

INFOSYS LIMITED
In ₹ crore

Balance Sheet as at	Note	June 30, 2015	March 31, 2015
EQUITY AND LIABILITIES			
SHAREHOLDERS' FUNDS			
Share capital	2.1	1,148	574
Reserves and surplus	2.2	49,819	47,494
		<u>50,967</u>	<u>48,068</u>
NON-CURRENT LIABILITIES			
Deferred tax liabilities (net)	2.3	-	-
Other long-term liabilities	2.4	120	30
		<u>120</u>	<u>30</u>
CURRENT LIABILITIES			
Trade payables	2.5	151	124
Other current liabilities	2.6	6,032	5,546
Short-term provisions	2.7	5,029	8,045
		<u>11,212</u>	<u>13,715</u>
		<u>62,299</u>	<u>61,813</u>
ASSETS			
NON-CURRENT ASSETS			
Fixed assets			
Tangible assets	2.8	7,603	7,347
Capital work-in-progress		818	769
		<u>8,421</u>	<u>8,116</u>
Non-current investments	2.10	7,018	6,108
Deferred tax assets (net)	2.3	381	433
Long-term loans and advances	2.11	4,931	4,378
Other non-current assets	2.12	17	26
		<u>20,768</u>	<u>19,061</u>
CURRENT ASSETS			
Current investments	2.10	602	749
Trade receivables	2.13	9,200	8,627
Cash and cash equivalents	2.14	25,231	27,722
Short-term loans and advances	2.15	6,498	5,654
		<u>41,531</u>	<u>42,752</u>
		<u>62,299</u>	<u>61,813</u>

SIGNIFICANT ACCOUNTING POLICIES
1
The accompanying notes form an integral part of the standalone interim financial statements
As per our report of even date attached
for B S R & Co. LLP
Chartered Accountants
Firm's Registration Number:101248W/W-100022
for and on behalf of the Board of Directors of Infosys Limited

Supreet Sachdev

Partner

Membership No. 205385

R.Seshasayee

Chairman

Dr. Vishal Sikka

*Chief Executive Officer and
Managing Director*

Bangalore

July 21, 2015

Rajiv Bansal

Chief Financial Officer

A.G.S Manikantha

Company Secretary

INFOSYS LIMITED
In ₹ crore, except equity share and per equity share data

Statement of Profit and Loss for the	Note	Quarter ended June 30,	
		2015	2014
Income from software services and products	2.16	12,738	11,319
Other income	2.17	719	790
Total revenue		13,457	12,109
Expenses			
Employee benefit expenses	2.18	6,817	6,234
Deferred consideration pertaining to acquisition	2.10.1	46	57
Cost of technical sub-contractors	2.18	965	617
Travel expenses	2.18	432	340
Cost of software packages and others	2.18	291	268
Communication expenses	2.18	80	92
Professional charges		132	47
Depreciation and amortisation expense	2.8	252	192
Other expenses	2.18	449	467
Total expenses		9,464	8,314
PROFIT BEFORE TAX		3,993	3,795
Tax expense:			
Current tax	2.19	1,050	1,088
Deferred tax	2.19	46	(13)
PROFIT FOR THE PERIOD		2,897	2,720
EARNINGS PER EQUITY SHARE			
Equity shares of par value ₹5/- each			
Basic		12.61	11.90
Diluted		12.61	11.90
Number of shares used in computing earnings per share	2.32		
Basic		229,69,44,664	228,56,10,264
Diluted		229,69,44,664	228,56,10,264

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INFOSYS LIMITED
In ₹ crore

Cash Flow Statement for the	Quarter ended June 30,	
	2015	2014
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	3,993	3,795
Adjustments to reconcile profit before tax to cash generated by operating activities		
Depreciation and amortisation expense	252	192
Provision for bad and doubtful debts	(19)	105
Deferred purchase price	46	57
Interest and dividend income	(662)	(657)
Stock compensation expense	2	-
Other adjustments	10	(17)
Effect of exchange differences on translation of assets and liabilities	5	(3)
Changes in assets and liabilities		
Trade receivables	(554)	(987)
Loans and advances and other assets	(398)	(190)
Liabilities and provisions	498	347
	3,173	2,642
Income taxes paid	(1,241)	(632)
NET CASH GENERATED BY OPERATING ACTIVITIES	1,932	2,010
CASH FLOWS FROM INVESTING ACTIVITIES		
Payment towards capital expenditure	(586)	(416)
Proceeds on sale of fixed assets	1	-
Investment in subsidiaries	(191)	-
Payment towards acquisition (refer note 2.10.5)	(578)	-
Investment in Preferred stock	(13)	-
Investment in liquid mutual fund units	(8,234)	(5,950)
Disposal of liquid mutual fund units	8,381	5,447
Redemption of certificates of deposit	-	275
Interest and dividend received	223	599
NET CASH USED IN INVESTING ACTIVITIES	(997)	(45)
CASH FLOWS FROM FINANCING ACTIVITIES		
Loan given to subsidiaries	(48)	-
Loan repaid by subsidiary	5	-
Dividends paid	(3,383)	(2,454)
Dividend tax paid	-	(420)
NET CASH USED IN FINANCING ACTIVITIES	(3,426)	(2,874)
Effect of exchange differences on translation of foreign currency cash and cash equivalents	-	2
NET DECREASE IN CASH AND CASH EQUIVALENTS	(2,491)	(907)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	27,722	24,100
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	25,231	23,193

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Significant accounting policies

Company overview

Infosys is a global leader in consulting, technology, outsourcing and next-generation services. Along with its subsidiaries, Infosys provides Business IT services (comprising application development and maintenance, independent validation, infrastructure management, engineering services comprising product engineering and life cycle solutions and business process management); Consulting and systems integration services (comprising consulting, enterprise solutions, systems integration and advanced technologies); Products, business platforms and solutions to accelerate intellectual property-led innovation including Finacle, our banking solution; and offerings in the areas of Analytics, Cloud, and Digital Transformation.

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 BSE Limited 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), NYSE Euronext London and NYSE Euronext Paris.

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 under Section 133 of the Companies Act, 2013 ('Act') read with Rule 7 of the Companies (Accounts) Rules, 2014, the provisions of the Act (to the extent notified) 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 tangible 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 indirect 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 is reasonably estimable 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 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 statement of profit and loss. 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 Tangible assets and capital work-in-progress

Tangible assets are stated at cost, less accumulated depreciation and impairment, if any. Direct costs are capitalized until such 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.

1.8 Intangible assets

Intangible assets are recorded at the consideration paid for acquisition of such assets and are carried at cost less accumulated amortization and impairment.

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.

1.9 Depreciation and amortization

Depreciation on tangible 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. 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 ⁽¹⁾	22-25 years
Plant and Machinery ⁽¹⁾	5 years
Office equipment	5 years
Computer equipment ⁽¹⁾	3-5 years
Furniture and fixtures ⁽¹⁾	5 years
Vehicles ⁽¹⁾	5 years

⁽¹⁾ For these class of assets, based on internal assessment and independent technical evaluation carried out by external valuers the management believes that the useful lives as given above best represent the period over which management expects to use these assets. Hence the useful lives for these assets is different from the useful lives as prescribed under Part C of Schedule II of the Companies Act 2013.

Depreciation and amortization methods, useful lives and residual values are reviewed periodically, including at each financial year end. (Refer note 2.8)

1.10 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.

1.11 Retirement benefits to employees

a Gratuity

The Company provides for gratuity, a defined benefit retirement plan ('the Gratuity Plan') covering eligible employees. The Gratuity Plan provides a lump-sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment with the Company.

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

c Provident fund

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

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 using projected unit credit method on the additional amount expected to be paid/availed as a result of the unused entitlement that has accumulated at the Balance Sheet date. Expense on non-accumulating compensated absences is recognized in the period in which the absences occur.

1.12 Share-based payments

The company accounts for equity settled stock options as per the accounting treatment prescribed by Securities and Exchange Board of India (share based employee benefits) Regulations, 2014 and the Guidance Note on Employee Share-based Payments issued by the Institute of Chartered Accountants of India using the intrinsic value method.

1.13 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.

1.14 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 and subsequently 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.

1.15 Income taxes

Income taxes are accrued in the same period that the related revenue and expenses arise. A provision is made for income tax, 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. The income tax provision for the interim period is made based on the best estimate of the annual average tax rate expected to be applicable for the full financial year. Tax benefits of deductions earned on exercise of employee share options in excess of compensation charged to statement of profit and loss are credited to the securities premium reserve.

1.16 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.

1.17 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. 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.

1.18 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.

1.19 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.

1.20 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 recognised as an expense on a straight line basis in the statement of profit and loss over the lease term.

2 NOTES TO ACCOUNTS FOR THE QUARTER ENDED JUNE 30, 2015

Amounts in the financial statements are presented in ₹ crore, except for per share data and as otherwise stated. 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

Particulars	in ₹ crore, except as otherwise stated	
	As at	
	June 30, 2015	March 31, 2015
Authorized		
Equity shares, ₹5/- par value		
240,00,00,000 (120,00,00,000) equity shares	1,200	600
Issued, Subscribed and Paid-Up		
Equity shares, ₹5/- par value ⁽¹⁾	1,148	574
229,69,44,664 (114,84,72,332) equity shares fully paid-up	1,148	574

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

⁽¹⁾ Refer note 2.32 for details of basic and diluted shares

Effective January 1, 2015, Infosys Limited Employees' Welfare Trust ('The Trust') has been deconsolidated consequent to SEBI (Share Based Employee Benefits) Regulations, 2014 issued on October 28, 2014.

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.

In the period of five years immediately preceding June 30, 2015:

The Company has allotted 114,84,72,332 fully paid-up shares of face value ₹ 5/- each during the quarter ended June 30, 2015, pursuant to bonus issue approved by the shareholders through postal ballot. The book closure date fixed by the Board was June 17, 2015.

The Company has allotted 57,42,36,166 fully paid up equity shares of face value ₹5/- each during the quarter ended December 31, 2014 pursuant to a bonus issue approved by the shareholders through a postal ballot. The record date fixed by the Board of Directors was December 3, 2014.

For both the bonus issues, bonus share of one equity share for every equity share held, and a stock dividend of one American Depositary Share (ADS) for every ADS held, respectively, has been allotted. Consequently, the ratio of equity shares underlying the ADSs held by an American Depositary Receipt holder remains unchanged. Options granted under the restricted stock unit plan have been adjusted for bonus shares.

During the year ended March 31, 2015, the amount of dividend per share recognised as distribution to equity shareholder includes ₹29.50/- per share of final dividend (not adjusted for bonus shares on June 17, 2015) and ₹30/- per share of interim dividend (not adjusted for bonus shares of June 17, 2015 and December 3, 2014). The total dividend appropriation for the year ended March 31, 2015 amounted to ₹6,145 crore including corporate dividend tax of ₹1,034 crore.

The Board has increased dividend pay-out ratio from up to 40% to up to 50% of post-tax consolidated profits effective fiscal 2015.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the company in proportion to the number of equity shares held by the shareholders, after distribution of all preferential amounts.

The details of shareholder holding more than 5% shares as at June 30, 2015 and March 31, 2015 are set out below :

Name of the shareholder	As at June 30, 2015		As at March 31, 2015	
	No. of shares	% held	No. of shares	% held
Deutsche Bank Trust Company Americas (Depository of ADR's - legal ownership)	38,45,01,272	16.74	18,60,73,981	16.20
Life Insurance Corporation of India	127,144,076	5.54	55,274,758	4.81

The reconciliation of the number of shares outstanding and the amount of share capital as at June 30, 2015 and March 31, 2015 is set out below:

Particulars	As at June 30, 2015		As at March 31, 2015	
	Number of shares	Amount (₹ crore)	Number of shares	Amount (₹ crore)
Number of shares at the beginning of the period	114,84,72,332	574	57,14,02,566	286
Add: Bonus shares issued (Including bonus on treasury shares)	114,84,72,332	574	57,42,36,166	287
Add: Treasury shares on account of deconsolidation of trust	-	-	28,33,600	1
Number of shares at the end of the period	229,69,44,664	1,148	114,84,72,332	574

Stock Option Plan:

2011 RSU Plan (the 2011 Plan): The Company has a 2011 RSU Plan which provides for the grant of restricted stock units (RSUs) to eligible employees of the Company. The Board of Directors recommended establishment of the 2011 Plan to the shareholders on August 30, 2011 and the shareholders approved the recommendation of the Board of Directors on October 17, 2011 through a postal ballot. The maximum aggregate number of shares that may be awarded under the Plan is 11,334,400 shares (currently held by the Infosys Limited Employees' Welfare Trust and adjusted for bonus shares issued) and the plan shall continue in effect for a term of 10 years from the date of initial grant under the plan. The RSUs will be issued at par value of the equity share. The 2011 Plan is administered by the Management Development and Compensation Committee now known as the Nomination and Remuneration Committee (the Committee) and through the trust. The Committee is comprised of independent members of the Board of Directors.

During the year ended March 31, 2015, the company made a grant of 108,268 restricted stock units (adjusted for bonus issues) to Dr. Vishal Sikka, Chief Executive Office and Managing Director. The Board in its meeting held on June 22, 2015, on recommendation of Nomination and Remuneration Committee, granted 1,24,061 RSUs to Dr. Vishal Sikka. The RSUs will vest over a period of four years from the date of the grant in the proportions specified in the award agreement. The RSUs will vest subject to achievement of certain key performance indicators as set forth in the award agreement for each applicable year of the vesting tranche and continued employment through each vesting date.

In accordance with the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014, the excess of the closing market price on the grant date of the RSUs over the exercise price is amortised on a straight-line basis over the vesting period.

The activity in the 2011 Plan during the quarter ended June 30, 2015 is set out below:

Particulars	Quarter ended June 30, 2015	
	Shares arising out of options	Weighted average exercise price (₹)
2011 Plan:		
Outstanding at the beginning*	1,08,268	5
Granted	1,24,061	5
Forfeited and expired	-	-
Exercised	-	-
Outstanding at the end	2,32,329	5
Exercisable at the end	-	-

*adjusted for bonus issues

The weighted average remaining contractual life of RSUs outstanding as of June 30, 2015 under the 2011 Plan was 2.59 years.

The differential on stock compensation expense if the 'fair value' of the RSU's on the date of the grant were considered instead of the 'intrinsic value' during the quarter ended June 30, 2015 is less than ₹1 crore. Consequently, there is no impact on earnings per share.

The fair value for the above impact analysis is estimated on the date of grant using the Black-Scholes-Merton model with the following assumptions:

Options granted during	Fiscal 2016	Fiscal 2015
Grant date	22-Jun-15	21-Aug-14
Weighted average share price (₹)*	1,024	3,549
Exercise price (₹)	5	5
Expected volatility (%)	28-36	30 - 37
Expected life of the option (years)	1 - 4	1 - 4
Expected dividends (%)	2.43	1.84
Risk-free interest rate (%)	7- 8	8 - 9
Weighted average fair value as on grant date (₹)*	948	3,355

* Data for Fiscal 2015 is not adjusted for bonus issues

The expected term of an RSU is estimated based on the vesting term and contractual term of the RSU, as well as expected exercise behaviour of the employee who receives the RSU. Expected volatility during the expected term of the RSU is based on historical volatility of the observed market prices of the company's publicly traded equity shares during a period equivalent to the expected term of the RSU.

During the three months ended June 30, 2015 and June 30, 2014, the company recorded an employee compensation expense of ₹2 crore and Nil, respectively

2.2 RESERVES AND SURPLUS

in ₹ crore

Particulars	As at	
	June 30, 2015	March 31, 2015
Capital reserve - Opening balance	54	54
Add: Transferred from Surplus	-	-
	54	54
Securities premium reserve - Opening balance	2,778	3,069
Less: Deconsolidation of trust (Refer note 2.1)	-	4
Less: Amount utilized for issuance of bonus shares (Refer note 2.1)	574	287
	2,204	2,778
Stock Options Outstanding- Opening balance (Refer note 2.1)	2	-
Additions during the period	2	2
	4	2
General reserve - Opening balance	9,508	8,291
Add: Transferred from Surplus	-	1,217
	9,508	9,508
Special Economic Zone Re-investment Reserve- Opening balance ⁽¹⁾	-	-
Add: Transferred from Surplus	135	-
Less: Transferred to Surplus on utilization	135	-
Special Economic Zone Re-investment Reserve- Closing balance	-	-
Surplus - Opening balance	35,152	30,392
Add: Net profit after tax transferred from Statement of Profit and Loss	2,897	12,164
Less: Deconsolidation of trust, net (Refer note 2.1)	-	42
Add: Transfer from Special Economic Zone Re-investment Reserve	135	-
Amount available for appropriation	38,184	42,514
Appropriations:		
Interim dividend	-	1,723
Final dividend	-	3,388
Total dividend	-	5,111
Dividend tax	-	1,034
Amount transferred to general reserve	-	1,217
Amount transferred to Special Economic Zone Re-investment Reserve	135	-
Surplus- Closing Balance	38,049	35,152
	49,819	47,494

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

2.3 DEFERRED TAXES

Particulars	in ₹ crore	
	As at	
	June 30, 2015	March 31, 2015
Deferred tax assets		
Fixed assets	177	210
Trade receivables	97	100
Unavailed leave	290	280
Computer software	50	51
Accrued compensation to employees	24	29
Post sales client support	71	72
Others	7	7
	716	749
Deferred tax liabilities		
Branch profit tax	321	316
Others	14	-
	335	316
Deferred tax assets after set-off	381	433
Deferred tax liabilities after set-off	-	-

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 June 30, 2015 and March 31, 2015, the Company has provided for branch profit tax of ₹321 crore and ₹316 crore, respectively, for its overseas branches, as the Company estimates that these branch profits would be distributed in the foreseeable future. The change in provision for branch profit tax includes ₹5 crore movement on account of exchange rate during the quarter ended June 30, 2015.

2.4 OTHER LONG-TERM LIABILITIES

Particulars	in ₹ crore	
	As at	
	June 30, 2015	March 31, 2015
Others		
Gratuity obligation - unamortised amount relating to plan amendment (refer note 2.29)	3	3
Payable for acquisition of business (refer note 2.10.5)	90	-
Rental deposits received from subsidiary (refer note 2.26)	27	27
	120	30

2.5 TRADE PAYABLES

Particulars	in ₹ crore	
	As at	
	June 30, 2015	March 31, 2015
Trade payables	151	124
	151	124
<i>Includes dues to subsidiaries (refer note 2.26)</i>	112	102

2.6 OTHER CURRENT LIABILITIES

Particulars	in ₹ crore	
	As at	
	June 30, 2015	March 31, 2015
Accrued salaries and benefits		
Salaries and benefits	998	1,144
Bonus and incentives	545	575
Other liabilities		
Provision for expenses ⁽¹⁾	1,738	1,582
Retention monies	52	50
Withholding and other taxes payable	1,029	733
Gratuity obligation - unamortised amount relating to plan amendment, current (refer note 2.29)	3	4
Other payables ⁽²⁾	57	79
Advances received from clients	10	20
Unearned revenue	945	831
Unpaid dividends	8	3
Mark-to-market forward and options contracts	4	-
Payable for acquisition of business (refer note 2.10.1 and 2.10.5)	643	525
	6,032	5,546
⁽¹⁾ Includes dues to subsidiaries (refer note 2.26)	13	36
⁽²⁾ Includes dues to subsidiaries (refer note 2.26)	20	33

2.7 SHORT-TERM PROVISIONS

Particulars	in ₹ crore	
	As at	
	June 30, 2015	March 31, 2015
Provision for employee benefits		
Unavailed leave	969	907
Others		
Proposed dividend	-	3,388
Provision for		
Tax on dividend	690	690
Income taxes (net of advance tax and Tax Deducted at Source)	2,972	2,678
Post-sales client support and warranties and other provisions	398	382
	5,029	8,045

Provision for post-sales client support and warranties and other provisions

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

Particulars	Quarter ended		Year ended
	June 30, 2015	June 30, 2014	March 31, 2015
Balance at the beginning	382	325	325
Provision recognized/(reversed)	20	4	134
Provision utilised	(10)	(21)	(78)
Exchange difference during the period	6	(1)	1
Balance at the end	398	307	382

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

2.8 FIXED ASSETS

Following are the changes in the carrying value of fixed assets for the quarter ended June 30, 2015:

in ₹ crore, except as otherwise stated

Particulars	Tangible assets									Intangible assets		Total
	Land-Freehold	Land-Leasehold	Buildings ⁽¹⁾⁽²⁾	Plant and Machinery ⁽²⁾	Office equipment ⁽²⁾	Computer equipment ⁽²⁾	Furniture and fixtures ⁽²⁾	Vehicles	Total	Intellectual property rights	Total	
Original cost												
As at April 1, 2015	929	621	5,733	1,361	525	2,812	832	14	12,827	42	42	12,869
Additions/	18	-	74	64	26	281	45	1	509	-	-	509
Adjustments during the period												
Deductions/ Retirement during the period	-	-	-	-	-	(4)	(1)	-	(5)	-	-	(5)
As at June 30, 2015	947	621	5,807	1,425	551	3,089	876	15	13,331	42	42	13,373
Depreciation and amortization												
As at April 1, 2015	-	16	1,937	838	280	1,852	549	8	5,480	42	42	5,522
For the period	-	1	51	47	20	101	31	1	252	-	-	252
Deductions/	-	-	-	-	-	(3)	(1)	-	(4)	-	-	(4)
Adjustments during the period												
As at June 30, 2015	-	17	1,988	885	300	1,950	579	9	5,728	42	42	5,770
Net book value												
As at June 30, 2015	947	604	3,819	540	251	1,139	297	6	7,603	-	-	7,603

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 cancellable operating lease to subsidiaries

Following are the changes in the carrying value of fixed assets for the quarter ended June 30, 2014:

in ₹ crore, except as otherwise stated

Particulars	Tangible assets									Intangible assets		Total
	Land-Freehold	Land-Leasehold	Buildings ⁽¹⁾⁽²⁾	Plant and Machinery ⁽²⁾	Office equipment ⁽²⁾	Computer equipment ^{(2) (3)}	Furniture and fixtures ⁽²⁾	Vehicles	Total	Intellectual property rights	Total	
Original cost												
As at April 1, 2014	781	349	4,878	1,090	393	2,178	679	13	10,361	59	59	10,420
Additions/	54	103	61	16	22	107	14	-	377	-	-	377
Adjustments during the period												
Deductions/ Retirement during the period	-	-	-	-	-	(5)	-	-	(5)	-	-	(5)
As at June 30, 2014	835	452	4,939	1,106	415	2,280	693	13	10,733	59	59	10,792
Depreciation and amortization												
As at April 1, 2014	-	-	1,754	671	215	1,554	441	7	4,642	46	46	4,688
For the period	-	-	43	38	14	69	23	1	188	4	4	192
Deductions/	-	-	-	-	-	(5)	-	-	(5)	-	-	(5)
Adjustments during the period												
As at June 30, 2014	-	-	1,797	709	229	1,618	464	8	4,825	50	50	4,875
Net book value												
As at June 30, 2014	835	452	3,142	397	186	662	229	5	5,908	9	9	5,917

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 cancellable operating lease to Infosys BPO, subsidiary

(3) The opening balance as of April 1, 2014 includes computer equipment having gross book value of ₹1 crore (net book value Nil) transferred from Infosys Consulting India Limited

Following are the changes in the carrying value of fixed assets for the year ended March 31, 2015:

in ₹ crore, except as otherwise stated

Particulars	Tangible assets									Intangible assets		Total
	Land-Freehold	Land-Leasehold	Buildings ⁽¹⁾⁽²⁾	Plant and Machinery ⁽²⁾	Office equipment ⁽²⁾	Computer equipment ^{(2) (3)}	Furniture and fixtures ⁽²⁾	Vehicles	Total	Intellectual property rights	Total	
Original cost												
As at April 1, 2014	781	349	4,878	1,090	393	2,178	679	13	10,361	59	59	10,420
Additions/	148	272	855	274	134	694	160	3	2,540	-	-	2,540
Adjustments during the year												
Deductions/ Retirement during the year	-	-	-	(3)	(2)	(60)	(7)	(2)	(74)	(17)	(17)	(91)
As at March 31, 2015	929	621	5,733	1,361	525	2,812	832	14	12,827	42	42	12,869
Depreciation and amortization												
As at April 1, 2014	-	-	1,754	671	215	1,554	441	7	4,642	46	46	4,688
For the period	-	16	183	169	67	350	113	2	900	13	13	913
Deductions/	-	-	-	(2)	(2)	(52)	(5)	(1)	(62)	(17)	(17)	(79)
Adjustments during the year												
As at March 31, 2015	-	16	1,937	838	280	1,852	549	8	5,480	42	42	5,522
Net book value												
As at March 31, 2015	929	605	3,796	523	245	960	283	6	7,347	-	-	7,347

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 cancellable operating lease to subsidiaries

(3) During the year ended March 31, 2015, computer equipment having net book value of ₹8 crore was transferred to EdgeVerve Systems Limited (Refer note 2.10.2)

During the quarter ended June 30, 2014, the management based on internal and external technical evaluation reassessed the remaining useful life of assets primarily consisting of buildings and computers with effect from April 1, 2014. Accordingly, the useful lives of certain assets required a change from previous estimates.

The Company has entered into lease-cum-sale agreements to acquire certain properties. In accordance with the terms of some of these agreements, the Company has the option to purchase or renew the properties on expiry of the lease period.

Tangible assets provided on operating lease to subsidiaries as at June 30, 2015 and *March 31, 2015* are as follows:

<i>in ₹ crore</i>			
Particulars	Cost	Accumulated depreciation	Net book value
Buildings	98	35	63
	98	35	63
Plant and equipment	8	2	6
	12	3	9
Furniture and fixtures	11	3	8
	11	2	9
Office equipment	11	2	9
	6	1	5

The aggregate depreciation charged on the above assets during the quarter ended June 30, 2015 amounted to ₹2 crore (less than ₹1 crore for the quarter ended June 30, 2014).

The rental income from subsidiaries for the quarter ended June 30, 2015 amounted to ₹8 crore (₹4 crore for the quarter ended June 30, 2014).

2.9 LEASES

Obligations on long-term, non-cancellable operating leases

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

<i>in ₹ crore</i>		
Particulars	Quarter ended June 30,	
	2015	2014
Lease rentals recognized during the period	41	42

<i>in ₹ crore</i>		
Lease obligations payable	As at	
	June 30, 2015	March 30, 2015
Within one year of the balance sheet date	123	101
Due in a period between one year and five years	337	284
Due after five years	214	158

The operating lease arrangements, are renewable on a periodic basis and for most of the leases 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	
	June 30, 2015	March 31, 2015
Non-current investments		
Long term investments - at cost		
Trade (unquoted)		
Investments in equity instruments of subsidiaries		
Infosys BPO Limited		
3,38,22,319 (3,38,22,319) equity shares of ₹10/- each, fully paid	659	659
Infosys Technologies (China) Co. Limited	169	169
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 (17,49,99,990) equity shares of MXN 1 par value, fully paid up	65	65
Infosys Technologies (Sweden) AB		
1,000 (1,000) equity shares of SEK 100 par value, fully paid	-	-
Infosys Technologia do Brasil Ltda		
5,91,24,348 (5,91,24,348) shares of BRL 1.00 par value, fully paid	149	149
Infosys Technologies (Shanghai) Company Limited	579	388
Infosys Public Services, Inc.		
3,50,00,000 (3,50,00,000) shares of USD 0.50 par value, fully paid	99	99
Lodestone Holding AG (refer note 2.10.1)		
23,350 (23,350) - Class A shares of CHF 1,000 each and 29,400 (29,400) - Class B Shares of CHF 100 each, fully paid up	1,323	1,323
Infosys Americas Inc.		
10,000 (10,000) shares of USD 10 per share, fully paid up	1	1
EdgeVerve Systems Limited (refer note 2.10.2)		
46,18,39,994 (46,18,39,994) equity shares of ₹10/- each, fully paid	462	462
Panaya Inc. (refer note 2.10.3)		
2 (2) shares of USD 0.01 per share, fully paid up	1,398	1,398
Infosys Nova Holdings LLC (refer note 2.10.4)	94	94
Kallidus Inc. (refer note 2.10.5)		
10,21,35,416 (Nil) shares	647	-
Skava Systems Private Limited (refer note 2.10.5)		
25,000 (Nil) shares of ₹10 per share, fully paid up	59	-
	5,770	4,873
Others (unquoted) (refer note 2.10.6)		
Investments in preferred stock	13	-
Investments in equity instruments	7	7
Less: Provision for investments	6	6
	14	1
Others (quoted)		
Investments in tax free bonds (refer note 2.10.7)	1,234	1,234
Investments in government bonds (refer note 2.10.7)	-	-
	1,234	1,234
Total non-current investments	7,018	6,108
Current investments – at the lower of cost and fair value		
Other current investments		
Unquoted		
Liquid mutual fund units (refer note 2.10.8)	602	749
	602	749
Total current investments	602	749
Total investments	7,620	6,857
Aggregate amount of quoted investments excluding interest accrued but not due of ₹70 crore as at June 30, 2015 (₹46 crore as at March 31, 2015) included under Note 2.15 Short term Loans and advances	1,234	1,234
Market value of quoted investments	1,282	1,269
Aggregate amount of unquoted investments	6,392	5,629
Aggregate amount of provision made for non-current unquoted investments	6	6

Profit on sale of Investment is less than ₹1 crore for quarter ended June 30, 2015.

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 upto ₹608 crore.

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 recognised on a proportionate basis over a period of three years from the date of acquisition. An amount of ₹46 crore and ₹57 crore, representing the proportionate charge of the deferred consideration has been recognised as an expense during the quarter ended June 30, 2015 and June 30, 2014 respectively.

2.10.2 Investment in EdgeVerve Systems Limited

On February 14, 2014, a wholly owned subsidiary EdgeVerve Systems Limited (EdgeVerve) was incorporated. EdgeVerve was created to focus on developing and selling products and platforms. The company has undertaken an enterprise valuation by an independent valuer and accordingly the business has been transferred for a consideration of ₹421 crore with effect from July 1, 2014. Net assets amounting to ₹9 crore have also been transferred and accordingly a gain of ₹412 crore has been recorded as an exceptional item. The consideration has been settled through the issue of fully paid up equity shares in EdgeVerve.

2.10.3 Investment in Panaya Inc.

On March 5, 2015, Infosys acquired 100% of the voting interests in Panaya Inc. (Panaya), a Delaware Corporation in the United States. Panaya is a leading provider of automation technology for large scale enterprise and software management. The business acquisition was conducted by entering into a share purchase agreement for cash consideration of ₹1,398 crore.

2.10.4 Investment in DWA Nova LLC

During the year ended March 31, 2015, Infosys Nova Holdings LLC acquired 20% of the equity interests in DWA Nova LLC for a cash consideration of ₹94 crore. The company has made this investment to form a new company along with Dream Works Animation (DWA). The new company, DWA Nova LLC, will develop and commercialize image generation technology in order to provide end-to-end digital manufacturing capabilities for companies involved in the design, manufacturing, marketing or distribution of physical consumer products.

2.10.5 Investment in Kallidus Inc. & Skava Systems Pvt. Ltd.

On June 2, 2015, Infosys acquired 100% of the voting interests in Kallidus Inc., (d.b.a Skava) (Kallidus), a leading provider of digital experience solutions, including mobile commerce and in-shore shopping experiences to large retail clients and 100% of the voting interests of Skava Systems Private Limited, India, an affiliate of Kallidus. The business acquisition was conducted by entering into a share purchase agreement for cash consideration of ₹578 crore and a contingent consideration of upto ₹128 crore, the payment of which is dependent upon the achievement of certain financial targets by Kallidus over a period of 3 years ending on December 31, 2017.

2.10.6 Details of Investments

The details of non-current other investments in preferred stock and equity instruments as at June 30, 2015 and March 31, 2015 are as follows:

Particulars	As at		in ₹ crore	
	June 30, 2015	March 31, 2015		
<i>Preferred Stock</i>				
Airviz Inc.				
2,82,279 Series A Preferred Stock, fully paid up, par value USD 0.001 each	13	-		
<i>Equity Instrument</i>				
OnMobile Systems Inc., USA				
21,54,100 (21,54,100) common stock, fully paid up, par value USD 0.001 each	4	4		
Merasport Technologies Private Limited				
2,420 (2,420) equity shares , fully paid up, par value ₹10/- each	2	2		
Global Innovation and Technology Alliance				
10,000 (10,000) equity shares , fully paid up, par value ₹1,000/- each	1	1		
	20	7		
Less: Provision for investment	6	6		
	14	1		

2.10.7 Details of Investments in tax free bonds

The balances held in tax free bonds as at June 30, 2015 and March 31, 2015 is as follows:

Particulars	Face Value ₹	As at June 30, 2015		As at March 31, 2015		in ₹ crore	
		Units	Amount	Units	Amount		
7.18% Indian Railway Finance Corporation Limited Bonds 19FEB2023	1,000/-	2,000,000	201	2,000,000	201		
7.34% Indian Railway Finance Corporation Limited Bonds 19FEB2028	1,000/-	2,100,000	211	2,100,000	211		
7.93% Rural Electrification Corporation Limited Bonds 27MAR2022	1,000/-	200,000	21	200,000	21		
8.26% India Infrastructure Finance Company Limited Bonds 23AUG28	10,00,000/-	1,000	100	1,000	100		
8.30% National Highways Authority of India Bonds 25JAN2027	1,000/-	500,000	53	500,000	53		
8.35% National Highways Authority of India Bonds 22NOV2023	10,00,000/-	1,500	150	1,500	150		
8.46% India Infrastructure Finance Company Limited Bonds 30AUG2028	10,00,000/-	2,000	200	2,000	200		
8.46% Power Finance Corporation Limited Bonds 30AUG2028	10,00,000/-	1,500	150	1,500	150		
8.48% India Infrastructure Finance Company Limited Bonds 05SEP2028	10,00,000/-	450	45	450	45		
8.54% Power Finance Corporation Limited Bonds 16NOV2028	1,000/-	500,000	50	500,000	50		
8.10% Indian Railway Finance Corporation Limited Bonds 23FEB2027	1,000/-	500,000	53	500,000	53		
		58,06,450	1,234	58,06,450	1,234		

The balances held in government bonds as at June 30, 2015 and March 31, 2015 is as follows:

Particulars	Face Value ₹	As at June 30, 2015		As at March 31, 2015		in ₹ crore	
		Units	Amount	Units	Amount		
FIXED RATE TREASURY NOTES 7.00 PCT PIBD0716A488 MAT DATE 27 JAN 2016	140	10,000	-	10,000	-		
		10,000	-	10,000	-		

2.10.8 Details of Investments in liquid mutual fund units

The balances held in liquid mutual fund units as at June 30, 2015 is as follows:

in ₹ crore

Particulars	Units	Amount
ICICI Liquid Plan - Direct Plan Daily Dividend	15,042,100	151
Tata Liquid fund - Direct Plan Daily Dividend	807,660	90
Franklin India Treasury Management Account - Super Institutional Plan - Direct	899,706	90
Birla Sun Life Cash Plus Daily Dividend Reinvestment - Direct	15,424,706	154
JP Morgan India -Liquid Fund - Direct Plan Daily Dividend Reinvestment	17,032,919	17
Reliance Liquid Fund - Treasury Plan - Direct Plan Daily Dividend Option	654,243	100
	49,861,334	602

The balances held in liquid mutual fund units as at March 31, 2015 is as follows:

in ₹ crore

Particulars	Units	Amount
IDFC Cash Fund - Direct Plan Daily Dividend	29,30,197	293
Reliance Liquid Fund - Treasury Plan - Direct Plan Daily Dividend Option	9,81,551	150
SBI Premier Liquid Fund - Direct Plan Daily Dividend	9,97,094	100
ICICI Liquid Plan - Direct Plan Daily Dividend	2,05,44,807	206
	2,54,53,649	749

2.10.9 Proposed Investment

Finacle and Edge Services

On April 24, 2015, the Board of Directors of Infosys has authorized the Company to execute a Business Transfer Agreement and related documents with EdgeVerve, a wholly owned subsidiary, to transfer the business of Finacle and Edge Services, subject to securing the requisite approval from shareholders through postal ballot. Subsequently, on June 4, 2015, the shareholders have authorised execution of Business Transfer Agreement and other related documents with EdgeVerve, with effect from August 1, 2015 or any other date as may be decided by the Board. The company has undertaken independent valuation by an independent valuer and accordingly the business will be transferred for a consideration of upto ₹ 3,400 crore and upto ₹220 crore for Finacle and Edge Services, respectively.

Infosys Public Services (IPS)

On June 22, 2015 the shareholders in the Annual General Meeting, have approved to enter into a contract to purchase, lease, transfer, assign or otherwise acquire the whole part of the healthcare business, including the rights and properties relating thereto, from Infosys Public Services Inc. (IPS), a wholly-owned subsidiary of the Company. This is for an estimated consideration of up to ₹ 625 crore approximately to be discharged in a manner and on such terms and conditions as may be mutually agreed upon between the Board of Directors of the company and IPS with effect from a date as may be decided by the Board of directors.

2.11 LONG-TERM LOANS AND ADVANCES

in ₹ crore

Particulars	As at	
	June 30, 2015	March 31, 2015
Unsecured, considered good		
Capital advances	338	316
Security deposits	68	65
Rental deposits ⁽¹⁾	60	45
Other loans and advances		
Advance income taxes (net of provisions)	4,427	3,941
Prepaid expenses	34	7
Loans and advances to employees	4	4
	4,931	4,378
Unsecured, considered doubtful		
Loans and advances to employees	10	10
	4,941	4,388
Less: Provision for doubtful loans and advances to employees	10	10
	4,931	4,378
⁽¹⁾ Includes deposits with subsidiaries (refer note 2.26)	21	21

2.12 OTHER NON-CURRENT ASSETS

Particulars	in ₹ crore	
	As at	
	June 30, 2015	March 31, 2015
Others		
Advance to gratuity trust (refer note 2.29)	17	26
	<u>17</u>	<u>26</u>

2.13 TRADE RECEIVABLES ⁽¹⁾

Particulars	in ₹ crore	
	As at	
	June 30, 2015	March 31, 2015
Debts outstanding for a period exceeding six months		
Unsecured		
Considered doubtful	223	162
Less: Provision for doubtful debts	<u>223</u>	<u>162</u>
	-	-
Other debts		
Unsecured		
Considered good ⁽²⁾	9,200	8,627
Considered doubtful	<u>84</u>	<u>160</u>
	9,284	8,787
Less: Provision for doubtful debts	<u>84</u>	<u>160</u>
	<u>9,200</u>	<u>8,627</u>
	<u>9,200</u>	<u>8,627</u>
	<u>2</u>	<u>6</u>
	274	309

⁽¹⁾ Includes dues from companies where directors are interested

⁽²⁾ Includes dues from subsidiaries (refer note 2.26)

2.14 CASH AND CASH EQUIVALENTS

Particulars	in ₹ crore	
	As at	
	June 30, 2015	March 31, 2015
Cash on hand	-	-
Balances with banks		
In current and deposit accounts	21,994	23,722
Others		
Deposits with financial institution	<u>3,237</u>	<u>4,000</u>
	<u>25,231</u>	<u>27,722</u>
Balances with banks in unpaid dividend accounts	8	3
Deposit accounts with more than 12 months maturity	181	182
Balances with banks held as margin money deposits against guarantees	<u>193</u>	<u>185</u>

Cash and cash equivalents as of June 30, 2015 and March 31, 2015 include restricted cash and bank balances of ₹201 crore and ₹188 crore, respectively. The restrictions are primarily on account of cash and bank balances held as margin money deposits against guarantees and unpaid 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:

Particulars	in ₹ crore	
	As at	
	June 30, 2015	March 31, 2015
In current accounts		
ANZ Bank, Taiwan	4	4
Bank of America, USA	598	498
Bank of Baroda, Mauritius	1	-
BNP Paribas Bank, Norway	1	-
Citibank N.A., Australia	19	10
Citibank N.A., India	6	6
Citibank N.A., Dubai	5	1
Citibank N.A., EEFC (U.S. Dollar account)	1	2
Citibank N.A., Japan	26	20
Citibank N.A., New Zealand	3	3
Citibank N.A., South Africa	2	2
Deutsche Bank, Philippines	2	2
Deutsche Bank, India	23	4
Deutsche Bank, EEFC (Euro account)	-	2
Deutsche Bank, EEFC (GBP account)	2	5
Deutsche Bank, EEFC (AUD account)	27	-
Deutsche Bank, EEFC (U.S. Dollar account)	12	7
Deutsche Bank, EEFC (CHF account)	2	4
Deutsche Bank, Belgium	16	13
Deutsche Bank, France	10	2
Deutsche Bank, Germany	16	8
Deutsche Bank, Netherlands	18	1
Deutsche Bank, Singapore	19	5
Deutsche Bank, Spain	2	1
Deutsche Bank, Switzerland	3	-
Deutsche Bank, UK	33	24
HSBC, Hong Kong	58	44
ICICI Bank, India	31	18
ICICI Bank, EEFC (U.S. Dollar account)	7	9
Nordbanken, Sweden	9	1
Punjab National Bank, India	1	7
Royal Bank of Canada, Canada	7	11
State Bank of India	1	1
	965	715
In deposit accounts		
Allahabad Bank	200	200
Andhra Bank	97	97
Axis Bank	1,165	1,415
Bank of Baroda	2,314	2,314
Bank of India	2,537	2,691
Canara Bank	2,075	2,841
Central Bank of India	1,303	1,303
Corporation Bank	1,197	1,197
Development Bank of Singapore	-	35
HDFC Bank	1,897	2,017
ICICI Bank	2,608	3,059
IDBI Bank	706	706
Indusind Bank	59	75
ING Vysya Bank	100	100
Indian Overseas Bank	573	573
Oriental Bank of Commerce	1,500	1,500
Punjab National Bank	512	512
Syndicate Bank	327	327
Union Bank of India	971	971
Vijaya Bank	187	386
Yes Bank	500	500
	20,828	22,819

In unpaid dividend accounts

HDFC Bank - Unpaid dividend account	1	1
ICICI bank - Unpaid dividend account	7	2
	8	3

In margin money deposits against guarantees

Canara Bank	136	128
State Bank of India	57	57
	193	185

Deposits with financial institution

HDFC Limited	3,237	4,000
	3,237	4,000

Total cash and cash equivalents as per Balance Sheet	25,231	27,722
---	---------------	---------------

2.15 SHORT-TERM LOANS AND ADVANCES

Particulars	in ₹ crore	
	As at	
	June 30, 2015	March 31, 2015
Unsecured, considered good		
Loans to subsidiaries (refer note 2.26)	67	24
Others		
Advances		
Prepaid expenses ⁽³⁾	210	71
For supply of goods and rendering of services	47	60
Withholding and other taxes receivable	1,322	1,253
Others ⁽¹⁾	128	49
	1,774	1,457
Restricted deposits (refer note 2.33)	1,045	1,039
Unbilled revenues ⁽²⁾	2,562	2,423
Interest accrued but not due	872	433
Loans and advances to employees		
Housing and other loans	53	53
Salary advances	143	148
Security deposits	1	1
Mark-to-market forward and options contracts	39	94
Rental deposits	9	6
	6,498	5,654
⁽¹⁾ Includes dues from subsidiaries (refer note 2.26)	39	43
⁽²⁾ Includes dues from subsidiaries (refer note 2.26)	15	6
⁽³⁾ Includes dues from subsidiaries (refer note 2.26)	7	-

2.16 INCOME FROM SOFTWARE SERVICES AND PRODUCTS

in ₹ crore

Particulars	Quarter ended June 30,	
	2015	2014
Income from software services	12,260	10,921
Income from software products	478	398
	12,738	11,319

2.17 OTHER INCOME

in ₹ crore

Particulars	Quarter ended June 30,	
	2015	2014
Interest received on deposits with banks and others	640	608
Dividend received on investment in mutual fund units	22	49
Miscellaneous income, net	82	6
Gains / (losses) on foreign currency, net	(25)	127
	719	790

2.18 EXPENSES

in ₹ crore

Particulars	Quarter ended June 30,	
	2015	2014
<i>Employee benefit expenses</i>		
Salaries and bonus including overseas staff expenses	6,648	6,081
Contribution to provident and other funds	149	140
Employee compensation expense (Refer note 2.1)	2	-
Staff welfare	18	13
	6,817	6,234
<i>Cost of technical sub-contractors</i>		
Technical sub-contractors - subsidiaries	398	326
Technical sub-contractors - others	567	291
	965	617
<i>Travel expenses</i>		
Overseas travel expenses	395	308
Travelling and conveyance	37	32
	432	340
<i>Cost of software packages and others</i>		
For own use	183	213
Third party items bought for service delivery to clients	108	55
	291	268
<i>Communication expenses</i>		
Telephone charges	54	65
Communication expenses	26	27
	80	92

Particulars	in ₹ crore	
	Quarter ended June 30,	
	2015	2014
<i>Other expenses</i>		
Office maintenance	106	75
Power and fuel	46	47
Brand building	57	14
Rent	41	42
Rates and taxes, excluding taxes on income	26	23
Repairs to building	30	11
Repairs to plant and machinery	17	11
Computer maintenance	35	32
Consumables	7	5
Insurance charges	11	10
Provision for post-sales client support and warranties	5	4
Commission to non-whole time directors	2	2
Provision for bad and doubtful debts and advances	(19)	106
Auditor's remuneration		
Statutory audit fees	-	-
Other services	-	-
Reimbursement of expenses	-	-
Bank charges and commission	2	1
Contributions towards Corporate Social Responsibility	43	48
Others	40	36
	449	467

2.19 TAX EXPENSE

	in ₹ crore	
	Quarter ended June 30,	
	2015	2014
Current tax		
Income tax	1,050	1,088
Deferred tax	46	(13)
	1,096	1,075

During the quarter ended June 30, 2015 and June 30, 2014, the company had reversal (net of provisions) of ₹88 crore and ₹24 crore, respectively, pertaining to tax relating to prior years.

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 as per Indian Income Tax Act, 1961. Infosys' operations are conducted through Software Technology Parks (STPs) and Special Economic Zones (SEZs). Income from STPs were tax exempt for the first 10 years from the fiscal year in which the unit commences software development, or March 31, 2011 which ever is earlier. Income from SEZs Unit 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)

Particulars	in ₹ crore	
	As at	
	June 30, 2015	March 31, 2015
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	22
Claims against the Company, not acknowledged as debts ⁽¹⁾	168	167
[Net of amount paid to statutory authorities ₹3,456 crore (₹3,572 crore)]		
Commitments :		
Estimated amount of unexecuted capital contracts (net of advances and deposits)	1,115	1,272

⁽¹⁾ Claims against the company not acknowledged as debts include demand from the Indian Income tax authorities for payment of additional tax of ₹3,221 crore (₹3,337 crore), including interest of ₹951 crore (₹964 crore) upon completion of their tax review for fiscal 2007, fiscal 2008, fiscal 2009 and fiscal 2010.

These income tax demands are mainly on account of disallowance of portion of the deduction claimed by the company under Section 10A of the Income Tax Act as 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, disallowance of portion of profit earned outside India from the STP units and disallowance of profits earned from SEZ units under section 10AA of the Income Tax Act. The matter for fiscal 2007, fiscal 2008 and fiscal 2009 are pending before the Commissioner of Income tax (Appeals) Bangalore. The matter for fiscal 2010 is pending before Hon'ble Income Tax Appellate Tribunal (ITAT) 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 these proceedings will not have a material adverse effect on the Company's financial position and results of operations.

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

2.21 DERIVATIVE INSTRUMENTS

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

	As at			
	June 30, 2015		March 31, 2015	
	in million	in ₹ crore	in million	in ₹ crore
Forward contracts outstanding				
In USD	654	4,163	664	4,150
In Euro	59	420	59	396
In GBP	58	584	68	632
In AUD	85	416	95	452
In CAD	12	62	12	59
In SGD	25	118	25	114
		5,763		5,803

As of June 30, 2015 and March 31, 2015, there were no net foreign currency exposures that are not hedged by a derivative instrument or otherwise.

The foreign exchange forward & option contracts mature within 12 months. The table below analyzes the derivative financial instruments into relevant maturity groupings based on the remaining period as of the balance sheet date:

Particulars	in ₹ crore	
	As at	
	June 30, 2015	March 31, 2015
Not later than one month	1,411	1,382
Later than one month and not later than three months	2,722	3,608
Later than three months and not later than one year	1,630	813
	5,763	5,803

The Company recognized a loss of ₹71 crore and gain of ₹72 crore on derivative instruments during the quarter ended June 30, 2015 and June 30, 2014, respectively, which is included in other income.

2.22 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 Schedule III to the Companies Act, 2013.

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

Particulars	in ₹ crore	
	Quarter ended June 30,	
	2015	2014
Capital goods	107	69
	107	69

2.24 ACTIVITY IN FOREIGN CURRENCY

Particulars	in ₹ crore	
	Quarter ended June 30,	
	2015	2014
Earnings in foreign currency		
Income from software services and products	12,453	11,052
Interest received from banks and others	1	1
	12,454	11,053
Expenditure in foreign currency		
Overseas travel expenses (including visa charges)	467	369
Professional charges	109	23
Technical sub-contractors - subsidiaries	323	278
Overseas salaries and incentives	4,442	3,861
Other expenditure incurred overseas for software development	1,128	546
	6,469	5,077
Net earnings in foreign currency	5,985	5,976

2.25 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 depository bank purchases the foreign currencies and remits dividends to the ADS holders.

The particulars of dividends remitted are as follows:

Particulars	Number of Non-resident share holders	Number of shares to which the dividends relate	in ₹ crore	
			Quarter ended June 30,	
			2015	2014
Final dividend for fiscal 2015	2	19,22,58,436	567	-
Final dividend for fiscal 2014	2	9,30,32,691	-	400

2.26 RELATED PARTY TRANSACTIONS

List of related parties:

Name of subsidiaries	Country	Holding as at	
		June 30, 2015	March 31, 2015
Infosys BPO Limited (Infosys BPO)	India	99.98%	99.98%
Infosys Technologies (China) Co. Limited (Infosys China)	China	100%	100%
Infosys Technologies S. de R. L. de C. V. (Infosys Mexico)	Mexico	100%	100%
Infosys Technologies (Sweden) AB. (Infosys Sweden)	Sweden	100%	100%
Infosys Technologies (Shanghai) Company Limited (Infosys Shanghai)	China	100%	100%
Infosys Tecnologia DO Brasil LTDA. (Infosys Brasil)	Brazil	100%	100%
Infosys Public Services, Inc. USA (Infosys Public Services)	U.S.	100%	100%
Infosys Americas Inc., (Infosys Americas)	U.S.	100%	100%
Infosys BPO s. r. o ⁽¹⁾	Czech Republic	99.98%	99.98%
Infosys BPO (Poland) Sp Z.o.o ⁽¹⁾	Poland	99.98%	99.98%
Infosys BPO S.DE R.L. DE.C.V ⁽¹⁾⁽⁸⁾	Mexico	-	-
Infosys McCamish Systems LLC ⁽¹⁾	U.S.	99.98%	99.98%
Portland Group Pty Ltd ⁽¹⁾	Australia	99.98%	99.98%
Portland Procurement Services Pty Ltd ⁽⁵⁾	Australia	-	-
Infosys Technologies (Australia) Pty. Limited (Infosys Australia) ⁽²⁾	Australia	100%	100%
EdgeVerve Systems Limited (EdgeVerve) ⁽⁷⁾	India	100%	100%

Lodestone Holding AG (Infosys Lodestone)	Switzerland	100%	100%
Lodestone Management Consultants Inc. ⁽³⁾	U.S.	100%	100%
Lodestone Management Consultants Pty Limited ⁽³⁾	Australia	100%	100%
Lodestone Management Consultants AG ⁽³⁾	Switzerland	100%	100%
Lodestone Augmentis AG ^{(2) (6)}	Switzerland	100%	100%
Hafner Bauer & Ödman GmbH ⁽³⁾	Switzerland	100%	100%
Lodestone Management Consultants (Belgium) S.A. ⁽⁴⁾	Belgium	99.90%	99.90%
Lodestone Management Consultants GmbH ⁽³⁾	Germany	100%	100%
Lodestone Management Consultants Pte Ltd. ⁽³⁾	Singapore	100%	100%
Lodestone Management Consultants SAS ⁽³⁾	France	100%	100%
Lodestone Management Consultants s.r.o. ⁽³⁾	Czech Republic	100%	100%
Lodestone Management Consultants GmbH ⁽³⁾	Austria	100%	100%
Lodestone Management Consultants Co., Ltd. ⁽³⁾	China	100%	100%
Lodestone Management Consultants Ltd. ⁽³⁾	UK	100%	100%
Lodestone Management Consultants B.V. ⁽³⁾	Netherlands	100%	100%
Lodestone Management Consultants Ltda. ⁽⁴⁾	Brazil	99.99%	99.99%
Lodestone Management Consultants Sp. z.o.o. ⁽³⁾	Poland	100%	100%
Lodestone Management Consultants Portugal, Unipessoal, Lda. ⁽³⁾	Portugal	100%	100%
S.C. Lodestone Management Consultants S.R.L. ⁽³⁾	Romania	100%	100%
Lodestone Management Consultants S.R.L. ⁽³⁾	Argentina	100%	100%
Infosys Canada Public Services Ltd. ⁽⁹⁾	Canada	-	-
Infosys Nova Holdings LLC. (Infosys Nova) ⁽¹⁰⁾	U.S.	100%	100%
Panaya Inc. (Panaya) ⁽¹¹⁾	U.S.	100%	100%
Panaya Ltd. ⁽¹²⁾	Israel	100%	100%
Panaya GmbH ⁽¹²⁾	Germany	100%	100%
Panaya Pty Ltd. ⁽¹²⁾	Australia	-	-
Panaya Japan Co. Ltd. ⁽¹²⁾	Japan	100%	100%
Skava Systems Pvt. Ltd. (Skava Systems) ⁽¹³⁾	India	100%	-
Kallidus Inc. (Kallidus) ⁽¹⁴⁾	U.S.	100%	-

⁽¹⁾ Wholly owned subsidiaries of Infosys BPO.

⁽²⁾ Under liquidation

⁽³⁾ Wholly owned subsidiaries of Lodestone Holding AG

⁽⁴⁾ Majority owned and controlled subsidiaries of Lodestone Holding AG

⁽⁵⁾ Wholly owned subsidiary of Portland Group Pty Ltd. Liquidated effective May 14, 2014.

⁽⁶⁾ Wholly owned subsidiary of Lodestone Management Consultant AG

⁽⁷⁾ Incorporated effective February 14, 2014 (Refer note 2.10.2)

⁽⁸⁾ Incorporated effective February 14, 2014

⁽⁹⁾ Wholly owned subsidiary of Infosys Public Services, Inc. Incorporated effective December 19, 2014

⁽¹⁰⁾ Incorporated effective January 23, 2015

⁽¹¹⁾ On March 5, 2015, Infosys acquired 100% of the voting interest in Panaya Inc. (Refer note 2.10.3)

⁽¹²⁾ Wholly owned subsidiary of Panaya Inc

⁽¹³⁾ On June 2, 2015, Infosys acquired 100% of the voting interest in Skava Systems (Refer note 2.10.5)

⁽¹⁴⁾ On June 2, 2015, Infosys acquired 100% of the voting interest in Kallidus (Refer note 2.10.5)

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

Name of Associates	Country	Holding as at	
		June 30, 2015	March 31, 2015
DWA Nova LLC ⁽¹⁾	U.S.	20%	20%

⁽¹⁾ Associate of Infosys Nova Holdings LLC.

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 Science Foundation	India	Controlled trust
Infosys Limited Employees' Welfare Trust	India	Controlled trust

Refer Notes 2.29 and 2.30 for information on transactions with post-employment benefit plans mentioned above.

List of key management personnel**Whole time directors**

S. D. Shibulal (resigned effective July 31, 2014)
Srinath Batni (resigned effective July 31, 2014)
B. G. Srinivas (resigned effective June 10, 2014)
U B Pravin Rao
Dr. Vishal Sikka (appointed effective June 14, 2014)

Non-whole-time directors

N. R. Narayana Murthy (resigned effective October 10, 2014)
S. Gopalakrishnan (resigned effective October 10, 2014)
K.V.Kamath (resigned effective June 5, 2015)
Dr. Omkar Goswami (retired effective December 31, 2014)
Prof. Jeffrey S. Lehman
R. Seshasayee
Ann M. Fudge (retired effective June 14, 2014)
Ravi Venkatesan
Kiran Mazumdar Shaw
Carol M. Browner (appointed effective April 29, 2014)
Prof. John W. Etchemendy (appointed effective December 4, 2014)
Roopa Kudva (appointed effective February 4, 2015)

Executive Officers

Rajiv Bansal, Chief Financial Officer
Srikantan Moorthy, Group Head of Human Resource Development (till March 31, 2015)
Parvatheesam K, Company Secretary (resigned effective January 10, 2015)
David D. Kennedy, Executive Vice President, General Counsel and Chief Compliance Officer (effective November 1, 2014)

Company Secretary

A.G.S. Manikantha, (appointed effective June 22, 2015)

The details of amounts due to or due from related parties as at June 30, 2015 and March 31, 2015 are as follows:

Particulars	in ₹ crore	
	As at	
	June 30, 2015	March 31, 2015
Trade Receivables		
Infosys China	20	16
Infosys Mexico	3	1
Infosys Brasil	8	5
Infosys BPO	2	1
Lodestone Management Consultants Ltd.	26	26
EdgeVerve	-	14
Infosys Public Services	215	246
	<u>274</u>	<u>309</u>
Loans		
Lodestone Management Consultants Ltd.	1	6
Infosys Sweden	12	-
Kallidus	10	-
EdgeVerve	44	18
	<u>67</u>	<u>24</u>
Other receivables		
Infosys BPO	4	1
Infosys Public Services	9	4
EdgeVerve	2	14
Panaya	7	-
Lodestone Management Consultants SAS	4	3
Lodestone Management Consultants GmbH	1	1
Lodestone Management Consultants Ltd.	19	20
	<u>46</u>	<u>43</u>
Unbilled revenues		
Infosys Sweden	7	-
EdgeVerve	8	-
Lodestone Management Consultants SAS	-	1
McCamish Systems LLC	-	5
	<u>15</u>	<u>6</u>
Trade payables		
Infosys China	11	10
Infosys BPO s. r. o	1	-
Portland Group Pty Ltd	-	1
Infosys Mexico	1	1
Infosys Sweden	6	5
Lodestone Management Consultants Pty Limited	11	10
Lodestone Management Consultants Pte Ltd.	12	8
Lodestone Management Consultants Ltd.	69	65
Infosys Brasil	1	2
	<u>112</u>	<u>102</u>
Other payables		
Infosys BPO	-	16
McCamish Systems LLC	-	2
Lodestone Management Consultants AG	2	1
Lodestone Management Consultants Ltd.	1	1
EdgeVerve	-	9
Panaya	1	-
Panaya Ltd.	7	-
Skava Systems	5	-
Infosys Public Services	4	4
	<u>20</u>	<u>33</u>
Provision for expenses		
Infosys BPO	(1)	(1)
Infosys Public Services	3	-
EdgeVerve	11	37
	<u>13</u>	<u>36</u>
Rental Deposit given for shared services		
Infosys BPO	21	21
Rental Deposit taken for shared services		
Infosys BPO	27	27

The details of the related parties transactions entered into by the Company, in addition to the lease commitments described in note 2.9, for the quarter ended June 30, 2015 and June 30, 2014 are as follows:

Particulars	in ₹ crore	
	Quarter ended June 30,	
	2015	2014
Capital transactions:		
Financing transactions		
Infosys Shanghai	191	-
	<u>191</u>	<u>-</u>
Loans (net of repayment)		
Lodestone Management Consultants Ltd.	(5)	-
Infosys Sweden	12	-
Kallidus	10	-
EdgeVerve	26	-
	<u>43</u>	<u>-</u>
Revenue transactions:		
Purchase of services		
Infosys China	31	36
Lodestone Management Consultants Pty Limited	29	33
Lodestone Management Consultants Ltd.	174	181
Lodestone Management Consultants Pte Ltd.	31	8
Portland Group Pty Ltd	1	2
Infosys BPO s.r.o	3	2
Infosys BPO	73	49
Infosys Sweden	19	12
Infosys Mexico	3	2
EdgeVerve	29	-
Infosys Public Services	3	-
Panaya Ltd.	1	-
Infosys Brasil	1	1
	<u>398</u>	<u>326</u>
Purchase of shared services including facilities and personnel		
Infosys BPO	2	18
	<u>2</u>	<u>18</u>
Interest income		
EdgeVerve	1	-
Infosys Brasil	-	1
	<u>1</u>	<u>1</u>
Sale of services		
Infosys China	3	3
Infosys Mexico	7	2
Lodestone Management Consultants Ltd.	4	6
Infosys Brasil	2	1
Infosys BPO	18	22
McCamish Systems LLC	1	1
Infosys Sweden	7	-
EdgeVerve	17	-
Infosys Public Services	214	169
	<u>273</u>	<u>204</u>
Sale of shared services including facilities and personnel		
EdgeVerve	3	-
Infosys BPO	5	9
	<u>8</u>	<u>9</u>

The table below describes the compensation to key managerial personnel which comprise directors and executive officers:

Particulars	in ₹ crore	
	Quarter ended June 30,	
	2015	2014
Salaries and other employee benefits to whole-time directors and executive officers ⁽¹⁾	22	11
Commission and other benefits to non-executive/independent directors	2	2
Total	<u>24</u>	<u>13</u>

⁽¹⁾ Includes stock compensation expense of ₹2 crore for quarter ended June 30, 2015.

2.27 RESEARCH AND DEVELOPMENT EXPENDITURE

in ₹ crore

Particulars	Quarter ended June 30,	
	2015	2014
Expenditure at Department of Scientific and Industrial Research (DSIR) approved R&D centers (eligible for weighted deduction) ⁽¹⁾		
Capital Expenditure	-	-
Revenue Expenditure	40	44
Other R&D Expenditure		
Capital Expenditure	1	-
Revenue Expenditure	94	117
Total R&D Expenditure		
Capital Expenditure	1	-
Revenue Expenditure	134	161

⁽¹⁾ During the quarter ended June 30, 2015, and June 30, 2014, the company has claimed weighted tax deduction on eligible research and development expenditures based on the approval received from Department of Scientific and Industrial Research (DSIR) on November 23, 2011 which has been renewed effective April 2014. The weighted tax deduction is equal to 200% of such expenditure incurred.

The eligible R&D revenue and capital expenditure are ₹40 crore and Nil for the quarter ended June 30, 2015 and ₹44 crore and Nil towards revenue and capital expenditure for the quarter ended June 30, 2014.

2.28 SEGMENT REPORTING

The Company's operations predominantly relate to providing end-to-end business solutions to enable clients to enhance business performance. Effective April 1, 2015, the Company reorganized its segments to support its objective of delivery innovation. This structure will help deliver services that will reflect the way technology is consumed in layers by the client's enterprise. However the reorganization did not have any impact in the reportable segments as per AS 17 'Segment reporting'. 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 Company are primarily enterprises in Financial Services and Insurance (FSI), enterprises in Manufacturing (MFG), enterprises in the Energy & utilities, Communication and Services (ECS), enterprises in Retail, Consumer packaged goods and Logistics (RCL) and enterprises in Life Sciences and Healthcare (LSH). Geographic segmentation is based on business sourced from that geographic region and delivered from both on-site and off-shore locations. 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.

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. 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

Quarter ended June 30, 2015 and June 30, 2014 :

in ₹ crore

Particulars	FSI	MFG	ECS	RCL	LSH	Total
Income from software services and products	4,353	2,847	2,501	2,197	840	12,738
	3,896	2,439	2,289	2,062	633	11,319
Identifiable operating expenses	2,212	1,486	1,276	1,082	441	6,497
	1,948	1,239	1,196	981	357	5,721
Allocated expenses	906	614	540	474	181	2,715
	807	524	491	443	136	2,401
Segmental operating income	1,235	747	685	641	218	3,526
	1,141	676	602	638	140	3,197
Unallocable expenses						252
						192
Other income, net						719
						790
Profit before tax						3,993
						3,795
Tax expense						1,096
						1,075
Profit after taxes						2,897
						2,720

Geographic Segments

Quarter ended June 30, 2015 and June 30, 2014 :

in ₹ crore

Particulars	North America	Europe	India	Rest of the World	Total
Income from software services and products	8,355	2,613	329	1,441	12,738
	7,181	2,491	302	1,345	11,319
Identifiable operating expenses	4,322	1,331	233	611	6,497
	3,556	1,295	237	633	5,721
Allocated expenses	1,802	561	61	291	2,715
	1,540	532	57	272	2,401
Segmental operating income	2,231	721	35	539	3,526
	2,085	664	8	440	3,197
Unallocable expenses					252
					192
Other income, net					719
					790
Profit before tax					3,993
					3,795
Tax expense					1,096
					1,075
Profit after taxes					2,897
					2,720

2.29 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 :

Particulars	in ₹ crore	
	As at	
	June 30, 2015	March 31, 2015
Obligations at year/ period beginning	755	668
Service cost	27	89
Interest cost	14	56
Transfer of obligation*	1	(5)
Actuarial (gain)/loss	13	58
Benefits paid	(18)	(111)
Obligations at year/ period end	792	755

Defined benefit obligation liability as at the balance sheet date is fully funded by the Company.

Change in plan assets

Plan assets at year/ period beginning, at fair value	781	677
Expected return on plan assets	18	65
Transfer of assets*	(6)	-
Actuarial gain/(loss)	(1)	5
Contributions	35	145
Benefits paid	(18)	(111)
Plan assets at year/ period end, at fair value	809	781

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	809	781
Present value of the defined benefit obligations at the end of the year/ period	792	755
Re-imbursement (obligation)/asset*	-	(6)
Asset recognized in the balance sheet	17	20

Assumptions

Interest rate	8.10%	7.80%
Estimated rate of return on plan assets	9.50%	9.50%
Weighted expected rate of salary increase	8.00%	8.00%

* between group companies

Particulars	in ₹ crore				
	As at				
	June 30, 2015	March 31, 2015	March 31, 2014	March 31, 2013	March 31, 2012
Obligations at year/ period end	792	755	668	612	569
Plan assets at year/ period end, at fair value	809	781	677	643	582
Funded Status	17	26	9	31	13

Experience adjustments:

(Gain)/loss:

Experience adjustments on plan liabilities	26	4	14	(49)	13
Experience adjustments on plan assets	1	(5)	3	-	-

Net gratuity cost for the quarter ended June 30, 2015 and June 30, 2014 comprises of the following components:

Particulars	in ₹ crore	
	Quarter ended June 30,	
	2015	2014
Gratuity cost for the period		
Service cost	27	22
Interest cost	14	15
Expected return on plan assets	(18)	(16)
Actuarial (gain)/loss	14	28
Plan amendment amortization	(1)	-
Net gratuity cost	36	49
Actual return on plan assets	17	19

As at June 30, 2015 and March 31, 2015, the plan assets have been primarily invested in insurer managed funds. 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 ₹60 crore to the gratuity trust during the remainder of fiscal 2016.

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 liability as at June 30, 2015 and March 31, 2015 amounts to ₹6 crore and ₹7 crore, respectively and disclosed under 'Other long-term liabilities' and 'other current liabilities'.

2.30 PROVIDENT FUND

The Company contributed ₹86 crore during the quarter ended June 30, 2015 (₹69 crore during the quarter ended June 30, 2014).

The Guidance on Implementing AS 15, Employee Benefits (revised 2005) issued by 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 actuary has provided a valuation for provident fund liabilities on the basis of guidance issued by Actuarial Society of India during the quarter ended December 31, 2011 and based on the below provided assumptions there is no shortfall as at June 30, 2015, March 31, 2015, 2014, 2013 and 2012, respectively.

The details of fund and plan asset position are given below:

Particulars	in ₹ crore				
	As at				
	June 30, 2015	March 31, 2015	March 31, 2014	March 31, 2013	March 31, 2012
Plan assets at period end, at fair value	3,232	2,912	2,817	2,399	1,816
Present value of benefit obligation at period end	3,232	2,912	2,817	2,399	1,816
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	
	June 30, 2015	
	March 31, 2015	March 31, 2015
Government of India (GOI) bond yield	8.10%	7.80%
Remaining term of maturity of portfolio	7.2 years	7 years
Expected guaranteed interest rate - First year	8.75%	8.75%
- Thereafter	8.60%	8.60%

2.31 SUPERANNUATION

The Company contributed ₹57 crore to the Superannuation trust during the quarter ended June 30, 2015 (₹52 crore during the quarter ended June 30, 2014).

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

Particulars	Quarter ended June 30,	
	2015	
	2015	2014
Number of shares considered as basic weighted average shares outstanding*#	229,69,44,664	228,56,10,264
Effect of dilutive common equivalent shares	-	-
Number of shares considered as weighted average shares and potential shares	229,69,44,664	228,56,10,264

* adjusted for bonus issue.(refer Note 2.1)

balance during the quarter ended June 30, 2014 was net of treasury shares

2.33 RESTRICTED DEPOSITS

Restricted deposits as at June 30, 2015 comprises ₹1,045 crore (₹1,039 crore as at March 31, 2015) deposited with financial institutions to settle employee-related obligations as and when they arise during the normal course of business.

2.34 FUNCTION WISE CLASSIFICATION OF STATEMENT OF PROFIT AND LOSS

Particulars	In ₹ crore	
	Quarter ended June 30,	
	2015	2014
Income from software services and products	12,738	11,319
Software development expenses	7,769	6,849
GROSS PROFIT	4,969	4,470
Selling and marketing expenses	691	578
General and administration expenses	752	695
	1,443	1,273
OPERATING PROFIT BEFORE DEPRECIATION	3,526	3,197
Depreciation and amortization	252	192
OPERATING PROFIT	3,274	3,005
Other income	719	790
PROFIT BEFORE TAX	3,993	3,795
Tax expense:		
Current tax	1,050	1,088
Deferred tax	46	(13)
PROFIT FOR THE PERIOD	2,897	2,720

As per our report of even date attached

for B S R & Co. LLP

Chartered Accountants

Firm's Registration Number:101248W/W-100022

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

Supreet Sachdev
Partner
Membership No. 205385

R.Seshasayee
Chairman

Dr. Vishal Sikka
Chief Executive Officer and
Managing Director

Bangalore
July 21, 2015

Rajiv Bansal
Chief Financial Officer

A.G.S Manikantha
Company Secretary