2.5	178	68
Other current liabilities	2.6	2,827	2,365
Short-term provisions	2.7	3,788	3,604
		6,793	6,037
		43,028	35,815
ASSETS			
NON-CURRENT ASSETS			
Fixed assets			
Tangible assets	2.8	4,425	4,045
Intangible assets	2.8	28	16
Capital work-in-progress		1,135	588
		5,588	4,649
Non-current investments	2.10	2,764	1,068
Deferred tax assets (net)	2.3	378	189
Long-term loans and advances	2.11	1,529	1,431
Other non-current assets	2.12	31	13
		10,290	7,350
CURRENT ASSETS			
Current investments	2.10	1,580	341
Trade receivables	2.13	6,365	5,404
Cash and cash equivalents	2.14	20,401	19,557
Short-term loans and advances	2.15	4,392	3,163
		32,738	28,465
		43,028	35,815
SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS	1 & 2		

As per our report attached
for B S R & Co.
Chartered Accountants
Firm's Registration Number:101248W

Natrajh Ramakrishna *Partner* Membership No. 32815	K.V. Kamath *Chairman*	S. Gopalakrishnan *Executive Co-Chairman*	S. D. Shibulal *Chief Executive Officer and Managing Director*	Deepak M. Satwalekar *Director*
	Dr. Omkar Goswami *Director*	David L. Boyles *Director*	Prof. Jeffrey S. Lehman *Director*	R. Seshasayee *Director*
	Ann M. Fudge *Director*	Ravi Venkatesan *Director*	Srinath Batni *Director*	V. Balakrishnan *Director*
Bangalore April 12, 2013	Ashok Vemuri *Director*	B. G. Srinivas *Director*	Rajiv Bansal *Chief Financial Officer*	N. R. Ravikrishnan *Company Secretary*

Statement of Profit and Loss

in ₹ crore, except per share data

Statement of Profit and Loss for the	Note	Year ended March 31, 2013	2012
Income from software services and products	2.16	36,765	31,254
Other income	2.17	2,215	1,829
Total revenue		38,980	33,083
Expenses			
Employee benefit expenses	2.18	19,932	15,473
Deferred consideration pertaining to acquisition	2.10.1	85	-
Cost of technical sub-contractors	2.18	1,731	2,483
Travel expenses	2.18	1,281	944
Cost of software packages and others	2.18	734	625
Communication expenses	2.18	289	203
Professional charges		504	437
Depreciation and amortization expense	2.8	956	794
Other expenses	2.18	1,194	1,028
Total expenses		26,706	21,987
PROFIT BEFORE EXCEPTIONAL ITEM AND TAX		12,274	11,096
Dividend income	2.36	83	578
PROFIT BEFORE TAX		12,357	11,674
Tax expense:			
Current tax	2.19	3,361	3,147
Deferred tax	2.19	(120)	57
PROFIT FOR THE PERIOD		9,116	8,470
EARNINGS PER EQUITY SHARE			
Equity shares of par value ₹5/- each			
Before Exceptional item			
Basic		157.55	139.07
Diluted		157.55	139.06
After Exceptional item			
Basic		158.76	147.51
Diluted		158.76	147.50
Number of shares used in computing earnings per share	2.31		
Basic		57,42,32,838	57,41,99,094
Diluted		57,42,33,691	57,42,29,742
SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS	1 & 2		

As per our report attached
for B S R & Co.
Chartered Accountants
Firm's Registration Number : 101248W

Natrajh Ramakrishna *Partner* Membership No. 32815	K.V. Kamath *Chairman*	S. Gopalakrishnan *Executive Co-Chairman*	S. D. Shibulal *Chief Executive Officer and Managing Director*	Deepak M. Satwalekar *Director*
	Dr. Omkar Goswami *Director*	David L. Boyles *Director*	Prof. Jeffrey S. Lehman *Director*	R. Seshasayee *Director*
	Ann M. Fudge *Director*	Ravi Venkatesan *Director*	Srinath Batni *Director*	V. Balakrishnan *Director*
Bangalore April 12, 2013	Ashok Vemuri *Director*	B. G. Srinivas *Director*	Rajiv Bansal *Chief Financial Officer*	N. R. Ravikrishnan *Company Secretary*

Cash Flow Statement

in ₹ crore

Cash Flow Statement for the	Note	Year ended March 31, 2013	2012
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax and exceptional item		12,274	11,096
Adjustments to reconcile profit before tax to cash provided by operating activities			
Depreciation and amortization expense		956	794
Payable for acquisition of business		85	-
Interest and dividend income		(1,931)	(1,720)
Profit on sale of tangible assets		-	(2)
Effect of exchange differences on translation of assets and liabilities		15	19
Effect of exchange differences on translation of foreign currency cash and cash equivalents		(45)	(60)
Changes in assets and liabilities			
Trade receivables	2.35.1	(961)	(1,180)
Loans and advances and other assets	2.35.2	(997)	(819)
Liabilities and provisions	2.35.3	690	671
		10,086	8,799
Income taxes paid	2.35.4	(3,144)	(2,938)
NET CASH GENERATED BY OPERATING ACTIVITIES		6,942	5,861
CASH FLOWS FROM INVESTING ACTIVITIES			
Payment towards capital expenditure	2.35.5	(1,847)	(1,296)
Investments in subsidiaries	2.35.6	(1,384)	(104)
Investment in other investments	2.35.7	(1,883)	(2,796)
Disposal of other investments	2.35.7	336	2,574
Interest and dividend received	2.35.8	1,871	1,703
CASH FLOWS FROM INVESTING ACTIVITIES BEFORE EXCEPTIONAL ITEM		(2,907)	81
Dividend received	2.36	83	578
NET CASH PROVIDED BY / (USED IN) INVESTING ACTIVITIES		(2,824)	659
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issuance of share capital on exercise of stock options		1	6
Loan given to subsidiary	2.35.9	(184)	35
Dividends paid including residual dividend		(2,698)	(2,012)
Dividend tax paid		(438)	(327)
NET CASH USED IN FINANCING ACTIVITIES		(3,319)	(2,298)
Effect of exchange differences on translation of foreign currency cash and cash equivalents		45	60
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		844	4,282
Add: Bank balances taken over from Infosys Consulting Inc., U.S. (Refer to note 2.25)		-	110
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD		19,557	15,165
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD		20,401	19,557
SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS	1 & 2		

As per our report attached
for B S R & Co.
Chartered Accountants
Firm's Registration Number : 101248W

Natrajh Ramakrishna
Partner
Membership No. 32815

K.V. Kamath
Chairman

S. Gopalakrishnan
Executive Co-Chairman

S. D. Shibulal
Chief Executive Officer and Managing Director

Deepak M. Satwalekar
Director

Dr. Omkar Goswami
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Ravi Venkatesan
Director

Srinath Batni
Director

V. Balakrishnan
Director

Bangalore
April 12, 2013

Ashok Vemuri
Director

B. G. Srinivas
Director

Rajiv Bansal
Chief Financial Officer

N. R. Ravikrishnan
Company Secretary

Significant accounting policies and notes on accounts

Company overview

Infosys Limited ('Infosys' or 'the Company') along with its majority-owned and controlled subsidiary, Infosys BPO Limited and its controlled subsidiaries ('Infosys BPO') and wholly-owned and controlled subsidiaries, Infosys Technologies (Australia) Pty. Limited ('Infosys Australia'), Infosys Technologies (China) Co. Limited ('Infosys China'), Infosys Consulting India Limited ('Infosys Consulting India'), Infosys Technologies S. de R. L. de C. V. ('Infosys Mexico'), Infosys Technologies (Sweden) AB. ('Infosys Sweden'), Infosys Tecnologia do Brasil Ltda. ('Infosys Brasil'), Infosys Public Services, Inc., U.S. ('Infosys Public Services') Infosys Technologies (Shanghai) Co. Limited ('Infosys Shanghai') and Lodestone Holding AG and its controlled subsidiaries ('Infosys Lodestone') is a leading global technology services corporation. The Company provides business consulting, technology, engineering and outsourcing services to help clients build tomorrow's enterprise. In addition, the Company offers software products for the banking industry.

1 Significant accounting policies

1.1 Basis of preparation of financial statements

These financial statements are prepared in accordance with Indian Generally Accepted Accounting Principles (GAAP) under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values. GAAP comprises mandatory accounting standards as prescribed by the Companies (Accounting Standards) Rules, 2006, the provisions of the Companies Act, 1956 and guidelines issued by the Securities and Exchange Board of India (SEBI). 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.

1.2 Use of estimates

The preparation of the financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported balances of assets and liabilities and disclosures relating to contingent liabilities as at the date of the financial statements and reported amounts of income and expenses during the period. Examples of such estimates include computation of percentage of completion which requires the Company to estimate the efforts or costs expended to date as a proportion of the total efforts or costs to be expended, provisions for doubtful debts, future obligations under employee retirement benefit plans, income taxes, post-sales customer support and the useful lives of fixed assets and intangible assets.

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 financial statements.

1.3 Revenue recognition

Revenue is primarily derived from software development and related services and from the licensing of software products. Arrangements with customers for software development and related services are either on a fixed-price, fixed-timeframe or on a time-and-material basis.

Revenue on time-and-material contracts are recognized as the related services are performed and revenue from the end of the last billing to the Balance Sheet date is recognized as unbilled revenues. Revenue from fixed-price and fixed-timeframe contracts, where there is no uncertainty as to measurement or collectability of consideration, is recognized based upon the percentage of completion method. When there is uncertainty as to measurement or ultimate collectability revenue recognition is postponed until such uncertainty is resolved. Cost and earnings in excess of billings are classified as unbilled revenue while billings in excess of cost and earnings is classified as unearned revenue. Provision for estimated losses, if any, on uncompleted contracts are recorded in the period in which such losses become probable based on the current estimates.

Annual Technical Services revenue and revenue from fixed-price maintenance contracts are recognized ratably over the period in which services are rendered. Revenue from the sale of user licenses for software applications is recognized on transfer of the title in the user license, except in case of multiple element contracts, which require significant implementation services, where revenue for the entire arrangement is recognized over the implementation period based upon the percentage-of-completion method. Revenue from client training, support and other services arising due to the sale of software products is recognized as the related services are performed.

The Company accounts for volume discounts and pricing incentives to customers as a reduction of revenue based on the ratable allocation of the discount / incentive amount to each of the underlying revenue transactions that result in progress by the customer towards earning the discount / incentive. Also, when the level of discount varies with increases in levels of revenue transactions, the Company recognizes the liability based on its estimate of the customer's future purchases. If it is probable that the criteria for the discount will not be met, or if the amount thereof cannot be estimated reliably, then discount is not recognized until the payment is probable and the amount can be estimated reliably. The Company recognizes changes in the estimated amount of obligations for discounts using a cumulative catchup approach. The discounts are passed on to the customer either as direct payments or as a reduction of payments due from the customer.

The Company presents revenues net of value-added taxes in its Statement of Profit and Loss.

Profit on sale of investments is recorded on transfer of title from the Company and is determined as the difference between the sale price and carrying value of the investment. Lease rentals are recognized ratably on a straight line basis over the lease term. Interest is recognized using the time-proportion method, based on rates implicit in the transaction. Dividend income is recognized when the Company's right to receive dividend is established.

1.4 Provisions and contingent liabilities

A provision is recognized if, as a result of a past event, the Company has a present legal obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by the best estimate of the outflow of economic benefits required to settle the obligation at the reporting date. Where no reliable estimate can be made, a disclosure is made as contingent liability. A disclosure for a contingent liability is also made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

1.5 Post-sales client support and warranties

The Company provides its clients with a fixed-period warranty for corrections of errors and telephone support on all its fixed-price, fixed-timeframe contracts. Costs associated with such support services are accrued at the time when related revenues are recorded and included in cost of sales. The Company estimates such costs based on historical experience and the estimates are reviewed annually for any material changes in assumptions.

1.6 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 lower of the expected cost of terminating the contract and the expected net cost of fulfilling the contract.

1.7 Fixed assets, intangible assets and capital work-in-progress

Fixed assets are stated at cost, less accumulated depreciation and impairment, if any. Direct costs are capitalized until fixed assets are ready for use. Capital work-in-progress comprises of the cost of fixed assets that are not yet ready for their intended use at the reporting date. Intangible assets are recorded at the consideration paid for acquisition of such assets and are carried at cost less accumulated amortization and impairment.

1.8 Depreciation and amortization

Depreciation on fixed assets is provided on the straight-line method over the useful lives of assets estimated by the Management. Depreciation for assets purchased / sold during a period is proportionately charged. Individual low cost assets (acquired for ₹5,000/- or less) are depreciated over a period of one year from the date of acquisition. Intangible assets are amortized over their respective individual estimated useful lives on a straight-line basis, commencing from the date the asset is available to the Company for its use. The Management estimates the useful lives for the other fixed assets as follows :

Buildings	15 years
Plant and machinery	5 years
Office equipment	5 years
Computer equipment	2–5 years
Furniture and fixtures	5 years
Vehicles	5 years

Depreciation methods, useful lives and residual values are reviewed at each reporting date.

1.9 Impairment

The Management periodically assesses using, external and internal sources, whether there is an indication that an asset may be impaired. An impairment loss is recognized wherever the carrying value of an asset exceeds its recoverable amount. The recoverable amount is higher of the asset's net selling price and value in use, which means the present value of future cash flows expected to arise from the continuing use of the asset and its eventual disposal. An impairment loss for an asset is reversed if, and only if, the reversal can be related objectively to an event occurring after the impairment loss was recognized. The carrying amount of an 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.

1.10 Retirement benefits to employees

a Gratuity

In accordance with the Payment of Gratuity Act, 1972, 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 at each Balance Sheet date using the projected unit credit method. The Company fully contributes all ascertained liabilities to the Infosys Limited Employees' Gratuity Fund Trust ('the Trust'). Trustees administer contributions made to the Trust and contributions are invested in specific investments as permitted by the law. The Company recognizes the net obligation of the gratuity plan in the Balance Sheet as an asset or liability, respectively in accordance with Accounting Standard (AS) 15, 'Employee Benefits'. The Company's overall expected long-term rate-of-return on assets has been determined based on consideration of available market information, current provisions of Indian law specifying the instruments in which investments can be made, and historical returns. The discount rate is based on the Government securities yield. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are recognized in the statement of profit and loss in the period in which they arise.

b Superannuation

Certain employees of Infosys are also participants in the superannuation plan ('the Plan') which is a defined contribution plan. The Company has no obligations to the Plan beyond its monthly contributions.

c Provident fund

Eligible employees receive benefits from a provident fund, which is a defined benefit plan. Both the employee and the Company make monthly contributions to the provident fund plan equal to a specified percentage of the covered employee’s salary. The Company contributes a part of the contributions to the Infosys Technologies Limited Employees’ Provident Fund Trust. The remaining portion is contributed to the government administered pension fund. The rate at which the annual interest is payable to the beneficiaries by the trust is being administered by the government. The Company has an obligation to make good the shortfall, if any, between the return from the investments of the trust and the notified interest rate.

d Compensated absences

The employees of the Company are entitled to compensated absences which are both accumulating and non-accumulating in nature. The expected cost of accumulating compensated absences is determined by actuarial valuation based on the additional amount expected to be paid 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.

1.11 Research and development

Research costs are expensed as incurred. Software product development costs are expensed as incurred unless technical and commercial feasibility of the project is demonstrated, future economic benefits are probable, the Company has an intention and ability to complete and use or sell the software and the costs can be measured reliably.

1.12 Foreign currency transactions

Foreign-currency denominated monetary assets and liabilities are translated at exchange rates in effect at the Balance Sheet date. The gains or losses resulting from such translations are included in the Statement of Profit and Loss. Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at fair value are translated at the exchange rate prevalent at the date when the fair value was determined. Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of transaction.

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

1.13 Forward and options contracts in foreign currencies

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

Effective April 1, 2008, the Company adopted AS 30, 'Financial Instruments: Recognition and Measurement', to the extent that the adoption did not conflict with existing accounting standards and other authoritative pronouncements of the Company Law and other regulatory requirements

Forward and options contracts are fair valued at each reporting date. The resultant gain or loss from these transactions are recognized in the Statement of Profit and Loss. The Company records the gain or loss on effective hedges, if any, in the foreign currency fluctuation reserve until the transactions are complete. On completion, the gain or loss is transferred to the statement of profit and loss of that period. To designate a forward or options contract as an effective hedge, the Management objectively evaluates and evidences with appropriate supporting documents at the inception of each contract whether the contract is effective in achieving offsetting cash flows attributable to the hedged risk. In the absence of a designation as effective hedge, a gain or loss is recognized in the Statement of Profit and Loss. Currently hedges undertaken by the Company are all ineffective in nature and the resultant gain or loss consequent to fair valuation is recognized in the Statement of Profit and Loss at each reporting date.

1.14 Income taxes

Income taxes are accrued in the same period that the related revenue and expenses arise. A provision is made for income tax annually, based on the tax liability computed, after considering tax allowances and exemptions. Provisions are recorded when it is estimated that a liability due to disallowances or other matters is probable. Minimum alternate tax (MAT) paid in accordance with the tax laws, which gives rise to future economic benefits in the form of tax credit against future income tax liability, is recognized as an asset in the Balance Sheet if there is convincing evidence that the Company will pay normal tax after the tax holiday period and the resultant asset can be measured reliably. The Company offsets, on a year on year basis, the current tax assets and liabilities, where it has a legally enforceable right and where it intends to settle such assets and liabilities on a net basis.

The differences that result between the profit considered for income taxes and the profit as per the financial statements are identified, and thereafter a deferred tax asset or deferred tax liability is recorded for timing differences, namely the differences that originate in one accounting period and reverse in another, based on the tax effect of the aggregate amount of timing difference. The tax effect is calculated on the accumulated timing differences at the end of an accounting period based on enacted or substantively enacted regulations. Deferred tax assets in situation where unabsorbed depreciation and carry forward business loss exists, are recognized only if there is virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax asset can be realized. Deferred tax assets, other than in situation of unabsorbed depreciation and carry forward business loss, are recognized only if there is reasonable certainty that they will be realized. Deferred tax assets are reviewed for the appropriateness of their respective carrying values at each reporting date. 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. Tax benefits of deductions earned on exercise of employee share options in excess of compensation charged to Statement of Profit and Loss are credited to the share premium account.

1.15 Earnings per share

Basic earnings per share is computed by dividing the net profit after tax by the weighted average number of equity shares outstanding during the period. Diluted earnings per share is computed by dividing the profit after tax by the weighted average number of equity shares considered for deriving basic earnings per share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. The diluted potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value which is the average market value of the outstanding 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 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.

1.16 Investments

Trade investments are the investments made to enhance the Company's business interests. Investments are either classified as current or long-term based on Management's intention at the time of purchase. Current investments are carried at the lower of cost and fair value of each investment individually. Cost for overseas investments comprises the Indian Rupee value of the consideration paid for the investment translated at the exchange rate prevalent at the date of investment. Long term investments are carried at cost less provisions recorded to recognize any decline, other than temporary, in the carrying value of each investment.

1.17 Cash and cash equivalents

Cash and cash equivalents comprise cash and cash on deposit with banks and corporations. The Company considers all highly liquid investments with a remaining maturity at the date of purchase of three months or less and that are readily convertible to known amounts of cash to be cash equivalents.

1.18 Cash flow statement

Cash flows are reported using the indirect method, whereby profit before tax 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.

1.19 Leases

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

2 NOTES ON ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2013

Amounts in the financial statements are presented in ₹ crore, except for per share data and as otherwise stated. Certain amounts that are required to be disclosed and do not appear due to rounding off are detailed in note 2.38. All exact amounts are stated with the suffix "/-". One crore equals 10 million.

The previous period figures have been regrouped / reclassified, wherever necessary to conform to the current period presentation.

2.1 SHARE CAPITAL

in ₹ crore, except as otherwise stated

Particulars	As at March 31,	
	2013	2012
Authorized		
Equity shares, ₹5/- par value		
60,00,00,000 (60,00,00,000) equity shares	300	300
Issued, Subscribed and Paid-Up		
Equity shares, ₹5/- par value (1)	287	287
57,42,36,166 (57,42,30,001) equity shares fully paid-up		
[Of the above, 53,53,35,478 (53,53,35,478) equity shares, fully paid up have been issued as bonus shares by capitalization of the general reserve.]		
	287	287

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

(1) *Refer to note 2.31 for details of basic and diluted shares*

The Company has only one class of shares referred to as equity shares having a par value of ₹5/-. Each holder of equity shares is entitled to one vote per share.

The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

During the year ended March 31, 2012, the amount of per share dividend recognized as distributions to equity shareholders was ₹47. The dividend for the year ended March 31, 2012 includes ₹22 per share of final dividend, ₹15 per share of interim dividend and ₹10 per share of special dividend – 10 years of Infosys BPO operations. The total dividend appropriation amounted to ₹3,137 crore including corporate dividend tax of ₹438 crore.

The Board of Directors, in their meeting on October 12, 2012, declared an interim dividend of ₹15 per equity share. Further the Board of Directors, in their meeting on April 12, 2013, proposed a final dividend of ₹27 per equity share. The proposal is subject to the approval of shareholders at the Annual General Meeting to be held on June 15, 2013. The total dividend appropriation for the year ended March 31, 2013 amounted to ₹2,815 crore including corporate dividend tax of ₹403 crore.

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, after distribution of all preferential amounts. However, no such preferential amounts exist currently. The distribution will be in proportion to the number of equity shares held by the shareholders.

The details of shareholder holding more than 5% shares as at March 31, 2013 and March 31, 2012 is set out below

Name of the shareholder	As at March 31, 2013		As at March 31, 2012	
	No. of shares	% held	No. of shares	% held
Life Insurance Corporation of India (1)	3,42,33,932	5.96	2,82,68,104	4.92
Deutsche Bank Trust Company Americas (Depository of ADR's - legal ownership)	7,08,83,217	12.34	7,73,63,322	13.47

(1) *includes all schemes under their management*

The reconciliation of the number of shares outstanding and the amount of share capital as at March 31, 2013 and March 31, 2012 is set out below:

Particulars	As at March 31, 2013		As at March 31, 2012	
	Number of shares	Amount	Number of shares	Amount
Number of shares at the beginning of the period	57,42,30,001	287	57,41,51,559	287
Add: Shares issued on exercise of employee stock options	6,165	-	78,442	-
Number of shares at the end of the period	57,42,36,166	287	57,42,30,001	287

Stock option plans

The Company has two Stock Option Plans.

1998 Stock Option Plan ('the 1998 Plan')

The 1998 Plan was approved by the Board of Directors in December 1997 and by the shareholders in January 1998, and is for issue of 1,17,60,000 ADSs representing 1,17,60,000 equity shares. All options under the 1998 Plan are exercisable for ADSs representing equity shares. A compensation committee comprising independent members of the Board of Directors administers the 1998 Plan. The 1998 Plan is administered through the Infosys Limited Employees' Welfare Trust (the Trust). All options had been granted at 100% of fair market value. The 1998 Plan lapsed on January 6, 2008, and consequently no further shares will be issued to employees under this plan.

1999 Stock Option Plan ('the 1999 Plan')

In fiscal 2000, the Company instituted the 1999 Plan. The shareholders and the Board of Directors approved the plan in September 1999, which provides for the issue of 5,28,00,000 equity shares to the employees. The compensation committee administers the 1999 Plan. The 1999 Plan is administered through the Infosys Limited Employees' Welfare Trust (the Trust). Options were issued to employees at an exercise price that is not less than the fair market value. The 1999 Plan lapsed on June 11, 2009, and consequently no further shares will be issued to employees under this plan.

The activity in the 1998 Plan and 1999 Plan during the year ended March 31, 2013 and March 31, 2012, respectively, is set out below:

Particulars	Year ended March 31,	
	2013	2012
The 1998 Plan:		
Options outstanding, beginning of the period	-	50,070
Less: Exercised	-	49,590
Forfeited	-	480
Options outstanding, end of the period	-	-
Options exercisable, end of the period	-	-
The 1999 Plan:		
Options outstanding, beginning of the period	11,683	48,720
Less: Exercised	6,165	28,852
Forfeited	5,518	8,185
Options outstanding, end of the period	-	11,683
Options exercisable, end of the period	-	7,429

There were no options exercised under the 1998 Plan during the year ended March 31, 2013.The weighted average share price of options exercised under the 1998 Plan during the year ended March 31, 2012 was ₹2,799

The weighted average share price of options exercised under the 1999 Plan during the year ended March 31, 2013 and year ended March 31, 2012 was ₹2,374 and ₹2,702 respectively.

The following tables summarize information about the options outstanding under the 1999 Plan as at March 31, 2012. There were no options outstanding under the 1998 Plan as at March 31, 2013 and March 31, 2012 and under the 1999 Plan as at March 31, 2013.

Range of exercise prices per share (₹)	As at March 31, 2012		
	Number of shares arising out of options	Weighted average remaining contractual life (in years)	Weighted average
The 1999 Plan:			
300 – 700	-	-	-
701 – 2,500	11,683	0.71	2,121
	11,683	0.71	2,121

As at March 31, 2013 and March 31, 2012, the Company had Nil and 11,683 number of shares reserved for issue under the 1999 employee stock option plan, respectively.

2.2 RESERVES AND SURPLUS

in ₹ crore

Particulars	As at	
	March 31, 2013	ch 31, 2012
Capital reserve – Opening balance	54	54
Add: Transferred from Surplus	-	-
	54	54
Securities premium account – Opening balance	3,064	3,057
Add: Receipts on exercise of employee stock options	1	6
Income tax benefit arising from exercise of stock options	-	1
	3,065	3,064
General reserve – Opening balance	6,359	5,512
Add: Transferred from Surplus	911	847
	7,270	6,359
Surplus – Opening balance	19,993	15,591
Add: Net profit after tax transferred from Statement of Profit and Loss	9,116	8,470
Reserves on transfer of assets and liabilities of Infosys Consulting Inc., (*refer to note 2.25*)	-	(84)
Amount available for appropriation	29,109	23,977
Appropriations:		
Interim dividend	862	862
Special dividend – 10 years of Infosys BPO operations	-	574
Final dividend	1,550	1,263
Total dividend	2,412	2,699
Dividend tax	403	438
Amount transferred to general reserve	911	847
Surplus – Closing Balance	25,383	19,993
	35,772	29,470

2.3 DEFERRED TAXES

in ₹ crore

Particulars	As at March 31, 2013	2012
Deferred tax assets		
Fixed assets	329	266
Trade receivables	18	18
Unavailed leave	133	101
Computer software	45	35
Accrued compensation to employees	29	31
Others	86	8
	640	459
Deferred tax liabilities		
Intangible assets	3	-
Branch profit tax	315	270
	318	270
Deferred tax assets after set off	378	189
Deferred tax liabilities after set off	56	-

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.

As at March 31, 2013 and March 31, 2012, the Company has provided for branch profit tax of ₹315 crore and ₹270 crore, respectively, for its overseas branches, as the Company estimates that these branch profits would be distributed in the foreseeable future. The provision for branch profit tax increased by ₹18 crore during the year ended March 31, 2013 due to change in exchange rate.

2.4 OTHER LONG-TERM LIABILITIES

in ₹ crore

Particulars	As at March 31, 2013	2012
Others		
Gratuity obligation - unamortized amount relating to plan amendment (*refer to note 2.28*)	11	14
Payable for acquisition of business (*refer to note 2.10.1*)	82	-
Rental deposits received from subsidiary (*refer to note 2.25*)	27	7
	120	21

2.5 TRADE PAYABLES

in ₹ crore

Particulars	As at March 31, 2013	2012
Trade payables	178	68
	178	68
Includes dues to subsidiaries (*refer to note 2.25*)	82	61

2.6 OTHER CURRENT LIABILITIES

in ₹ crore

Particulars	As at March 31, 2013	2012
Accrued salaries and benefits		
Salaries and benefits	79	53
Bonus and incentives	389	394
Other liabilities		
Provision for expenses [1]	914	824
Retention monies	69	42
Withholding and other taxes payable	587	454
Gratuity obligation - unamortized amount relating to plan amendment, current (*refer to note 2.28)*	4	4
Other payables [2]	36	31
Advances received from clients	20	14
Unearned revenue	726	519
Mark-to-market loss on forward and options contracts	-	28
Unpaid dividends	3	2
	2,827	2,365
[1] *Includes dues to subsidiaries* (*refer to note 2.25*)	34	-
[2] *Includes dues to subsidiaries* (*refer to note 2.25*)	33	29

2.7 SHORT-TERM PROVISIONS

in ₹ crore

Particulars	As at March 31, 2013	2012
Provision for employee benefits		
Unavailed leave	502	379
Others		
Proposed dividend	1,550	1,837
Provision for		
Tax on dividend	263	298
Income taxes (net of payments)	1,274	967
Post-sales client support and warranties	199	123
	3,788	3,604

Provision for post-sales client support and warranties

The movement in the provision for post-sales client support and warranties is as follows : *in ₹ crore*

Particulars	Year ended March 31, 2013	2012
Balance at the beginning	123	78
Provision recognized / (reversal)	79	60
Provision utilized	-	(15)
Exchange difference	(3)	-
Balance at the end	199	123

Provision for post-sales client support is expected to be utilized over a period of six months to one year.

2.8 FIXED ASSETS

in ₹ crore, except as otherwise stated

Particulars	Original cost				Depreciation and amortization				Net book value	
	As at April 1, 2012	Additions/Adjustments during the year	Deductions/ Retirement during the year	As at March 31, 2013	As at April 1, 2012	For the year	Deduction/Adjustments during the year	As at March 31, 2013	As at March 31, 2013	As at March 31, 2012
Tangible assets :										
Land : Free-hold	424	72	4	492	-	-	-	-	492	424
Leasehold	275	73	-	348	-	-	-	-	348	275
Buildings [1][2]	3,727	326	-	4,053	1,205	262	-	1,467	2,586	2,522
Plant and equipment [2][4][5]	810	114	145	779	544	147	144	547	232	266
Office equipment [2][4][5]	272	58	54	276	155	57	53	159	117	117
Computer equipment [2][3][4][5]	1,088	640	203	1,525	848	352	147	1,053	472	240
Furniture and fixtures [2][4][5]	539	108	129	518	343	124	122	345	173	196
Vehicles	9	1	-	10	4	1	-	5	5	5
	7,144	1,392	535	8,001	3,099	943	466	3,576	4,425	4,045
Intangible assets :										
Intellectual property rights [4]	29	30	-	59	13	13	(5)	31	28	16
	29	30	-	59	13	13	(5)	31	28	16
Total	7,173	1,422	535	8,060	3,112	956	461	3,607	4,453	4,061
Previous year	6,934	807	568	7,173	2,878	794	560	3,112	4,061	

Notes: [1] Buildings include ₹ 250/- being the value of 5 shares of ₹ 50/- each in Mittal Towers Premises Co-operative Society Limited.

[2] Includes certain assets provided on operating lease to Infosys BPO, a subsidiary.

[3] The opening balance as of April 1, 2012, includes computer equipment having gross book value of ₹10 crore (net book value ₹2 crore) transferred from Infosys Consulting Inc.,

[4] Includes plant and equipment having gross book value of ₹1 crore (net book value Nil), office equipment having gross book value of ₹1 crore (net book value Nil), computer equipment having gross book value of ₹62 crore (net book value ₹7 crore), furniture and fixtures having gross book value of ₹11 crore (net book value ₹4 crore) and intellectual property rights having gross book value of ₹21 crore (net book value ₹16 crore) transferred from Infosys Australia aggregating to a cumulative amount of ₹96 crores of gross book value (net book value of ₹27 crore). (Refer to note 2.25)

[5] During the year ended March 31, 2013 and March 31, 2012, certain assets which were old and not in use having gross book value of ₹521 crore and ₹559 crore respectively (net book value Nil) were retired.

Profit / (loss) on disposal of fixed assets during the year ended March 31, 2013 is less than ₹1 crore (₹2 crore for March 31, 2012) and accordingly disclosed under note 2.37.

The Company has entered into lease-cum-sale agreements to acquire certain properties. In accordance with the terms of these agreements, the Company has the option to purchase the properties on expiry of the lease period. The Company has already paid 99% of the value of the properties at the time of entering into the lease-cum-sale agreements. These amounts are disclosed as 'Land – leasehold' under 'Tangible assets' in the financial statements. Additionally, certain land has been purchased for which though the Company has possession certificate, the sale deeds are yet to be executed as at March 31, 2013.

Tangible assets provided on operating lease to Infosys BPO, a subsidiary company, as at March 31, 2013 and *March 31, 2012* are as follows:

in ₹ crore

Particulars	Cost	Accumulated depreciation	Net book value
Buildings	61	34	27
	60	*29*	*31*
Plant and machinery	-	-	-
	3	*3*	*-*
Computer equipment	-	-	-
	1	*1*	*-*
Furniture and fixtures	-	-	-
	2	*2*	*-*
Total	61	34	27
	66	*35*	*31*

The aggregate depreciation charged on the above assets during the year ended March 31, 2013 amounted to ₹4 crore (₹6 crore for the year ended March 31, 2012)

The rental income from Infosys BPO for the year ended March 31, 2013 amounted to ₹17 crore. (₹12 crore for the year ended March 31, 2012).

2.9 LEASES

Obligations on long-term, non-cancelable operating leases

The lease rentals charged during the year and the maximum obligations on long-term, non-cancelable operating leases payable as per the rentals stated in the respective agreements are as follows:

in ₹ crore

Particulars	Year ended March 31,	
	2013	2012
Lease rentals recognized during the year	148	91

in ₹ crore

Lease obligations payable	As at March 31,	
	2013	2012
Within one year of the balance sheet date	118	93
Due in a period between one year and five years	272	161
Due after five years	61	41

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

2.10 INVESTMENTS

in ₹ crore, except as otherwise stated

Particulars	As at March 31, 2013	As at March 31, 2012
Non-current investments		
Long term investments - at cost		
Trade (unquoted)		
Investments in equity instruments of subsidiaries		
Infosys BPO Limited [(1)]		
3,38,22,319 (3,38,22,319) equity shares of ₹ 10/- each, fully paid	659	659
Infosys Technologies (China) Co. Limited	107	107
Infosys Technologies (Australia) Pty Limited		
1,01,08,869 (1,01,08,869) equity shares of AUD 0.11 par value, fully paid	66	66
Infosys Technologies, S. de R.L. de C.V., Mexico		
17,49,99,990 (14,99,99,990) equity shares of MXN 1/- par value, fully paid up	65	54
Infosys Technologies Sweden AB		
1,000 (1,000) equity shares of SEK 100 par value, fully paid	-	-
Infosys Technologies do Brasil Ltda		
4,00,00,000 (2,20,00,000) shares of BRL 1.00 par value, fully paid	109	60
Infosys Technologies (Shanghai) Company Limited	234	93
Infosys Consulting India Limited		
10,00,000 (10,00,000) equity shares of ₹ 10/- each, fully paid	1	1
Infosys Public Services, Inc		
1,00,00,000 (1,00,00,000) common stock of USD 0.50 par value, fully paid	24	24
Lodestone Holding AG *(refer to note 2.10.1)*		
2,800 (Nil) - Class A shares of CHF 1,000 each and 26,710 (Nil) - Class B Shares of CHF100 each, fully paid up	1,187	-
	2,452	1,064
Others (unquoted) *(refer to note 2.10.2)*		
Investments in equity instruments	6	6
Less: Provision for investments	2	2
	4	4
Others (quoted)		
Investments in tax free bonds (*refer to note 2.10.4*)	308	-
	308	-
	2,764	1,068
Current investments – at the lower of cost and fair value		
Unquoted		
Liquid mutual fund units *(refer to note 2.10.3)*	1,580	5
Certificates of deposit *(refer to note 2.10.3)*	-	336
	1,580	341
Aggregate amount of quoted investments excluding interest accrued but not due of ₹5 crore included under Note 2.15 Short term Loans and advances	308	-
Market value of quoted investments	317	-
Aggregate amount of unquoted investments	4,038	1,411
Aggregate amount of provision made for non-current investments	2	2

(1) *Investments include Nil (4,76,250) options of Infosys BPO*

2.10.1 Investment in Lodestone Holding AG

On October 22, 2012, Infosys acquired 100% of the outstanding share capital of Lodestone Holding AG, a global management consultancy firm headquartered in Zurich, Switzerland. The acquisition was executed through a share purchase agreement for an upfront cash consideration of ₹ 1,187 crore and a deferred consideration of ₹ 608 crores.

The deferred consideration is payable to the selling shareholders of Lodestone on the third anniversary of the acquisition date and is contingent upon their continued employment for a period of three years. The investment in Lodestone has been recorded at the acquisition cost and the deferred consideration is being recognized on a proportionate basis over a period of three years from the date of acquisition. An amount of ₹85 crores, representing the proportionate charge of the deferred consideration has been recognized as an expense during the year ended 31 March 2013.

2.10.2 Details of Investments

The details of non-current other investments in equity instruments as at March 31, 2013 and March 31, 2012 are as follows:

in ₹ crore

Particulars	As at March 31,	
	2013	2012
OnMobile Systems Inc., (formerly Onscan Inc.) U.S.		
21,54,100 (21,54,100) common stock at USD 0.4348 each, fully paid, par value USD 0.001 each	4	4
Merasport Technologies Private Limited		
2,420 (2,420) equity shares at ₹ 8,052 each, fully paid, par value ₹ 10 each	2	2
Global Innovation and Technology Alliance		
5,000 (Nil) equity shares at ₹ 1000 each, fully paid, par value ₹ 1000 each	-	-
	6	6
Less: Provision for investment	2	2
	4	4

2.10.3 Details of Investments in liquid mutual fund units and certificates of deposit

The balances held in liquid mutual fund units as at March 31, 2013 is as follows:

Particulars	Units	Amount (in ₹ Crore)
Tata Floater Fund Plan A -Daily Dividend - Direct Plan	2,410,062	242
Kotak Liquid Scheme Plan A- Daily Dividend - Direct Plan	277,271	34
Birla Sun Life Savings Fund-Daily Dividend Reinvestment - Direct Plan	41,012,872	410
ICICI Prudential Flexible Income - Daily Dividend - Direct Plan	12,252,481	130
UTI Treasury Advantage Fund - Institutional Plan - Daily Dividend - Direct Plan	5,842,445	584
DWS Ultra Short Term Fund -Institutional Plan-Daily Dividend - Direct Plan	179,962,153	180
	241,757,284	1,580

The balances held in liquid mutual fund units as at March 31, 2012 is as follows:

Particulars	Units	Amount (in ₹ Crore)
JP Morgan India Liquid Fund - Super Institutional - Daily Dividend Reinvestment	4,997,115	5
	4,997,115	5

There were no balances held in certificates of deposit as at March 31, 2013
The balances held in certificates of deposit as at March 31, 2012 is as follows:

Particulars	Face Value ₹	Units	Amount (in ₹ Crore)
State Bank of Mysore	1,00,000	10,000	91
Union Bank of India	1,00,000	2,500	23
Andhra Bank	1,00,000	14,000	128
Corporation Bank	1,00,000	10,000	94
		36,500	336

2.10.4 Details of investments in tax free bonds

The balances held in tax free bonds as at March 31, 2013 is as follows:

Particulars	Face Value ₹	Units	Amount (in ₹ Crore)
7.34% Indian Railway Finance Corporation Limited Bonds 19FEB2028	1,000	2,000,000	201
8.30% National Highways Authority of India Bonds 25JAN2027	1,000	500,000	53
8.10% Indian Railway Finance Corporation Limited Bonds 23FEB2027	1,000	500,000	54
		3,000,000	308

2.11 LONG-TERM LOANS AND ADVANCES

in ₹ crore

Particulars	As at March 31,	
	2013	2012
Unsecured, considered good		
Capital advances	439	433
Electricity and other deposits	28	26
Rental deposits	29	22
Other loans and advances		
Advance income taxes (net of provisions)	1,019	929
Prepaid expenses	8	15
Loans and advances to employees		
Housing and other loans	6	6
	1,529	1,431

2.12 OTHER NON-CURRENT ASSETS

in ₹ crore

Particulars	As at March 31,	
	2013	2012
Others		
Advance to gratuity trust (*refer to note 2.28*)	31	13
	31	13

2.13 TRADE RECEIVABLES [(1)]

in ₹ crore

Particulars	As at March 31,	
	2013	2012
Debts outstanding for a period exceeding six months		
Unsecured		
Considered doubtful	61	47
Less: Provision for doubtful debts	61	47
	-	-
Other debts		
Unsecured		
Considered good [(2)]	6,365	5,404
Considered doubtful	24	33
	6,389	5,437
Less: Provision for doubtful debts	24	33
	6,365	5,404
	6,365	5,404
[(1)] *Includes dues from companies where directors are interested*	21	8
[(2)] *Includes dues from subsidiaries (refer to note 2.25)*	204	152

Provision for doubtful debts

Periodically, the Company evaluates all customer dues to the Company for collectability. The need for provisions is assessed based on various factors including collectability of specific dues, risk perceptions of the industry in which the customer operates, general economic factors, which could affect the customer's ability to settle. The Company normally provides for debtor dues outstanding for six months or longer from the invoice date, as at the Balance Sheet date. The Company pursues the recovery of the dues, in part or full.

2.14 CASH AND CASH EQUIVALENTS

in ₹ crore

Particulars	As at March 31, 2013	As at March 31, 2012
Cash on hand	-	-
Balances with banks		
In current and deposit accounts	17,401	18,057
Others		
Deposits with financial institutions	3,000	1,500
	20,401	19,557
Balances with banks in unpaid dividend accounts	3	2
Deposit accounts with more than 12 months maturity	181	379
Balances with banks held as margin money deposits against guarantees	189	117

Cash and cash equivalents as of March 31, 2013 and March 31, 2012 include restricted cash and bank balances of ₹192 crore and ₹119 crore, respectively. The restrictions are primarily on account of cash and bank balances held as margin money deposits against guarantees and unclaimed dividends.

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

The details of balances as on Balance Sheet dates with banks are as follows:

in ₹ crore

Particulars	As at March 31, 2013	As at March 31, 2012
In current accounts		
ANZ Bank, Taiwan	1	2
Bank of America, U.S.	751	566
BNP Paribas, Norway	-	-
Citibank NA, Australia	131	68
Citibank NA, Dubai	4	-
Citibank NA, India	13	-
Citibank NA, EEFC (U.S. Dollar account)	110	-
Citibank NA, Japan	16	9
Citibank NA, New Zealand	1	1
Citibank NA, South Africa	1	-
Citibank NA, Thailand	1	1
Deustche Bank, India	10	8
Deustche Bank-EEFC (Euro account)	21	9
Deustche Bank-EEFC (U.S. Dollar account)	64	23
Deutsche Bank, Belgium	10	6
Deutsche Bank, France	5	4
Deutsche Bank, Germany	14	12
Deutsche Bank, Netherlands	10	3
Deutsche Bank, Russia	2	-
Deutsche Bank, Singapore	1	8
Deutsche Bank, Spain	2	1
Deutsche Bank, Switzerland	1	1
Deutsche Bank, U.K.	69	31
Deutsche Bank-EEFC (Swiss Franc account)	2	2
ICICI Bank, India	44	13
ICICI Bank-EEFC (U.S. Dollar account)	9	14
Nordbanken, Sweden	2	2
Punjab National Bank, India	3	1
RBS, Denmark	1	-
Royal Bank of Canada, Canada	15	5
Standard Chartered Bank, UAE	-	1
The Bank of Tokyo-Mitsubishi UFJ, Ltd., Japan	1	1
	1,315	792

In deposit accounts		
Allahabad Bank	275	852
Andhra Bank	704	510
Axis Bank	1,000	746
Bank of Baroda	1,919	1,732
Bank of India	1,891	1,500
Bank of Maharashtra	-	475
Canara Bank	1,891	1,399
Central Bank of India	1,262	700
Corporation Bank	699	395
DBS Bank	-	40
Federal Bank	25	20
HDFC Bank	-	1,357
ICICI Bank	2,499	1,418
IDBI Bank	995	1,000
ING Vysya Bank	88	82
Indian Overseas Bank	441	600
Jammu and Kashmir Bank	25	25
Kotak Mahindra Bank	200	95
Oriental Bank of Commerce	750	700
Punjab National Bank	-	1,285
Ratnakar Bank	5	5
State Bank of Hyderabad	700	500
State Bank of Mysore	-	249
South Indian Bank	25	25
Syndicate Bank	-	550
Union Bank of India	-	602
Vijaya Bank	300	153
Yes Bank	200	131
	15,894	17,146
In unpaid dividend accounts		
Citibank – Unclaimed dividend account	-	-
HDFC Bank – Unclaimed dividend account	1	1
ICICI bank – Unclaimed dividend account	2	1
	3	2
In margin money deposits against guarantees		
Canara Bank	130	56
ICICI Bank	1	-
State Bank of India	58	61
	189	117
Deposits with financial institutions		
HDFC Limited	3,000	1,500
	3,000	1,500
Total cash and cash equivalents as per Balance Sheet	20,401	19,557

2.15 SHORT-TERM LOANS AND ADVANCES

in ₹ crore

Particulars	As at March 31, 2013	2012
Unsecured, considered good		
Loans to subsidiary (*refer to note 2.25)*	184	-
Others		
Advances		
Prepaid expenses	57	38
For supply of goods and rendering of services	46	20
Withholding and other taxes receivable	732	654
Others [(1)]	12	14
	1,031	726
Restricted deposits *(refer to note 2.32)*	724	461
Unbilled revenues [(2)]	2,217	1,766
Interest accrued but not due	91	31
Loans and advances to employees		
Housing and other loans	62	49
Salary advances	125	89
Electricity and other deposits	31	35
Mark-to-market forward and options contracts	88	-
Rental deposits [(3)]	23	6
	4,392	3,163
Unsecured, considered doubtful		
Loans and advances to employees	6	3
	4,398	3,166
Less: Provision for doubtful loans and advances to employees	6	3
	4,392	3,163
[(1)] *Includes dues from subsidiaries (refer to note 2.25)*	10	13
[(2)] *Includes dues from subsidiaries (refer to note 2.25)*	5	-
[(3)] *Includes deposits from subsidiaries (refer to note 2.25)*	21	3

2.16 INCOME FROM SOFTWARE SERVICES AND PRODUCTS

in ₹ crore

Particulars	Year ended March 31,	
	2013	2012
Income from software services	35,163	29,755
Income from software products	1,602	1,499
	36,765	31,254

2.17 OTHER INCOME

in ₹ crore

Particulars	Year ended March 31,	
	2013	2012
Interest received on deposits with banks and others	1,714	1,696
Dividend received on investment in mutual fund units	217	24
Miscellaneous income, net	27	28
Gains / (losses) on foreign currency, net	257	81
	2,215	1,829

2.18 EXPENSES

in ₹ crore

Particulars	Year ended March 31,	
	2013	2012
Employee benefit expenses		
Salaries and bonus including overseas staff expenses	19,523	15,019
Contribution to provident and other funds	378	405
Staff welfare	31	49
	19,932	15,473
Cost of technical sub-contractors		
Technical sub-contractors - subsidiaries	500	1,809
Technical sub-contractors - others	1,231	674
	1,731	2,483
Travel expenses		
Overseas travel expenses	1,174	845
Traveling and conveyance	107	99
	1,281	944
Cost of software packages and others		
For own use	585	463
Third party items bought for service delivery to clients	149	162
	734	625
Communication expenses		
Telephone charges	214	150
Communication expenses	75	53
	289	203

in ₹ crore

Particulars	Year ended March 31, 2013	Year ended March 31, 2012
Other expenses		
Office maintenance	262	232
Power and fuel	180	154
Brand building	84	82
Rent	148	91
Rates and taxes, excluding taxes on income	69	51
Repairs to building	38	41
Repairs to plant and machinery	40	37
Computer maintenance	69	46
Consumables	22	24
Insurance charges	34	25
Research grants	9	3
Marketing expenses	29	19
Commission charges	32	24
Printing and stationery	11	11
Professional membership and seminar participation fees	16	14
Postage and courier	11	9
Advertisements	5	4
Provision for post-sales client support and warranties	79	60
Commission to non-whole time directors	8	8
Freight charges	1	1
Provision for bad and doubtful debts and advances	30	60
Books and periodicals	3	3
Auditor's remuneration		
Statutory audit fees	1	1
Other services	1	-
Bank charges and commission	3	2
Donations	11	26
Miscellaneous expenses	(2)	-
	1,194	1,028

2.19 TAX EXPENSE

in ₹ crore

	Year ended March 31, 2013	Year ended March 31, 2012
Current tax		
Income taxes	3,361	3,147
Deferred taxes	(120)	57
	3,241	3,204

Income taxes

The provision for taxation includes tax liabilities in India on the company's global income as reduced by exempt incomes and any tax liabilities arising overseas on income sourced from those countries. Infosys' operations are conducted through Software Technology Parks ('STPs') and Special Economic Zones ('SEZs'). Income from STPs were tax exempt for the earlier of 10 years commencing from the fiscal year in which the unit commences software development, or March 31, 2011. Income from SEZs is fully tax exempt for the first 5 years, 50% exempt for the next 5 years and 50% exempt for another 5 years subject to fulfilling certain conditions.

2.20 CONTINGENT LIABILITIES AND COMMITMENTS (TO THE EXTENT NOT PROVIDED FOR)

in ₹ crore

Particulars	As at			
		March 31, 2013		March 31, 2012
Contingent liabilities:				
Outstanding guarantees and counter guarantees to various banks, in respect of the guarantees given by those banks in favour of various government authorities and others		19		3
Claims against the Company, not acknowledged as debts[(1)]		535		72
[Net of amount paid to statutory authorities ₹1,114 crore (*₹1,114 crore*)]				
Commitments:				
Estimated amount of unexecuted capital contracts				
(net of advances and deposits)		1,139		949
	in million	in ₹ crore	in million	in ₹ crore
Forward contracts outstanding				
In USD	814	4,419	677	3,445
In Euro	50	348	20	136
In GBP	55	453	20	163
In AUD	70	396	23	121
Options outstanding				
In USD	-	-	50	254
		5,616		4,119

(1) Claims against the Company not acknowledged as debts include demand from the Indian Income tax authorities for payment of additional tax of ₹1,088 crore (₹1,088 crore), including interest of ₹313 crore (₹313 crore) upon completion of their tax review for fiscal 2005, fiscal 2006, fiscal 2007 and fiscal 2008. The income tax demands are mainly on account of disallowance of a portion of the deduction claimed by the Company under Section 10A of the Income Tax Act. The deductible amount is determined by the ratio of export turnover to total turnover. The disallowance arose from certain expenses incurred in foreign currency being reduced from export turnover but not reduced from total turnover. The tax demand for fiscal 2007 and fiscal 2008 also includes disallowance of portion of profit earned outside India from the STP units and disallowance of profits earned from SEZ units. The matter for fiscal 2005, fiscal 2006, fiscal 2007 and fiscal 2008 are pending before the Commissioner of Income Tax (Appeals) Bangalore. 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 this proceeding will not have a material adverse effect on the Company's financial position and results of operations. The company received a draft Assessment Order from the Income tax authorities for an amount of ₹575 crore for fiscal 2009. As the company is contesting this position like earlier years, the appellate authority would be approached upon receiving the final order.

As of the Balance Sheet date, the Company's net foreign currency exposures that are not hedged by a derivative instrument or otherwise is ₹1,189 crore (₹1,081 crore as at March 31, 2012).

The foreign exchange forward and option contracts mature between 1 and 12 months. The following table analyzes the derivative financial instruments into relevant maturity groupings based on the remaining period as of the Balance Sheet date:

in ₹ crore

Particulars	As at	
	March 31, 2013	March 31, 2012
Not later than one month	945	304
Later than one month and not later than three months	1,701	650
Later than three months and not later than one year	2,970	3,165
	5,616	4,119

The Company recognized a gain on derivative financial instruments of ₹68 crore and a loss of ₹263 crore during the year ended March 31, 2013 and March 31, 2012, respectively, which is included in other income.

2.21 QUANTITATIVE DETAILS

The Company is primarily engaged in the development and maintenance of computer software. The production and sale of such software cannot be expressed in any generic unit. Hence, it is not possible to give the quantitative details of sales and certain information as required under paragraphs 5 (viii)(c) of general instructions for preparation of the Statement of Profit and Loss as per revised Schedule VI to the Companies Act, 1956.

2.22 IMPORTS (VALUED ON THE COST, INSURANCE AND FREIGHT BASIS)

in ₹ *crore*

Particulars	Year ended March 31,	
	2013	2012
Capital goods	307	180
Software packages	3	6
	310	186

2.23 ACTIVITY IN FOREIGN CURRENCY

in ₹ *crore*

Particulars	Year ended March 31,	
	2013	2012
Earnings in foreign currency		
Income from software services and products	36,020	30,597
Interest received from banks and others	4	12
Dividend received from subsidiary	83	578
	36,107	31,187
Expenditure in foreign currency		
Overseas travel expenses (including visa charges)	996	702
Professional charges	368	354
Technical sub-contractors - subsidiaries	382	1,806
Overseas salaries and incentives	13,164	9,140
Other expenditure incurred overseas for software development	1,924	1,344
	16,834	13,346
Net earnings in foreign currency	19,273	17,841

2.24 DIVIDENDS REMITTED IN FOREIGN CURRENCIES

The Company remits the equivalent of the dividends payable to equity shareholders and holders of ADS. For ADS holders the dividend is remitted in Indian rupees to the depository bank, which is the registered shareholder on record for all owners of the Company's ADSs. The depositary bank purchases the foreign currencies and remits dividends to the ADS holders.

The particulars of dividends remitted during the years ended March 31, 2013 and March 31, 2012 are as follows:

in ₹ crore

Particulars	Number of Non-resident share holders	Number of shares to which the dividends relate	Year ended	
			March 31, 2013	March 31, 2012
Interim dividend for fiscal 2013	3	6,45,41,612	97	-
Final dividend for fiscal 2012	4	7,73,18,432	170	-
Special dividend for fiscal 2012 - 10 years of Infosys BPO operations	4	7,73,18,432	77	-
Interim dividend for fiscal 2012	5	8,13,31,029	-	122
Final dividend for fiscal 2011	4	8,74,37,368	-	175

2.25 RELATED PARTY TRANSACTIONS

List of related parties:

Name of subsidiaries	Country	Holding as at March 31,	
		2013	2012
Infosys BPO	India	99.98%	99.98%
Infosys China	China	100%	100%
Infosys Consulting Inc (1)	USA	-	-
Infosys Mexico	Mexico	100%	100%
Infosys Sweden	Sweden	100%	100%
Infosys Shanghai	China	100%	100%
Infosys Brasil	Brazil	100%	100%
Infosys Public Services, Inc.	USA	100%	100%
Infosys BPO s. r. o (2)	Czech Republic	99.98%	99.98%
Infosys BPO (Poland) Sp Z.o.o (2)	Poland	99.98%	99.98%
Infosys Consulting India Limited (3)	India	100%	100%
McCamish Systems LLC (2)	USA	99.98%	99.98%
Portland Group Pty. Ltd. (2)(4)	Australia	99.98%	99.98%
Portland Procurement Services Pty. Ltd. (2) (4)	Australia	99.98%	99.98%
Infosys Australia (5)	Australia	100%	100%
Lodestone Holding AG (6)	Switzerland	100%	-
Lodestone Management Consultants (Canada) Inc. (7)	Canada	100%	-
Lodestone Management Consultants Inc. (7)	USA	100%	-

Lodestone Management Consultants Pty. Limited[(7)]	Australia	100%	-
Lodestone Management Consultants (Asia Pacific) Limited[(7)(8)]	Thailand	100%	-
Lodestone Management Consultants AG[(7)]	Switzerland	100%	-
Lodestone Augmentis AG[(7)]	Switzerland	100%	-
Hafner Bauer & Ödman GmbH [(7)]	Switzerland	100%	-
Lodestone Management Consultants (Belgium) S.A.[(7)(9)]	Belgium	99.90%	-
Lodestone Management Consultants GmbH [(7)]	Germany	100%	-
Lodestone Management Consultants Pte Ltd.[(7)]	Singapore	100%	-
Lodestone Management Consultants SAS[(7)]	France	100%	-
Lodestone Management Consultants s.r.o.[(7)]	Czech Republic	100%	-
Lodestone Management Consultants GmbH[(7)]	Austria	100%	-
Lodestone Management Consultants China Co., Ltd.[(7)]	China	100%	-
Lodestone Management Consultants Ltd.[(7)]	UK	100%	-
Lodestone Management Consultants B.V.[(7)]	Netherlands	100%	-
Lodestone Management Consultants Ltda.[(7)(9)]	Brazil	99.99%	-
Lodestone Management Consultants Sp. z.o.o.[(7)]	Poland	100%	-
Lodestone Management Consultants Portugal, Unipessoal, Lda.[(7)]	Portugal	100%	-
S.C. Lodestone Management Consultants S.R.L.[(7)]	Romania	100%	-
Lodestone Management Consultants S.R.L.[(7)(10)]	Argentina	100%	-

[(1)] *On October 7, 2011, the Board of Directors of Infosys Consulting Inc., approved the termination and winding down of the entity, and entered into a scheme of amalgamation and initiated its merger with Infosys Limited. The termination of Infosys Consulting, Inc. became effective on January 12, 2012, in accordance with the Texas Business Organizations Code. Effective January 12, 2012, the assets and liabilities of Infosys Consulting, Inc. were transferred to Infosys Limited.*

[(2)] *Wholly-owned subsidiaries of Infosys BPO.*

[(3)] *On February 9, 2012, Infosys Consulting India Limited filed a petition in the Honorable High court of Karnataka for its merger with Infosys Limited.*

[(4)] *On January 4, 2012, Infosys BPO acquired 100% of the voting interest in Portland Group Pty Ltd*

[(5)] *On July 4, 2012, the Board of Directors of Infosys Australia , have passed a resolution approving in principle the transfer of assets and liabilities to Infosys Limited effective April 1, 2012. Infosys Australia is currently being liquidated.*

[(6)] *On October 22, 2012, Infosys acquired 100% voting interest in Lodestone Holding AG*

[(7)] *Wholly-owned and controlled subsidiaries of Lodestone Holding AG acquired on October 22, 2012*

[(8)] *Liquidated effective February 14, 2013*

[(9)] *Majority owned and controlled subsidiaries*

[(10] *Incorporated effective January 10, 2013*

Infosys guarantees the performance of certain contracts entered into by its subsidiaries

List of key management personnel

Whole-time directors
S. Gopalakrishnan, S. D. Shibulal, Srinath Batni, V. Balakrishnan, Ashok Vemuri, B. G. Srinivas

Execuitve council members
U. B. Pravin Rao, U. Ramadas Kamath, Chandrashekar Kakal, Nandita Gurjar, Stephen R. Pratt, Basab Pradhan, Prasad Thrikutam, Rajiv Bansal (effective November 1, 2012).

Non-whole-time directors
K. V. Kamath, Deepak M. Satwalekar, Dr. Omkar Goswami, David L. Boyles, Sridar A. Iyengar (retired with effect from August 13, 2012), Prof. Jeffrey S. Lehman, R.Seshasayee, Ann M. Fudge, Ravi Venkatesan.

The details of amounts due to or due from as at March 31, 2013 and March 31, 2012 are as follows:

in ₹ *crore*

Particulars	As at March 31, 2013	2012
Trade Receivables		
Infosys China	4	12
Infosys BPO (including subsidiaries)	40	9
Infosys Public Services	160	131
	204	152
Loans		
Infosys Public Services	68	-
Lodestone Holding AG (including subsidiaries)	116	-
	184	-
Other receivables		
Infosys Australia	-	1
Infosys BPO (including subsidiaries)	9	1
Infosys Public Services	-	11
Lodestone Holding AG (including subsidiaries)	1	-
	10	13
Unbilled revenues		
Infosys Public Services	5	-
Trade payables		
Infosys China	9	6
Infosys Australia	-	52
Infosys BPO (including subsidiaries)	72	2
Infosys Mexico	1	-
Infosys Sweden	-	1
	82	61
Other payables		
Infosys Australia	-	2
Infosys BPO (including subsidiaries)	10	8
Lodestone Holding AG (including subsidiaries)	21	-
Infosys Consulting India	2	2
Infosys Public Services	-	17
	33	29
Provision for expenses		
Lodestone Holding AG (including subsidiaries)	33	-
Infosys BPO (including subsidiaries)	1	-
	34	-
Rental deposit given for shared services		
Infosys BPO	21	3
Rental deposit taken for shared services		
Infosys BPO	27	7

The details of the related party transactions entered into by the Company, in addition to the lease commitments described in note 2.8, for the year ended March 31, 2013 and March 31, 2012 are as follows:

in ₹ *crore*

Particulars	Year ended March 31, 2013	2012
Capital transactions:		
Financing transactions		
Infosys Shanghai	141	82
Lodestone Holding AG	1,187	-
Infosys Mexico	11	-
Infosys Consulting India	-	1
Infosys Brasil	49	22
	1,388	105

Loans		
Lodestone Holding AG	118	-
Infosys Public Services	66	-
Infosys China	-	(25)
Infosys Brasil	-	(10)
	184	(35)
Revenue transactions:		
Purchase of services		
Infosys Australia	2	1,333
Infosys China	238	263
Infosys Consulting	-	146
Infosys Consulting India	-	2
Lodestone Holding AG (including subsidiaries)	104	-
Infosys BPO (including subsidiaries)	135	27
Infosys Sweden	6	10
Infosys Mexico	13	27
Infosys Brasil	2	1
	500	1,809
Purchase of shared services including facilities and personnel		
Infosys Consulting (including subsidiaries)	-	2
Infosys BPO (including subsidiaries)	72	101
	72	103
Interest income		
Infosys Brasil	-	1
Lodestone Holding AG	2	-
Infosys Public Services	1	-
Infosys China	-	1
	3	2
Sale of services		
Infosys Australia	1	14
Infosys China	1	8
Infosys Brasil	-	1
Infosys Mexico	1	5
Infosys BPO (including subsidiaries)	58	34
Infosys Consulting	-	43
Infosys Public Services	439	171
	500	276
Sale of shared services including facilities and personnel		
Infosys BPO (including subsidiaries)	39	57
Infosys Consulting	-	21
	39	78
Dividend income		
Infosys Australia	83	578

During the year ended March 31, 2013, an amount of ₹10 crore (₹20 crore for the year ended March 31, 2012) was donated to Infosys Foundation, a not-for-profit foundation, in which certain directors of the Company are trustees.

The following table describes the compensation to key managerial personnel which comprise Directors and members of Executive Council:

in *₹ crore*

Particulars	Year ended March 31,	
	2013	2012
Salaries and other employee benefits[(1)]	50	45

[(1)] *Includes a one-time earn-out payment of ₹6 crore made to Stephen R. Pratt during the year ended March 31, 2013*

2.26 RESEARCH AND DEVELOPMENT EXPENDITURE

in ₹ *crore*

Particulars	Year ended March 31,	
	2013	2012
Expenditure at Department of Scientific and Industrial Research (DSIR) approved R&D centres (eligible for weighted deduction)[(1)]		
Capital expenditure	3	-
Revenue expenditure	247	75
Other R&D expenditure		
Capital expenditure	3	5
Revenue expenditure	660	580
Total R&D expenditure		
Capital expenditure	6	5
Revenue expenditure	907	655

(1) DSIR has accorded weighted deduction approval for Finacle® and Infosys labs R&D centres of Infosys located at Bangalore, Bhubaneswar, Chandigarh, Chennai, Hyderabad, Mysore, Pune and Trivandrum. The approval is effective November 23, 2011.

The eligible R&D revenue and capital expenditure are ₹247 crore and ₹3 crore for the year ended March 31, 2013 and ₹75 crore towards revenue expenditure for the year ended March 31, 2012, starting from the effective date.

2.27 SEGMENT REPORTING

The Company's operations predominantly relate to providing end-to-end business solutions thereby enabling clients to enhance business performance, delivered to customers globally operating in various industry segments. Effective quarter ended June 30, 2011, the Company reorganized its business to increase its client focus. Consequent to the internal reorganization, there were changes effected in the reportable segments based on the 'management approach', as laid down in AS 17, Segment Reporting. The Chief Executive Officer evaluates the Company's performance and allocates resources based on an analysis of various performance indicators by industry classes and geographic segmentation of customers. Accordingly, segment information has been presented both along industry classes and geographic segmentation of customers, industry being the primary segment. 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 significant accounting policies.

Industry segments for the Group are primarily financial services and insurance (FSI) comprising enterprises providing banking, finance and insurance services, enterprises in manufacturing (MFG), enterprises in the energy, utilities, communications and services (ECS) and enterprises in retail,consumer packaged goods,logistics and life sciences(RCL). Geographic segmentation is based on business sourced from that geographic region and delivered from both on-site and off-shore. North America comprises the United States of America, Canada and Mexico, Europe includes continental Europe (both the east and the west), Ireland and the United Kingdom, and the Rest of the World comprising all other places except those mentioned above and India. Consequent to the above change in the composition of reportable segments, the prior year comparatives have been restated.

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 expenses incurred for rendering services from the Company's offshore software development centers and on-site expenses, which are categorized in relation to the associated turnover 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 Company.

Fixed assets used in the Company’s business or liabilities contracted have not been identified to any of the reportable segments, as the fixed assets and services are used interchangeably between segments. Accordingly, no disclosure relating to total segment assets and liabilities are made. Geographical information on revenue and industry revenue information is collated based on individual customers invoiced or in relation to which the revenue is otherwise recognized.

Industry Segments

Years ended March 31, 2013 and *March 31, 2012:*

in ₹ crore

Particulars	FSI	MFG	ECS	RCL	Total
Income from software services and products	12,775	7,657	7,506	8,827	36,765
	11,172	*6,117*	*6,572*	*7,393*	*31,254*
Identifiable operating expenses	5,767	3,751	3,378	3,930	16,826
	5,162	*2,789*	*3,018*	*3,148*	*14,117*
Allocated expenses	3,032	1,880	1,844	2,168	8,924
	2,475	*1,402*	*1,504*	*1,695*	*7,076*
Segmental operating income	3,976	2,026	2,284	2,729	11,015
	3,535	*1,926*	*2,050*	*2,550*	*10,061*
Unallocable expenses					956
					794
Other income					2,215
					1,829
Profit before exceptional item and taxes					12,274
					11,096
Exceptional item – dividend income					83
					578
Profit before tax					12,357
					11,674
Tax expense					3,241
					3,204
Profit for the period					9,116
					8,470

Years ended March 31, 2013 and *March 31, 2012:*

in ₹ crore

Particulars	North America	Europe	India	Rest of the World	Total
Income from software services and products	23,454	8,026	833	4,452	36,765
	20,346	*6,614*	*740*	*3,554*	*31,254*
Identifiable operating expenses	10,699	3,733	472	1,922	16,826
	8,869	*2,995*	*368*	*1,885*	*14,117*
Allocated expenses	5,758	1,949	179	1,038	8,924
	4,659	*1,496*	*153*	*768*	*7,076*
Segmental operating income	6,997	2,344	182	1,492	11,015
	6,818	*2,123*	*219*	*901*	*10,061*
Unallocable expenses					956
					794
Other income, net					2,215
					1,829
Profit before exceptional item and taxes					12,274
					11,096
Exceptional item – dividend income					83
					578
Profit before tax					12,357
					11,674
Tax expense					3,241
					3,204
Profit for the period					9,116
					8,470

2.28 GRATUITY PLAN

The following table set out the status of the Gratuity Plan as required under AS 15

Reconciliation of opening and closing balances of the present value of the defined benefit obligation and plan assets:

in ₹ crore

Particulars	As at March 31,				
	2013	2012	2011	2010	2009
Obligations at year beginning	569	459	308	256	217
Transfer of obligation	-	-	-	(2)	-
Service cost	183	143	171	72	47
Interest cost	35	37	24	19	15
Actuarial (gain) / loss	(23)	(6)	15	(4)	-
Benefits paid	(83)	(64)	(59)	(33)	(23)
Curtailment gain	(69)	-	-	-	-
Obligations at year / period end	612	569	459	308	256
Defined benefit obligation liability as at the balance sheet date is fully funded by the Company.					
Change in plan assets					
Plan assets at year beginning, at fair value	582	459	310	256	229
Expected return on plan assets	57	47	34	24	16
Actuarial gain	1	-	1	1	5
Contributions	86	140	173	62	29
Benefits paid	(83)	(64)	(59)	(33)	(23)
Plan assets at year / period end, at fair value	643	582	459	310	256
Reconciliation of present value of the obligation and the fair value of the plan assets:					
Fair value of plan assets at the end of the year / period	643	582	459	310	256
Present value of the defined benefit obligations at the end of the year	612	569	459	308	256
Asset recognized in the Balance Sheet	31	13	-	2	-
Assumptions					
Interest rate	7.95%	8.57%	7.98%	7.82%	7.01%
Estimated rate of return on plan assets	9.51%	9.45%	9.36%	9.00%	7.01%
Weighted expected rate of salary increase	7.27%	7.27%	7.27%	7.27%	5.10%

Net gratuity cost for the years ended March 31, 2013 and March 31, 2012 comprises the following components:

in ₹ crore

Particulars	Year ended March 31,	
	2013	2012
Gratuity cost for the year		
Service cost	183	143
Interest cost	35	37
Expected return on plan assets	(57)	(47)
Actuarial (gain) / loss	(24)	(6)
Curtailment	(69)	-
Plan amendment amortization	(4)	(4)
Net gratuity cost	64	123
Actual return on plan assets	58	47

Gratuity cost, as disclosed above, is included under Employee benefit expenses and is segregated between software development expenses, selling and marketing expenses and general and administration expenses on the basis of the number of employees.

During the year ended March 31, 2010, a reimbursement obligation of ₹2 crore has been recognized towards settlement of gratuity liability of Infosys Consulting India Limited.

As at March 31, 2013 and March 31, 2012, the plan assets have been primarily invested in government securities. The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors such as supply and demand factors in the employment market. The Company expects to contribute approximately ₹60 crore to the gratuity trust during the fiscal 2014.

Effective July 1, 2007, the Company revised the employee death benefits provided under the Gratuity Plan, and included all eligible employees under a consolidated term insurance cover. Accordingly, the obligations under the gratuity plan reduced by ₹37 crore, which is being amortized on a straight line basis to the Statement of Profit and Loss over 10 years representing the average future service period of the employees. The unamortized liabilities as at March 31, 2013 and March 31, 2012 amount to ₹15 crore and ₹18 crore respectively, and are disclosed under 'Other long-term liabilities and other current liabilities'.

During the year, the company has aligned the gratuity entitlement for majority of its employees prospectively to the Payment of Gratuity Act. This amendment has resulted in a curtailment gain of ₹69 crores for the year ended March 31, 2013 which has been recognized in the Statement of Profit and Loss for the year ended March 31, 2013.

2.29 PROVIDENT FUND

The Company contributed ₹240 crore towards provident fund during the year ended March 31, 2013 (₹214 crore during the year ended March 31, 2012)

The Guidance on Implementing AS 15, Employee Benefits (revised 2005) issued by the Accounting Standards Board (ASB) states that benefits involving employer established provident funds, which require interest shortfalls to be recompensed are to be considered as defined benefit plans. The Actuarial Society of India has issued the final guidance for measurement of provident fund liabilities during the quarter ended December 31, 2011. The actuary has accordingly provided a valuation and based on the assumptions provided below, there is no shortfall as at March 31, 2013, March 31, 2012, March 31, 2011, March 31, 2010 and March 31, 2009.

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

in ₹ crore

Particulars	As at March 31,				
	2013	2012	2011	2010	2009
Plan assets at period end, at fair value	2,399	1,816	1,579	1,295	997
Present value of benefit obligation at period end	2,399	1,816	1,579	1,295	997
Asset recognized in balance sheet	-	-	-	-	-

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

Particulars	As at				
	March 31, 2013	March 31, 2012	March 31, 2011	March 31, 2010	March 31, 2009
Government of India (GOI) bond yield	7.95%	8.57%	7.98%	7.83%	7.01%
Remaining term of maturity	8 years	8 years	7 years	7 years	6 years
Expected guaranteed interest rate	8.25%	8.25%	9.50%	8.50%	8.50%

2.30 SUPERANNUATION

The Company contributed ₹176 crore to the superannuation trust the year ended March 31, 2013 (₹63 crore during the year ended March 31, 2012).

2.31 RECONCILIATION OF BASIC AND DILUTED SHARES USED IN COMPUTING EARNINGS PER SHARE

Particulars	Year ended March 31,	
	2013	2012
Number of shares considered as basic weighted average shares outstanding	57,42,32,838	57,41,99,094
Add: Effect of dilutive issues of shares / stock options	853	30,648
Number of shares considered as weighted average shares and potential shares outstanding	57,42,33,691	57,42,29,742

2.32 RESTRICTED DEPOSITS

Deposits with financial institutions as at March 31, 2013 include ₹724 crore (₹461 crore as at March 31, 2012) deposited with Life Insurance Corporation of India to settle employee-related obligations as and when they arise during the normal course of business. This amount is considered restricted cash and is hence not considered in 'cash and cash equivalents'.

2.33 DUES TO MICRO SMALL AND MEDIUM ENTERPRISES

The Company has no dues to micro and small enterprises during the year ended March 31, 2013 and March 31, 2012.

2.34 LITIGATION

On May 23, 2011, we received a subpoena from a grand jury in the United States District Court for the Eastern District of Texas. The subpoena requires that we provide to the grand jury certain documents and records related to our sponsorships for, and uses of, B1 business visas. We are complying with the subpoena. In connection with the subpoena, during a meeting with the United States Attorney's Office for the Eastern District of Texas, we were advised that we and certain of our employees are targets of the investigation. We are engaged in discussions with the U.S. Attorney's Office regarding this matter, however, we cannot predict the outcome of such discussions

In addition, the U.S. Department of Homeland Security (DHS) has reviewed our employer eligibility verifications on Form I-9 with respect to ou employees working in the United States. In connection with this review, we have been advised that the DHS has found errors in a significant percentage of our Forms I-9 that the Department has reviewed, and may impose fines and penalties on us related to such alleged errors. At this time, we cannot predict the outcome of the discussions with the DHS or other governmental authority regarding the review of our Forms I-9.

In light of the fact that, among other things, the foregoing investigation and review may not be complete and we remain in discussions with the U.S. Attorney's Office regarding these matters, we are unable to make an estimate of the amount or range of loss that we expect to incur in connection with the resolution of these matters.

Further, in the event that any governmental authority undertakes any actions that limit any visa program that we utilize or imposes sanctions, fines or penalties on us or our employees, this could materially and adversely affect our business, results of operations, and financial condition.

2.35 NOTES TO CASH FLOW STATEMENTS

in ₹ crore, except as otherwise stated

Particulars	Year ended March 31,	
	2013	2012
2.35.1 CHANGE IN TRADE RECEIVABLES		
As per the Balance Sheet	6,365	5,404
Less: Trade receivables taken over from Infosys Consulting Inc., USA pursuant to transfer of assets and liabilities, effective January 2012	-	12
Less: Opening balance considered	5,404	4,212
	961	1,180
2.35.2 CHANGE IN LOANS AND ADVANCES AND OTHER ASSETS		
As per the Balance Sheet (current and non current) [1]	5,941	4,605
Less: Gratuity obligation - unamortized amount relating to plan amendment[2]	15	18
Interest accrued but not due	91	31
Loan to subsidiary	184	-
Advance income taxes	1,019	929
Capital advance	439	433
Closing balance [3]	4,193	3,194
Less: Opening balance considered	3,196	2,375
	997	819

[1] *Excludes loans and advances and other assets of ₹11 crore taken over from Infosys Australia during the year ended March 31, 2013*

[2] *Refer to note 2.28*

[3] *Excludes loans and advances and other assets of ₹2 crore taken over from Infosys Consulting Inc., USA pursuant to transfer of assets and liabilities, effective January 2012, in the closing balance as at March 31, 2012.*

Particulars	2013	2012
2.35.3 CHANGE IN LIABILITIES AND PROVISIONS		
As per the Balance Sheet (current and non current) [1]	5,031	6,050
Less: Unpaid dividend	3	2
Retention monies	69	42
Gratuity obligation - unamortized amount relating to plan amendment	15	18
Payable for acquisition of business	82	-
Payable to subsidiary for acquisition	4	-
Provisions separately considered in Cash Flow Statement		
Income taxes	1,274	967
Proposed dividend	-	1,837
Tax on dividend	-	298
	3,584	2,886
Less: Opening balance considered [2]	2,894	2,215
	690	671

[1] *Excludes liabilities and provisions of ₹69 crore taken over from Infosys Australia during the year ended March 31, 2013*

[2] *Excludes trade payables of ₹8 crore taken over from Infosys Consulting Inc., USA pursuant to transfer of assets and liabilities, effective January 2012*

[3] *Excludes exchange difference of ₹3 crore for the year ended March 31, 2013*

Particulars	2013	2012
2.35.4 INCOME TAXES PAID		
Charge as per the Profit and Loss Account	3,241	3,204
Add/(Less): Increase / (Decrease) in advance income taxes	90	(1)
Increase / (Decrease) in deferred taxes [1][2]	120	(57)
Income tax benefit arising from exercise of stock options	-	(1)
(Increase) / Decrease in income tax provision	(307)	(207)
	3,144	2,938

[1] *Excludes exchange difference of ₹18 and ₹22 crore for the year ended March 31, 2013 and March 31,2012*

[2] *Excludes deferred tax assets of ₹31 crore taken over from Infosys Australia during the year ended March 31, 2013*

in ₹ crore, except as otherwise stated

Particulars	Year ended March 31,	
	2013	2012
2.35.5 PAYMENT TOWARDS CAPITAL EXPENDITURE		
As per the Balance Sheet [(1)]	1,326	797
Less: Proceeds from sale of fixed assets	5	2
Less: Opening capital work-in-progress	588	249
Add: Closing capital work-in-progress	1,135	588
Add: Opening retention monies	42	21
Less: Closing retention monies	69	42
Add: Closing capital advance	439	433
Less: Opening capital advance	433	250
	1,847	1,296
[(1)] *Excludes gross book value of assets taken over from Infosys Australia of ₹96 crore during the year ended March 31, 2013*		
2.35.6 INVESTMENTS IN SUBSIDIARIES [(1)]		
As per the Balance Sheet	2,452	1,063
Less : Payable to subsidiary for acquisition	4	-
Less: Opening balance considered	1,064	959
	1,384	104
[(1)] *Refer to Note 2.25 for investment made in subsidiaries*		
[(2)] *Excludes investment in Infosys Consulting India Limited of ₹1 crore taken over from Infosys Consulting Inc., USA pursuant to transfer of assets and liabilities, effective January 2012*		
2.35.7 INVESTMENT/(DISPOSAL) OF OTHER INVESTMENTS		
Opening balance considered	345	123
Add: Investment in other investments	1,883	2,796
Less: Disposal of other investments	336	2,574
Closing balance	1,892	345
2.35.8 INTEREST AND DIVIDEND RECEIVED		
Interest and dividend income as per Profit and Loss Account	1,931	1,720
Add: Opening interest accrued but not due	31	14
Less: Closing interest accrued but not due	91	31
	1,871	1,703
2.35.9 LOAN GIVEN TO SUBSIDIARIES		
Closing balance	184	-
Less: Increase in loan balance due to exchange difference	-	3
Less: Opening balance	-	32
	184	(35)

2.36 EXCEPTIONAL ITEM

During the year ended March 31, 2013, the Company received dividends of ₹83 crore (₹578 crore during the quarter and year ended March 31, 2012, presented net of taxes in the previous year) from its wholly-owned subsidiary, Infosys Australia. The tax on the dividend is ₹14 crore and ₹94 crore respectively.

2.37 FUNCTION WISE CLASSIFICATION OF STATEMENT OF PROFIT AND LOSS

in ₹ crore

Particulars	Year ended March 31,	
	2013	2012
Income from software services and products	36,765	31,254
Software development expenses	21,662	17,835
GROSS PROFIT	15,103	13,419
Selling and marketing expenses	1,870	1,453
General and administration expenses	2,218	1,905
	4,088	3,358
OPERATING PROFIT BEFORE DEPRECIATION	11,015	10,061
Depreciation and amortization	956	794
OPERATING PROFIT	10,059	9,267
Other income	2,215	1,829
PROFIT BEFORE EXCEPTIONAL ITEM AND TAX	12,274	11,096
Dividend income	83	578
PROFIT BEFORE TAX	12,357	11,674
Tax expense:		
Current tax	3,361	3,147
Deferred tax	(120)	57
PROFIT FOR THE PERIOD	9,116	8,470

2.38 DETAILS OF ROUNDED OFF AMOUNTS

The financial statements are presented in ₹ crore . Those items which are required to be disclosed and which were not presented in the financial statement due to rounding off to the nearest ₹ crore are given as follows :

Balance Sheet items *in ₹ crore*

Note	Description	As at March 31,	
		2013	2012
2.8	Fixed assets - Vehicles		
	Deletion during the period	0.07	0.47
	Depreciation on deletions	0.05	0.47
2.10	Investments		
	Investment in Infosys Sweden	0.06	0.06
	Investment in Global Innovation and Technology Alliance	0.50	-
2.25	Related party transactions		
	Trade receivables		
	Infosys Australia	-	0.22
	Infosys Brasil	-	0.12
	Trade payables		
	Infosys Brasil	-	0.07
	Infosys Sweden	0.21	-
	Other receivables		
	Infosys Public Services	0.30	-
	Other payables		
	Infosys Mexico	-	0.04
	Infosys Public Services	0.50	-
	Deposit taken for shared services		
	Infosys Consulting India	-	0.14

Profit & Loss items

in ₹ crore

Note	Description	Year ended March 31, 2013	2012
Profit & Loss	Additional dividend	-	0.02
2.18	Auditors' remuneration		
	Statutory audit fee	-	-
	Certification charges	0.07	0.07
	Out-of-pocket expenses	0.05	0.05
2.17	Profit / (loss) on disposal of fixed assets	0.48	-
2.25	Related party transactions		
	Revenue transactions		
	Purchase of services - Infosys Brasil	-	0.13
	Sale of services - Infosys Australia	-	0.43
	Sale of services - Infosys Brasil	0.50	0.39

As per our report attached
for B S R & Co.
Chartered Accountants
Firm's Registration Number:101248W

Natrajh Ramakrishna *Partner* Membership No. 32815	K. V. Kamath *Chairman*	S. Gopalakrishnan *Executive Co-Chairman*	S. D. Shibulal *Chief Executive Officer and Managing Director*	Deepak M. Satwalekar *Director*
	Dr. Omkar Goswami *Director*	David L. Boyles *Director*	Prof. Jeffrey S. Lehman *Director*	R. Seshasayee *Director*
	Ann M. Fudge *Director*	Ravi Venkatesan *Director*	Srinath Batni *Director*	V. Balakrishnan *Director*
Bangalore April 12, 2013	Ashok Vemuri *Director*	B. G. Srinivas *Director*	Rajiv Bansal *Chief Financial Officer*	N. R. Ravikrishnan *Company Secretary*

Independent Auditors' Report

To the Board of Directors of Infosys Limited

We have audited the accompanying consolidated financial statements of Infosys Limited ('the Company') and its subsidiaries, which comprise the Consolidated Balance Sheet as at March 31, 2013, the Consolidated Statement of Comprehensive Income, the Consolidated Statement of Changes in Equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Company in accordance with the International Financial Reporting Standards as issued by International Accounting Standards Board ('IFRS'). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and presentation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the consolidated financial statements give a true and fair view in conformity with IFRS:

(a) in the case of the Consolidated Balance Sheet, of the financial position of the Company as at March 31, 2013;

(b) in the case of the Consolidated Statement of Comprehensive Income, of the financial performance for year ended on that date;

(c) in the case of the Consolidated Statement of Changes in Equity, of the changes in equity for the year ended on that date; and

(d) in the case of the Consolidated Statement of Cash Flows, of the cash flows for the year ended on that date.

for **B S R & Co.**
Chartered Accountants
Firm's Registration Number: 101248W

Natrajh Ramakrishna
Partner
Membership Number: 32815

Bangalore
April 12, 2013

In ₹ crore except share data

Consolidated Balance Sheets as of	Note	March 31, 2013	March 31, 2012
ASSETS			
Current assets			
Cash and cash equivalents	2.1	21,832	20,591
Available-for-sale financial assets	2.2	1,739	32
Investment in certificates of deposit		–	345
Trade receivables		7,083	5,882
Unbilled revenue		2,435	1,873
Prepayments and other current assets	2.4	2,123	1,523
Derivative financial instruments	2.7	101	–
Total current assets		35,313	30,246
Non-current assets			
Property, plant and equipment	2.5	6,468	5,409
Goodwill	2.6	1,976	993
Intangible assets	2.6	368	173
Available-for-sale financial assets	2.2	394	12
Deferred income tax assets	2.16	503	316
Income tax assets	2.16	1,092	1,037
Other non-current assets	2.4	237	162
Total non-current assets		11,038	8,102
Total assets		46,351	38,348
LIABILITIES AND EQUITY			
Current liabilities			
Trade payables		189	23
Derivative financial instruments	2.7	–	42
Current income tax liabilities	2.16	1,329	1,054
Client deposits		36	15
Unearned revenue		823	545
Employee benefit obligations		614	498
Provisions	2.8	213	133
Other current liabilities	2.9	3,082	2,456
Total current liabilities		6,286	4,766
Non-current liabilities			
Deferred income tax liabilities	2.16	119	12
Other non-current liabilities	2.9	149	109
Total liabilities		6,554	4,887
Equity			
Share capital– ₹5 par value 60,00,00,000 equity shares authorized, issued and outstanding 57,14,02,566 and 57,13,96,401, net of 28,33,600 treasury shares each, as of March 31, 2013 and March 31, 2012, respectively		286	286
Share premium		3,090	3,089
Retained earnings		36,114	29,816

Consolidated Balance Sheets as of	Note	March 31, 2013	March 31, 2012
Other components of equity		307	270
Total equity attributable to equity holders of the Company		39,797	33,461
Non-controlling interests		–	–
Total equity		39,797	33,461
Total liabilities and equity		46,351	38,348

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

As per our report attached
for B S R & Co.
Chartered Accountants
Firm's Registration No : 101248W

Natrajh Ramakrishna *Partner* Membership No. 32815	K. V. Kamath *Chairman*	S. Gopalakrishnan *Executive Co-Chairman*	S. D. Shibulal *Chief Executive Officer and Managing Director*	Deepak M. Satwalekar *Director*
	Dr. Omkar Goswami *Director*	David L. Boyles *Director*	Prof. Jeffrey S. Lehman *Director*	R. Seshasayee *Director*
	Ann M. Fudge *Director*	Ravi Venkatesan *Director*	Srinath Batni *Director*	V. Balakrishnan *Director*
Bangalore April 12, 2013	Ashok Vemuri *Director*	B. G. Srinivas *Director*	Rajiv Bansal *Chief Financial Officer*	N. R. Ravikrishnan *Company Secretary*

In ₹ crore except share and per equity share data

Consolidated Statements of Comprehensive Income	Note	Year ended March 31,	
		2013	2012
Revenues		40,352	33,734
Cost of sales	2.10	25,280	19,808
Gross profit		15,072	13,926
Operating expenses:			
Selling and marketing expenses	2.10	2,034	1,757
Administrative expenses	2.10	2,609	2,390
Total operating expenses		4,643	4,147
Operating profit		10,429	9,779
Other income, net	2.13	2,359	1,904
Profit before income taxes		12,788	11,683
Income tax expense	2.16	3,367	3,367
Net profit		9,421	8,316
Other comprehensive income			
Fair value changes on available-for-sale financial asset, net of tax effect (refer note 2.2 and 2.16)		3	(8)
Exchange differences on translating foreign operations		34	169
Total other comprehensive income		37	161
Total comprehensive income		9,458	8,477
Profit attributable to:			
Owners of the company		9,421	8,316
Non-controlling interests		–	–
		9,421	8,316
Total comprehensive income attributable to:			
Owners of the company		9,458	8,477
Non-controlling interests		–	–
		9,458	8,477
Earnings per equity share			
Basic (₹)		164.87	145.55
Diluted (₹)		164.87	145.54
Weighted average equity shares used in computing earnings per equity share	2.17		
Basic		57,13,99,238	57,13,65,494
Diluted		57,14,00,091	57,13,96,142

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Bangalore April 12, 2013	Ashok Vemuri *Director*	B. G. Srinivas *Director*	Rajiv Bansal *Chief Financial Officer*	N. R. Ravikrishnan *Company Secretary*

Consolidated Statements of Changes in Equity

In ₹ crore except share data

	Shares [1]	Share capital	Share premium	Retained earnings	Other components of equity	Total equity attributable to equity holders of the Company
Balance as of April 1, 2011	57,13,17,959	286	3,082	23,826	109	27,303
Changes in equity for the year ended March 31, 2012						
Shares issued on exercise of employee stock options	78,442	–	6	–	–	6
Income tax benefit arising on exercise of share options	–	–	1	–	–	1
Dividends (including corporate dividend tax)	–	–	–	(2,326)	–	(2,326)
Fair value changes on available-for-sale financial assets, net of tax effect (*refer to note 2.2*)	–	–	–	–	(8)	(8)
Net profit	–	–	–	8,316	–	8,316
Exchange differences on translating foreign operations	–	–	–	–	169	169
Balance as of March 31, 2012	57,13,96,401	286	3,089	29,816	270	33,461
Balance as of April 1, 2012	57,13,96,401	286	3,089	29,816	270	33,461
Changes in equity for the year ended March 31, 2013						
Shares issued on exercise of employee stock options	6,165	–	1	–	–	1
Dividends (including corporate dividend tax)	–	–	–	(3,123)	–	(3,123)
Fair value changes on available-for-sale financial assets, net of tax effect (*refer to note 2.2*)	–	–	–	–	3	3
Net profit	–	–	–	9,421	–	9,421
Exchange differences on translating foreign operations	–	–	–	–	34	34
Balance as of March 31, 2013	57,14,02,566	286	3,090	36,114	307	39,797

[1] *Excludes treasury shares of 28,33,600 held by consolidated trust.*

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Bangalore April 12, 2013	Ashok Vemuri *Director*	B. G. Srinivas *Director*	Rajiv Bansal *Chief Financial Officer*	N. R. Ravikrishnan *Company Secretary*

In ₹ crore

Consolidated Statements of Cash Flows	Note	Year ended March 31,	
		2013	2012
Operating activities:			
Net profit		9,421	8,316
Adjustments to reconcile net profit to net cash provided by operating activities:			
Depreciation and amortization	2.5 and 2.6	1,129	937
Income tax expense	2.16	3,367	3,367
Income on available-for-sale financial assets and certificates of deposits		(245)	(40)
Profit on sale of property, plant and equipment		(1)	(2)
Effect of exchange rate changes assets and liabilities		20	31
Deferred purchase price		55	–
Other non-cash item		(1)	7
Changes in working capital			
Trade receivables		(989)	(1,181)
Prepayments and other assets		(450)	(59)
Unbilled revenue		(478)	(629)
Trade payables		124	(24)
Client deposits		21	(7)
Unearned revenue		266	26
Other liabilities and provisions		530	587
Cash generated from operations		12,769	11,329
Income taxes paid	2.16	(3,291)	(3,117)
Net cash provided by operating activities		9,478	8,212
Investing activities:			
Payment for acquisition of business, net of cash acquired		(1,157)	(199)
Payment for acquisition of intellectual property rights	2.6	(162)	(90)
Expenditure on property, plant and equipment net of sale proceeds, including changes in retention money	2.5 and 2.9	(1,928)	(1,442)
Loans to employees		(57)	(24)
Deposits placed with corporation		(248)	(112)
Income on available-for-sale financial assets		225	27
Investment in quoted debt securities	2.2	(379)	–
Investment in certificates of deposit		–	(360)
Redemption of certificates of deposit		365	150
Investment in available-for-sale financial assets		(22,010)	(5,970)
Redemption of available-for-sale financial assets		20,300	5,959
Net cash provided by / (used in) investing activities		(5,051)	(2,061)
Financing activities:			
Proceeds from issuance of common stock on exercise of employee stock options		1	6
Repayment of borrowings taken over from Lodestone		(89)	–
Payment of dividends		(2,685)	(2,000)

Consolidated Statements of Cash Flows	Note	Year ended March 31,	
		2013	2012
Payment of dividend tax		(438)	(327)
Net cash used in financing activities		(3,211)	(2,321)
Effect of exchange rate changes on cash and cash equivalents		25	95
Net increase / (decrease) in cash and cash equivalents		1,216	3,830
Cash and cash equivalents at the beginning	2.1	20,591	16,666
Cash and cash equivalents at the end	2.1	21,832	20,591
Supplementary information:			
Restricted cash balance	2.1	305	268

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

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Natrajh Ramakrishna
Partner
Membership No. 32815

K. V. Kamath
Chairman

S. Gopalakrishnan
Executive Co-Chairman

S. D. Shibulal
Chief Executive Officer and Managing Director

Deepak M. Satwalekar
Director

Dr. Omkar Goswami
Director

David L. Boyles
Director

Prof. Jeffrey S. Lehman
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R. Seshasayee
Director

Ann M. Fudge
Director

Ravi Venkatesan
Director

Srinath Batni
Director

V. Balakrishnan
Director

Bangalore
April 12, 2013

Ashok Vemuri
Director

B. G. Srinivas
Director

Rajiv Bansal
Chief Financial Officer

N. R. Ravikrishnan
Company Secretary

Notes to the Consolidated Financial Statements

1. Company Overview and Significant Accounting Policies

1.1 Company overview

Infosys Limited ('Infosys' or 'the Company') along with its controlled trusts, Infosys Limited Employees' Welfare Trust and Infosys Science Foundation, majority owned and controlled subsidiary, Infosys BPO Limited ('Infosys BPO') and its controlled subsidiaries, and wholly owned and controlled subsidiaries, Infosys Technologies (Australia) Pty. Limited ('Infosys Australia'), Infosys Technologies (China) Co. Limited ('Infosys China'), Infosys Consulting India Limited, ('Infosys Consulting India'), Infosys Technologies S. de R.L. de C.V. ('Infosys Mexico'), Infosys Technologies (Sweden) AB ('Infosys Sweden'), Infosys Tecnologia do Brasil Ltda. ('Infosys Brasil'), Infosys Public Services, Inc. ('Infosys Public Services'), Infosys Technologies (Shanghai) Company Limited ('Infosys Shanghai') and Lodestone Holding AG and its controlled subsidiaries ('Infosys Lodestone') is a leading global technology services company. The Infosys group of companies ('the Group') provides business consulting, technology, engineering and outsourcing services. In addition, the Group offers software products for the banking industry.

In June 2011, the name of the company was changed from 'Infosys Technologies Limited' to 'Infosys Limited', following approval of the name change by the Company's Board of Directors, shareholders and the Indian regulatory authorities.

The Company is a public limited company incorporated and domiciled in India and has its registered office at Bangalore, Karnataka, India. The Company has its primary listings on the Bombay Stock Exchange and National Stock Exchange in India. The Company's American Depositary Shares representing equity shares are also listed on the New York Stock Exchange (NYSE) effective December 12, 2012, upon its delisting from NASDAQ Global Select Market from December 11, 2012. The Company listed in NYSE Euronext London and Paris on February 20, 2013 The Company's consolidated financial statements were authorized for issue by the Company's Board of Directors on April 12, 2013.

1.2 Basis of preparation of financial statements

These consolidated financial statements have been prepared in compliance with International Financial Reporting Standards as issued by the International Accounting Standards Board (IFRS), under the historical cost convention on the accrual basis except for certain financial instruments and prepaid gratuity benefits which have been measured at fair values. Accounting policies have been applied consistently to all periods presented in these consolidated financial statements.

1.3 Basis of consolidation

Infosys consolidates entities which it owns or controls. Control exists when the Group has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that are currently exercisable are also taken into account. Subsidiaries are consolidated from the date control commences until the date control ceases.

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

1.4 Use of estimates

The preparation of the financial statements in conformity with IFRS 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 financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the consolidated financial statements.

1.5 Critical accounting estimates

a. Revenue recognition

The Company uses the percentage-of-completion method in accounting for its fixed-price contracts. Use of the percentage-of-completion method requires the Company to estimate the efforts or costs expended to date as a proportion of the total efforts or costs to be expended. Efforts or costs expended have been used to measure progress towards completion as there is a direct relationship between input and productivity. Provisions for estimated losses, if any, on uncompleted contracts are recorded in the period in which such losses become probable based on the expected contract estimates at the reporting date.

b. Income taxes

The Company's two major tax jurisdictions are India and the U.S., though the Company also files tax returns in other overseas jurisdictions. Significant judgments are involved in determining the provision for income taxes, including amount expected to be paid / recovered for uncertain tax positions. Also refer to Note 2.16.

c. Business combinations and intangible assets

Business combinations are accounted for using IFRS 3 (Revised), Business Combinations. IFRS 3 requires the identifiable intangible assets and contingent consideration to be fair valued in order to ascertain the net fair value of identifiable assets, liabilities and contingent liabilities of the acquiree. Significant estimates are required to be made in determining the value of contingent consideration and intangible assets. These valuations are conducted by independent valuation experts.

1.6 Revenue recognition

The Company derives revenues primarily from software-related services and from the licensing of software products. Arrangements with customers for software-related services are either on a fixed-price, fixed-timeframe or on a time-and-material basis.

Revenue on time-and-material contracts are recognized as the related services are performed and revenue from the end of the last billing to the Balance Sheet date is recognized as unbilled revenues. Revenue from fixed-price, fixed-timeframe contracts, where there is no uncertainty as to measurement or collectability of consideration, is recognized as per the percentage-of-completion method. When there is uncertainty as to measurement or ultimate collectability revenue recognition is postponed until such uncertainty is resolved. Efforts or costs expended have been used to measure progress towards completion as there is a direct relationship between input and productivity. Provisions for estimated losses, if any, on uncompleted contracts are recorded in the period in which such losses become probable based on the current contract estimates. Costs and earnings in excess of billings are classified as unbilled revenue while billings in excess of costs and earnings are classified as unearned revenue. Maintenance revenue is recognized ratably over the term of the underlying maintenance arrangement.

In arrangements for software development and related services and maintenance services, the Company has applied the guidance in IAS 18, Revenue, by applying the revenue recognition criteria for each separately identifiable component of a single transaction. The arrangements generally meet the criteria for considering software development and related services as separately identifiable components. For allocating the consideration, the Company has measured the revenue in respect of each separable component of a transaction at its fair value, in accordance with principles given in IAS 18. The price that is regularly charged for an item when sold separately is the best evidence of its fair value. In cases where the Company is unable to establish objective and reliable evidence of fair value for the software development and related services, the Company has used a residual method to allocate the arrangement consideration. In these cases, the balance of the consideration, after allocating the fair values of undelivered components of a transaction, has been allocated to the delivered components for which specific fair values do not exist.

License fee revenues are recognized when the general revenue recognition criteria given in IAS 18 are met. Arrangements to deliver software products generally have three elements: license, implementation and Annual Technical Services (ATS). The Company has applied the principles given in IAS 18 to account for revenues from these multiple element arrangements. Objective and reliable evidence of fair value has been established for ATS. Objective and reliable evidence of fair value is the price charged when the element is sold separately. When other services are provided in conjunction with the licensing arrangement and objective and reliable evidence of their fair values have been established, the revenue from such contracts are allocated to each component of the contract in a manner, whereby revenue is deferred for the undelivered services and the residual amounts are recognized as revenue for delivered elements. In the absence of objective and reliable evidence of fair value for implementation, the entire arrangement fee for license and implementation 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 services are performed. ATS revenue is recognized ratably over the period in which the services are rendered.

Advances received for services and products are reported as client deposits until all conditions for revenue recognition are met.

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

The Company presents revenues net of value-added taxes in its statement of comprehensive income.

1.7 Property, plant and equipment

Property, plant and equipment are stated at cost, less accumulated depreciation and impairments, if any. The direct costs 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 for current and comparative periods are as follows:

Buildings	15 years
Plant and machinery	5 years
Computer equipment	2-5 years
Furniture and fixtures	5 years
Vehicles	5 years

Depreciation methods, useful lives and residual values are reviewed at each reporting date.

Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date and the cost of assets not put to use before such date are disclosed under ‘Capital work-in-progress’. Subsequent expenditures relating to property, plant and equipment are 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 net profit in the statement of comprehensive income when incurred. The cost and related accumulated depreciation are eliminated from the financial statements upon sale or retirement of the asset and the resultant gains or losses are recognized in net profit in the statement of comprehensive income. Assets to be disposed of are reported at the lower of the carrying value or the fair value less cost to sell.

1.8 Business combinations

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

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

Transaction costs that the Group incurs in connection with a business combination such as finders' fees, legal fees, due diligence fees, and other professional and consulting fees are expensed as incurred.

1.9 Goodwill

Goodwill represents the cost of business acquisition in excess of the Group's interest in the net fair value of identifiable assets, liabilities and contingent liabilities of the acquiree. When the net fair value of the identifiable assets, liabilities and contingent liabilities acquired exceeds the cost of business acquisition, a gain is recognized immediately in net profit in the statement of comprehensive income. Goodwill is measured at cost less accumulated impairment losses.

1.10 Intangible assets

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.

Research costs are expensed as incurred. Software product development costs are expensed as incurred unless technical and commercial feasibility of the project is demonstrated, future economic benefits are probable, the Company has an intention and ability to complete and use or sell the software and the costs can be measured reliably. The costs which can be capitalized include the cost of material, direct labour, overhead costs that are directly attributable to preparing the asset for its intended use. Research and development costs and software development costs incurred under contractual arrangements with customers are accounted as cost of sales.

1.11 Financial instruments

Financial instruments of the Group are classified in the following categories: non-derivative financial instruments comprising of loans and receivables, available-for-sale financial assets and trade and other payables; derivative financial instruments under the category of financial assets or financial liabilities at fair value through profit or loss; share capital and treasury shares. The classification of financial instruments depends on the purpose for which those were acquired. The Management determines the classification of its financial instruments at initial recognition.

a. Non-derivative financial instruments

(i) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are presented as current assets, except for those maturing later than 12 months after the balance sheet date which are presented as non-current assets. Loans and receivables are measured initially at fair value plus transaction costs and subsequently carried at amortized cost using the effective interest method, less any impairment loss or provisions for doubtful accounts. Loans and receivables are represented by trade receivables, net of allowances for impairment, unbilled revenue, cash and cash equivalents, prepayments, certificates of deposit, investment in government bonds and other assets. Cash and cash equivalents comprise cash and bank deposits and deposits with corporations. The Company considers all highly liquid investments with a remaining maturity at the date of purchase of three months or less and that are readily convertible to known amounts of cash to be cash equivalents. Certificates of deposit is a negotiable money market instrument for funds deposited at a bank or other eligible financial institution for a specified time period. For these financial instruments, the carrying amounts approximate fair value due to the short maturity of these instruments. Loans and receivables are reclassified to available-for-sale financial assets when the financial asset becomes quoted in an active market.

(ii) Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated in this category or are not classified in any of the other categories. Available-for-sale financial assets are recognized initially at fair value plus transactions costs. Subsequent to initial recognition these are measured at fair value and changes therein, other than impairment losses and foreign exchange gains and losses on available-for-sale monetary items, are recognized directly in other comprehensive income. When an investment is derecognized, the cumulative gain or loss in other comprehensive income is transferred to net profit in the statement of comprehensive income. These are presented as current assets unless the Management intends to dispose of the assets after 12 months from the Balance Sheet date.

(iii) Trade and other payables

Trade and other payables are initially recognized at fair value, and subsequently carried at amortized cost using the effective interest method. For these financial instruments, the carrying amounts approximate fair value due to the short maturity of these instruments.

b. Derivative financial instruments

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

This category has two sub-categories wherein financial assets or financial liabilities are held for trading or are designated as such upon initial recognition. A financial asset is classified as held for trading if it is acquired principally for the purpose of selling in the short term. Derivatives are categorized as held for trading unless they are designated as hedges.

The Company holds derivative financial instruments such as foreign exchange forward and option contracts to mitigate the risk of changes in foreign exchange rates on trade receivables and forecasted cash flows denominated in certain foreign currencies. The counterparty for these contracts is generally a bank or a financial institution. Although the Company believes that these financial instruments constitute hedges from an economic perspective, they do not qualify for hedge accounting under IAS 39, Financial Instruments: Recognition and Measurement. Any derivative that is either not designated a hedge, or is so designated but is ineffective per IAS 39, is categorized as a financial asset, at fair value through profit or loss.

Derivatives are recognized initially at fair value and attributable transaction costs are recognized in net profit in the statement of comprehensive income when incurred. Subsequent to initial recognition, derivatives are measured at fair value through profit or loss and the resulting exchange gains or losses are included in other income. Assets / liabilities in this category are presented as current assets / current liabilities if they are either held for trading or are expected to be realized within 12 months after the Balance Sheet date.

c. Share capital and treasury shares

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.

Treasury Shares

When any entity within the Group purchases the Company's ordinary shares, the consideration paid including any directly attributable incremental cost is presented as a deduction from total equity, until they are cancelled, sold or reissued. When treasury shares are sold or reissued subsequently, the amount received is recognized as an increase in equity, and the resulting surplus or deficit on the transaction is transferred to / from retained earnings.

1.12 Impairment

a. Financial assets

The Group assesses at each Balance Sheet date whether there is objective evidence that a financial asset or a group of financial assets is impaired. A financial asset is considered impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset. Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics.

(i) Loans and receivables

Impairment loss in respect of loans and receivables measured at amortized cost are calculated as the difference between their carrying amount, and the present value of the estimated future cash flows discounted at the original effective interest rate. Such impairment loss is recognized in net profit in the statement of comprehensive income.

(ii) Available-for-sale financial assets

Significant or prolonged decline in the fair value of the security below its cost and the disappearance of an active trading market for the security are objective evidence that the security is impaired. An impairment loss in respect of an available-for-sale financial asset is calculated by reference to its fair value and is recognized in net profit in the statement of comprehensive income. The cumulative loss that was recognized in other comprehensive income is transferred to net profit in the statement of comprehensive income upon impairment.

b. Non-financial assets

(i) Goodwill

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

Total impairment loss of a CGU is allocated first to reduce the carrying amount of goodwill allocated to the CGU and then to the other assets of the CGU pro-rata on the basis of the carrying amount of each asset in the CGU. An impairment loss on goodwill is recognized in net profit in the statement of comprehensive income and is not reversed in the subsequent period.

(ii) Intangible assets and property, plant and equipment

Intangible assets and property, plant and equipment are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the CGU to which the asset belongs.

If such assets are considered to be impaired, the impairment to be recognized in net profit in the statement of comprehensive income is measured by the amount by which the carrying value of the assets exceeds the estimated recoverable amount of the asset.

c. Reversal of impairment loss

An impairment loss for financial assets is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognized. An impairment loss in respect of goodwill is not reversed. In respect of other assets, an impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. The carrying amount of an asset other than goodwill 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. A reversal of impairment loss for an asset other than goodwill and available- for-sale financial assets that are equity securities is recognized in net profit in the statement of comprehensive income. For available-for-sale financial assets that are equity securities, the reversal is recognized in other comprehensive income.

1.13 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.

For all other financial instruments the carrying amounts approximate fair value due to the short maturity of those instruments. The fair value of securities, which do not have an active market and where it is not practicable to determine the fair values with sufficient reliability, are carried at cost less impairment.

1.14 Provisions

A provision is recognized if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

a. Post-sales client support

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

1.15 Foreign currency

Functional currency

The functional currency of Infosys, Infosys BPO and Infosys Consulting India is the Indian rupee. The functional currencies for Infosys Australia, Infosys China, Infosys Mexico, Infosys Sweden, Infosys Brasil, Infosys Public Services, Infosys Shanghai and Lodestone are the respective local currencies. These financial statements are presented in Indian rupees (rounded off to crore; one crore equals ten million).

Transactions and translations

Foreign-currency denominated monetary assets and liabilities are translated into the relevant functional currency at exchange rates in effect at the Balance Sheet date. The gains or losses resulting from such translations are included in net profit in the statement of comprehensive income. Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at fair value are translated at the exchange rate prevalent at the date when the fair value was determined. Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of transaction.

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

The translation of financial statements of the foreign subsidiaries to the functional currency of the Company 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 of, in part or in full, the relevant amount is transferred to net profit in the statement of comprehensive income.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the exchange rate in effect at the Balance Sheet date.

1.16 Earnings per equity share

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.

1.17 Income taxes

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

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

1.18 Employee benefits

1.18.1 Gratuity

In accordance with the Payment of Gratuity Act, 1972, Infosys 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.

Liabilities with regard to the Gratuity Plan are determined by actuarial valuation, performed by an independent actuary, at each Balance Sheet date using the projected unit credit method. The Company fully contributes all ascertained liabilities to the Infosys Limited Employees' Gratuity Fund Trust (the Trust). In the case of Infosys BPO, contributions are made to the Infosys BPO's Employees' Gratuity Fund Trust. Trustees administer contributions made to the Trusts and contributions are invested in a scheme with Life Insurance Corporation as permitted by law.

The Group recognizes the net obligation of a defined benefit plan in its Balance Sheet as an asset or liability, respectively in accordance with IAS 19, Employee benefits. The discount rate is based on the Government securities yield. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to net profit in the statement of comprehensive income in the period in which they arise. When the computation results in a benefit to the Group, the recognized asset is limited to the net total of any unrecognized past service costs and the present value of any future refunds from the plan or reductions in future contributions to the plan.

1.18.2 Superannuation

Certain employees of Infosys are also participants in a defined contribution plan. The Company has no further obligations to the Plan beyond its monthly contributions. Certain employees of Infosys BPO are also eligible for superannuation benefit. Infosys BPO has no further obligations to the superannuation plan beyond its monthly contribution which are periodically contributed to a trust fund, the corpus of which is invested with the Life Insurance Corporation of India.

1.18.3 Provident fund

Eligible employees of Infosys receive benefits from a provident fund, which is a defined benefit plan. Both the employee and the Company make monthly contributions to the provident fund plan equal to a specified percentage of the covered employee's salary. The Company contributes a part of the contributions to the Infosys Limited Employees' Provident Fund Trust. The trust invests in specific designated instruments as permitted by Indian law. The remaining portion is contributed to the government-administered pension fund. The rate at which the annual interest is payable to the beneficiaries by the trust is being administered by the government. The Company has an obligation to make good the shortfall, if any, between the return from the investments of the Trust and the notified interest rate.

In respect of Infosys BPO, eligible employees receive benefits from a provident fund, which is a defined contribution plan. Both the employee and Infosys BPO make monthly contributions to this provident fund plan equal to a specified percentage of the covered employee's salary. Amounts collected under the provident fund plan are deposited in a government administered provident fund. The Company has no further obligation to the plan beyond its monthly contributions.

1.18.4 Compensated absences

The Group has a policy on compensated absences which are both accumulating and non-accumulating in nature. The expected cost of accumulating compensated absences is determined by actuarial valuation based 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.

1.19 Share-based compensation

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

The fair value of each option is estimated on the date of grant using the Black-Scholes-Merton valuation model. The expected term of an option is estimated based on the vesting term and contractual term of the option, as well as expected exercise behaviour of the employee who receives the option. Expected volatility during the expected term of the option is based on historical volatility, during a period equivalent to the expected term of the option, of the observed market prices of the Company's publicly traded equity shares. Expected dividends during the expected term of the option are based on recent dividend activity. Risk-free interest rates are based on the government securities' yield in effect at the time of the grant over the expected term.

1.20 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.

1.21 Operating profit

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

1.22 Other income

Other income is comprised primarily of interest income and dividend income. Interest income is recognized using the effective interest method. Dividend income is recognized when the right to receive payment is established.

1.23 Leases

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

1.24 Government grants

The Group recognizes government grants only when there is reasonable assurance that the conditions attached to them shall be complied with, and the grants will be received. Government grants related to assets are treated as deferred income and are recognized in net profit in the statement of comprehensive income on a systematic and rational basis over the useful life of the asset. Government grants related to revenue are recognized on a systematic basis in net profit in the statement of comprehensive income over the periods necessary to match them with the related costs which they are intended to compensate.

1.25 Recent accounting pronouncements

1.25.1 Standards issued but not yet effective

IFRS 9 Financial Instruments: In November 2009, the International Accounting Standards Board issued IFRS 9, Financial Instruments: Recognition and Measurement, to reduce the complexity of the current rules on financial instruments as mandated in IAS 39. The effective date for IFRS 9 is annual periods beginning on or after January 1, 2015 with early adoption permitted. IFRS 9 has fewer classifications and measurement categories as compared to IAS 39 and has eliminated the categories of held to maturity, available for sale and loans and receivables. Further it eliminates the rule-based requirement of segregating embedded derivatives and tainting rules pertaining to held-to-maturity investments. For an investment in an equity instrument which is not held for trading, IFRS 9 permits an irrevocable election, on initial recognition, on an individual share-by-share basis, to present all fair value changes from the investment in other comprehensive income. No amount recognized in other comprehensive income would ever be reclassified to profit or loss. IFRS 9, was further amended in October 2010, and such amendment introduced requirements on accounting for financial liabilities. This amendment addresses the issue of volatility in the profit or loss due to changes in the fair value of an entity's own debt. It requires the entity, which chooses to measure a liability at fair value, to present the portion of the fair value change attributable to the entity's own credit risk in the other comprehensive income. The Company is required to adopt IFRS 9 by accounting year commencing April 1, 2015. The Company is currently evaluating the requirements of IFRS 9, and has not yet determined the impact on the consolidated financial statements.

IFRS 10, Consolidated Financial Statements, IFRS 11, Joint Arrangements and IFRS 12, Disclosure of Interests in Other Entities: In May 2011, the International Accounting Standards Board issued IFRS 10, IFRS 11 and IFRS 12. The effective date for IFRS 10, IFRS 11 and IFRS 12 is annual periods beginning on or after January 1, 2013 with early adoption permitted.

IFRS 10 Consolidated Financial Statements builds on existing principles by identifying the concept of control as the determining factor in whether an entity should be included within the consolidated financial statements of the parent Company. IFRS 10 replaces the consolidation requirements in SIC-12 Consolidation of Special Purpose Entities and IAS 27 Consolidated and Separate Financial Statements. The standard provides additional guidance for the determination of control in cases of ambiguity such as franchisor-franchisee relationship, de facto agent, silos and potential voting rights.

IFRS 11 Joint Arrangements determines the nature of an arrangement by focusing on the rights and obligations of the arrangement, rather than its legal form. IFRS 11 replaces IAS 31 Interests in Joint Ventures and SIC-13 Jointly-controlled Entities-Non-monetary Contributions by Venturers. IFRS 11 addresses only forms of joint arrangements (joint operations and joint ventures) where there is joint control whereas IAS 31 had identified three forms of joint ventures, namely jointly controlled operations, jointly controlled assets and jointly controlled entities. The standard addresses inconsistencies in the reporting of joint arrangements by requiring a single method to account for interests in jointly controlled entities, which is the equity method.

IFRS 12 Disclosure of Interests in Other Entities is a new and comprehensive standard on disclosure requirements for all forms of interests in other entities, including joint arrangements, associates, special purpose vehicles and other off-Balance-Sheet vehicles. A significant requirement of IFRS 12 is that an entity needs to disclose the significant judgments and assumptions it has made in determining:

a. Whether it has control, joint control or significant influence over another entity; and

b. The type of joint arrangement when the joint arrangement is structured through a separate vehicle.

IFRS 12 also expands the disclosure requirements for subsidiaries with non-controlling interest, joint arrangements and associates that are individually material. IFRS 12 introduces the term "structured entity" by replacing Special Purpose entities and requires enhanced disclosures by way of nature and extent of, and changes in, the risks associated with its interests in both its consolidated and unconsolidated structured entities.

The Company will be adopting IFRS 10, IFRS 11 and IFRS 12 effective April 1, 2013. The Company has evaluated the requirements of IFRS 10, IFRS 11 and IFRS 12, and these requirements are not expected to have a material impact on the consolidated financial statements.

IFRS 13 Fair Value Measurement: In May 2011, the International Accounting Standards Board issued IFRS 13, Fair Value Measurement to provide specific guidance on fair value measurement and requires enhanced disclosures for all assets and liabilities measured at fair value, and not restricted to financial assets and liabilities. The standard introduces a precise definition of fair value and a consistent measure for fair valuation across assets and liabilities, with a few specified exceptions. The effective date for IFRS 13 is annual periods beginning on or after January 1, 2013 with early adoption permitted. The Company is required to adopt IFRS 13 by accounting year commencing April 1, 2013 and has evaluated the requirements of IFRS 13, and these requirements are not expected to have a material impact on the consolidated financial statements.

IAS 1 (Amended) Presentation of Financial Statements: In June 2011, the International Accounting Standard Board published amendments to IAS 1 Presentation of Financial Statements. The amendments to IAS 1 Presentation of Financial Statements require companies preparing financial statements in accordance with IFRS to group items within other comprehensive income that may be reclassified to the profit or loss separately from those items which would not be recyclable in the profit or loss section of the income statement. It also requires the tax associated with items presented before tax to be shown separately for each of the two groups of other comprehensive income items (without changing the option to present items of other comprehensive income either before tax or net of tax).

The amendments also reaffirm existing requirements that items in other comprehensive income and profit or loss should be presented as either a single statement or two consecutive statements. This amendment is applicable to annual periods beginning on or after July 1, 2012, with early adoption permitted. The Company is required to adopt IAS 1 (Amended) by accounting year commencing April 1, 2013. The Company has evaluated the requirements of IAS 1 (Amended) and the Company does not believe that the adoption of IAS 1 (Amended) will have a material effect on its consolidated financial statements.

IAS 19 (Amended) Employee Benefits: In June 2011, the International Accounting Standards Board issued IAS 19 (Amended), Employee Benefits. The effective date for adoption of IAS 19 (Amended) is annual periods beginning on or after January 1, 2013, though early adoption is permitted.

IAS 19 (Amended) has eliminated an option to defer the recognition of gains and losses through re-measurements and requires such gain or loss to be recognized through other comprehensive income in the year of occurrence to reduce volatility. The amended standard requires immediate recognition of effects of any plan amendments. Further it also requires assets in profit or loss to be restricted to government bond yields or corporate bond yields, considered for valuation of Projected Benefit Obligation, irrespective of actual portfolio allocations. The actual return from the portfolio in excess of or less than such yields is recognized through other comprehensive income.

These amendments enhance the disclosure requirements for defined benefit plans by requiring information about the characteristics of defined benefit plans and risks that entities are exposed to through participation in those plans.

The amendments need to be adopted retrospectively. The Company is required to adopt IAS 19 (Amended) by accounting year commencing April 1, 2013. The Company has evaluated the requirements of IAS 19 (Amended) and theses requirements are not expected to have a material impact on the consolidated financial statements.

2. Notes to the consolidated financial statements

2.1 Cash and cash equivalents

Cash and cash equivalents consist of the following:

In ₹crore

Particulars	As of March 31,	
	2013	2012
Cash and bank deposits	18,728	19,059
Deposits with corporations	3,104	1,532
	21,832	20,591

Cash and cash equivalents as of March 31, 2013 and March 31, 2012 include restricted cash and bank balances of ₹ 305 crore and ₹268 crore, respectively. The restrictions are primarily on account of cash and bank balances held by irrevocable trusts controlled by the Company, and bank balances held as margin money deposits against guarantees and balances held in unclaimed dividend bank accounts.

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

The following table provides details of cash and cash equivalents:

In ₹crore

Particulars	As of March 31,	
	2013	2012
Current Accounts		
ABN Amro Bank, China	–	41
ABN Amro Bank, China (U.S. dollar account)	–	2
ABN Amro Bank, Denmark	1	–
ANZ Bank, Taiwan	2	2
Bank of America, Mexico	4	5
Bank of America, U.S.	904	598
Banamex , Mexico	–	1
Bank Zachodni WBK S.A	3	–
Barclays Bank, U.K.	12	–
China Merchants Bank, China	1	–
Citibank NA, Australia	174	89
Citibank NA, Brazil	14	7
Citibank N.A, China	46	2
Citibank N.A, China (U.S. dollar account)	1	12
Citibank N.A, Costa Rica	1	–
Citibank NA, Czech Republic (U.S. dollar account)	–	1
Citibank N.A., Czech Republic(Euro Account)	–	4
Citibank N.A., Czech Republic	2	1
Citibank NA, Dubai	4	–
Citibank NA, New Zealand	2	7
Citibank NA, Japan	16	9
Citibank NA, India	14	1
Citibank NA, Thailand	1	1
Citibank NA, South Africa	1	–
Citibank EEFC (U.S. dollar account)	111	–
Commerzbank, Germany	8	–
Deustche Bank, India	11	10
Deutsche Bank, Czech Republic	3	1
Deutsche Bank, Czech Republic (U.S. dollar account)	2	2
Deutsche Bank, Czech Republic (Euro account)	5	1
Deutsche Bank, Belgium	10	6
Deutsche Bank, France	5	4
Deutsche Bank, Germany	14	12
Deutsche Bank, Netherlands	11	3
Deustche Bank, Philippines (U.S. dollar account)	4	3
Deustche Bank, Poland	12	1
Deustche Bank, Poland (Euro account)	2	1
Deutsche Bank, Russia	1	–

Particulars	As of March 31,	
	2013	2012
Deutsche Bank, Russia (U.S. dollar account)	1	–
Deutsche Bank, Spain	2	1
Deutsche Bank, Singapore	1	8
Deutsche Bank, Switzerland	1	1
Deutsche Bank, Transze	1	–
Deutsche Bank, United Kingdom	70	32
Deustche Bank-EEFC (Euro account)	21	9
Deustche Bank-EEFC (Swiss Franc account)	2	2
Deustche Bank-EEFC (U.S. dollar account)	64	23
HDFC Bank-Unclaimed dividend account	1	1
HSBC Bank, Brazil	2	–
ICICI Bank, India	50	20
ICICI Bank, UK	–	2
ICICI Bank-EEFC (Euro account)	2	–
ICICI Bank-EEFC (U.K. Pound Sterling account)	6	1
ICICI Bank-EEFC (U.S. dollar account)	13	32
ICICI bank-Unclaimed dividend account	2	1
ING, Belgium	2	–
National Australia Bank Limited, Australia	–	3
Nordbanken, Sweden	2	3
Shanghai Pudong Development Bank, China	1	–
Punjab National Bank, India	3	1
Royal Bank of Canada, Canada	15	5
Royal Bank of Scotland, China	56	–
State Bank of India	–	1
Standard Chartered Bank, U.A.E.	–	1
The Bank of Tokyo – Mitsubishi UFJ, Ltd., Japan	1	1
Commonwealth Bank of Australia, Australia	–	4
Bank of New Zealand	–	12
Westpac, Australia	2	–
UBS AG, Switzerland (CHF account)	1	–
Landbouwkrediet, Belgium (Euro account)	1	–
	1,725	991
Deposit accounts		
Andhra Bank	704	510
Allahabad Bank	275	852
Axis Bank	1,060	806
ANZ Bank	6	–
Bank of America, Mexico	15	6
Bank of Baroda	1,919	1,733
Bank of India	1,891	1,500

Particulars	As of March 31,	
	2013	2012
Bank of Maharashtra	–	475
Bank of China, China	–	25
Canara Bank	2,186	1,615
Central Bank of India	1,262	752
Corporation Bank	779	395
Citibank, China	79	23
Deustche Bank, Poland	55	41
DBS Bank	–	40
HDFC Bank	–	1,357
Federal Bank	25	20
HSBC Bank, U.K.	–	5
ICICI Bank	2,598	1,504
IDBI Bank	995	1,030
ING Vysya Bank	88	82
Indian Overseas Bank	441	600
Jammu and Kashmir Bank	25	25
Kotak Mahindra Bank	280	175
National Australia Bank Limited, Australia	7	67
Nordbanken, Sweden	1	1
Oriental Bank of Commerce	824	714
Punjab National Bank	–	1,314
Ratnakar Bank	5	5
South Indian Bank	65	60
State Bank of Hyderabad	700	580
State Bank of India	58	61
State Bank of Mysore	–	249
Syndicate Bank	–	550
Union Bank of India	80	602
Vijaya Bank	380	153
Yes Bank	200	141
	17,003	18,068
Deposits with corporations		
HDFC Limited	3,104	1,532
	3,104	1,532
Total	21,832	20,591

2.2 Available-for-sale financial assets

Investments in liquid mutual fund units, quoted debt securities and unquoted equity securities are classified as available-for-sale financial assets.

Cost and fair value of investment in liquid mutual fund units, quoted debt securities and unquoted equity securities are as follows:

In ₹crore

Particulars	As of March 31,	
	2013	2012
Current		
Liquid mutual fund units:		
Cost and fair value	1,739	32
Non-Current		
Quoted debt securities:		
Cost	380	–
Gross unrealized holding gains	7	–
Fair value	387	–
Unquoted equity securities:		
Cost	4	4
Gross unrealized holding gains	3	8
Fair value	7	12
Total available-for-sale financial assets	2,133	44

During February 2010, Infosys sold 32,31,151 shares of OnMobile Systems Inc, U.S. at a price of ₹166.58 per share, derived from quoted prices of the underlying marketable equity securities.

As of March 31, 2012 the remaining 21,54,100 shares were fair valued at ₹12 crore and the resultant unrealized loss of ₹8 crore, net of taxes of ₹3 crore has been recognized in other comprehensive income for the year ended March 31, 2012.

As of March 31, 2013 the 21,54,100 shares were fair valued at ₹7 crore and the resultant unrealized loss of ₹4 crore, net of taxes of ₹1 crore has been recognized in other comprehensive income for the year ended March 31, 2013. The fair value of ₹7 crore has been derived based on an agreed upon exchange ratio between these unquoted equity securities and quoted prices of the underlying marketable equity securities.

During year ended March 31, 2013 the Company invested in quoted debt securities. The fair value of the quoted debt securities as of March 31, 2013 is ₹387 crore. The unrealized gain of ₹7 crore, net of taxes of less than ₹1 crore has been recognized in other comprehensive income for the year ended March 31, 2013. The fair value of ₹387 crore has been derived based on the quoted prices.

2.3 Business combinations

During the year ended March 31, 2010, Infosys BPO acquired 100% of the voting interests in McCamish Systems LLC (McCamish), a business process solutions provider based in Atlanta, Georgia, in the U.S. The business acquisition was conducted by entering into Membership Interest Purchase Agreement for a cash consideration of ₹173 crore and a contingent consideration of upto ₹93 crore. The fair value of contingent consideration and its undiscounted value on the date of acquisition were ₹40 crore and ₹67 crore, respectively.

The payment of contingent consideration was dependent on the achievement of certain revenue targets and net margin targets by McCamish over a period of four years ending March 31, 2014. Further, contingent to McCamish signing any deal with a customer with total revenues of US $100 million or more, the aforesaid period could be extended by two years. The total contingent consideration was estimated to be in the range between ₹67 crore and ₹93 crore. The fair value of contingent consideration is determined by discounting the estimated amount payable to the previous owners of McCamish on achievement of certain financial targets. The key inputs used for the determination of the fair value of contingent consideration was the discount rate of 13.9% and the probabilities of achievement of the net margin and the revenue targets ranging from 50% to 100%.

During the three months ended September 30, 2012, McCamish entered into an asset purchase agreement with Seabury & Smith Inc., a company providing back office services to life insurers, to purchase its BPO division for a cash consideration of ₹5 crore and a deferred consideration of ₹5 crore. Consequent to the transaction intangible assets on customer contracts and relationships of ₹5 crore and intangible software of ₹1 crore and goodwill of ₹4 crore has been recorded. The intangible customer contracts and relationships and software are being amortized over a period of five years and four months, respectively, being the Management's estimate of its useful life, based on the life over which economic benefits are expected to be realized.

During the year ended March 31, 2013, the liability related to contingent consideration increased by ₹4 crore, respectively, due to passage of time.

During the three months ended September 30, 2012, pursuant to McCamish entering into the asset purchase agreement with Seabury & Smith Inc., an assessment of the probability of McCamish achieving the required revenue and net margin targets pertaining to contingent consideration was conducted. The assessment was based on the actual and projected revenues and net margins pertaining to McCamish post consummation of the asset purchase transaction. Consequently, the fair value of the contingent consideration and its related undiscounted value was determined at ₹17 crore and ₹23 crore, respectively, and the related liability no longer required were reversed in the statement of comprehensive income. The contingent consideration is estimated to be in the range between ₹23 crore and ₹33 crore. As of March 31, 2013 the fair value of the contingent consideration and its related undiscounted value are ₹18 crore and ₹23 crore, respectively.

On January 4, 2012 Infosys BPO acquired 100% of the voting interest in Portland Group Pty. Ltd., a strategic sourcing and category management services provider based in Australia. The business acquisition was conducted by entering into a share sale agreement for a cash consideration of ₹200 crore.

This business acquisition would strengthen Infosys BPO's capabilities and domain expertise in the sourcing and procurement practice and its service offering in the strategic sourcing and category management functions. Consequently, the excess of the purchase consideration paid over the fair value of assets acquired has been accounted for as goodwill.
The purchase price has been allocated based on the Management's estimates and an independent appraisal of fair values as follows:

In ₹crore

Component	Acquiree's carrying amount	Fair value adjustments	Purchase price allocated
Property, plant and equipment	3	–	3
Net current assets	21	–	21
Intangible assets – Customer contracts and relationships	–	40	40
Deferred tax liabilities on intangible assets	–	(12)	(12)
	24	28	52
Goodwill			148
Total purchase price			200

The goodwill is not tax deductible.

The acquisition date fair value of the total consideration transferred is ₹200 crore in cash. The amount of trade receivables included in net current assets, acquired from the above business acquisition was ₹40 crore. Subsequently, the trade receivables have been fully collected. The identified intangible customer contracts and relationships are being amortized over a period of 10 years based on the Management's estimate of the useful life of the assets.

The transaction costs of ₹5 crore related to the acquisition have been included under cost of sales in the Statement of Comprehensive Income.
On October 22, 2012, Infosys acquired 100% of the voting interests in Lodestone Holding AG, a global management consultancy firm with its headquarters in Zurich. The business acquisition was conducted by entering into a share purchase agreement for a cash consideration of ₹1,187 crore.

This business acquisition will strengthen Infosys's consulting and systems integration (C&SI) capabilities. Further the acquisition will enable the Company, to increase its global presence particularly in Europe and markets like Latin America and Asia Pacific. Consequently, the excess of the purchase consideration paid over the fair value of assets acquired has been attributed towards goodwill.

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

In ₹crore

Component	Acquiree's carrying amount	Fair value adjustments	Purchase price allocated
Property, plant and equipment	28	–	28
Net current assets	87	–	87
Deferred tax assets	30	(12)	18
Borrowings	(89)	–	(89)
Intangible assets – customer contracts and relationships	–	196	196
Intangible assets – brand	–	25	25
Deferred tax liabilities on intangible assets	–	(55)	(55)
	56	154	210
Goodwill			977
Total purchase price			1,187

The goodwill is not tax deductible.

The amount of trade receivables acquired from the above business acquisition was ₹212 crore. Based on the past experience, the Management expects the entire amount to be collected.

The amount of revenue and net loss included in the consolidated Statement of Comprehensive Income pertaining to Lodestone from the date of acquisition amounts to ₹490 crore and ₹120 crore, respectively. The estimated approximate revenue and net profit of the Group, had the acquisition occurred in the beginning of the period, are ₹41,108 crore and ₹9,415 crore, respectively.

The identified intangible customer contracts are being amortized over a period of two years and the identified customer relationships are being amortized over a period of 10 years whereas the identified intangible brand is being amortized over a period of two years, being Management's estimate of the useful life of the assets.

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

In ₹crore

Particulars	Consideration settled
Fair value of total consideration	
Cash consideration	1,187
Total	1,187

As per the share purchase agreement one third of the enterprise value for the acquisition amounting to approximately ₹608 crore, referred to as deferred purchase price, is payable to the selling shareholders of Lodestone who will be continuously employed or otherwise engaged by the Group post acquisition during the three-year period from the date of acquisition. The deferred purchase price is payable on the third anniversary of the acquisition date subject to sellers being in continuous employment with the group during the three-year period. This transaction is treated as post-acquisition employee remuneration expense as per IFRS 3R. For the year ended March 31, 2013, a post-acquisition employee remuneration expense of ₹55 crore is recorded in cost of sales in the Statement of Comprehensive Income.

The transaction costs of ₹9 crore related to the acquisition have been included under administrative expense in the Statement of Comprehensive Income.

2.4 Prepayments and other assets

Prepayments and other assets consist of the following:

In ₹crore

Particulars	As of March 31,	
	2013	2012
Current		
Rental deposits	24	16
Security deposits with service providers	34	37
Loans and advances to employees	139	160
Prepaid expenses [(1)]	79	51
Interest accrued and not due	93	39
Withholding taxes [(1)]	800	682
Advance payments to vendors for supply of goods [(1)]	59	36
Deposit with corporation	762	492
Premiums held in trust [(2)]	117	–
Other assets	16	10
	2,123	1,523
Non-current		
Loans and advances to employees	84	6
Deposit with corporation	36	58
Rental deposits	43	39
Security deposits with service providers	33	29
Prepaid expenses [(1)]	10	15
Prepaid gratuity and other benefits [(1)]	31	15
	237	162
	2,360	1,685
Financial assets in prepayments and other assets	1,381	886

[(1)] *Non financial assets*

[(2)] *Represents premiums collected from policyholders and payable to insurance providers by a service provider maintaining the amounts in fiduciary capacity*

Withholding taxes primarily consist of input tax credits. Other assets primarily represent travel advances and others recoverable from customers. Security deposits with service providers relate principally to leased telephone lines and electricity supplies. Deposit with corporation represents amounts deposited to settle certain employee-related obligations as and when they arise during the normal course of business.

2.5 Property, plant and equipment

Following are the changes in the carrying value of property, plant and equipment for the year ended March 31, 2013:

In ₹ crore

Particulars	Land	Buildings	Plant and machinery	Computer equipment	Furniture and fixtures	Vehicles	Capital work-in-progress	Total
Gross carrying value as of April 1, 2012	709	3,867	1,261	1,387	764	8	1,034	9,030
Additions through business combination (*Refer to Note 2.3*)	–	–	2	12	28	16	–	58
Additions	145	333	189	690	129	3	626	2,115
Deletions	(4)	(1)	(200)	(211)	(129)	(1)	–	(546)
Translation difference	–	–	2	9	8	–	–	19
Gross carrying value as of March 31, 2013	850	4,199	1,254	1,887	800	26	1,660	10,676
Accumulated depreciation as of April 1, 2012	–	(1,226)	(795)	(1,093)	(503)	(4)	–	(3,621)
Accumulated depreciation on business combination	–	–	(2)	(7)	(13)	(8)	–	(30)
Depreciation	–	(272)	(237)	(406)	(167)	(3)	–	(1,085)
Accumulated depreciation on deletions	–	–	200	210	129	1	–	540
Translation difference	–	1	(1)	(8)	(4)	–	–	(12)
Accumulated depreciation as of March 31, 2013	–	(1,497)	(835)	(1,304)	(558)	(14)	–	(4,208)
Carrying value as of April 1, 2012	709	2,641	466	294	261	4	1,034	5,409
Carrying value as of March 31, 2013	850	2,702	419	583	242	12	1,660	6,468

Following are the changes in the carrying value of property, plant and equipment for the year ended March 31, 2012:

(In ₹crore)

	Land	Buildings	Plant and machinery	Computer equipment	Furniture and fixtures	Vehicles	Capital work-in-progress	Total
Gross carrying value as of April 1, 2011	**551**	**3,626**	**1,286**	**1,332**	**771**	**7**	**525**	**8,098**
Acquisition through business combinations (Refer note 2.3)	–	–	–	1	2	–	–	3
Additions	158	242	160	291	107	2	509	1,469
Deletions	–	(1)	(191)	(260)	(131)	(1)	–	(584)
Translation difference	–	–	6	23	15	–	–	44
Gross carrying value as of March 31, 2012	**709**	**3,867**	**1,261**	**1,387**	**764**	**8**	**1,034**	**9,030**
Accumulated depreciation as of April 1, 2011	–	**(978)**	**(737)**	**(1,070)**	**(466)**	**(3)**	–	**(3,254)**
Depreciation	–	(249)	(247)	(267)	(157)	(2)	–	(922)
Accumulated depreciation on deletions	–	1	191	260	131	1	–	584
Translation difference	–	–	(2)	(16)	(11)	–	–	(29)
Accumulated depreciation as of March 31, 2012	–	**(1,226)**	**(795)**	**(1,093)**	**(503)**	**(4)**	–	**(3,621)**
Carrying value as of April 1, 2011	**551**	**2,648**	**549**	**262**	**305**	**4**	**525**	**4,844**
Carrying value as of March 31, 2012	**709**	**2,641**	**466**	**294**	**261**	**4**	**1,034**	**5,409**

During the years ended March 31, 2013 and March 31, 2012, certain assets which were not in use having gross book value of ₹525 crore and ₹570 crore (carrying value Nil), respectively, were retired.

The depreciation expense for the years ended March 31, 2013 and March 31, 2012 is included in cost of sales in the consolidated Statement of Comprehensive Income.

Carrying value of land includes ₹358 crore and ₹286 crore as of March 31, 2013 and March 31, 2012, respectively, towards deposits paid under certain lease-cum-sale agreements to acquire land including agreements where the Company has an option to purchase the properties on expiry of the lease period. The Company has already paid 99% of the market value of the properties prevailing at the time of entering into the lease-cum-sale agreements with the balance payable at the time of purchase. The contractual commitments for capital expenditure were ₹1,696 crore and ₹1,044 crore, as of March 31, 2013 and March 31, 2012, respectively.

2.6 Goodwill and intangible assets

Following is a summary of changes in the carrying amount of goodwill:

In ₹crore

Particulars	As of March 31,	
	2013	2012
Carrying value at the beginning	993	825
Goodwill recognized on Lodestone acquisition (Refer note 2.3)	977	–
Goodwill recognized on Seabury & Smith acquisition (Refer note 2.3)	4	–
Goodwill recognized on Portland acquisition (Refer note 2.3)	–	148
Translation differences	2	20
Carrying value at the end	1,976	993

Consequent to the internal reorganization during quarter ended June 30, 2011, there were changes effected in the Company's reportable segments based on the 'Management approach' as defined in IFRS 8, Operating Segments (*Refer Note 2.19*). Accordingly the goodwill has been allocated to the new operating segments as at March 31, 2013 and as at March 31, 2012.

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to the Cash Generating Units (CGU) or groups of CGU, which are benefiting from the synergies of the acquisition. The chief operating decision maker reviews the goodwill for any impairment at the operating segment level, which is represented through groups of CGU.

In ₹crore

Segment	As of March 31,	
	2013	2012
Financial services and insurance (FSI)	573	434
Manufacturing (MFG)	429	112
Energy, utilities, communication and services (ECS)	268	140
Retail, consumer packaged goods, logistics and life sciences (RCL)	706	307
Total	1,976	993

The entire goodwill relating to Infosys BPO's acquisition of McCamish has been allocated to the groups of CGU which are aggregated at the 'Financial services and insurance' segment level.

The entire goodwill relating to Lodestone acquisition has been allocated to the groups of CGU which are aggregated at the entity's operating segment level.

The recoverable amount of a CGU is the higher of its fair value less cost to sell and its value-in-use. The fair value of a CGU is determined based on the market capitalization. The value-in-use is determined based on specific calculations. These calculations use pre-tax cash flow projections over a period of five years, based on financial budgets approved by the Management and an average of the range of each assumption mentioned below. As of March 31, 2013, the estimated recoverable amount of the CGU exceeded its carrying amount. The recoverable amount was computed based on the fair value being higher than value-in-use and 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:

Particulars	In %
Long term growth rate	8-10
Operating margins	17-20
Discount rate	16.1

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.

Following are the changes in the carrying value of acquired intangible assets for the year ended March 31, 2013:

In ₹ crore

Particulars	Customer related	Software related	Sub-contracting right related	Intellectual property rights related	Land use-rights related	Brand	Others	Total
Gross carrying value as of April 1, 2012	138	31	21	11	57	–	–	258
Additions through business combinations (*Refer to Note 2.3*)	201	1	–	–	–	25	–	227
Additions	–	–	–	–	–	–	9	9
Translation differences	2	–	–	–	4	(1)	–	5
Gross carrying value as of March 31, 2013	341	32	21	11	61	24	9	499
Accumulated amortization as of April 1, 2012	55	14	5	11	–	–	–	85
Amortization expense	24	4	7	–	1	5	3	44
Translation differences	1	1	–	–	–	–	–	2
Accumulated amortization as of March 31, 2013	80	19	12	11	1	5	3	131
Carrying value as of April 1, 2012	83	17	16	–	57	–	–	173
Carrying value as of March 31, 2013	261	13	9	–	60	19	6	368

Following are the changes in the carrying value of acquired intangible assets for the year ended March 31, 2012:

In ₹ crore

Particulars	Customer related	Software related	Sub-contracting right related	Intellectual property rights related	Land use-rights related	Total
Gross carrying value as of April 1, 2011	94	12	–	11	–	117
Additions through business combinations (*Refer to Note 2.3*)	40	–	–	–	–	40
Additions	–	17	19	–	54	90
Translation differences	4	2	2	–	3	11
Gross carrying value as of March 31, 2012	138	31	21	11	57	258
Accumulated amortization as of April 1, 2011	46	12	–	11	–	69
Amortization expense	9	1	5	–	–	15
Translation differences	–	1	–	–	–	1
Accumulated amortization as of March 31, 2012	55	14	5	11	–	85
Carrying value as of April 1, 2011	48	–	–	–	–	48
Carrying value as of March 31, 2012	83	17	16	–	57	173

The subcontracting rights, recognized consequent to the subcontracting agreement with Telecom's Gen-I division are being amortized over a period of three years, being the Management's estimate of its useful life, based on the life over which economic benefits are expected to be realized. The value of subcontracting rights on initial recognition was ₹19 crore. As of March 31, 2013, the subcontracting rights have a remaining amortization period of approximately two years.

The land use rights acquired by Infosys Shanghai are being amortized over the initial term of 50 years. Further the government grant received for the land use right is also amortized over the initial term of 50 years. The value of land use rights on initial recognition was ₹54 crore. As of March 31, 2013, the land use rights have a remaining amortization period of approximately 49 years.

The intangible asset on account of software purchase recognized by Infosys is amortized over a period of five years, being the Management's estimate of useful life of such intangible assets. The value of the software on initial recognition was ₹17 crore. As of March 31, 2013, this intangible asset has a remaining amortization period of approximately four years.

The intangible customer contracts recognized at the time of acquisition of Philips BPO operations are being amortized over a period of seven years, being the Management's estimate of its useful life, based on the life over which economic benefits are expected to be realized. As of March 31, 2013, the customer contracts have a remaining amortization period of approximately two years.

The intangible customer contracts and relationships recognized at the time of the McCamish acquisition are being amortized over a period of nine years, being the Management's estimate of its useful life, based on the life over which economic benefits are expected to be realized. As of March 31, 2013, the customer contracts and relationships have a remaining amortization period of approximately six years.

The intangible customer contracts and relationships of ₹40 crore, recognized at the time of the Portland acquisition are being amortized over a period of 10 years, being the Management's estimate of its useful life, based on the life over which economic benefits are expected to be realized. As of March 31, 2013, the customer contracts and relationships have a remaining amortization period of approximately nine years.

The intangible customer contracts and relationships of ₹5 crore, recognized pursuant to McCamish entering into the asset purchase agreement with Seabury & Smith Inc., are being amortized over a period of five years, being the Management's estimate of its useful life, based on the life over which economic benefits are expected to be realized. As of March 31, 2013, the customer contracts and relationships have a remaining amortization period of approximately four years.

The intangible customer contracts recognized at the time of the Lodestone acquisition are being amortized over a period of two years and the identified customer relationships are being amortized over a period of 10 years whereas the identified intangible brand is being amortized over a period of two years, being the Management's estimate of the useful life of the assets.
The aggregate amortization expense included in cost of sales, for the each of years ended March 31, 2013 and March 31, 2012 was ₹44 crore and ₹15 crore, respectively.

Research and development expenses recognized in net profit in the consolidated Statement of Comprehensive Income, for the years ended March 31, 2013 and March 31, 2012 were ₹ 946 crore and ₹676 crore, respectively.

2.7 Financial instruments

Financial instruments by category

The carrying value and fair value of financial instruments by categories as of March 31, 2013 were as follows:

In ₹ crore

Particulars	Loans and receivables	Financial assets / liabilities at fair value through profit and loss	Available for sale	Trade and other payables	Total carrying value / fair value
Assets:					
Cash and cash equivalents (*Refer to Note 2.1)*	21,832	–	–	–	21,832
Available-for-sale financial assets (*Refer to Note 2.2*)	–	–	2,133	–	2,133
Trade receivables	7,083	–	–	–	7,083
Unbilled revenue	2,435	–	–	–	2,435
Prepayments and other assets (*Refer to Note 2.4*)	1,381	–	–	–	1,381
Derivative financial instruments	–	101	–	–	101
Total	32,731	101	2,133	–	34,965
Liabilities:					
Trade payables	–	–	–	189	189
Client deposits	–	–	–	36	36
Employee benefit obligations	–	–	–	614	614
Other liabilities (*Refer to Note 2.9*)	–	–	–	2,411	2,411
Liability towards McCamish acquisition on a discounted basis (*Refer to Note 2.9*)	–	–	–	18	18
Liability towards other acquisitions (*Refer to Note 2.9*)	–	–	–	59	59
Total	–	–	–	3,327	3,327

The carrying value and fair value of financial instruments by categories as of March 31, 2012 were as follows:

In ₹ crore

Particulars	Loans and receivables	Financial assets / liabilities at fair value through profit and loss	Available for sale	Trade and other payables	Total carrying value / fair value
Assets:					
Cash and cash equivalents (*Refer to Note 2.1*)	20,591	–	–	–	20,591
Available-for-sale financial assets (*Refer to Note 2.2*)	–	–	44	–	44
Investment in certificates of deposit	345	–	–	–	345
Trade receivables	5,882	–	–	–	5,882
Unbilled revenue	1,873	–	–	–	1,873
Prepayments and other assets (*Refer to Note 2.4*)	886	–	–	–	886

Particulars	Loans and receivables	Financial assets / liabilities at fair value through profit and loss	Available for sale	Trade and other payables	Total carrying value / fair value
Total	29,577	–	44	–	29,621
Liabilities:					
Trade payables	–	–	–	23	23
Derivative financial instruments	–	42	–	–	42
Client deposits	–	–	–	15	15
Employee benefit obligations	–	–	–	498	498
Other liabilities (*Refer to Note 2.9*)	–	–	–	1,954	1,954
Liability towards McCamish acquisition on a discounted basis (*Refer to Note 2.9*)	–	–	–	59	59
Total	–	42	–	2,549	2,591

Fair value hierarchy

Level 1 **-** Quoted prices (unadjusted) in active markets for identical assets or liabilities.
Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
Level 3 **-** Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

The following table presents fair value hierarchy of assets and liabilities measured at fair value on a recurring basis as of March 31, 2013:

In ₹ crore

Particulars		Fair value measurement at end of the reporting period / year using		
		Level 1	Level 2	Level 3
Assets				
Available-for-sale financial asset – investments in liquid mutual fund units (*Refer to Note 2.2*)	1,739	1,739	–	–
Available-for-sale financial asset – investments in quoted debt securities (*Refer to Note 2.2*)	387	387	–	–
Available-for-sale financial asset – investments in unquoted equity instruments (*Refer to Note 2.2*)	7	–	7	–
Derivative financial instruments – gain on outstanding foreign exchange forward and option contracts	101	–	101	–

The following table presents fair value hierarchy of assets and liabilities measured at fair value on a recurring basis as of March 31, 2012:

In ₹crore

Particulars		Fair value measurement at end of the reporting period / year using		
		Level 1	Level 2	Level 3
Assets				
Available-for-sale financial asset – investments in liquid mutual fund units (*Refer to Note 2.2*)	32	32	–	–
Available-for-sale financial asset – investments in unquoted equity instruments (*Refer to Note 2.2*)	12	–	12	–
Liabilities				
Derivative financial instruments – loss on outstanding foreign exchange forward and option contracts	42	–	42	–

Income from financial assets or liabilities that are not at fair value through profit or loss is as follows:

In ₹crore

Particulars	Year ended March 31,	
	2013	2012
Interest income on deposits and certificates of deposit	1,792	1,807
Income from available-for-sale financial assets / investments	230	27
	2,022	1,834

Derivative financial instruments

The Company uses derivative financial instruments such as foreign exchange forward and option contracts to mitigate the risk of changes in foreign exchange rates on trade receivables and forecasted cash flows denominated in certain foreign currencies. The counterparty for these contracts is generally a bank or a financial institution. These derivative financial instruments are valued based on quoted prices for similar assets and liabilities in active markets or inputs that are directly or indirectly observable in the marketplace.

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

Particulars	As of March 31,			
	2013		2012	
	In million	In ₹ crore	In million	In ₹ crore
Forward contracts				
In U.S. dollars	851	4,621	729	3,709
In Euro	62	431	38	258
In U.K. Pound Sterling	65	537	22	179
In Australian dollars	70	396	23	122
Option contracts				
In U.S. dollars	–	–	50	254
Total forwards and options		5,985		4,522

The Company recognized a net gain on derivative financials instruments of ₹77 crore during the year ended March 31, 2013 as against net loss of ₹299 crore during the year ended March 31, 2012, which are included in other income.

The foreign exchange forward and option contracts mature between 1 to 12 months. The following table analyzes the derivative financial instruments into relevant maturity groupings based on the remaining period as of the Balance Sheet date:

In ₹crore

Particulars	As of March 31,	
	2013	2012
Not later than one month	988	344
Later than one month and not later than three months	1,794	790
Later than three months and not later than one year	3,203	3,388
	5,985	4,522

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 demographics of the customer including the default risk of the industry and country in which the customer operates also has an influence on credit risk assessment.

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 U.S. and elsewhere, and purchases from overseas suppliers in various foreign currencies. The Company uses derivative financial instruments such as foreign exchange forward and option contracts to mitigate the risk of changes in foreign exchange rates on trade receivables and forecasted cash flows denominated in certain foreign currencies. 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 gives details in respect of the outstanding foreign exchange forward and option contracts:

In ₹crore

Particulars	As of March 31,	
	2013	2012
Aggregate amount of outstanding forward and option contracts	5,985	4,522
Gains / (losses) on outstanding forward and option contracts	101	(42)

The outstanding foreign exchange forward and option contracts as of March 31, 2013 and March 31, 2012, mature between one to twelve months.

The following table analyzes foreign currency risk from financial instruments as of March 31, 2013:

In ₹crore

Particulars	U.S. dollars	Euro	U.K. Pound Sterling	Australian dollars	Other currencies	Total
Cash and cash equivalents	1,106	83	87	185	345	1,806
Trade receivables	4,684	828	568	416	360	6,856
Unbilled revenue	1,403	313	156	106	222	2,200
Other assets	539	33	31	17	153	773
Trade payables	(54)	(10)	(11)	(1)	(32)	(108)
Client deposits	(20)	(12)	–	–	(4)	(36)
Accrued expenses	(554)	(81)	2	(29)	(103)	(765)
Employee benefit obligations	(242)	(50)	(12)	(79)	(67)	(450)
Other liabilities	(1,006)	(309)	53	(56)	(146)	(1,464)
Net assets / (liabilities)	5,856	795	874	559	728	8,812

The following table analyzes foreign currency risk from financial instruments as of March 31, 2012:

In ₹crore

Particulars	U.S. dollars	Euro	U.K. Pound Sterling	Australian dollars	Other currencies	Total
Cash and cash equivalents	695	54	35	83	161	1,028
Trade receivables	3,915	592	560	398	239	5,704
Unbilled revenue	1,021	300	124	63	158	1,666
Other assets	651	22	25	3	113	814
Trade payables	(1)	(1)	(1)	(2)	(13)	(18)
Client deposits	(13)	(1)	–	–	–	(14)
Accrued expenses	(432)	(40)	–	(3)	(64)	(539)
Employee benefit obligations	(194)	–	–	(4)	(92)	(290)
Other liabilities	(1,233)	(247)	(6)	(24)	(89)	(1,599)
Net assets / (liabilities)	4,409	679	737	514	413	6,752

For the years ended March 31, 2013 and March 31, 2012 every percentage point depreciation / appreciation in the exchange rate between the Indian rupee and U.S. dollar, has affected the Company's operating margins by approximately 0.53% and 0.56%, respectively.

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.

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 ₹7,083 crore and ₹5,882 crore as of March 31, 2013 and March 31, 2012, respectively and unbilled revenue amounting to ₹2,435 crore and ₹1,873 crore as of March 31, 2013 and March 31, 2012, respectively. Trade receivables and unbilled revenue are typically unsecured and are derived from revenue earned from customers primarily located in the U.S. 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.

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

In %

Revenues	Year ended March 31,	
	2013	2012
From top customer	3.8	4.3
From top five customers	15.2	15.5

Financial assets that are neither past due nor impaired

Cash and cash equivalents, available-for-sale financial assets, investment in certificates of deposits and investments in government bonds are neither past due nor impaired. Cash and cash equivalents include deposits with banks and corporations with high credit-ratings assigned by international and domestic credit-rating agencies. Available-for-sale financial assets include investment in liquid mutual fund units, quoted debt securities and unquoted equity securities. Certificates of deposit represent funds deposited at a bank or other eligible financial institution for a specified time period. Of the total trade receivables, ₹5,241 crore and ₹4,263 crore as of March 31, 2013 and March 31, 2012, respectively, were neither past due nor impaired.

Financial assets that are past due but not impaired

There is no other class of financial assets that is not past due but impaired except for trade receivables of ₹4 crore and ₹1 crore as of March 31, 2013 and March 31, 2012, respectively.

The Company's credit period generally ranges from 30-45 days. The age analysis of the trade receivables have been considered from the due date. The age-wise break-up of trade receivables, net of allowances that are past due, :

In ₹ crore

Period (in days)	As of March 31,	
	2013	2012
Less than 30	1,324	1,110
31 – 60	245	187
61 – 90	101	190
More than 90	172	132
	1,842	1,619

The provision for doubtful accounts receivables for the years ended March 31, 2013 and March 31, 2012 respectively was ₹35 crore and ₹62 crore, respectively. The movement in the provision for doubtful accounts receivables is as follows:

In ₹ crore

Particulars	Year ended March 31,	
	2013	2012
Balance at the beginning	85	86
Translation differences	(3)	(2)
Provisions for doubtful accounts receivable (*Refer to Note 2.10*)	35	62
Trade receivables written off	(22)	(61)
Balance at the end	95	85

Liquidity risk

As of March 31, 2013, the Company had a working capital of ₹29,027 crore including cash and cash equivalents of ₹21,832 crore and current available-for-sale financial assets of ₹1,739 crore. As of March 31, 2012, the Company had a working capital of ₹25,480 crore including cash and cash equivalents of ₹20,591 crore, current available-for-sale financial assets of ₹32 crore and investments in certificates of deposit of ₹345 crore.

As of March 31, 2013 and March 31, 2012, the outstanding employee benefit obligations were ₹614 crore and ₹498 crore, respectively, which have been substantially funded. Further, as of March 31, 2013 and March 31, 2012, the Company had no outstanding bank borrowings. Accordingly, no liquidity risk is perceived.

The following table provides details regarding the contractual maturities of significant financial liabilities as of March 31, 2013:

In ₹crore

Particulars	Less than 1 year	1–2 years	2–4 years	4–7 years	Total
Trade payables	189	–	–	–	189
Client deposits	36	–	–	–	36
Other liabilities (*Refer to Note 2.9*)	2,373	16	22	–	2,411
Liability towards McCamish acquisition on an undiscounted basis (*Refer to Note 2.9*)	–	6	17	–	23
Liability towards other acquisitions (*Refer to Note 2.9*)	5	–	54	–	59

The following table provides details regarding the contractual maturities of significant financial liabilities as of March 31, 2012:

In ₹crore

Particulars	Less than 1 year	1–2 years	2–4 years	4–7 years	Total
Trade payables	23	–	–	–	23
Client deposits	15	–	–	–	15
Other liabilities (*Refer to Note 2.9*)	1,942	12	–	–	1,954
Liability towards acquisition of business on an undiscounted basis (*Refer to Note 2.9*)	4	12	49	9	74

As of March 31, 2013 and March 31, 2012, the Company had outstanding financial guarantees of ₹19 crore and ₹23 crore, respectively, towards leased premises. These financial guarantees can be invoked upon breach of any term of the lease agreement. To the Company's knowledge there has been no breach of any term of the lease agreement as of March 31, 2013 and March 31, 2012.

2.8 Provisions

Provisions comprise the following:

In ₹crore

Particulars	As of March 31,	
	2013	2012
Provision for post-sales client support	213	133

Provision for post-sales client support represents cost associated with providing post-sales support services which are accrued at the time of recognition of revenues and are expected to be utilized over a period of six months to one year. The movement in the provision for post-sales client support is as follows:

In ₹crore

Particulars	Year ended March 31,	
	2013	2012
Balance at the beginning	133	88
Provision recognized / (reversed) (*Refer to Note 2.11*)	80	60
Provision utilized	(5)	(17)
Translation difference	5	2
Balance at the end	213	133

Provision for post-sales client support for the years ended March 31, 2013 and March 31, 2012 is included in cost of sales in the Statement of Comprehensive Income.

2.9 Other liabilities

Other liabilities comprise the following:

In ₹crore

Particulars	As of March 31,	
	2013	2012
Current		
Accrued compensation to employees	723	644
Accrued expenses	1,283	1,085
Withholding taxes payable [(1)]	699	506
Retainage	79	51
Unamortized negative past service cost (*Refer to Note 2.11.1*) [(1)]	4	4
Liabilities of controlled trusts	148	149
Liability towards acquisition of business	5	3
Accrued gratuity	2	2
Deferred income – government grant on land use rights [(1)] (*Refer to Note 2.6*)	1	1
Premiums held in trust [(2)]	117	–
Others	21	11
	3,082	2,456
Non-current		
Liability towards acquisition of business	72	56
Accrued expenses	–	5
Unamortized negative past service cost (*Refer to Note 2.11.1*) [(1)]	11	14
Incentive accruals	38	7
Deferred income – government grant on land use rights [(1)] (*Refer to Note 2.6*)	28	27
	149	109
	3,231	2,565
Financial liabilities included in other liabilities (excluding liability towards acquisition of business)	2,411	1,954
Financial liability towards McCamish acquisition on a discounted basis	18	59
Financial liability towards McCamish acquisition on an undiscounted basis (*Refer to Note 2.3*)	23	74
Financial liability towards other acquisitions (*Refer to Note 2.3*)	59	–

[(1)] *Non-financial liabilities*
[(2)] *Represents premiums collected from policyholders and payable to insurance providers by a service provider maintaining the amounts in fiduciary capacity.*

Accrued expenses primarily relates to cost of technical sub-contractors, telecommunication charges, legal and professional charges, brand building expenses, overseas travel expenses and office maintenance. Others include unclaimed dividend balances.

2.10 Nature of expenses

In ₹ crore

Particulars	Year ended March 31,	
	2013	2012
Employee benefit costs (*Refer to Note 2.11.4*)	22,566	18,340
Deferred purchase price pertaining to acquisition	55	–
Depreciation and amortization charges (*Refer to Notes 2.5 and 2.6*)	1,129	937
Travel costs	1,509	1,122
Consultancy and professional charges	506	483
Software packages for own use	629	492
Third party items bought for service delivery	148	162
Communication costs	361	274
Cost of technical sub-contractors	1,459	777
Power and fuel	215	184
Office maintenance	316	284
Repairs and maintenance	167	147
Rates and taxes	79	66
Insurance charges	45	36
Commission	33	27
Branding and marketing expenses	137	125
Consumables	29	28
Provision for post-sales client support (*Refer to Note 2.8*)	80	60
Provision for doubtful account receivables (*Refer to Note 2.7*)	35	62
Postage and courier	19	13
Printing and stationery	14	14
Donations	11	26
Operating lease payments (*Refer to Note 2.14*)	249	190
Recruitment and training	7	3
Others	125	103
Total cost of sales, selling and marketing expenses and administrative expenses	29,923	23,955

2.10.1 Break-up of expenses

Cost of sales

In ₹ crore

Particulars	Year ended March 31,	
	2013	2012
Employee benefit costs	20,157	16,237
Deferred purchase price pertaining to acquisition	55	–
Depreciation and amortization	1,129	937
Travel costs	1,180	789
Software packages for own use	626	492
Third party items bought for service delivery	148	162
Cost of technical sub-contractors	1,461	777
Consumables	25	28
Operating lease payments	155	123
Communication costs	124	92
Repairs and maintenance	84	64
Provision for post-sales client support	80	60
Consultancy and professional charges	–	–
Others	56	47
Total	25,280	19,808

Selling and marketing expenses

In ₹ crore

Particulars	Year ended March 31,	
	2013	2012
Employee benefit costs	1,602	1,360
Travel costs	177	176
Branding and marketing	134	121
Operating lease payments	35	24
Communication costs	22	18
Commission	33	27
Consultancy and professional charges	25	26
Printing and stationery	1	1
Software packages for own use	3	1
Others	2	3
Total	2,034	1,757

Administrative expenses

In ₹ crore

Particulars	Year ended March 31,	
	2013	2012
Employee benefit costs	807	743
Consultancy and professional charges	481	457
Repairs and maintenance	83	83
Office maintenance	316	284
Power and fuel	215	184
Communication costs	215	164
Travel costs	152	157
Provision for doubtful accounts receivable	35	62
Rates and taxes	79	64
Insurance charges	45	36
Operating lease payments	59	43
Postage and courier	19	13
Printing and stationery	13	13
Branding and marketing	3	4
Consumables	4	–
Donations	11	26
Recruitment and training	7	3
Cost of technical sub-contractors	(2)	–
Others	67	54
Total	2,609	2,390

2.11 Employee benefits

2.11.1 Gratuity

The following tables set out the funded status of the gratuity plans and the amounts recognized in the Company's financial statements as of March 31, 2013, March 31, 2012, March 31, 2011, March 31, 2010 and March 31, 2009:

In ₹ crore

Particulars	As of March 31,				
	2013	2012	2011	2010	2009
Change in benefit obligations					
Benefit obligations at the beginning	600	480	325	267	224
Service cost	201	157	178	80	51
Interest cost	37	39	25	19	16
Actuarial (gains) / losses	(25)	(6)	17	(5)	1
Curtailment	(69)	–	–	–	–
Benefits paid	(92)	(70)	(65)	(36)	(25)
Benefit obligations at the end	652	600	480	325	267
Change in plan assets					
Fair value of plan assets at the beginning	613	480	327	268	236
Expected return on plan assets	60	49	36	25	17

Particulars	As of March 31,				
	2013	2012	2011	2010	2009
Actuarial gains / (losses)	–	–	–	1	5
Employer contributions	100	154	182	69	35
Benefits paid	(92)	(70)	(65)	(36)	(25)
Fair value of plan assets at the end	681	613	480	327	268
Funded status	29	13	–	2	1
Prepaid gratuity benefit	31	15	2	4	1
Accrued gratuity	(2)	(2)	(2)	(2)	–

Net gratuity cost for the years ended March 31, 2013 and March 31, 2012 comprises the following components:

In ₹crore

Particulars	Year ended March 31,	
	2013	2012
Service cost	201	157
Interest cost	37	39
Expected return on plan assets	(60)	(49)
Actuarial (gain) / loss	(25)	(6)
Curtailment	(69)	–
Plan amendments – past service cost	(4)	(4)
Net gratuity cost	80	137

During the year, the Company has aligned the gratuity entitlement for majority of its employees prospectively to the Payment of Gratuity Act, 1972. This amendment has resulted in a curtailment gain ₹69 crore for the year ended March 31, 2013 which has been recognized in the Statement of Comprehensive Income.

The net gratuity cost has been apportioned between cost of sales, selling and marketing expenses and administrative expenses on the basis of direct employee cost as follows:

In ₹crore

Particulars	Year ended March 31,	
	2013	2012
Cost of sales	71	121
Selling and marketing expenses	6	10
Administrative expenses	3	6
	80	137

Effective July 1, 2007, the Company amended its Gratuity Plan, to suspend the voluntary defined death benefit component of the Gratuity Plan. This amendment resulted in a negative past service cost amounting to ₹37 crore, which is being amortized on a straight-line basis over the average remaining service period of employees which is 10 years. The unamortized negative past service cost of ₹15 crore and ₹18 crore as of March 31, 2013 and March 31, 2012, respectively has been included under other current liabilities.

The weighted-average assumptions used to determine benefit obligations as of March 31, 2013, March 31, 2012, March 31, 2011, March 31, 2010 and March 31, 2009 are as follows:

In %

Particulars	As of March 31,				
	2013	2012	2011	2010	2009
Discount rate	8.0	8.6	8.0	7.8	7.0
Weighted average rate of increase in compensation levels	7.3	7.3	7.3	7.3	5.1

The weighted-average assumptions used to determine net periodic benefit cost for the years ended March 31, 2013 and March 31, 2012 are as follows:

In %

Particulars	Year ended March 31,	
	2013	2012
Discount rate	8.6	8.0
Weighted average rate of increase in compensation levels	7.3	7.3
Rate of return on plan assets	9.5	9.5

The Company contributes all ascertained liabilities towards gratuity to the Infosys Limited Employees' Gratuity Fund Trust. In case of Infosys BPO, contributions are made to the Infosys BPO Employees' Gratuity Fund Trust. Trustees administer contributions made to the trust and these contributions are invested in specific designated instruments as permitted by Indian law. Investments are also made in mutual funds that invest in the specific designated instruments. As of March 31, 2013 and March 31, 2012 the plan assets have been primarily invested in government securities.

Actual return on assets for the years ended March 31, 2013 and March 31, 2012 were ₹61 crore and ₹49 crore, respectively.

The Company assesses these assumptions with its projected long-term plans of growth and prevalent industry standards. The Company's overall expected long-term rate-of-return on assets has been determined based on consideration of available market information, current provisions of Indian law specifying the instruments in which investments can be made, and historical returns. Historical returns during the years ended March 31, 2013 and March 31, 2012 have not been lower than the expected rate of return on plan assets estimated for those years. The discount rate is based on the government securities yield. The Company expects to contribute approximately ₹73 crore to the gratuity trusts during fiscal 2014.

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

2.11.2 Superannuation

The Company contributed ₹176 crore and ₹142 crore to the superannuation plan during the years ended March 31, 2013 and March 31, 2012, respectively.

Superannuation contributions have been apportioned between cost of sales, selling and marketing expenses and administrative expenses on the basis of direct employee cost as follows:

In ₹crore

Particulars	Year ended March 31,	
	2013	2012
Cost of sales	157	126
Selling and marketing expenses	13	10
Administrative expenses	6	6
	176	142

2.11.3 Provident Fund

The Company has an obligation to fund any shortfall on the yield of the trust's investments over the administered interest rates on an annual basis. These administered rates are determined annually predominantly considering the social rather than economic factors and in most cases the actual return earned by the Company has been higher in the past years. The Actuarial Society of India has issued the final guidance for measurement of provident fund liabilities during the quarter ended December 31, 2011. The actuary has accordingly provided a valuation and based on the below provided assumptions there is no shortfall as at March 31, 2013, March 31, 2012, March 31, 2011, March 31, 2010 and March 31, 2009, respectively.

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

In ₹crore

Particulars	As of March 31,				
	2013	2012	2011	2010	2009
Plan assets at period end, at fair value	2,399	1,816	1,579	1,295	997
Present value of benefit obligation at period end	2,399	1,816	1,579	1,295	997
Asset recognized in Balance Sheet	–	–	–	–	–

Assumptions used in determining the present value obligation of the interest rate guarantee under the deterministic approach:

Particulars	**As of March 31,**				
	2013	**2012**	**2011**	**2010**	**2009**
Government of India bond yield (%)	8.0	8.6	8.0	7.8	7.0
Remaining term of maturity (in years)	8	8	7	7	6
Expected guaranteed interest rate (%)	8.3	8.3	9.5	8.5	8.5

The Company contributed ₹268 crore and ₹238 crore to the provident fund during the years ended March 31, 2013 and March 31, 2012, respectively.

Provident Fund contributions have been apportioned between cost of sales, selling and marketing expenses and administrative expenses on the basis of direct employee cost as follows:

In ₹crore

Particulars	Year ended March 31,	
	2013	2012
Cost of sales	239	211
Selling and marketing expenses	19	18
Administrative expenses	10	9
	268	238

2.11.4 Employee benefit costs include:

In ₹crore

Particulars	Year ended March 31,	
	2013	2012
Salaries and bonus	22,042	17,823
Defined contribution plans	204	166
Defined benefit plans	320	351
	22,566	18,340

The employee benefit cost is recognized in the following line items in the statement of comprehensive income:

In ₹crore

Particulars	Year ended March 31,	
	2013	2012
Cost of sales	20,157	16,237
Selling and marketing expenses	1,602	1,360
Administrative expenses	807	743
	22,566	18,340

2.12 Equity

Share capital and share premium

The Company has only one class of shares referred to as equity shares having a par value of ₹5. The amount received in excess of the par value has been classified as share premium. Additionally, share-based compensation recognized in net profit in the consolidated Statement of Comprehensive Income is credited to share premium. 28,33,600 shares were held by controlled trust, each as of March 31, 2013 and March 31, 2012.

Retained earnings

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

Other components of equity

Other components of equity consist of currency translation and fair value changes on available-for-sale financial assets.

The Company's objective when managing capital is to safeguard its ability to continue as a going concern and to maintain an optimal capital structure so as to maximize shareholder value. In order to maintain or achieve an optimal capital structure, the Company may adjust the amount of dividend payment, return capital to shareholders, issue new shares or buy back issued shares. As of March 31, 2013, the Company has only one class of equity shares and has no debt. Consequent to the above capital structure there are no externally imposed capital requirements.

The rights of equity shareholders are as follows:

2.12.1 Voting

Each holder of equity shares is entitled to one vote per share. The equity shares represented by American Depositary Shares (ADS) carry similar rights to voting and dividends as the other equity shares. Each ADS represents one underlying equity share.

2.12.2 Dividends

The Company declares and pays dividends in Indian rupees. Indian law mandates that any dividend be declared out of accumulated distributable profits only after the transfer to a general reserve of a specified percentage of net profit computed in accordance with current regulations. The remittance of dividends outside India is governed by Indian law on foreign exchange and is subject to applicable distribution taxes.

The amount of per share dividend recognized as distributions to equity shareholders for years ended March 31, 2013 and March 31, 2012 was ₹47.00 and ₹35.00, respectively. The amount of per share dividend recognized as distribution to equity shareholders for the year ended March 31, 2013 include ₹22.00 per share of final dividend for the year ended March 31, 2012, a special dividend – 10 years of Infosys BPO operations of ₹10.00 per equity share and ₹15.00 per share of interim dividend authorized by the Board on its meeting held on October 12, 2012. The dividend for the year ended March 31, 2012 includes ₹20.00 per share of final dividend for the year ended March 31, 2011 and ₹15.00 per share of interim dividend, authorized by the Board on its meeting held on October 12, 2011.

The Board of Directors, in their meeting on April 12, 2013, proposed a final dividend of ₹27 per equity share. The proposal is subject to the approval of shareholders at the Annual General Meeting to be held on June 15, 2013, and if approved, would result in a cash outflow of approximately ₹1,813 crore, inclusive of corporate dividend tax of ₹263 crore.

2.12.3 Liquidation

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

2.12.4 Share options

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

2.13 Other income

Other income consists of the following:

in ₹crore

Particulars	Year ended March 31,	
	2013	2012
Interest income on deposits and certificates of deposit	1,792	1,807
Exchange gains / (losses) on forward and options contracts	77	(299)
Exchange gains / (losses) on translation of other assets and liabilities	181	351
Income from available-for-sale financial assets	230	27
Others	79	18
	2,359	1,904

2.14 Operating leases

The Company has various operating leases, mainly for office buildings, that are renewable on a periodic basis. Rental expense for operating leases was ₹249 crore and ₹190 crore for the years ended March 31, 2013 and March 31, 2012, respectively.

The schedule of future minimum rental payments in respect of non-cancellable operating leases is as follows:

in ₹crore

Particulars	As of March 31,	
	2013	2012
Within one year of the Balance Sheet date	212	159
Due in a period between one year and five years	440	281
Due after five years	113	74

The operating lease arrangements for most of the leases extend up to a maximum of 10 years from their respective dates of inception, and relates to rented overseas premises. Some of these lease agreements have a price escalation clause.

2.15 Employees' Stock Option Plans (ESOP)

1998 Employees Stock Option Plan (the 1998 Plan)

The Company's 1998 Plan provides for the grant of non-statutory share options and incentive share options to employees of the Company. The establishment of the 1998 Plan was approved by the Board of Directors in December 1997 and by the shareholders in January 1998. The Government of India has approved the 1998 Plan, subject to a limit of 1,17,60,000 equity shares representing 1,17,60,000 ADS to be issued under the 1998 Plan. All options granted under the 1998 Plan are exercisable for equity shares represented by ADS'. The options under the 1998 Plan vest over a period of one through four years and expire five years from the date of completion of vesting. The 1998 Plan is administered by a compensation committee comprising four members, all of whom are independent members of the Board of Directors and through the Infosys Limited Employees' Welfare Trust (the Trust). The term of the 1998 Plan ended on January 6, 2008, and consequently no further shares will be issued to employees under this plan.

1999 Employees Stock Option Plan (the 1999 Plan)

In the year 2000, the Company instituted the 1999 Plan. The Board of Directors and shareholders approved the 1999 Plan in June 1999. The 1999 Plan provides for the issue of 5,28,00,000 equity shares to employees. The 1999 Plan is administered by a compensation committee comprising four members, all of whom are independent members of the Board of Directors and through the Infosys Limited Employees' Welfare Trust (the Trust). Under the 1999 Plan, options will be issued to employees at an exercise price, which shall not be less than the Fair Market Value (FMV) of the underlying equity shares on the date of grant. Under the 1999 Plan, options may also be issued to employees at exercise prices that are less than FMV only if specifically approved by the shareholders of the Company in a general meeting. All options under the 1999 Plan are exercisable for equity shares. The options under the 1999 Plan vest over a period of one through six years, although accelerated vesting based on performance conditions is provided in certain instances and expire over a period of six months through five years from the date of completion of vesting. The term of the 1999 Plan ended on June 11, 2009, and consequently no further shares will be issued to employees under this plan.

The activities in the 1998 Plan and 1999 Plan during the years ended March 31, 2013 and March 31, 2012 are as follows:

Particulars	Year ended March 31, 2013		Year ended March 31, 2012	
	Shares arising out of options	Weighted average exercise price	Shares arising out of options	Weighted average exercise price
1998 Plan:				
Outstanding at the beginning	–	–	50,070	683
Forfeited and expired	–	–	(480)	862
Exercised	–	–	(49,590)	734
Outstanding at the end	–	–	–	–
Exercisable at the end	–	–	–	–
1999 Plan:				
Outstanding at the beginning	11,683	2,121	48,720	962
Forfeited and expired	(5,518)	2,121	(8,185)	430
Exercised	(6,165)	2,121	(28,852)	643
Outstanding at the end	–	–	11,683	2,121
Exercisable at the end	–	–	7,429	2,121

The weighted average share price of options exercised under the 1998 Plan during the years ended March 31, 2013 and March 31, 2012 was Nil and ₹2,779, respectively. The weighted average share price of options exercised under the 1999 Plan during the years ended March 31, 2013 and March 31, 2012 was ₹2,374 and ₹2,702 respectively.

The following tables summarize the information about share options outstanding and exercisable as of March 31, 2012 under the 1999 Plan.

Range of exercise prices per share (₹)	Options outstanding as of March 31, 2012			Options exercisable as of March 31, 2012		
	No. of shares arising out of options	Weighted average remaining contractual life	Weighted average exercise price	No. of shares arising out of options	Weighted average remaining contractual life	Weighted average exercise price
1999 Plan:						
300-700	–	–	–	–	–	–
701-2,500	11,683	0.71	2,121	7,429	0.71	2,121
	11,683	0.71	2,121	7,429	0.71	2,121

There are no share options outstanding under the 1998 Plan and 1999 Plan as of March 31, 2013 and under the 1998 Plan as of March 31, 2012. The share-based compensation recorded for the years ended March 31, 2013 and March 31, 2012 was nil.

2.16 Income tax

Income tax expense in the consolidated Statement of Comprehensive income comprises:

in ₹crore

Particulars	Year ended March 31,	
	2013	2012
Current taxes		
Domestic taxes	2,968	3,093
Overseas taxes	533	220
	3,501	3,313
Deferred taxes		
Domestic taxes	(151)	64
Overseas taxes	17	(10)
	(134)	54
Income tax expense	3,367	3,367

The deferred income tax credit for each of the three months and year ended March 31, 2013 includes ₹23 crore relating to changes in the tax rate from 32.45% to the substantively enacted tax rate of 33.99%. The increase in the tax rate to 33.99% is consequent to changes made in the Finance Act 2013 which will become effective once it is enacted. The remaining deferred income tax for the three months and year ended March 31, 2013 relates to origination and reversal of temporary differences.

Entire deferred income tax for the year ended March 31, 2012 relates to origination and reversal of temporary differences and utilization of deferred tax assets on subsidiary losses upon transfer of assets and liabilities of Infosys Consulting Inc.

A reversal of deferred tax liability of ₹1 crore and ₹3 crore for the years ended March 31, 2013 and March 31, 2012, respectively, relating to an available-for-sale financial asset has been recognized in other comprehensive income (*Refer to Note 2.2*).

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 as follows:

in ₹crore

Particulars	Year ended March 31,	
	2013	2012
Profit before income taxes	12,788	11,683
Enacted tax rates in India	32.45%	32.45%
Computed expected tax expense	4,149	3,791
Tax effect due to non-taxable income for Indian tax purposes	(1,122)	(972)
Overseas taxes	393	460
Tax reversals, overseas and domestic	(41)	(106)
Effect of exempt income	(93)	(10)
Effect of unrecognized deferred tax assets	89	38
Effect of differential overseas tax rates	(4)	(14)
Effect of non-deductible expenses	43	15
Taxes on dividend received from subsidiary	13	94
Temporary difference related to branch profits	27	72
Additional deduction on research and development expense	(82)	–
Others	(5)	(1)
Income tax expense	3,367	3,367

The applicable Indian statutory tax rate for fiscal 2013 and fiscal 2012 is 32.45% and 32.45%, respectively.

The overseas tax expense is due to income taxes payable overseas, principally in the U.S. The Company benefits from certain significant tax incentives provided to software firms under Indian tax laws. These incentives include those for facilities set up under the Special Economic Zones Act, 2005 and software development facilities designated as 'Software Technology Parks' (the STP Tax Holiday). The STP Tax Holiday is available for 10 consecutive years, beginning from the financial year when the unit started producing computer software or April 1, 1999, whichever is earlier. The Indian Government, through the Finance Act, 2009, has extended the tax holiday for the STP units until fiscal 2011. The tax holiday for all of our STP units has expired as of March 31, 2011. Under the Special Economic Zones Act, 2005 scheme, units in designated special economic zones which begin providing 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 commencement of provision of services and 50 % of such profits or gains for a further five years. Certain tax benefits are also available for a further period of five years subject to the unit meeting defined conditions.

Infosys is subject to a 15% Branch Profit Tax (BPT) in the U.S. to the extent its U.S. branch's net profit during the year is greater than the increase in the net assets of the U.S. branch during the year, computed in accordance with the Internal Revenue Code. As of March 31, 2013, Infosys' U.S. branch net assets amounted to approximately ₹4,008 crore. As of March 31, 2013, the Company has provided for branch profit tax of ₹315 crore for its U.S branch, as the Company estimates that these branch profits are expected to be distributed in the foreseeable future.

Deferred income tax liabilities have not been recognized on temporary differences amounting to ₹1,923 crore and ₹1,481 crore as of March 31, 2013 and March 31, 2012, respectively, associated with investments in subsidiaries and branches as it is probable that the temporary differences will not reverse in the foreseeable future.

The gross movement in the current income tax asset / (liability) for the years ended March 31, 2013 and March 31, 2012 are as follows:

in ₹crore

Particulars	Year ended March 31,	
	2013	2012
Net current income tax asset / (liability) at the beginning	(17)	176
Additions through business combination	(13)	2
Translation differences	3	1
Income tax paid	3,291	3,117
Current income tax expense (*Refer to Note 2.16)*	(3,501)	(3,313)
Net current income tax asset / (liability) at the end	(237)	(17)

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

in ₹crore

Particulars	As of March 31,	
	2013	2012
Deferred income tax assets		
Property, plant and equipment	358	297
Minimum alternate tax credit carry-forwards	37	55
Computer software	46	36
Accrued compensation to employees	30	32
Trade receivables	19	19
Compensated absences	146	128
Accumulated losses	36	–
Others	96	23
Total deferred income tax assets	768	590
Deferred income tax liabilities		
Intangible asset	(68)	(14)
Temporary difference related to branch profits	(315)	(270)
Available-for-sale financial asset	(1)	(2)
Total deferred income tax liabilities	(384)	(286)
Deferred income tax assets to be recovered after 12 months	600	454
Deferred income tax assets to be recovered within 12 months	168	136
Total deferred income tax assets	768	590
Deferred income tax liability to be settled after 12 months	(254)	(214)
Deferred income tax liability to be settled within 12 months	(130)	(72)
Total deferred income tax liabilities	(384)	(286)

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. 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.

The gross movement in the deferred income tax account for the years ended March 31, 2013 and March 31, 2012 are as follows:

in ₹crore

Particulars	Year ended March 31,	
	2013	2012
Net deferred income tax asset at the beginning	304	378
Additions through business combination (*Refer to Note 2.3*)	(37)	–
Translation differences	(18)	(23)
Credits relating to temporary differences (*Refer to Note 2.16*)	134	(54)
Temporary difference on available-for-sale financial asset (*Refer to Note 2.2*)	1	3
Net deferred income tax asset at the end	384	304

The credits relating to temporary differences are primarily on account of amortization of computer software, compensated absences, property, plant and equipment and other provisions which are not tax-deductible in the current year.

Pursuant to the enacted changes in the Indian Income Tax Laws effective April 1, 2007, a Minimum Alternate Tax (MAT) has been extended to income in respect of which a deduction may be claimed under sections 10A and 10AA of the Income Tax Act. Consequent to the enacted change Infosys BPO has calculated its tax liability for current domestic taxes after considering MAT. The excess tax paid under MAT provisions being over and above regular tax liability can be carried forward and set off against future tax liabilities computed under regular tax provisions. Infosys BPO was required to pay MAT, and, accordingly, a deferred income tax asset of ₹37 crore and ₹55 crore has been recognized on the Balance Sheet as of March 31, 2013 and March 31, 2012, respectively, which can be carried forward for a period of 10 years from the year of recognition.

The Company has received demands from the Indian Income tax authorities for payment of additional tax of ₹1,088 crore, including interest of ₹313 crore upon completion of their tax review for fiscal 2005, fiscal 2006, fiscal 2007 and fiscal 2008. The income tax demands are mainly on account of disallowance of a portion of the deduction claimed by the Company under Section 10A of the Income Tax Act. The deductible amount is determined by the ratio of export turnover to total turnover. The disallowance arose from certain expenses incurred in foreign currency being reduced from export turnover but not reduced from total turnover. The tax demand for fiscal 2007 and fiscal 2008 also includes disallowance of portion of profit earned outside India from the STP units and disallowance of profits earned from SEZ units. The matter for fiscal 2005, fiscal 2006, fiscal 2007 and fiscal 2008 are pending before the Commissioner of Income tax (Appeals) Bangalore. 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 this proceeding will not have a material adverse effect on the Company's financial position and results of operations. The Company received a draft Assessment Order from the income tax authorities for an amount of ₹575 crore for fiscal 2009. As the Company is contesting this position like earlier years, the appellate authority would be approached upon receiving the final order.

2.17 Earnings per equity share

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

Particulars	Year ended March 31,	
	2013	2012
Basic earnings per equity share – weighted average number of equity shares outstanding [1]	571,399,238	57,13,65,494
Effect of dilutive common equivalent shares – share options outstanding	853	30,648
Diluted earnings per equity share – weighted average number of equity shares and common equivalent shares outstanding	571,400,091	57,13,96,142

[1] *Excludes treasury shares*

For the years ended March 31, 2013, and March 31, 2012, there were no outstanding options to purchase equity shares which had an anti-dilutive effect.

2.18 Related party transactions

List of subsidiaries

Particulars	Country	Holding as of March 31,	
		2013	2012
Infosys BPO Limited	India	99.98%	99.98%
Infosys Technologies (Australia) Pty. Limited	Australia	100%	100%
Infosys Technologies (China) Co. Limited	China	100%	100%
Infosys Consulting Inc. [1]	U.S.	–	–
Infosys Technologies S. de R. L. de C. V.	Mexico	100%	100%
Infosys BPO s. r. o [2]	Czech Republic	99.98%	99.98%
Infosys BPO (Poland) Sp.Z.o.o [2]	Poland	99.98%	99.98%
Infosys Technologies (Sweden) AB	Sweden	100%	100%
Infosys Tecnologia do Brasil Ltda	Brazil	100%	100%
Infosys Consulting India Limited [3]	India	100%	100%
Infosys Public Services Inc.	U.S.	100%	100%
Infosys Technologies (Shanghai) Co. Limited	China	100%	100%
McCamish Systems LLC [2] (*Refer to Note 2.3*)	U.S.	99.98%	99.98%
Portland Group Pty. Limited [2][4] (*Refer to Note 2.3*)	Australia	99.98%	99.98%
Portland Procurement Services Pty. Limited [2] [4] (*Refer to Note 2.3*)	Australia	99.98%	99.98%
Lodestone Holding AG [5]	Switzerland	100%	–
Lodestone Management Consultants (Canada) Inc. [6]	Canada	100%	–
Lodestone Management Consultants Inc. [6]	U.S.	100%	–
Lodestone Management Consultants Pty. Limited [6]	Australia	100%	–
Lodestone Management Consultants (Asia Pacific) Limited [6][8]	Thailand	100%	–
Lodestone Management Consultants AG [6]	Switzerland	100%	–
Lodestone Augmentis AG [6]	Switzerland	100%	–
Hafner Bauer & Ödman GmbH [6]	Switzerland	100%	–

Particulars	Country	Holding as of March 31,	
		2013	2012
Lodestone Management Consultants (Belgium) S.A. (7)	Belgium	99.90%	–
Lodestone Management Consultants GmbH (6)	Germany	100%	–
Lodestone Management Consultants Pte Ltd. (6)	Singapore	100%	–
Lodestone Management Consultants SAS (6)	France	100%	–
Lodestone Management Consultants s.r.o. (6)	Czech Republic	100%	–
Lodestone Management Consultants GmbH (6)	Austria	100%	–
Lodestone Management Consultants China Co., Ltd. (6)	China	100%	–
Lodestone Management Consultants Ltd. (6)	U.K.	100%	–
Lodestone Management Consultants B.V. (6)	Netherlands	100%	–
Lodestone Management Consultants Ltda. (7)	Brazil	99.99%	–
Lodestone Management Consultants Sp. z.o.o. (6)	Poland	100%	–
Lodestone Management Consultants Portugal, Unipessoal, Lda. (6)	Portugal	100%	–
S.C. Lodestone Management Consultants S.R.L. (6)	Romania	100%	–
Lodestone Management Consultants S.R.L. (7)(9)	Argentina	100%	–

(1) On October 7, 2011, the Board of Directors of Infosys Consulting Inc. approved the termination and winding down of the entity, and entered into an assignment and assumption agreement with Infosys Limited. The termination of Infosys Consulting Inc. became effective on January 12, 2012, in accordance with the Texas Business Organizations Code. Effective January 12, 2012, the assets and liabilities of Infosys Consulting Inc., were transferred to Infosys Limited.

(2) Wholly-owned subsidiaries of Infosys BPO Limited.

(3) On February 9, 2012, Infosys Consulting India Limited filed a petition in the Honourable High Court of Karnataka for its merger with Infosys Limited.

(4) On January 4, 2012, Infosys BPO Limited acquired 100% of the voting interest in Portland Group Pty. Ltd.

(5) On October 22, 2012, Infosys acquired 100% voting interest in Lodestone Holding AG

(6) Wholly-owned subsidiaries of Lodestone Holding AG acquired on October 22, 2012

(7) Majority owned and controlled subsidiaries of Lodestone Holding AG acquired on October 22, 2012

(8) Liquidated effective February 14, 2013

(9) Incorporated effective January 10, 2013

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

List of other related parties:

Particulars	Country	Nature of relationship
Infosys Limited Employees' Gratuity Fund Trust	India	Post-employment benefit plan of Infosys
Infosys Limited Employees' Provident Fund Trust	India	Post-employment benefit plan of Infosys
Infosys Limited Employees' Superannuation Fund Trust	India	Post-employment benefit plan of Infosys
Infosys BPO Limited Employees' Superannuation Fund Trust	India	Post-employment benefit plan of Infosys BPO Limited
Infosys BPO Limited Employees' Gratuity Fund Trust	India	Post-employment benefit plan of Infosys BPO Limited
Infosys Limited Employees' Welfare Trust	India	Employee Welfare Trust of Infosys
Infosys Science Foundation	India	Controlled trust

Note: Refer to Note 2.11 for information on transactions with post-employment benefit plans mentioned above

Transactions with key management personnel

The following table describes the compensation to key management personnel which comprises directors and members of the Executive Council:

In ₹ crore

Particulars	Year ended March 31,	
	2013	2012
Salaries and other employee benefits	51	46

2.19 Segment reporting

IFRS 8 establishes standards for the way that public business enterprises report information about operating segments and related disclosures about products and services, geographic areas, and major customers. The Company's operations predominantly relate to providing end-to-end business solutions thereby enabling clients to enhance business performance, delivered to customers globally operating in various industry segments. Effective quarter ended June 30, 2011, the Company reorganized its business to increase its client focus. Consequent to the internal reorganization there were changes effected in the reportable segments based on the ‘management approach’ as defined in IFRS 8, Operating Segments. The Chief Operating Decision Maker evaluates the Company's performance and allocates resources based on an analysis of various performance indicators by industry classes and geographic segmentation of customers.

Accordingly, segment information has been presented both along industry classes and geographic segmentation of customers. 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 significant accounting policies.

Industry segments for the Company are primarily Financial Services and Insurance (FSI) comprising enterprises providing banking, finance and insurance services, enterprises in Manufacturing (MFG), enterprises in the Energy, Utilities, Communication and Services (ECS) and enterprises in Retail, Consumer packaged goods, Logistics and Life sciences (RCL). Geographic segmentation is based on business sourced from that geographic region and delivered from both onsite and offshore. North America comprises the U.S., Canada and Mexico, Europe includes continental Europe (both the east and the west), Ireland and the U.K., and the Rest of the World comprising all other places except those mentioned above and India. Consequent to the above change in the composition of reportable segments, the prior year comparatives have been restated.

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 expenses incurred for rendering services from the Company's offshore software development centers and onsite expenses, which are categorized in relation to the associated turnover 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 Company.

Assets and liabilities used in the Company'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 practical to provide segment disclosures relating to total assets and liabilities since a meaningful segregation of the available data is onerous.

Geographical information on revenue and industry revenue information is collated based on individual customers invoiced or in relation to which the revenue is otherwise recognized.

2.19.1 Industry segments

in ₹ crore

Year ended March 31, 2013	FSI	MFG	ECS	RCL	Total
Revenues	13,680	8,888	8,129	9,655	40,352
Identifiable operating expenses	6,081	4,233	3,719	4,240	18,273
Allocated expenses	3,460	2,351	2,151	2,555	10,517
Segment profit	4,139	2,304	2,259	2,860	11,562
Unallocable expenses					1,133
Operating profit					10,429
Other income, net					2,359
Profit before income taxes					12,788
Income tax expense					3,367
Net profit					9,421
Depreciation and amortization					1129
Non-cash expenses other than depreciation and amortization					4

in ₹ crore

Year ended March 31, 2012	FSI	MFG	ECS	RCL	Total
Revenues	11,830	6,933	7,232	7,739	33,734
Identifiable operating expenses	5,025	3,033	3,011	3,214	14,283
Allocated expenses	2,965	1,824	1,903	2,036	8,728
Segment profit	3,840	2,076	2,318	2,489	10,723
Unallocable expenses					944
Operating profit					9,779
Other income, net					1,904
Profit before income taxes					11,683
Income tax expense					3,367
Net profit					8,316
Depreciation and amortization					937
Non-cash expenses other than depreciation and amortization					7

2.19.2 Geographic segments

in ₹ crore

Year ended March 31, 2013	North America	Europe	India	Rest of the World	Total
Revenues	25,103	9,338	841	5,070	40,352
Identifiable operating expenses	11,259	4,284	500	2,230	18,273
Allocated expenses	6,622	2,442	189	1,264	10,517
Segment profit	7,222	2,612	152	1,576	11,562
Unallocable expenses					1,133
Operating profit					10,429
Other income, net					2,359
Profit before income taxes					12,788
Income tax expense					3,367
Net profit					9,421
Depreciation and amortization					1129
Non-cash expenses other than depreciation and amortization					4

in ₹ crore

Year ended March 31, 2012	North America	Europe	India	Rest of the World	Total
Revenues	21,538	7,401	748	4,047	33,734
Identifiable operating expenses	9,096	3,214	369	1,604	14,283
Allocated expenses	5,664	1,911	168	985	8,728
Segment profit	6,778	2,276	211	1,458	10,723
Unallocable expenses					944
Operating profit					9,779
Other income, net					1,904
Profit before income taxes					11,683
Income tax expense					3,367
Net profit					8,316
Depreciation and amortization					937
Non-cash expenses other than depreciation and amortization					7

2.19.3 Significant clients

No client individually accounted for more than 10% of the revenues in the years ended March 31, 2013 and March 31, 2012.

2.20 Litigation

On May 23, 2011, we received a subpoena from a grand jury in the United States District Court for the Eastern District of Texas. The subpoena requires that we provide to the grand jury certain documents and records related to our sponsorships for, and uses of, B1 business visas. We are complying with the subpoena. In connection with the subpoena, during a meeting with the United States Attorney's Office for the Eastern District of Texas, we were advised that we and certain of our employees are targets of the investigation. We are engaged in discussions with the U.S. Attorney's Office regarding this matter, however, we cannot predict the outcome of such discussions.

In addition, the U.S. Department of Homeland Security (DHS or the Department) has reviewed our employer eligibility verifications on Form I-9 with respect to our employees working in the U.S. In connection with this review, we have been advised that the DHS has found errors in a significant percentage of our Forms I-9 that the Department has reviewed, and may impose fines and penalties on us related to such alleged errors. At this time, we cannot predict the outcome of the discussions with the DHS or other governmental authority regarding the review of our Forms I-9.

In light of the fact that, among other things, the foregoing investigation and review are ongoing and we remain in discussions with the U.S. Attorney's Office regarding these matters, we are unable to make an estimate of the amount or range of loss that we could incur in connection with the resolution of these matters.

In the event that any governmental authority undertakes any actions that limit any visa program that we utilize or imposes sanctions, fines or penalties on us or our employees, this could materially and adversely affect our business, results of operations, and financial condition.

Additional information

Employee strength and revenue growth since 1996

Fiscal	Employees	Growth %	IFRS (US $ million) [1]				IFRS (₹ crore) [2]			
			Revenues	Growth %	Net Income	Growth %	Income	Growth %	PAT	Growth %
1996	1,172	30	27	47	7	72	89	60	21	58
1997	1,705	45	40	49	9	27	139	57	34	60
1998	2,605	53	68	73	[3] 13	60	258	85	60	79
1999	3,766	45	121	77	[3] 30	119	509	98	133	120
2000	5,389	43	203	68	61	102	882	73	286	115
2001	9,831	82	414	103	132	115	1,901	115	623	118
2002	10,738	9	545	32	164	25	2,604	37	808	30
2003	15,876	48	754	38	195	18	3,640	40	955	18
2004	25,634	61	1,063	41	270	39	4,853	33	1,244	30
2005	36,750	43	1,592	50	419	55	7,130	47	1,846	48
2006	52,715	43	2,152	35	555	32	9,521	34	2,458	33
2007	72,241	37	3,090	44	850	53	13,893	46	3,850	57
2008	91,187	26	4,176	35	1,155	36	16,692	20	4,659	21
2009	1,04,850	15	4,663	12	1,281	11	21,693	30	5,975	28
2010	1,13,796	9	4,804	3	1,313	2	22,742	5	6,219	4
2011	1,30,820	15	6,041	26	1,499	14	27,501	21	6,823	10
2012	1,49,994	15	6,994	16	1,716	15	33,734	23	8,316	22
2013	1,56,688	5	7,398	6	1,725	1	40,352	20	9,421	13
5-year CAGR	11		12		8		19		15	

[1] *The data for the year 2007 and prior years is as per U.S. GAAP.*

[2] *The data for the year 2008 and prior years is as per consolidated Indian GAAP.*

[3] *Excludes a one-time deferred stock compensation expense arising from a stock split amounting to US $13 million and US $2 million in fiscal 1999 and 1998 respectively.*

Employee strength of the Infosys group

The employee strength of the Infosys group as at March 31, 2013 was 1,56,688 as compared to 1,49,994 as at March 31, 2012. The details of functional classification are as follows :

Particulars	**2013**		**2012**	
Functional classification				
Software professionals	1,47,008	93.8%	1,41,788	94.5%
Sales and support	9,680	6.2%	8,206	5.5%
Gender				
Male	1,02,993	65.7%	97,842	65.2%
Female	53,695	34.3%	52,152	34.8%
Age profile (1)				
18 – 25	57,731	37.1%	65,519	43.7%
26 – 30	56,262	36.2%	51,478	34.3%
31 – 40	36,449	23.4%	29,122	19.4%
41 – 50	4,015	2.6%	3,075	2.0%
51 – 60	902	0.6%	710	0.5%
60 and above	138	0.1%	90	0.1%

(1) *Excluding 1191 Lodestone employees for FY 2013*

Software development centers of the Infosys group

We have 87 global development centers of which 32 are in India – nine in Bangalore, four in Chennai, three in Pune, two each in Chandigarh, Hyderabad, Jaipur, Mangalore, Mysore, Thiruvananthapuram and Delhi, one each in Bhubaneswar and Mumbai. We have a global development center in Toronto, Canada. In addition, we have eleven proximity development centers in the United States – Fremont, Quincy, Phoenix, Plano, three in Atlanta, Charlotte, Des Moines, Milwaukee and Bentonville; nine in Australia; six in China, two each in Brazil, Czech Republic, France, New Zealand, Philippines, Poland, Switzerland and United Kingdom; and one each in Austria, Belgium, Canada, Costa Rica, Germany, Japan, Mauritius, Mexico, Netherlands, Portugal, Romania and Singapore. Infosys BPO Limited, Infosys Australia, Infosys China, Infosys Shanghai, Infosys Mexico, Infosys Sweden, Infosys Brasil, Infosys Public Services and Lodestone Holding AG are our wholly-owned subsidiaries.

Marketing offices of the Infosys group

We have 69 marketing offices around the world of which 67 are located outside India – 22 in the United States, four in Germany, three each in Australia, Switzerland, Canada and U.A.E. , two each in U.K., Japan, Czech Republic, The Netherlands, Malaysia and France and one each in Belgium, Denmark, Italy, Finland, Hong Kong, Nanjing, Ireland, Norway, Spain, Sweden, Mauritius, Mexico, Brazil, Russia, South Africa, New Zealand, and Singapore. Addresses of offices are provided in the *Global presence* section of the Annual Report available on *www.infosys.com*

American Depositary Share (ADS)

About ADS

The American Depositary Shares (ADS) are negotiable certificates evidencing ownership of an outstanding class of stock in a non-U.S. company. ADS are created when ordinary shares are delivered to a custodian bank in the domestic market, which then instructs a depositary bank in the U.S. to issue ADS based on a predetermined ratio. ADS are SEC-registered securities and may trade freely, just like any other security, either on an exchange or in the over-the-counter market.

Difference between an ADS and a GDR

ADS and Global Depositary Receipts (GDR) have the same functionality – they both evidence ownership of foreign securities deposited with a custodian bank. ADS represent securities that are listed in the U.S., while GDR represent securities listed outside the U.S., typically in the U.K.

Voting rights of ADS holders

In the event of a matter submitted to the holders of ordinary shares for a vote, the ADS holders on record as at a particular date will be allowed to instruct the depositary bank to exercise the vote with respect to the equity shares representing the ADS held by them.

Entitlement to cash dividends

Whenever dividends are paid to ordinary shareholders, cash dividends to ADS holders are declared in local currency and paid in U.S. dollars, based on the prevailing exchange rate, by the depositary bank, net of the depositary's fees and expenses.

Disclosure policy

We have a written disclosure policy, which covers interaction with external constituents such as analysts, fund managers and the media.

Select historical data

in ₹ crore, except per share data, other information and ratios

Particulars	1982	2004	2005	2006	2007	2008	2009	2010	[4] 2011	[4] 2012	[4] 2013
Financial performance											
Income	0.12	4,761	6,860	9,028	13,149	15,648	20,264	21,140	25,385	31,254	36,765
Operating profit (PBIDTA)	0.04	1,584	2,325	2,989	4,225	4,963	6,906	7,360	8,414	10,061	11,015
Interest	–	–	–	–	–	–	–	–	–	–	–
Depreciation	–	231	268	409	469	546	694	807	740	794	956
Provision for taxation	–	227	325	303	352	630	895	1,717	2,378	3,110	3,227
Profit after tax [1]	0.04	1,243	1,859	2,421	3,777	4,470	5,819	5,755	6,443	7,986	9,047
Dividend	–	196	310	412	649	758	1,345	1,434	1,723	2,125	2,412
One-time / special dividend	–	668	–	830	–	1,144	–	–	1,722	574	–
Margins (%)											
Operating profit margin (PBIDTA)	33.3	33.3	33.9	33.1	32.1	31.7	34.1	34.8	33.1	32.2	30.0
Net profit margin [1]	33.3	26.1	27.1	26.8	28.7	28.6	28.7	27.2	25.4	25.6	24.6
Return on average net worth [1]	96.9	40.7	43.8	39.9	41.9	36.3	37.2	28.9	27.7	29.4	27.5
Return on average capital employed	96.9	48.1	51.4	44.9	45.7	41.4	42.9	37.2	37.6	40.9	37.3
Per share data (₹) [2]											
Basic EPS [1]	–	23.43	34.63	44.34	67.82	78.24	101.65	100.37	112.26	139.07	157.55
Dividend	–	3.69	5.75	7.50	11.50	13.25	23.50	25.00	30.00	37.00	42.00
One-time / special dividend	–	12.50	–	15.00	–	20.00	–	–	30.00	10.00	–
Book value	–	61.03	96.87	125.15	195.41	235.84	310.90	384.01	426.73	518.21	627.95
Financial position											
Share capital	–	33	135	138	286	286	286	287	287	287	287
Reserves and surplus	0.04	3,220	5,107	6,759	10,876	13,204	17,523	21,749	24,214	29,470	35,772
Net worth	0.04	3,253	5,242	6,897	11,162	13,490	17,809	22,036	24,501	29,757	36,059
Debt	–	–	–	–	–	–	–	–	–	–	–
Gross block	–	1,570	2,183	2,837	3,889	4,508	5,986	6,357	6,934	7,173	8,060
Capital expenditure	–	430	794	1,048	1,443	1,370	1,177	581	1,152	1,296	1,847
Cash and cash equivalents	0.02	1,819	1,683	3,779	5,610	7,689	10,289	11,297	15,165	19,557	20,401
Investment in liquid mutual funds, certificate of deposits and tax free bonds	–	930	1,168	684	–	–	–	3,497	119	341	1,888
Net current assets	0.06	1,220	2,384	3,832	7,137	8,496	12,288	13,141	17,541	22,428	25,945
Total assets	0.04	3,253	5,242	6,897	11,162	13,490	17,846	22,268	28,854	35,815	43,028
Shareholding related											
Number of shareholders	7	66,945	1,58,725	1,95,956	4,88,869	5,55,562	4,96,907	3,81,716	4,16,623	4,60,139	4,15,844
Market capitalization – period end	NA	32,909	61,073	82,154	1,15,307	82,362	75,837	1,50,110	1,86,100	1,64,592	1,65,917
Public shareholding (%) [3]	–	65.56	70.2	66.55	64.35	64.31	64.38	65.32	66.36	70.49	71.62
Credit rating											
Standard & Poor's			BBB	BBB	BBB	BBB+	BBB+	BBB+	BBB+	BBB+	BBB+
Dun & Bradstreet		5A1	5A1	5A1	5A1	5A1	5A1	5A1	5A1	5A1	5A1
Corporate governance rating											
CRISIL – (GVC)		Level 1	Level 1	Level 1	Level 1	Level 1	Level 1	Level 1	Level 1	Level 1	Level 1
ICRA		CGR 1	CGR 1	CGR 1	CGR 1	CGR 1	CGR 1	CGR 1	CGR 1	CGR 1	CGR 1

Notes: The above figures are based on Indian GAAP (standalone).

[1] Excluding extraordinary activities / exceptional items

[2] Calculated on a per share basis, adjusted for bonus issues in previous years

[3] Total public shareholding as defined under Clause 40A of the Listing Agreement (excludes shares held by founders and American Depositary Receipt holders)

[4] From 2011 onwards, the Balance Sheet Items are in accordance with revised Schedule VI, which will affect only the Net Current Assets and Total Assets Figures.

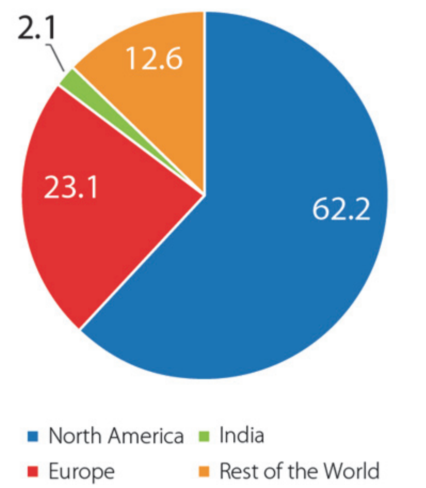
Revenue segmentation

Geographic segmentation

in %

Particulars	2013	2012
North America	62.2	63.9
Europe	23.1	21.9
India	2.1	2.2
Rest of the World	12.6	12.0
Total	100.0	100.0

Geographic segmentation – Fiscal 2013

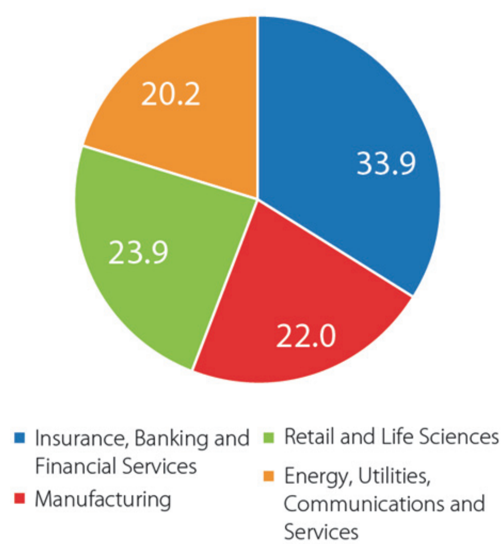


Industry segmentation

in %

Particulars	2013	2012
Insurance, Banking and Financial services	33.9	35.1
Banking and Financial services	*27.1*	*27.9*
Insurance	*6.8*	*7.2*
Manufacturing	22.0	20.5
Retail and Life Sciences	23.9	23.0
Retail and Consumer Packaged Goods	*16.3*	*15.7*
Transport and Logistics	*1.7*	*1.8*
Life Sciences	*4.3*	*3.9*
Health Care	*1.6*	*1.6*
Energy, Utilities, Communications and Services	20.2	21.4
Energy and Utilities	*5.2*	*5.9*
Telecom	*9.7*	*10.2*
Others	*5.3*	*5.3*
Total	100.0	100.0

Industry segmentation – Fiscal 2013



Project type

The project types (excluding products) are as follows :

in %

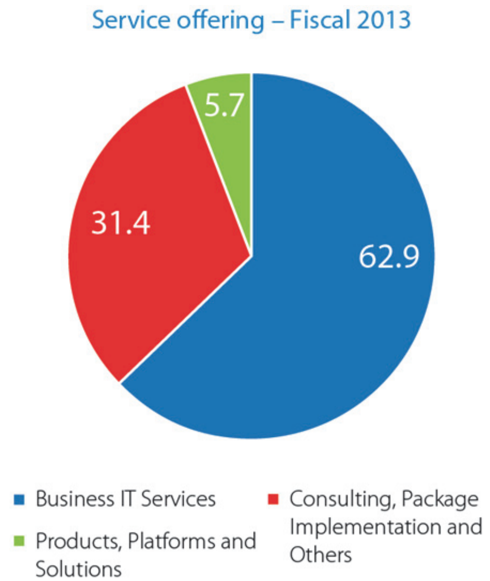
Particulars	2013	2012
Fixed price	40.0	39.3
Time and material	60.0	60.7
Total	100.0	100.0

Service offering

in %

Particulars	2013	2012
Business IT Services	62.9	63.0
Application Development	*16.3*	*16.8*
Application Maintenance	*20.5*	*21.6*
Infrastructure Management Services	*6.9*	*6.0*
Testing Services	*8.4*	*7.9*
Product Engineering Services	*3.3*	*3.4*
Business Process Management	*5.0*	*4.6*
Others	*2.5*	*2.7*
Consulting, Package Implementation and Others	31.4	31.2
Products, Platforms and Solutions	5.7	5.8
Products	*4.0*	*4.6*
Business Process Management (BPM) Platform	*1.3*	*0.9*
Others	*0.4*	*0.3*
Total	100.0	100.0

Note : The figures mentioned in the above tables in this section are based on IFRS (audited) financial statements.



Statutory obligations

Software Technology Park scheme

We have set up Software Technology Parks (STPs), which are 100% export-oriented units, for the development of software at Bangalore, Bhubaneswar, Chandigarh, Chennai, Hyderabad, Mangalore, Mysore, Pune and Thiruvananthapuram. Certain capital items purchased for these centers are eligible for 100% customs and excise duty exemption, subject to fulfillment of stipulated export obligations, which was five times the value of duty-free imports of capital goods, or duty-free purchase of goods subject to excise, over a period of five years on a yearly basis. Beginning April 2001, the export obligation on duty-free import of capital goods or duty-free purchase of goods subject to excise is thrice the value of such goods over a period of five years. Beginning April 2002, the export obligation on duty-free import of capital goods or duty-free purchase of goods subject to excise is thrice the value of such goods over a period of three years. Beginning April 2003, the units are required to achieve positive Net Foreign Exchange earnings (NFE) only. The period to achieve the net positive NFE is five years from the date of commencement of production / renewal of the license for the unit.

The non-fulfillment of export obligations or positive NFE may result in duties and / or penalties as stipulated by the government, which may have an impact on future profitability.

We have fulfilled our export obligations and achieved positive NFE for all our operations under the STP scheme.

Special Economic Zone scheme

We have set up Special Economic Zone (SEZ) units, which are 100% export-oriented units, for the development of software at Chennai, Chandigarh, Pune, Mangalore, Thiruvananthapuram, Mysore, Hyderabad, Jaipur, Gurgaon and Bangalore.

As per the SEZ Act, the unit will be eligible for a deduction of 100% of profits or gains derived from the export of services for the first five years from commencement of provision of services and 50% of such profits or gains for a further five years. Certain tax benefits are also available for a further five years, subject to the unit meeting defined conditions. Other fiscal benefits including indirect tax waivers are being extended for setting up, operating and maintaining the unit.

The units operating under the SEZ scheme are required to achieve positive NFE over a period of five years from the date of commencement. We have achieved positive foreign exchange earnings for all our operations under the SEZ scheme. However, in the case of SEZs operationalized during the year, the positive foreign exchange earnings will be met in the future.

Taxation

We benefit from certain significant tax incentives provided to the software industry under Indian Tax laws. The Company was eligible and had claimed tax benefit under STP scheme for export profits earned by STP units upto the year ended March 31, 2011. The STP tax holiday scheme expired on March 31, 2011. Currently, the profit of SEZ units in proportion of export turnover to total turnover of the units is eligible for deduction. As per the SEZ Act and the Income Tax Act, the SEZ units are eligible for a deduction of 100% of profits or gains derived from the export of services for the first five years from commencement of provision of services and 50% of such profits or gains for the next five years. Certain tax benefits are also available for a further five years subject to the units meeting defined conditions.

Further, the SEZ developer and Co-developer engaged in the business of developing SEZs are eligible for a deduction of 100% of profits or gains derived from the business of development of SEZ for any ten consecutive years out of first 15 years beginning from the year in which a Special Economic Zone has been notified by the Central Government

The details regarding the commencement of operations at our SEZ locations and the year upto which the deduction under the SEZ scheme is available for the operating unit and the SEZ developer /co-developer are as follows:

Infosys Limited, SEZ

Sl No	Location as SEZ Developer, Co-Developer and Unit	Operating Units at SEZ	Year of commencement (1)	Tax exemption for operating unit		Year of Notification of Developer (1)	Tax exemption for Developer / Co-developer	
				Available from (1)	Available up to (1)		Claimed from (1)	Available up to (1)
1	SEZ Co Developer and units at Chennai	Unit I Unit II	2006 2011	2006 2011	2020 2025	2006	2011	2020
2	SEZ unit at Chandigarh	Unit	2007	2007	2021	NA (2)	NA (2)	NA (2)
3	SEZ Developer and units at Pune	Unit I Unit II	2008 2013	2008 2013	2022 2027	2008	2013	2022
4	SEZ Developer and units at Mangalore	Unit I Unit II	2008 2013	2008 2013	2022 2027	2008	2013	2022
5	SEZ Co Developer and unit at Thiruvananthapuram	Unit I	2010	2010	2024	2007	2013	2022
6	SEZ Developer and units at Mysore	Unit I Unit II	2011 2013	2011 2013	2025 2027	2008	2013	2022
7	SEZ Developer and units at Hyderabad	Unit I Unit II	2011 2013	2011 2013	2025 2027	2009	Not yet started claiming the tax benefit	
8	SEZ Co Developer and unit at Jaipur	Unit I	2012	2012	2026	2008	Not yet started claiming the tax benefit	
9	SEZ Unit at Bangalore	Unit I	2013	2013	2027	NA (2)	NA (2)	NA (2)
10	SEZ Co Developer at Bhubaneswar		No operating units set up yet			2011	Not yet started claiming the tax benefit	
11	SEZ Co Developer at Nagpur		No operating units set up yet			2008	Not yet started claiming the tax benefit	
12	SEZ Developer at Bangalore		No operating units set up yet			2012	Not yet started claiming the tax benefit	
13	SEZ Developer at Indore		No operating units set up yet			2013	Not yet started claiming the tax benefit	

Infosys BPO, SEZ

Sl No	Location as SEZ Developer, Co-Developer and Unit	Operating Units at SEZ	Year of commencement [1]	Tax exemption for operating unit		Year of Notification of Developer [1]	Tax exemption for Developer / Co-developer	
				Available from [1]	Available up to [1]		Claimed from [1]	Available up to [1]
1	SEZ Unit at Infosys Ltd, Pune	Unit I	2008	2008	2022	NA	NA	NA
		Unit II	2012	2012	2026	NA	NA	NA
2	SEZ Unit at Chennai	Unit-I	2012	2012	2026	NA	NA	NA
3	SEZ Co Developer at Mahindra World City Jaipur Ltd, Jaipur	Unit I	2009	2009	2023	NA	NA	NA
4	SEZ Unit at DLF, Gurgaon	Unit	2009	2009	2023	NA	NA	NA
5	SEZ Co Developer at Jaipur	Unit-I	No operating units set up yet			2009	Not yet started claiming the tax benefit	

(1) *Financial year*

(2) *At Chandigarh and Bangalore, Infosys does not have its own SEZ Developer, the SEZ operating units have been set up under notified developers.*

The benefits of these tax incentive programs have historically resulted in an effective tax rate, well below the statutory rates for us. There is no assurance that the Government of India will continue to provide these incentives.

The government may reduce or eliminate the tax exemptions provided to Indian exporters at any time in the future. This may result in our export profits being fully taxed, and may adversely affect the post-tax profits in the future.

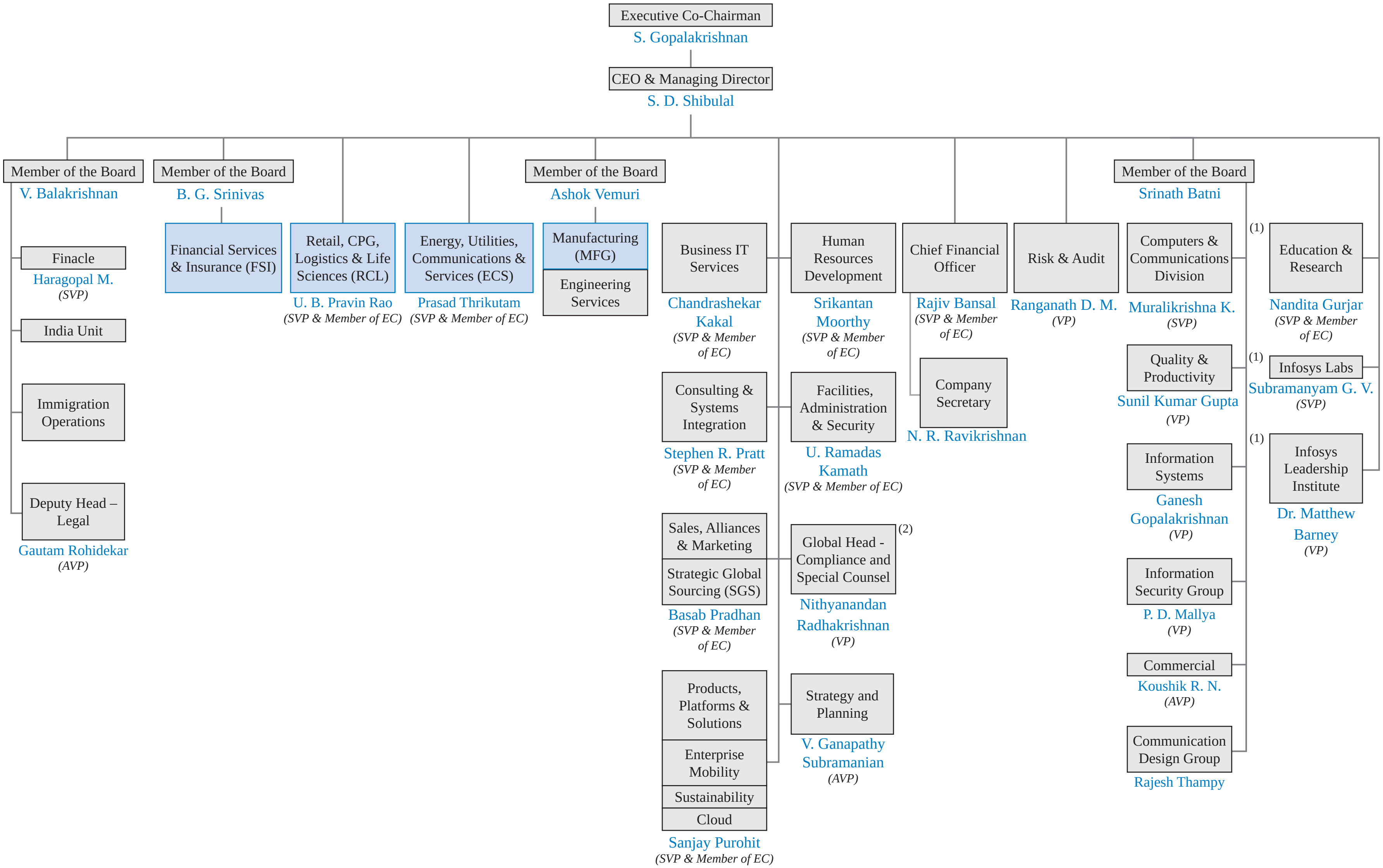
On a full tax-paid basis, without any duty concessions on equipment, hardware and software, our post-tax profits for the relevant years are estimated as follows :

in ₹ crore, except per share data

Particulars	2013	2012	2011
Profit before tax	12,788	11,683	9,313
Less : Additional depreciation on duty waived for certain assets	74	53	49
Reduction in other income	91	81	53
Adjusted profit before tax	12,623	11,549	9,211
Less : Income tax on the above on full tax basis	4,390	3,895	3,162
Restated profit after tax	8,233	7,654	6,049
Restated basic EPS (₹)	144.08	133.96	105.89

Note : *The figures above are based on IFRS financial statements. However, it may be noted that this is only an academic exercise. We have provided for Income Tax in full in the respective years and there is no carried-forward liability on this account.*

Management structure



EC : Executive Council
CEO : Chief Executive Officer
SVP : Senior Vice President

VP : Vice President
AVP : Associate Vice President
[shaded box] : Global Industry Groups

(1) This unit also has a dotted line reporting into the Executive Co-Chairman
(2) Dotted line reporting to the Audit Committee

As on April 1, 2013

Infosys Science Foundation

The Infosys Science Foundation (ISF) is a not-for-profit trust, founded in 2009 to promote research and recognize excellence in the field of sciences in India. ISF confers the Infosys Prize every year, honoring the outstanding achievements of contemporary researchers and scientists. It recognizes the importance of the Prize winners' areas of work and aims to promote these researchers as role models for society and the youth, in particular.

The prize presentation ceremony serves to highlight the work of the winners and is well attended by members of the business community, academia, media and other prominent members of society. The Infosys Prize 2012 presentation was held in New Delhi on January 3, 2013. Dr. Gro Harlem Brundtland, former Prime Minister of Norway and Director General of the World Health Organization, felicitated each laureate with a 22-karat gold medallion, a citation and a purse of ₹50 Lakh. The award was given across six categories: Physical Sciences, Mathematical Sciences, Engineering and Computer Science, Life Sciences, Social Sciences and Humanities. The inaugural prize in Humanities was given in two subjects – History and Literary Studies and the Prize purse was split between the two winners.

Every year, nominations for the Prize are evaluated by an eminent jury in each category, comprising outstanding scholars and researchers, including Nobel laureates. The Infosys Prizes for 2012 were given to:

Dr. Ashish Lele *(Engineering and Computer Science):* A scientist at the National Chemical Laboratories, Pune (India), Dr. Lele was awarded the Prize for his incisive contributions in molecular tailoring of stimuli responsive smart polymeric gels; exploring the anomalous behavior of rheologically complex fluids; and for building the bridge between macromolecular dynamics and polymer processing.

Prof. Sanjay Subrahmanyam *(Humanities – History):* Prof. Subrahmanyam is a distinguished Professor of History, and Navin and Pratima Doshi endowed chair in Pre-Modern Indian History in the University of California at Los Angeles, U.S. He won the Prize for his path-breaking contribution to history. An outstanding scholar of early-modern South Asian history, he has been able to develop a new genre of 'connected history,' involving persons, products, and social and political processes stretching from Melaka in the East to Portugal in the West.

Prof. Amit Chaudhuri *(Humanities – Literary Studies):*– The professor of Contemporary Literature at the University of East Anglia, Norwich (U.K.) was recognized for the intellectual reach and the quiet humanity in his extraordinary writings, which reflect a complex literary sensibility, and great theoretical mastery, along with a probing sense of detail.

Prof. Satyajit Mayor *(Life Sciences)*: Prof. Mayor is a Senior Professor of Cellular Organization and Signalling Group at the National Centre for Biological Sciences, Bangalore (India). His work provides new insights into regulated cell surface organization and membrane dynamics, necessary for understanding self-organization and trafficking of membrane molecules in living cells, and in signaling between cells.

Prof. Manjul Bhargava *(Mathematical Sciences)***:** The R. Brandon Fradd Professor of Mathematics at Princeton University, U.S. was recognized for his extraordinary work in algebraic number theory. His work has revolutionized the way in which various fundamental arithmetic objects, such as number fields and elliptic curves are understood.

Dr. A. Ajayaghosh *(Physical Sciences)***:** A CSIR-Outstanding Scientist at the National Institute for Interdisciplinary Science and Technology, Thiruvananthapuram (India), Dr. Ajayaghosh's pioneering development of methods for the construction of supramolecular functional materials, which can be employed as components in organic electronic devices and in powerful substance selective optical sensing and imaging, won him the accolade.

Prof. Arunava Sen *(Social Sciences – Economics)***:** A Professor of the Economics and Planning Unit at the Indian Statistical Institute, New Delhi (India), Prof. Sen was awarded for his game-theoretic analyses of mechanism design for implementing social choice rules, when individuals have diverse information and incentives.

The chief guest at the Infosys Prize 2012 ceremony, Dr. Gro Harlem Brundtland, lauded the Infosys Science Foundation for founding and governing a prize that recognized premier research. She remarked that a country's prowess and progress in science and research may correspond to better socio-economic indicators and improve its standard of living and life.
For more details about the winners, visit *www.infosys-science-foundation.com*

The Infosys Science Foundation Lecture Series is an English-language based lecture program aimed at promoting the spirit of scientific research and create awareness on the Infosys Prize winners' area of work among the youth of India. These lectures are open to all. Recordings of the lectures are available on our website, *www.infosys-science-foundation.com/lectures*.

The following lectures were held during 2012-13:

Topic	**Speaker**	**Venue**
Good to Eat, Good to Think – on changing food habits of Indians	Prof. Amita Baviskar	St. Stephen's College, New Delhi
The Magic of Numbers – an introduction to Number Theory for high school students. He also delivered another lecture on the Number Theory at IIT-Bombay.	Prof. Chandrashekhar Khare	Convention center, Infosys campus, Bangalore IIT Bombay campus, Mumbai
Active Matter – on active matter and on non-equilibrium matter	Prof. Sriram Ramaswamy	University of Hyderabad

This year, ISF celebrated the Year of Mathematics as announced by the Government of India to commemorate mathematician Ramanujam's 125th birth anniversary. Apart from placing articles by our Math laureates talking about their work in prominent media publications, ISF organized lectures on these topics and invited students from 25 schools in Bangalore to participate in a Math Fest — Limit Infinity — held at the Infosys Bangalore campus.

Through these activities, ISF hopes to improve the perception of research as a career, informing and inspiring more people to take up or continue to explore the realm of science. The lectures help spread this message further and to a wider audience.

For more details on the Infosys Science Foundation, visit *www.infosys-science-foundation.com*

Grants by Infosys Limited to the Science Foundation

The grants made during the last three years are as follows:

in ₹ crore

Financial Year	Grants
2013	NIL
2012	NIL
2011	12

Infosys Foundation

"If you want a love message to be heard, it has got to be sent out. To keep a lamp burning, we have to keep putting oil in it."

– Mother Teresa

The Infosys Foundation ('the Foundation') was set up in 1996 with the intention of supporting the underprivileged sections of the society and enriching their lives. Promoted by Infosys Limited, the Foundation started its activities on a modest scale, but has now spread its work across various parts of the globe. The Foundation's activities range from making healthcare accessible, to spreading education, sponsoring the arts, and rehabilitating affected communities, especially in the rural and underdeveloped regions of India. The key focus areas of the Foundation are:

- Education
- Arts, culture and sports
- Healthcare
- Rural development
- Welfare of the underprivileged

The highlights of some of the projects the Foundation was involved in during 2012-13 are :

Education

The Infosys Foundation supports the cause of primary, secondary and higher education, vocational and professional learning through public and private agencies and believes in empowering people to realize their full potential. Some of the work of the Foundation in this field are as follows:

- Awarding cash prize to the meritorious team of Tata Institute of Fundamental Research at the Science Olympiad.
- Sponsoring the 7th Kannada Vijnana Sammelana and 4th National Women's Congress at Gulbarga University.
- Offering scholarships to meritorious but economically backward students in Karnataka and Hyderabad.
- Constructing school buildings at Konappana Agrahara, Bangalore, and SRMS High School, Hitnal.
- Constructing a school at Dharmapuri for economically weaker students.
- Supplying books to a number of libraries in Karnataka.
- Awarding scholarships to meritorious final year students of Medical Sciences in Bellary.
- Awarding scholarships to poor and meritorious students through Prerana, an NGO in Raichur and Bangalore, and Vidya Poshak in Dharwad, and Shri Kottala Basaveshwara Bharateeya Shikshana Samithi in Sedam. The Foundation contributed over ₹ 2 crore in scholarships.
- Donating funds to Isha Education towards the construction of six classrooms at the Cuddalore Rural School, Tamil Nadu.
- Donating funds for the distribution of notebooks to students in Chennai.
- Donating money to the Karnataka Sikshana Samiti towards salary for teachers.
- Donating computers to government schools in Bangalore.
- Donating money to schools in Karnataka for maintaining infrastructure such as libraries, laboratory equipment, computers and musical instruments.
- Donating money to the Shree Devi Pawandevi Krupa Shikshan Vikas Mandal for the construction of a school building at Sindhudurg, Maharashtra.

- Donating money to the Karnataka Disabled Welfare Society towards the construction of Smt. Ambubai Residential School building for blind girls in Gulbarga.
- Offering financial help to a higher primary school in Kurunad to purchase new furniture.

Stepping up the Foundation's involvement in education, we committed a grant of US $ 380,000 for the New York City (NYC) Science Education Initiative of the New York Academy of Sciences (NYAS). This initiative is aimed at mentoring students of underserved communities in Science, Technology, Engineering and Math (STEM). The Foundation also worked with the Wayne County Community College District (WCCCD), to offer our software development training program to grow Detroit's technology talent pool.

Arts, culture and sports

The Infosys Foundation identifies, nurtures and promotes performing arts through sponsorships. Some of the significant sponsorships for 2012-13 are as follows :

- Music concerts by 12 musicians through the Bharatiya Vidya Bhavan
- Theater events and shows by various artists and troupes
- Cultural events at Infosys development centers, Bangalore and Chennai
- Conservation of the Somanatheshwara temple
- Sponsoring promising athletes for the next level of training

Healthcare

Accessible and affordable healthcare is a necessity for people in developing countries like India. The Infosys Foundation regularly supports programs that address this need. In 2012-13, the Foundation has supported the following initiatives and programs:

- The construction of rest houses at the Karnataka Institute of Medical Science (KIMS), Hubli.
- The creation of a corpus in several hospitals for treating poor patients. A total of 10 hospitals serving the poor have been beneficiaries of this program.
- The contribution of critical life-saving medical equipment such as ambulances, incubators, neo-natal resuscitation equipment, drugs and medical facilities to various government hospitals and facilities to the tune of ₹ 50 crore, benefitting thousands of underprivileged people.

Rural development

The need for basic infrastructure is the most critical challenge facing the rural population in India. This becomes especially dire during times of natural disasters. The Foundation believes that along with the support from governments, institutional support also has to be provided when the need arises. The Foundation has lent a helping hand during natural disasters – with food, essential supplies and rebuilding lives. In the last 15 years, the Foundation has extended its support and aid amounting to over ₹ 45 crore. In 2012-13, the Foundation was involved in the following activities :

- Construction of houses in Hyderabad for people whose homes were damaged and livelihoods threatened by floods. The Foundation spent around ₹ 5 crore on this project.
- Supply of drinking water to the drought-hit areas through Swami Vivekananda Integrated Rural Health Centre, Pavagada.
- Supply of food and clothing to orphanages in the South Canara district of Karnataka
- Supply of fodder for cattle in drought-affected areas

Over the years, the Foundation has empowered over 7,50,000 women in three districts in Karnataka by training them in hygiene, health, nutrition, infant care, livelihood, literacy and sanitation through Jnanavikasa.

Welfare of the underprivileged

The Infosys Foundation continues to promote various causes relating to the economically weaker and underprivileged sections of society. In 2012-13, the Foundation was involved in the following activities :

- Support for the rehabilitation of 1,000 Devadasis — a marginalized community of women — who are victims of a degenerative social practice. The Foundation also supported the education of 1,240 children of Devadasi women.
- Sponsorship of airfare for 21 women in distress in Bahrain
- Construction of lavatories with a view to influencing change towards health and hygiene in rural India. This will help over 10,000 families in backward districts of Karnataka. The Foundation spent around ₹ 10 crore on this project.
- Rehabilitation of street children in association with the NGO, Sathi.

Grants by Infosys Limited to the Foundation

During the year ended March 31, 2013, an amount of ₹ 10 crore (₹ 20 crore for the year ended March 31, 2012) was donated to Infosys Foundation, a not-for-profit foundation, in which certain directors of the Company are trustees. The grants made during the last three years are as follows :

Financial Year	Grants (in ₹crore)
2013	10
2012	20
2011	NIL

Report on health, safety and environment

Infosys is committed to high standards of environmental management. We work towards providing our employees, consultants and contractors a safe and healthy work environment, free of occupational hazards and illness. During the year, we implemented several initiatives and programs to enhance the health, safety and environmental performance of our employees and company through the use of technology and by strengthening existing systems.

Ozone

It is our endeavor to have and operate a Health, Safety and Environmental Management System (HSEMS) at various locations that meet and exceed ISO 14001 standards and OHSAS 18001 specifications. The Ozone initiative helps us to comply fully with all legal requirements and meet or exceed these expectations of our operations worldwide.

Some of the significant Ozone initiatives include:

- Identification and management of hazards and risks related to health and safety
- Identification and management of activities causing environmental impact
- Fine-tuning processes for operational controls
- Establishment of Health, Safety and Environment (HSE) objectives and targets, which are achieved through management programs
- Identification of HSE training needs, and ensuring periodic training
- Establishment and operation of an Occupational Health and Safety (OH&S) Committee

All our development centers in India were recertified as being compliant with ISO 140001: 2004 and OHSAS 18001: 2007, in December 2012.

The various initiatives undertaken in the year 2012-13 include the following:

Awareness campaigns

Various awareness campaigns were held across development centers to create awareness among employees, including contractual staff, on HSE standards, to ensure their support for and compliance with them. Eco groups were also involved in spreading awareness on the issue.

Energy initiatives

We are working with some of the best research institutes and adopting several best practices from across the world to implement the latest green technologies at our new and existing campuses. These best practices include:

- Building smart energy-management solutions: We have developed a strong practice of creating smart-building solutions, which gives us a real-time control on our energy assets.
- Green buildings: Every new building at our campuses is constructed using integrated design methods for maximizing daylight and minimizing heat. Efficient building envelopes, with insulated walls and roofs and high-performance glass, are used to conserve energy.
- Retrofits: Our innovative retrofit design implementation across our campuses has served as an inspiration to other Heating, Ventilation, and Air conditioning (HVAC) designers to consider using such highly optimized designs, which have a short payback period of less than three years. Our retrofit design enhances system efficiency by a minimum of 30%. Also, the reduction in the connected load frees up the grid and enables a better use of its power generation capacity.

- Adoption of renewable energy: We increased our share of renewable energy by using both off-shore and on-site renewable sources. We installed a 250 kW solar plant at Jaipur, a 125 kW plant in Thiruvananthapuram, and a 120 kW rooftop solar plant at our Chennai Mahindra City campus.
- Energy-efficient IT infrastructure: We undertook significant measures to reduce our IT infrastructure's energy consumption. This was done through adopting novel processes for desktop power management, virtualization and consolidation, the eco-friendly design of data centers and server rooms — incorporating best practices of power and cooling, and increase the support infrastructure for video and audio conferencing.

Water

We have been able to reduce our per capita fresh water consumption during the year through several initiatives and campaigns for the optimal use of water across all our campuses. We have our own sewage treatment plants to recycle and reuse wastewater generated at our campuses every day. Recycled water is used for landscape maintenance and for flushing purposes at our campuses.

Paper

Our paper consumption has been reduced significantly through various initiatives such as access password-controlled printing, the monitoring and control of printer utilization, the building of e-modules, and awareness campaigns such as zero-print weeks.

Carbon emissions

Several energy-reduction programs have been initiated at our campuses, such as campaigns promoting the use of mass transportation and car-pooling among employees. We encourage our employees to use the teleconferencing and video-conferencing facility, to avoid long-distance travel, thus minimizing the impact on the environment. We also source green power at a few locations and are working towards improving the percentage of green power that we harness for meeting our power needs.

Waste management

We have adopted a focused approach towards waste management. Waste is segregated at source and is disposed to authorized recyclers in adherence to applicable legislations. We are working on strengthening the process for effective waste disposal through initiatives such as the establishment of biogas plants, and the use of organic waste converters.

Campus design and infrastructure development

It is our endeavor to always design and construct new buildings which follow green principles and are optimized for energy efficiency and occupancy comfort. Thus, we would be assured of receiving a minimum gold rating for these buildings according to the Indian Green Building Council (IGBC) Leadership in Energy and Environmental Design (LEED) framework. Currently, we have six LEED Platinum-rated buildings, taking our total green built-up area to 1.84 million sq. ft., with another 8 million sq. ft. of our software development buildings under green certification.

Health and safety

Safety is every employee's responsibility and concern. Forums and help lines are provided to our employees to report incidents and workplace hazards. They are actively involved in suggesting and implementing changes to the HSE policy.

An Occupational Health and Safety (OH&S) Committee is set up at each development center. This committee comprises OH&S representatives who represent employees of a designated workgroup. The OH&S committee brings employees and management together in a non-adversarial, cooperative effort to promote OH&S within the entire workplace. The committee discusses, explores, studies and makes recommendations on various OH&S-related issues. The committee also provides employees the opportunity to voice concerns relating to hazards.

Health Assessment and Lifestyle Enrichment (HALE)

The HALE program is a comprehensive and holistic health initiative, customized to an IT environment. Through this program, we launch various health-related employee-engagement campaigns, such as interactive portals and quizzes. The comprehensive health and well-being plan under this program includes preventive healthcare options for employees and their families, health-checks, expert talks, consultations, fitness-related interventions, and health-awareness campaigns.

As part of our Safety Week and Health Week in FY 2012, we facilitated master health check-ups and stress-relief workshops at all our campuses. We also established a helpline and an online tool, the HALE Tool, to provide timely and expert support to our employees and their families on issues related to relationships, personal crises, stress and depression.

Risk assessment, disaster recovery and business continuity

The Business Continuity Management System (BCMS) initiative at Infosys is referred to as the Phoenix program. The operating framework of this program is as follows:

- Identification of business impacts due to disruptions in our services
- Identification and management of related risks
- Establishment of business continuity plans at the corporate, development center and account level, which are regularly tested
- Conducting drills and exercises periodically to test our preparedness levels for handling all potential disasters, and to check our liaison effectiveness and involvement with external organizations. Observations recorded during these mock drills are analyzed and acted upon, and the learnings are included in our plans and training programs.

Infosys is the first IT service and BPO company to get certified on ISO 22301 (the business continuity management standards) following the United Kingdom Accreditation Service (UKAS) accreditation by the auditing agency, British Standards Institution (BSI).

Assessments and reviews

Our HSE performance and the effectiveness of our processes and programs for the achievement of our established HSE objectives and targets are evaluated through periodic reviews and audits of the HSEMS.

For more details, refer to the *Sustainability Report* available on our website, *www.infosys.com*

Note on the substantial compliance with the respective corporate governance guidelines of six countries – Australia, Canada, France, Germany, Japan and United Kingdom

Australia

ASX Corporate Governance Council – Principles of good corporate governance and best practices recommendations

The Australian Stock Exchange (ASX) Corporate Governance Council (the Council) was formed on August 15, 2002 to develop and deliver an industry-wide, support framework for corporate governance which could provide a practical guide for listed companies, their investors, the wider market and the Australian community. The Council published its first edition of *Principles of Good Corporate Governance and Best Practice Recommendations* in March 2003. The Council undertook an extensive review of the first edition and issued a revised *Corporate Governance Principles and Recommendations* (second edition Corporate Governance Guidelines) in August 2007. Further, amendments were made to the second edition in 2010, and were applicable to an entity's first financial year commencing on or after January 1, 2011, though early application was encouraged. The corporate governance principles and recommendations of the Council are not mandatory, but Australian listed entities must disclose those principles that are not in compliance and the reasons for non-compliance.

The Council proposed eight core principles which it believes underlie good corporate governance. We comply substantially with all recommendations made by the Council, except the following :

1. Recommendation 3.3 and 3.4 – Diversity Policy : The Company is committed to providing a work environment free of discrimination and harassment. The Company is an equal opportunity employer and makes employment decisions based on merit and business needs. The Company believes in equal work opportunities for all employees and does not condone favoritism or the appearance of favoritism at the workplace. These are included in the Company's code of conduct and ethics. Further, internally the Company has an 'Infosys Women's Inclusivity Network (IWIN)' sponsored by the non-executive chairman. The objective of IWIN is to create a gender sensitive and inclusive work environment, help women in their career lifecycles and develop women for managerial and leadership roles, thereby maintaining gender ratios at all levels in the organization. The company also discloses the percentage of women employees in the organization in the *Additional Information to the Annual Report* section.
2. Recommendation 5.1 – Ensure compliance with ASX listing rule disclosure requirements : We are not listed on the Australian Stock Exchange. However, we have established necessary policies and procedures to ensure that announcements are made in a timely manner, are factual, do not omit any material information and are expressed in a clear and objective manner that allows investors to assess the impact of the information when making investment decisions.
3. Recommendation 7.3 – Declaration in relation to the listed entity's financial statements by Chief Executive Officer (CEO) and Chief Financial Officer (CFO) provided in accordance with section 295A of the Corporation Act : We are not listed on the Australian Stock Exchange and hence this recommendation is not applicable to the Company. However, our CEO and CFO provide necessary certifications with respect to the Company's financial statements and internal controls. The certification is provided in compliance with the Indian and U.S. regulatory requirements.

Canada

Corporate governance: A guide to good disclosure, issued by the Toronto Stock Exchange.

In December 2003, the Toronto Stock Exchange (TSX) issued guidelines which would help issuers prepare meaningful disclosure that complies with its requirements. TSX does not require companies to adopt the practices in the guidelines, but only requires them to explain their practices. These guidelines were updated in January 2006. We substantially comply with all the recommendations.

France

La gouvernance d'entreprise des sociétés cotées – Avril 2010

Les principes de la gouvernance d'entreprises des sociétés cotées tirent leur origine des rapports VIENOT de juillet 1995 et juillet 1999, des rapports BOUTON de septembre 2002, janvier 2007 et octobre 2008 sur les recommandations concernant la rémunération des dirigeants des sociétés cotées. Cet ensemble de recommandations fut préparé par des groupes de travail de L'Association Française des Entreprises Privées (AFEP) et le Mouvement des Entreprises de France (MEDEF). Cette « consolidation » des travaux menés par des présidents de grandes sociétés françaises constitue une réponse à la communication de la Commission Européenne sur la gouvernance d'entreprise et le droit des sociétés, qui préconise que chaque Etat membre désigne un code de référence auquel les sociétés devront se conformer ou expliquer en quoi leurs pratiques diffèrent et pour quelles raisons.

Ce rapport avait fait plusieurs recommandations. Notre société se conforme strictement à ces recommandations, à l'exception des points ci-dessous :

7.1 La représentation des salaries et des salaries actionnaires – La politique actuelle de la société est d'avoir 14 membres du conseil. Dans ce conseil, 8 sont des administrateurs indépendants et 6 des administrateurs cadres. De ces administrateurs cadres, 2 sont des fondateurs et 4 sont des employés.

14.2.1. Revue des comptes par un comité d'audit – La société a un comité d'audit qui comprend 3 administrateurs indépendants. Tous les membres du comité sont des financiers et un membre est l'expert financier. Le comité se réunit au moins une fois par trimestre (un jour avant la réunion du conseil d'administration) pour revoir et examiner les états financiers.

17. Déontologie pour les directeurs – La législation locale des entreprises ne demande pas que les directeurs détiennent personnellement des actions de la société. Cependant, la plupart des directeurs, excepté 4, détiennent personnellement des parts de la société.

Germany

(Deutscher Coporate Governance Kodex, in der Fassung vom 15. Mai 2012)

Der Deutsche Governance Kodex stellt wesentliche Vorschriften zur Leitung und Überwachung deutscher börsennotierter Gesellschaften dar. Der Kodex wurde entwickelt, um das deutsche Coporate Governance System transparent und nachvollziehbar zu machen. Er soll das Vertrauen der interanationalen und nationalen Anleger, der Kunden, der Mitarbeiter und der Öffentlichkeit in die Leitung und Überwachung deutscher börsennotierter Gesellschaften fördern.

Der Bericht enthält zahlreiche Empfehlungen der Regierungskommission, denen unser Unternehmen grundsätzlich folgt. Es gibt jedoch folgende Ausnahmen :

1.Empfehlung 3, 4 und 5 – Das duale System der Unternehmenseinheit – Das Unternehmen hat ein einstufiges Führungssystem in welches sowohl leitende, als auch überwachende Positionen integriert sind. Zurzeit besteht das System aus 14 Vorständen, darunter sind 6 geschäftsführend und 8 unabhängig.

2. Empfehlungen 2.2 und 7.1 – Konzernbericht – Der Bericht und die Offenlegung durch die Unternehmung geschieht auf Basis Konzernobergesellschaft.

日本

日本におけるコーポレート・ガバナンスに関する問題のいくつかについては、日本の法令（会社支配の構造や手続については会社法、コーポレート・ガバナンスの状況の開示については金融商品取引法および開示に関する内閣府令等）および2009年12月公表の株式会社東京証券取引所の上場会社コーポレート・ガバナンス原則（同原則の尊重が有価証券上場規程第445条の3で規定されている。同原則は、http://www.tse.or.jp/rules/cg/principles/index.htmlにて入手可能）が対処している。金融商品取引法、関係内閣府令および上場会社コーポレート・ガバナンス原則は、インフォシス・リミテッドのような日本における継続開示会社に対して、コーポレート・ガバナンスの状況（例えば、会社の機関の内容、内部統制システムの整備の状況、リスク管理体制の整備の状況、内部監査の組織および手続等）の開示を求めている。当社は、本年次報告書においてこの情報を開示している。

United Kingdom

The U.K. Corporate Governance Code, issued in September 2012, supersedes and the U.K. Corporate Governance Code issued in June 2010. It follows a review by the Financial Reporting Council of the implementation of the code in 2008 and subsequent consultation on possible amendments to the code.

We substantially comply with all recommendations of the combined code except for the following :

1. Code A.1.2 and A.4.1 – Appointment of senior independent director – The Company had a lead independent director between May 2003 and August 2011. This position was primarily created since the Board Chair was occupied by one of our founder directors. From August 2011 onwards, the Company has an Independent Board Chair. Hence, we no longer require a Lead Independent Director, as the Independent Board Chair is by default the lead independent director.

2. Code B.1.1 – Board balance and independence – The independent directors annually affirm their independence as per the definition of the Indian and U.S. listing rules. The Board of Directors also annually determine the independence of these directors. The local listing rules also prescribe a maximum tenure of nine years for an independent director to serve on a company's board. The rule was effective January 2006. None of our independent directors have served for more than nine years from the date of the rule becoming effective.

3. Code B.2.4 – Appointments to the Board – The nominations committee of the Board of Directors is responsible for overseeing the Company's nomination process for the top-level management positions and to identify, screen and recommend to the Board individuals qualified to serve as executive directors, non-executive directors and independent directors consistent with the criteria approved by the Board. The nominations committee believes that sound succession planning of senior leadership is the most important ingredient for creating a robust future for the Company. Therefore, the Committee has adopted a rigorous process to ensure that the Board selects the right candidates for senior leadership positions. The Company does not appoint external search consultants nor openly advertises for the appointment of its Chairman or non-executive directors.

4. Code B.4.1 – Induction on joining the Board – All new non-executive directors inducted into the Board are given an orientation. Presentations are made by various executive directors giving an overview of our

operations to familiarize the new non-executive directors with the operations. The new non-executive directors are given orientation on our services; group structure and subsidiaries; our constitution; Board procedures and matters reserved for the Board, our major risks and risk management strategies.

The Board's policy is to have separate meetings regularly with independent directors to update them on all business-related issues and new initiatives. In such meetings, the executive directors and other members of the senior management make presentations on relevant issues.

5. Code B.6.2 – Evaluation of Board – The Company is not listed on the London Stock Exchange and is not part of FTSE 350. However, the compensation committee of the Company, along with the CEO, reviews the performance of all the executive directors and senior management each quarter, on the basis of detailed performance parameters set for each of the executive directors at the beginning of the year. The compensation committee may from time to time, also evaluate the usefulness of such performance parameters, and make necessary amendments. The Board evaluates the performance of non-executive directors through a peer-evaluation process every year.

6. Code D.1.2 – Remuneration Policy – The Company has a policy to allow its executive directors to serve on the boards of two other business entities with the prior consent of the Chairperson of the Board of Directors. Remuneration earned by virtue of such board membership is retained by the directors concerned.

7. Code E.1.1. and E.1.2 – Relations with Shareholders – The CEO, CFO, members of the Executive Council and the Investor Relations team meet investors on a regular basis to understand their views and perspectives. The Company also has a practice of conducting analyst meets both in India and overseas. Views obtained from investors / analysts during the course of such meetings are communicated to the Board of Directors at the ensuing Board meeting. As a policy, we do not differentiate between small and major investors. Non-executive directors do not meet with large investors as required under the code.

The statements on compliance or substantial compliance with corporate governance standards of various countries may not meet all the relevant regulatory requirements to be characterized as statements of explicit and unreserved compliance with corporate governance requirements. In the event of a conflict in interpretation, the ‘Corporate governance report’ section of the Annual Report should be considered. We caution investors that these reports are provided only as additional information to our global investors. Using such reports for predicting our future, or of any other company, is risky. We are not responsible for any direct, indirect or consequential losses suffered by any person using these corporate governance reports.

Human resource valuation

A fundamental dichotomy in accounting practices is between human and non-human capital. As a standard practice, non-human capital is considered as assets and reported in the financial statements, whereas human capital is mostly ignored by accountants. The definition of wealth as a source of income inevitably leads to the recognition of human capital as one of the several forms of wealth, such as money, securities and physical capital. As a standard practice, Infosys used to report the value of its employees using the Lev & Schwartz model. Last year, we developed a new model to quantify this value, in partnership with GIST Advisory.

The Infosys GIST-HCX Model is based on a present-value calculation of the increase in future earnings of employees during their employment at Infosys. Unlike conventional models, it also accounts for the impact of attrition on our human capital value, and therefore also quantifies the value of the positive human capital externality being generated by Infosys. Human Capital Externality refers to the benefit derived by society when employees, whose human capital value is enhanced due to training and employee development at Infosys, leave the company.

The model discounts future earnings at an appropriate discount rate, and utilizes a long-run inflation rate consistent with the Reserve Bank of India's target for inflation expectations.

in ₹ crore, unless stated otherwise

	2013	2012	Annual Change
Employees (No.)			
Software professionals	1,47,008	1,41,788	3.68%
Support	9,680	8,206	17.96%
Total	1,56,688	1,49,994	4.46%
Value of human capital			
Software professionals	1,24,867	1,15,900	7.74%
Support	12,978	9,817	32.20%
Total	1,37,845	1,25,717	9.65%
Value of human capital externality			
Software professionals	6,767	6,182	9.46%
Support	878	649	35.29%
Total	7,645	6,831	11.92%
Total value of human capital and human capital externality	1,45,490	1,32,548	9.76%
Ratio			
Value of human capital per employee	0.88	0.84	4.76%

Assumptions :

1. Long run inflation rate assumed at 5%

2. Discounting rate assumed at 4%

Value-added statement

in ₹ crore, except as otherwise stated

	2013	%	2012	%	Growth %
Value-added					
Income	40,352		33,734		19.6
Less : Operating expenses excluding personnel costs and depreciation					
Cost of sales	3,994		2,634		
Selling and marketing expenses	432		397		
Administrative expenses	1,802		1,647		
Value-added from operations	34,124		29,056		17.4
Other income, net	2,359		1,904		
Total value-added	36,483		30,960		17.8
Distribution of value-added					
Human resources					
Salaries and bonus	22,566	61.9	18,340	59.2	23.0
Providers of capital					
Dividend [1]	2,412	6.6	2,699	8.7	(10.6)
Minority interest	–	–	–	–	–
Interest on debt	–	–	–	–	–
	2,412	6.6	2,699	8.7	(10.6)
Taxes					
Corporate income taxes	3,367	9.2	3,367	10.9	–
Dividend tax [1]	403	1.1	438	1.4	(8.0)
	3,770	10.3	3,805	12.3	(0.9)
Income retained in business					
Depreciation and amortization	1,129	3.1	937	3.0	20.5
Retained in business	6,606	18.1	5,179	16.8	27.6
	7,735	21.2	6,116	19.8	26.5
Total	36,483	100.0	30,960	100.0	17.8

Notes : The figures above are based on IFRS financial statements.

[1] Considered on accrual basis

Brand valuation

The strength of the invisible

We have used various models for evaluating assets of the Balance Sheet periodically to bring advances in financial reporting to the notice of our shareholders. The aim of such modeling is to lead the debate on the Balance Sheet of the next millennium. These models are still the subject of debate among researchers and using the data in projecting the future is risky. We are not responsible for any direct, indirect or consequential losses suffered by any person using these models or data.

A Balance Sheet discloses the financial position of a company. The financial position of an enterprise is influenced by the economic resources it controls, its financial structure, liquidity and solvency, and its capacity to adapt to changes in the business environment. However, it is becoming increasingly clear that intangible assets have a significant role in defining the growth of a high-tech company.

Valuing the brand

The wave of brand acquisitions in the late 1980s exposed the hidden value of highly branded companies, and brought brand valuation to the fore. The values associated with a product or service are communicated to the consumer through the brand. Consumers no longer want just a product or service, they want a relationship based on trust and familiarity.

A brand is much more than a trademark or a logo. It is a 'trust mark,' a promise of quality and authenticity that clients can rely on. Brand equity is the value addition provided to a product or a company by its brand name. It is the financial premium that a buyer is willing to pay for the brand over a generic or less worthy brand. Brand equity is not created overnight. It is the result of the relentless pursuit of quality in manufacturing, selling, servicing, advertising and marketing. It is integral to the quality of client experiences in dealing with the Company and its services over a period.

The sixth annual BRANDZ™ Top 100 Most Valuable Global Brands ranking published in conjunction with Bloomberg and Kantar Worldpanel was announced in 2011 by Millward Brown. According to the evaluation of the ranking panelists, the contribution of brand value in commanding price premiums and decreased cost of entry into new markets and categories is significant. Companies adopt strategic approaches and best practice methodologies to improve their brand value.

Approach to brand valuation

The task of measuring brand value is a complex process. Several models are available for assessing brand value. The most widely used is the brand-earnings-multiple model. There are several variants of this model.

We have adapted the generic brand-earnings-multiple model (reference : *Valuation of Trademarks and Brand Names* by Michael Birkin in the book, *Brand Valuation*, edited by John Murphy and published by Business Books Limited, London) to value our corporate brand, 'Infosys'. The methodology followed for valuing our brand is as follows :

- Determine brand profits by eliminating the non-brand profits from the total profits
- Restate the historical profits at present-day values
- Provide for the remuneration of capital to be used for purposes other than promotion of the brand
- Adjust for taxes
- Determine the brand strength or brand earnings multiple.

Brand strength multiple is a function of several factors such as leadership, stability, market, global reach, trend, support and protection. We have evaluated these factors on a scale of 1 to 100 internally, based on the information available.

Brand valuation

in ₹crore

	2013	2012	2011
Profit before interest and tax	12,788	11,683	9,313
Less : Non-brand income	2,123	1,714	1,090
Adjusted profit before tax	10,665	9,969	8,223
Inflation factor	1.000	1.073	1.151
Present value of brand profits	10,665	10,697	9,464
Weightage factor	3	2	1
Weighted average profits	10,476	–	–
Remuneration of capital	1,831	–	–
Brand-related profits	8,645	–	–
Tax	2,805	–	–
Brand earnings	5,840	–	–
Brand multiple	11.7	–	–
Brand value	68,386	–	–

Assumptions:

1. *The figures above are based on IFRS financial statements.*
2. *Brand revenue is total revenue excluding other income after adjusting for the cost of earning such income, since this is an exercise to determine our brand value as the Company and not for any of our products or services.*
3. *Inflation is assumed at 7.28% per annum.*
4. *5% of the average capital employed is used for purposes other than promotion of the brand and tax rate is at 32.45%.*
5. *The earnings multiple is based on our ranking against the industry average based on certain parameters (exercise undertaken internally and based on available information).*

in ₹crore

	2013	2012	2011
Brand value	68,386	56,286	40,509
Market capitalization	1,65,917	1,64,592	1,86,100
Brand value as a percentage of market capitalization (%)	41.2	34.2	21.8
Brand value / revenue (x)	1.69	1.67	1.47

Balance Sheet including intangible assets

in ₹crore

Particulars	As at March 31, 2013	As at March 31, 2012
ASSETS		
Current assets		
Cash and cash equivalents	21,832	20,591
Available-for-sale financial assets	1,739	32
Investment in certificates of deposit	–	345
Trade receivables	7,083	5,882
Unbilled revenue	2,435	1,873
Derivative financial instruments	101	–
Prepayments and other current assets	2,123	1,523
Total current assets	35,313	30,246
Non-current assets		
Property, plant and equipment	6,468	5,409
Goodwill	1,976	993
Intangible assets		
Brand value	68,386	56,286
Human resources value	1,37,845	1,25,717
Other intangible assets	368	173
Available-for-sale financial assets	394	12
Deferred income tax assets	503	316
Income tax assets	1,092	1,037
Other non-current assets	237	162
Total non-current assets	2,17,269	1,90,105
Total assets	2,52,582	2,20,351
LIABILITIES AND EQUITY		
Current liabilities		
Trade payables	189	23
Derivative financial instruments	–	42
Current income tax liabilities	1,329	1,054
Client deposits	36	15
Unearned revenue	823	545
Employee benefit obligations	614	498
Provisions	213	133
Other current liabilities	3,082	2,456
Total current liabilities	6,286	4,766
Non-current liabilities		
Deferred income tax liabilities	119	12

Particulars	As at March 31,	
	2013	2012
Other non-current liabilities	149	109
Total liabilities	6,554	4,887
Equity		
Share capital	286	286
Share premium	3,090	3,089
Retained earnings	36,114	29,816
Capital reserves – intangible assets	2,06,231	1,82,003
Other components of equity	307	270
Total equity attributable to equity holders of the Company	2,46,028	2,15,464
Non-controlling interests	–	–
Total equity	2,46,028	2,15,464
Total liabilities and equity	2,52,582	2,20,351

Notes : *The figures above are based on IFRS financial statements.*

This Balance Sheet is provided for the purpose of information only. We accept no responsibility for any direct, indirect or consequential losses or damages suffered by any person relying on the same.

Intangible assets score sheet

We caution investors that this data is provided only as additional information to them. We are not responsible for any direct, indirect or consequential losses suffered by any person using this data.

From the 1840s to the early 1990s, a corporate's value was mainly driven by its tangible assets – values presented in the corporate Balance Sheet. The Managements of companies valued these resources and linked all their performance goals and matrices to these assets – return on investment and capital turnover ratio. The market capitalization of companies also followed the value of tangible assets shown in the Balance Sheet with the difference seldom being above 25%. In the latter half of the 1990s, the relationship between market value and tangible asset value changed dramatically. By early 2000, the book value of the assets represented less than 15% of the total market value. In short, intangible assets are the key drivers of market value in this new economy.

A knowledge-intensive company leverages know-how, innovation and reputation to achieve success in the marketplace. Hence, these attributes should be measured and improved upon year after year to ensure continual success. Managing a knowledge organization necessitates a focus on the critical issues of organizational adaptation, survival, and competence in the face of ever-increasing, discontinuous environmental change. The profitability of a knowledge firm depends on its ability to leverage the learnability of its professionals, and to enhance the reusability of their knowledge and expertise. The intangible assets of a company include its brand, its ability to attract, develop and nurture a cadre of competent professionals, and its ability to attract and retain marquee clients.

Intangible assets

The intangible assets of a company can be classified into four major categories : human resources, intellectual property assets, internal assets and external assets.

Human resources

Human resources represent the collective expertise, innovation, leadership, entrepreneurship and managerial skills of the employees of an organization.

Intellectual property assets

Intellectual property assets include know-how, copyrights, patents, products and tools that are owned by a corporation. These assets are valued based on their commercial potential. A corporation can derive its revenues from licensing these assets to outside users.

Internal assets

Internal assets are systems, technologies, methodologies, processes and tools that are specific to an organization. These assets give the organization a unique advantage over its competitors in the marketplace. These assets are not licensed to outsiders. Examples of internal assets include methodologies for assessing risk, methodologies for managing projects, risk policies and communication systems.

External assets

External assets are market-related intangibles that enhance the fitness of an organization for succeeding in the marketplace. Examples are customer loyalty (reflected by the repeat business of the Company) and brand value.

The score sheet

We published models for valuing two of our most important intangible assets – human resources and the 'Infosys' brand. This score sheet is broadly adopted from the intangible asset score sheet provided in the book titled, *The New Organizational Wealth*, written by Dr. Karl-Erik Sveiby and published by Berrett-Koehler Publishers Inc., San Francisco.

We believe such representation of intangible assets provides a tool to our investors for evaluating our market-worthiness.

Clients

The growth in revenue is 5.8% this year, compared to 15.8% in the previous year (in U.S. dollar). Our most valuable intangible asset is our client base. Marquee clients or image-enhancing clients contributed 48% of revenues during the year.

The high percentage of revenues, 97.8% from repeat orders during the current year, is an indication of the satisfaction and loyalty of our clients. The largest client contributed 3.8% to our revenue, compared to 4.3% during the previous year. The top 5 and 10 clients contributed around 15.2% and 24.6% to our revenue respectively, compared to 15.5% and 24.6% respectively, during the previous year. Our strategy is to increase our client base and, thereby, reduce the risk of depending on a few large clients. During the year, we added 235 new clients compared to 172 in the previous year. We derived revenue from customers located in 79 countries against 72 countries in the previous year. Sales per client declined by around 8% from US $10.08 million in the previous year to US $9.27 million this year. Days Sales Outstanding (DSO) was 64 days this year compared to 60 days in the previous year.

Organization

During the current year, we invested around 3.62% of the value-added (3.27% of revenues) in technology infrastructure, and around 2.61% of the value-added (2.36% of revenues) on R&D activities.

A young, fast-growing organization requires efficiency in the area of support services. The average age of support employees is 32.6 years, as against the previous year's average age of 32.2 years. The sales per support staff (in ₹) has increased during the year compared to the previous year and the proportion of support staff to the total organizational staff, has remained constant.

People

We are in a people-oriented business. We added 37,036 employees this year on gross basis (net 6,694) from 45,605 (net 19,174) in the previous year. We added 16,781 laterals this year against 14,966 in the previous year. The education index of employees has gone up substantially to 4,08,802 from 3,91,955. This reflects the quality of our employees. Our employee strength comprises people from 100 nationalities as at March 31, 2013. The average age of employees as at March 31, 2013 was 29. Attrition was 16.3% for this year compared to 14.7% in the previous year (excluding subsidiaries).

Note :

1. *Marquee or image-enhancing clients are those who enhance the Company's market-worthiness, typically, Fortune 500 clients. They are often reference clients for us.*
2. *Sales per client is calculated by dividing total revenue by the total number of clients.*
3. *Repeat business revenue is the revenue during the current year from those clients who contributed to our revenue during the previous year too.*
4. *Value-added statement is the revenue less payment to all outside resources. The statement is provided in the Value-added statement section of this document.*
5. *Technology investment includes all investments in hardware and software, while total investment in the organization is the investment in our fixed assets.*
6. *The average proportion of support staff is the average number of support staff to average total staff strength.*
7. *Sales per support staff is our revenue divided by the average number of support staff (support staff excludes technical support staff)*
8. *The education index is shown as at the year end, with primary education calculated as 1, secondary education as 2 and tertiary education as 3.*

External structure – our clients

	2013	2012
Revenue growth (%)		
In U.S. dollar terms	5.8	15.8
In rupee terms	19.6	22.7
Exports / total revenue (%)	97.9	97.8
Clients		
Total	798	694
Added during the year (gross)	235	172
Marquee clients		
Total	157	151
Added during the year (gross)	23	22
Revenue contribution (%)	48	48
Revenue derived – number of countries	79	72
Efficiency		
Sales per Client		
US $ million	9.27	10.08
₹ crore	50.57	48.61
Sales and marketing expenses / revenue (%)	5.04	5.21
DSO (days)	64	60
Provision for debts / revenue (%)	0.09	0.18
Stability		
Repeat business (%)	97.8	97.8
No. of clients accounting > 5% of revenue	–	–
Client concentration		
Top client (%)	3.8	4.3
Top 5 clients (%)	15.2	15.5
Top 10 clients (%)	24.6	24.6
Client distribution		
1 million-dollar +	448	399
5 million-dollar +	213	190
10 million-dollar +	137	132
20 million-dollar +	80	79
30 million-dollar +	62	64
40 million-dollar +	49	50
50 million-dollar +	40	40
60 million-dollar +	33	28
70 million-dollar +	28	23
80 million-dollar +	19	17
90 million-dollar +	17	16
100 million-dollar +	12	13
200 million-dollar +	3	2
300 million-dollar +	–	1

Internal structure – our organization

	2013	2012
R&D		
R&D / total revenue (%)	2.36	2.02
R&D / value-added (%)	2.61	2.20
Technology investment		
Investment / revenue (%)	3.27	2.32
Investment / value-added (%)	3.62	2.53
Total investment		
Total investment / total revenue (%)	4.78	4.27
Total investment / value-added (%)	5.28	4.66
Efficiency		
Sales per support staff		
US $ million	0.86	0.91
₹ crore	4.71	4.38
General and administrative expenses / revenue (%)	6.47	7.08
Average proportion of support staff (%)	5.46	5.46
Stability		
Average age of support staff (years)	32.6	32.2

Competence – our people

	2013	2012
Total employees	1,56,688	1,49,994
Added during the year		
Gross	37,036	45,605
Net	6,694	19,174
Laterals added	16,781	14,966
Staff education index	4,08,802	3,91,955
Employees – number of nationalities	100	89
Gender classification (%)		
Male	65.7	65.2
Female	34.3	34.8
Efficiency		
Value-added / employee (₹ crore)		
Software professionals	0.25	0.23
Total employees	0.23	0.22
Value-added / employee (US $ million)		
Software professionals	0.05	0.05
Total employees	0.05	0.05
Stability		
Average age of employees (years)	29	27
Attrition – excluding subsidiaries (%)	16.3	14.7
Attrition – excluding involuntary separation (%)	15.1	14.0

Note: The above figures are based on IFRS financial statements

ValueReporting™

At Infosys, we have always believed that information asymmetry between the Management and shareholders should be minimized. Accordingly, we have been at the forefront in practicing progressive and transparent disclosures. We were the first in India to adopt the U.S. Generally Accepted Accounting Principles (GAAP). Further, we were the first foreign private issuer in India to file primary financial statements with the Securities and Exchange Commission (SEC) in accordance with the International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board. During fiscal 2012 we have valued our human capital and the human capital positive externality under a new model[(1)]. Thereafter, we rapidly progressed to additional disclosures that give deeper insights to the way we run our business and our value creation. We continue to provide additional information even though it is not mandated by law because we believe that it will enable investors to make more informed decisions based on our performance.

The book, *The Value Reporting Revolution : Moving Beyond the Earnings Game*, authored by Robert Eccles, Robert Herz, Mary Keegan and David Phillips, associated to the accounting firm, PricewaterhouseCoopers, (published by John Wiley & Sons, Inc., U.S., ©2001), acknowledged the need to go beyond GAAP in providing information to shareholders. In their book, *Building Public Trust : The Future of Corporate Reporting* (published by John Wiley & Sons, Inc., U.S., ©2002 PricewaterhouseCoopers), our business model and reporting were referred to in detail.

We believe the following ValueReporting™ paradigm applies to us :

The ValueReporting™ paradigm

We identified the need to provide a range of non-financial parameters early in our existence – before our Indian public offering in 1993.

To reduce information asymmetry, we make the following disclosures in addition to the mandated Indian and IFRS financial statements and supplementary data as required by the relevant statutes :

- Brand valuation
- Balance Sheet including intangible assets
- Economic Value-Added (EVA®) statement
- Intangible asset scorecard
- Risk management report
- Human resource accounting and value-added statement

[(1)] *Refer to the Human Resource valuation for details.*

The Corporate Reporting™ framework

By adopting similar internal measures to evaluate business performance, our employees are adjudged based on metrics that are additional to the financials. This balances financial and non-financial performance across all levels of the organization. Accordingly, we seek to align the measures by which stakeholders measure our performance with what results in employee rewards.

In addition to the Annual Report, a Sustainability Report measuring compliance against the Global Reporting Initiative (GRI) is also being published since fiscal 2008.

In fiscal 2005, we adopted and furnished eXtensible Business Reporting Language (XBRL) data to the U.S. Securities and Exchange Commission (SEC) for the first time. We are the fourth company worldwide to adopt the XBRL. As the SEC website is under preparation for the acceptance of IFRS XBRL filings, we have not been furnishing our IFRS filings after March 31, 2009, although we have completed a pilot testing on XBRL statements in IFRS. We have been invited by the International Accounting Standards Board to conduct pilot testing of the new versions of the IFRS taxonomy and have tested on the detailed tagging of the IFRS taxonomy.

The book, *One Report : Integrated Reporting for a Sustainable Strategy*, authored by Robert Eccles and Michael Krzus, (published by John Wiley & Sons, Inc., U.S., © 2010), analyzes the need to give one integrated report for financial and non-financial measures for providing information to shareholders. Although we give all the information through multiple reports today, we will strive towards an integrated report in future. In an endeavor to achieve the same, we have significantly enhanced the involvement of social media network by having a company presence on Facebook™ and Twitter™ for interacting with a wider and larger part of the stakeholder community. We have also adopted a social media policy that provides guidelines for participating in social media responsibly without compromising the Company's interest by deliberate or inadvertent disclosure of company confidential / proprietary information. Further, in an effort to increase the robustness of our non-financial valuations to a more contemporary model, we have valued our human capital valuation together with the newer dimension on human externality valuation using a new model. The model assumptions and parameters have been discussed in detail in the *Human resource valuation* section.

In the coming years, we will continue our commitment to furnish additional qualitative information to help our shareholders understand better the management of our business.