Deloitte Haskins & Sells LLP

Chartered Accountants
Prestige Trade Tower, Level 19
46, Palace Road, High Grounds
Bengaluru - 560 001
Karnataka, India

Tel: +91 80 6188 6000
Fax: +91 80 6188 6011

INDEPENDENT AUDITOR'S REPORT ON AUDIT OF INTERIM CONSOLIDATED FINANCIAL RESULTS

TO THE BOARD OF DIRECTORS OF INFOSYS LIMITED

1. We have audited the accompanying Interim Statement of Consolidated Financial Results of **INFOSYS LIMITED** ("the Company") and its subsidiaries (the Company and its subsidiaries together referred to as "the Group") for the quarter and nine months period ended December 31, 2018 ("the Statement"), being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as modified by Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016.

2. This Statement, which is the responsibility of the Company's Management and approved by the Board of Directors, has been compiled from the related interim consolidated financial statements which has been prepared in accordance with Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34") prescribed under Section 133 of the Companies Act, 2013, read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to express an opinion on the Statement based on our audit of such interim consolidated financial statements.

3. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Statement is free from material misstatement.

   An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Statement. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial controls relevant to the Company's preparation and fair presentation of the Statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal financial controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the Statement.

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

4. In our opinion and to the best of our information and according to the explanations given to us, the Statement:

   a. includes the results of the subsidiaries as given in the Annexure to this report;

   b. is presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as modified by Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016; and

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c. gives a true and fair view in conformity with the aforesaid Indian Accounting Standards and other accounting principles generally accepted in India of the consolidated profit and total comprehensive income for the period and other financial information of the Group for the quarter and nine months period ended December 31, 2018.

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

P.R. Ramesh

P. R. RAMESH
Partner
(Membership No.70928)

Bengaluru, January 11, 2019

Deloitte
Haskins & Sells LLP

Annexure to Auditors' Report

List of Subsidiaries;

1. Infosys BPM Limited
2. Infosys Technologies (China) Co. Limited
3. Infosys Technologies S. de R. L. de C. V.
4. Infosys Technologies (Sweden) AB.
5. Infosys Technologies (Shanghai) Company Limited
6. Infosys Technologia DO Brasil LTDA.
7. Infosys Public Services, Inc.
8. Infosys Americas Inc.,
9. Infosys (Czech Republic) Limited s.r.o.
10. Infosys Poland Sp z.o.o
11. Infosys McCamish Systems LLC
12. Portland Group Pty Ltd
13. Infosys BPO Americas LLC.
14. Infosys Technologies (Australia) Pty. Limited
15. EdgeVerve Systems Limited
16. Infosys Consulting Holding AG
17. Lodestone Management Consultants Inc. (Liquidated on May 17, 2018)
18. Lodestone Management Consultants Co., Ltd
19. Infosys Management Consulting Pty Limited
20. Infosys Consulting AG
21. Infosys Consulting (Belgium) NV
22. Infosys Consulting GmbH
23. Infosys Consulting Pte Ltd.
24. Infosys Consulting SAS
25. Infosys Consulting s.r.o.
26. Infosys Austria GmbH.
27. Infy Consulting Company Limited
28. Infy Consulting B.V.
29. Infosys Consulting Ltda.
30. Infosys Consulting Sp. Z.o.o.
31. Lodestone Management Consultants Portugal,Unipessoal, Lda
32. S.C. Infosys Consulting S.R.L.
33. Infosys Consulting S.R.L.
34. Infosys Nova Holdings LLC.
35. Panaya Inc.
36. Panaya Limited.
37. Panaya GmbH
38. Panaya Japan Co. Ltd.
39. Skava Systems Pvt. Ltd.
40. Kallidus Inc.
41. Infosys Chile SpA
42. Brilliant Basics Holdings Limited
43. Brilliant Basics Limited
44. Brilliant Basics (MENA) DMCC
45. Infosys Arabia Limited
46. Infosys Middle East FZ LLC
47. Infosys Science Foundation

Rc.

Annexure to Auditors' Report

List of Subsidiaries;

48. Infosys Employees' Welfare Trust
49. Infosys Employee Benefits Trust
50. Wong Doody Holding Company Inc.(Acquired on May 22, 2018)
51. WDW Communications Inc. (Acquired on May 22, 2018)
52. Wongdoody Inc. (Acquired on May 22, 2018)
53. Infosys Luxembourg SARL (Incorporated on August 6, 2018)
54. Infosys CIS LLC (Incorporated on November 29, 2018)
55. Infosys Canada Public Services Inc. (Incorporated on November 27, 2018)
56. Fluido Oy (Acquired on October 11, 2018)
57. Fluido Sweden AB (Extero) (Acquired on October 11, 2018)
58. Fluido Norway A/S (Acquired on October 11, 2018)
59. Fluido Denmark A/S (Acquired on October 11, 2018)
60. Fluido Slovakia s. r. o (Acquired on October 11, 2018)
61. Fluido Newco AB (Acquired on October 11, 2018)
62. Infosys Compaz PTE. Ltd (formerly Trusted Source Pte. Ltd) (Acquired on November 16, 2018)
63. Infosys South Africa (Pty) Ltd (Incorporated on December 19, 2018)

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Bengaluru - 560 001
Karnataka, India

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Fax: +91 80 6188 6011

INDEPENDENT AUDITOR'S REPORT ON AUDIT OF INTERIM STANDALONE FINANCIAL RESULTS

TO THE BOARD OF DIRECTORS OF
INFOSYS LIMITED

1. We have audited the accompanying Interim Statement of Standalone Financial Results of **INFOSYS LIMITED** ("the Company"), for the quarter and nine months period ended December 31, 2018 ("the Statement"), being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as modified by Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016.

2. This Statement, which is the responsibility of the Company's Management and approved by the Board of Directors, has been compiled from the related interim condensed standalone financial statements which has been prepared in accordance with Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to express an opinion on the Statement based on our audit of such interim condensed standalone financial statements.

3. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Statement is free from material misstatement.

   An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Statement. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial controls relevant to the Company's preparation and fair presentation of the Statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal financial control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the Statement.

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

4. In our opinion and to the best of our information and according to the explanations given to us, the Statement:

   (i) is presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as modified by Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016; and

(ii) gives a true and fair view in conformity with the aforesaid Indian Accounting Standards and other accounting principles generally accepted in India of the profit, total comprehensive income and other financial information of the Company for the quarter and nine months period ended December 31, 2018.

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

P.R. Ramesh

P. R. RAMESH
Partner
(Membership No.70928)

Bengaluru, January 11, 2019

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Q3 FY 19
Financial Results

Infosys Limited
CIN : L85110KA1981PLC013115
Regd. Office: Electronics City, Hosur Road, Bengaluru 560 100, India.
Website: www.infosys.com; Email: investors@infosys.com; Telephone: 91 80 2852 0261; Fax: 91 80 2852 0362

Statement of Consolidated Audited Results of Infosys Limited and its subsidiaries for the quarter and nine months ended December 31, 2018 prepared in compliance with the Indian Accounting Standards (Ind-AS)

(in ₹ crore, except per equity share data)

Particulars	Quarter ended December 31,	Quarter ended September 30,	Quarter ended December 31,	Nine months ended December 31,		Year ended March 31,
	2018	2018	2017	2018	2017	2018
	Audited	Audited	Audited	Audited	Audited	Audited
Revenue from operations	**21,400**	**20,609**	**17,794**	**61,137**	**52,439**	**70,522**
Other income, net (Refer Note b)	753	739	962	2,218	2,659	3,311
Total Income	**22,153**	**21,348**	**18,756**	**63,355**	**55,098**	**73,833**
Expenses						
Employee benefit expenses	11,622	11,158	9,869	33,242	28,839	38,893
Cost of technical sub-contractors	1,618	1,523	1,041	4,432	3,191	4,297
Travel expenses	625	602	496	1,830	1,503	1,995
Cost of software packages and others	712	606	472	1,863	1,404	1,870
Communication expenses	113	121	120	356	376	489
Consultancy and professional charges	354	289	238	948	753	1,043
Depreciation and amortisation expenses	580	463	498	1,480	1,404	1,863
Other expenses	946	953	741	2,725	2,293	2,924
Reduction in the fair value of Disposal Group held for sale (Refer Note 5 below)	-	-	-	270	-	118
Adjustment in respect of excess of carrying amount over recoverable amount on reclassification from "Held For Sale" (Refer Note 5 below)	451	-	-	451	-	-
Total expenses	**17,021**	**15,715**	**13,475**	**47,597**	**39,763**	**53,492**
Profit before non-controlling interest / share in net profit / (loss) of associate	**5,132**	**5,633**	**5,281**	**15,758**	**15,335**	**20,341**
Share in net profit/(loss) of associate, including impairment of associate (Refer Note c)	-	-	-	-	(71)	(71)
Profit before tax	**5,132**	**5,633**	**5,281**	**15,758**	**15,264**	**20,270**
Tax expense: (Refer Note a)						
Current tax	1,472	1,612	144	4,534	3,115	4,581
Deferred tax	50	(89)	8	(108)	(190)	(340)
Profit for the period	**3,610**	**4,110**	**5,129**	**11,332**	**12,339**	**16,029**
Other comprehensive income						
Items that will not be reclassified subsequently to profit or loss						
Remeasurement of the net defined benefit liability/asset, net	(23)	3	18	(19)	21	55
Equity instruments through other comprehensive income, net	57	8	(2)	69	(2)	7
Items that will be reclassified subsequently to profit or loss						
Fair value changes on derivatives designated as cash flow hedges, net	56	(29)	5	36	(41)	(39)
Exchange differences on translation of foreign operations	(288)	334	(86)	133	121	321
Fair value changes on investments, net	37	(15)	(25)	(23)	14	(1)
Total other comprehensive income, net of tax	**(161)**	**301**	**(90)**	**196**	**113**	**343**
Total comprehensive income for the period	**3,449**	**4,411**	**5,039**	**11,528**	**12,452**	**16,372**
Profit attributable to:						
Owners of the company	3,609	4,110	5,129	11,330	12,339	16,029
Non-controlling interest	1	-	-	2	-	-
	3,610	**4,110**	**5,129**	**11,332**	**12,339**	**16,029**
Total comprehensive income attributable to:						
Owners of the company	3,448	4,411	5,039	11,526	12,452	16,372
Non-controlling interest	1	-	-	2	-	-
	3,449	**4,411**	**5,039**	**11,528**	**12,452**	**16,372**
Paid up share capital (par value ₹5/- each, fully paid)	2,176	2,176	1,088	2,176	1,088	1,088
Other equity*	63,835	63,835	67,838	63,835	67,838	63,835
Earnings per equity share (par value ₹5/- each) (Refer Note a, d and Note 5)**						
Basic (₹)	8.30	9.45	11.27	26.06	27.03	35.53
Diluted (₹)	8.29	9.44	11.27	26.03	27.01	35.50

** Represents balance as per the audited Balance Sheet of the previous year as required by SEBI (Listing and Other Disclosure Requirements) Regulations, 2015*
*** EPS is not annualized for the quarter and nine months ended December 31, 2018, quarter ended September 30, 2018 and quarter and nine months ended December 31, 2017.*

Notes pertaining to the previous quarters / periods

a) In December 2017, on account of the conclusion of an Advance Pricing Agreement ("APA") with the U.S. Internal Revenue Service ("IRS"), the Company had, in accordance with the APA, reversed income tax expense provision of $225 million (₹1,432 crore), which pertained to previous periods which are no longer required. Consequently, profit for the quarter and nine months ended December 31, 2017 and year ended March 31, 2018 had increased resulting in an increase in Basic earnings per equity share by ₹3.15 ($0.05) (adjusted for September 2018 bonus issue) for the quarter ended December 31, 2017, by ₹2.91 ($0.04) (adjusted for September 2018 bonus issue) for nine months ended December 31, 2017 and by ₹2.94 ($0.05) (adjusted for September 2018 bonus issue) for the year ended March 31, 2018.

b) Other income includes ₹200 crore for the three months ended December 31, 2017 and ₹262 crore each for the nine months ended December 31, 2017 and year ended March 31, 2018 towards the interest on income tax refund.

c) During the quarter ended June 30, 2017, the Company had written down the entire carrying value of the investment in its associate DWA Nova LLC amounting to ₹71 crore.

d) The Company has allotted 2,18,41,91,490 fully paid up equity shares (including treasury shares) of face value ₹5/- each during the three months ended September 30, 2018 pursuant to a bonus issue approved by the shareholders through postal ballot. The bonus shares were issued by capitalization of profits transferred from general reserve. Bonus share of one equity share for every equity share held, and a bonus issue, viz., 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. The bonus shares allotted rank pari passu in all respects and carry the same rights as the existing equity shareholders and are entitled to participate in full, in any dividend and other corporate action, recommended and declared after the new equity shares are allotted.Consequent to the September 2018 bonus issue, the earnings per share has been adjusted for previous periods presented in accordance with Ind AS 33, Earnings per share.

Notes pertaining to the current quarter

1. The audited interim consolidated financial statements for the quarter and nine months ended December 31, 2018 have been taken on record by the Board of Directors at its meeting held on January 11, 2019. **The statutory auditors, Deloitte Haskins & Sells LLP have expressed an unqualified audit opinion.** The information presented above is extracted from the audited interim consolidated financial statements. The interim consolidated financial statements are prepared in accordance with the Indian Accounting Standards (Ind-AS) as prescribed under Section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules thereafter.

2. Update on capital allocation policy

In line with the capital allocation policy announced in April 2018, the Board, at its meeting on January 11, 2019, approved the Buyback of Equity Shares, from the open market route through the Indian stock exchanges, amounting to ₹8,260 crore (Maximum Buyback Size) (approximately $1,184 million) at a price not exceeding ₹800 per share (Maximum Buyback Price) (approximately $11.46 per share), subject to shareholders' approval by way of Postal Ballot. Further, the Board also approved a special dividend of ₹4/- per share (approximately $0.06 per share) that would result in a payout of approximately ₹2,107 crore (approximately $302 million) (including dividend distribution tax).

After the execution of the above, along with the special dividend (including dividend distribution tax) of ₹2,633 crore ($386 million) already paid in June 2018, the Company would complete the distribution of ₹13,000 crore to the shareholders, which was announced as part of its capital allocation policy in April 2018.

As the USD/INR* exchange rates have moved from April 2018 when the capital allocation policy was announced, the total capital allocation in US$ terms amounts to $1,872 million (comprising $1,184 million pertaining to buyback as mentioned above, $386 million towards special dividend paid in June 2018 and $302 million towards special dividend to be paid to shareholders in January 2019),

* USD/INR = 69.78 as at December 31, 2018

3. Board update

Based on the recommendation of the Nomination and Remuneration Committee, the Board approved the re-appointment of Kiran Mazumdar-Shaw as the Lead Independent Director from April 1, 2019 to March 22, 2023, subject to shareholder' approval.

4. Management change

a. The Board has appointed Nilanjan Roy as the Chief Financial Officer of the Company effective March 1, 2019.

b. Jayesh Sanghrajka was appointed as the Interim Chief Financial Officer effective November 17, 2018. He will resume his responsibilities as Deputy Chief Financial Officer effective March 1, 2019.

c. M.D. Ranganath resigned as Chief Financial Officer effective November 16, 2018. The Board placed on record its deep appreciation for the services rendered by him during his tenure as the Chief Financial Officer.

5. Reclassification of Disposal Group "Held for Sale"

In the three months ended March 31, 2018, the Company had initiated identification and evaluation of potential buyers for its subsidiaries, Kallidus and Skava (together referred to as "Skava") and Panaya, collectively referred to as the "Disposal Group". The Disposal Group was classified and presented separately as "held for sale" and was carried at the lower of carrying value and fair value. Consequently, a reduction in the fair value of Disposal Group held for sale amounting to ₹118 crore in respect of Panaya had been recognized in the consolidated statement of profit and loss for the three months and year ended March 31, 2018. During the three months ended June 30, 2018, on remeasurement, including consideration of progress in negotiations on offers from prospective buyers for Panaya, the Company has recorded a reduction in the fair value of Disposal Group held for sale amounting to ₹270 crore in respect of Panaya.

During the three months ended December 31, 2018, based on evaluation of proposals received and progress of negotiations with potential buyers, the Company concluded that the Disposal Group does not meet the criteria for "Held for Sale" classification because it is no longer highly probable that sale would be consummated by March 31, 2019 (twelve months from date of initial classification as "Held for Sale") Accordingly, in accordance with Ind AS 105 -" Non current Assets held for Sale and Discontinued Operations", the assets and liabilities of Panaya and Skava have been included on a line by line basis in the consolidated financial statements for the period and as at December 31, 2018.

On reclassification from "Held for Sale", the assets of Panaya and Skava have been remeasured in the quarter ended December 31, 2018 at the lower of cost and estimated recoverable amount resulting in recognition of additional depreciation and amortization expenses of ₹88 crore and an adjustment in respect of excess of carrying amount over recoverable amount on reclassification from "Held for Sale" of ₹451 crore (comprising of ₹358 crore towards goodwill and ₹93 crore towards value of customer relationships) in respect of Skava in the consolidated statement of profit and loss for the three months and nine months ended December 31, 2018.

6. Acquisitions

Fluido Oy

On October 11, 2018, Infosys Consulting Pte Limited (a wholly owned subsidiary of Infosys Limited) acquired 100% of voting interests in Fluido Oy (Fluido), a Nordic-based salesforce advisor and consulting partner in cloud consulting, implementation and training services for a total consideration of upto Euro 65 million (approximately ₹560 crore), comprising of cash consideration of Euro 45 million (approximately ₹388 crore), contingent consideration of upto Euro 12 million (approximately ₹103 crore) and retention payouts of upto Euro 8 million (approximately ₹69 crore), payable to the employees of Fluido over the next three years, subject to their continuous employment with the group.

Infosys Compaz Pte. Ltd (formerly Trusted Source Pte. Ltd)

On November 16, 2018, Infosys Consulting Pte Limited (a wholly owned subsidiary of Infosys Limited) acquired 60% stake in Infosys Compaz Pte. Ltd, a Singapore based IT services company.The business acquisition was conducted by entering into a share purchase agreement for a total consideration of up to SGD 17 million (approximately ₹91 crore on acquisition date), which includes a cash consideration of SGD 10 million (approximately ₹54 crore) and a contingent consideration of up to SGD 7 million (approximately ₹37 crore on acquisition date).

Proposed acquisition- Hitachi Procurement Service Co. Ltd

On December 14, 2018, Infosys Consulting Pte Limited (a wholly owned subsidiary of Infosys Limited) entered into a definitive agreement to acquire 81% of the shareholding in Hitachi Procurement Service Co., Ltd., a wholly-owned subsidiary of Hitachi Ltd, Japan, for a consideration including base purchase price of up to JPY 2.76 billion (approximately ₹175 crore) and customary closing adjustments, subject to regulatory approvals and fulfilment of closing conditions.

7. Compensation changes

On recommendation of the Nomination and Remuneration Committee, the Board in its meeting held on January 11, 2019, approved the following-

i. Grant of annual Restricted Stock Units (RSUs) having a value of ₹3.25 crores to Salil Parekh, Chief Executive Officer and Managing Director, in accordance with the terms of his appointment as approved by the shareholders. The RSUs are issued under 2015 Stock Incentive Compensation Plan ("Plan"). The grant date for these RSUs is February 1, 2019. The RSUs would vest over a period of three years and the exercise price of RSUs will be equal to the par value of the shares. Value of each RSU will be the closing trading price of the share on National Stock Exchange as of the grant date.

ii. Grant of 68,250 RSU's to U.B. Pravin Rao, Chief Operating Officer and Whole-time Director, based on his performance in fiscal 2018, in accordance with the terms of his employment as approved by the shareholders. The RSUs are issued under the Plan. The grant date for these RSUs is February 1, 2019. These RSUs would vest over a period of four years and the exercise price of RSUs will be equal to the par value of the shares.

iii. Revision of compensation of Key Management Personnel with effect from October 1, 2018 - Mohit Joshi, Ravi Kumar S., Inderpreet Sawhney, Krishnamurthy Shankar, Jayesh Sanghrajka and A.G.S. Manikantha. The revised aggregate compensation of these KMP includes fixed compensation of ₹18.20 crore and target variable compensation of ₹13.60 crore. Additionally, based on fiscal 2018 performance, 372,100 RSU's were granted under the Plan. The grant date for these RSU's is February 1, 2019. The RSUs would vest over a period of four years and the exercise price of RSUs will be equal to the par value of the shares.

iv. Grant of 1,874,600 RSUs to 405 eligible employees under the Plan. The grant date for these RSUs is February 1, 2019. The RSUs would vest over a period of four years and the exercise price of RSUs will be equal to the par value of the shares.

8. Information on dividends for the quarter and nine months ended December 31, 2018

The Board declared a special dividend of ₹4/- per equity share on January 11, 2019. The record date for the payment is January 25, 2019. The special dividend will be paid on January 28, 2019.

The Board declared an interim dividend of ₹7/- (par value of ₹5/- each) per equity share on October 16 , 2018 and the same was paid on October 30, 2018. The interim dividend declared in the previous year was ₹6.50/- per equity share. (adjusted for September 2018 bonus issue).

(in ₹)

Particulars	Quarter ended December 31, 2018	Quarter ended September 30, 2018	Quarter ended December 31, 2017	Nine months ended December 31, 2018	Nine months ended December 31, 2017	Year ended March 31, 2018
Dividend per share (par value ₹5/- each)						
Interim dividend	-	7.00	-	7.00	6.50	6.50
Final dividend	-	-	-	-	-	10.25
Special dividend	4.00	-	-	4.00	-	5.00

Note: Dividend per equity share disclosed for previous periods in the above table represents dividends declared previously, retrospectively adjusted for September 2018 bonus issue.

9. Segment reporting (Consolidated - Audited)

(in ₹ crore)

Particulars	Quarter ended December 31, 2018	Quarter ended September 30, 2018	Quarter ended December 31, 2017	Nine months ended December 31, 2018	Nine months ended December 31, 2017	Year ended March 31, 2018
Revenue by business segment						
Financial Services [1]	6,953	6,644	5,838	19,672	17,286	23,172
Retail [2]	3,503	3,469	2,888	10,140	8,467	11,345
Communication [3]	2,547	2,529	2,214	7,505	6,549	8,883
Energy, Utilities, Resources and Services	2,741	2,527	2,135	7,643	6,125	8,297
Manufacturing	2,166	1,989	1,701	5,992	4,936	6,671
Hi Tech	1,569	1,537	1,280	4,527	3,795	5,131
Life Sciences [4]	1,335	1,321	1,167	3,916	3,485	4,698
All other segments [5]	586	593	571	1,742	1,796	2,325
Total	**21,400**	**20,609**	**17,794**	**61,137**	**52,439**	**70,522**
Less: Inter-segment revenue	-	-	-	-	-	-
Net revenue from operations	**21,400**	**20,609**	**17,794**	**61,137**	**52,439**	**70,522**
Segment profit before tax, depreciation and non-controlling interests:						
Financial Services [1]	1,820	1,776	1,567	5,157	4,724	6,370
Retail [2]	1,037	1,034	886	3,016	2,458	3,303
Communication [3]	607	659	644	1,937	1,917	2,619
Energy, Utilities , Resources and Services	687	596	606	1,908	1,788	2,411
Manufacturing	508	465	364	1,383	937	1,274
Hi-Tech	367	418	350	1,173	1,053	1,446
Life Sciences [4]	365	376	353	1,095	1,042	1,391
All other segments [5]	26	33	48	79	165	199
Total	**5,417**	**5,357**	**4,818**	**15,748**	**14,084**	**19,013**
Less: Other unallocable expenditure	587	463	499	1,487	1,408	1,865
Add: Unallocable other income	753	739	962	2,218	2,659	3,311
Less: Reduction in the fair value of Disposal Group held for sale	-	-	-	270	-	118
Less: Adjustment in respect of excess of carrying amount over recoverable amount on reclassification from "Held For Sale"	451	-	-	451	-	-
Add: Share in net profit/(loss) of associate, including impairment of associate	-	-	-	-	(71)	(71)
Profit before tax and non-controlling interests	**5,132**	**5,633**	**5,281**	**15,758**	**15,264**	**20,270**

[1] Financial Services include enterprises in Financial Services and Insurance

[2] Retail includes enterprises in Retail, Consumer Packaged Goods and Logistics

[3] Communication includes enterprises in Communication, Telecom OEM and Media

[4] Life Sciences includes enterprises in Life sciences and Health care

[5] All other segments include operating segments of businesses in India, Japan, China, Infosys Public Services & other enterprises in Public Services

Notes on segment information

Business segments

During the quarter ended June 30, 2018, the Company internally reorganized some of its business segments to deepen customer relationships, improve focus of sales investments and increase management oversight. Consequent to the internal reorganization, there were changes in the reportable business segments based on "Management approach" as defined under Ind AS 108, Operating Segments, therefore enterprises in Insurance which was earlier considered under the Life Sciences, Healthcare and Insurance business segment are now considered under the Financial Services business segment and enterprises in Communication, Telecom OEM and Media which was earlier under Energy & Utilities, Communication and Services is now shown as a separate business segment. Allocated expenses of segments include expenses incurred for rendering services from the Company's offshore software development centres and on-site expenses, which are categorized in relation to the associated efforts of the segment. Segmental operating income has changed in line with the internal reorganization as well as changes in the allocation method. The previous period figures, extracted from the audited consolidated financial statements, have been presented after incorporating necessary reclassification adjustments pursuant to changes in the reportable segments.

Segmental capital employed

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

10. Audited financial results of Infosys Limited (Standalone Information)

(in ₹ crore)

Particulars	Quarter ended December 31, 2018	Quarter ended September 30, 2018	Quarter ended December 31, 2017	Nine months ended December 31, 2018	Nine months ended December 31, 2017	Year ended March 31, 2018
Revenue from operations	18,819	18,297	15,631	54,171	45,957	61,941
Profit before tax (Refer note (a) below)	4,942	5,251	5,922	14,974	15,519	19,908
Profit for the period (Refer note (a) below)	3,501	3,879	6,004	10,882	12,998	16,155

Note: The audited results of Infosys Limited for the above mentioned periods are available on our website, www.infosys.com and on the Stock Exchange website www.nseindia.com and www.bseindia.com. The information above has been extracted from the audited interim condensed financial statements as stated.

a) In the three months ended March 2018, the Company had initiated identification and evaluation of potential buyers for the sale of its investment in subsidiaries, Kallidus and Skava (together referred to as "Skava") and Panaya. The investment in these subsidiaries was classified and presented separately as "held for sale" and was carried at the lower of carrying value and fair value. Consequently, the Company has recognized a reduction in the fair value of investment amounting to ₹589 crore during the three months and year ended March 31, 2018 in respect of Panaya in the standalone financial statements of Infosys. During the three months ended June 30, 2018, on remeasurement, including consideration of progress in negotiations on offers from prospective buyers for Panaya, the Company has recorded a reduction in the fair value of investment amounting to ₹265 crore in respect of Panaya.

During the three months ended December 31, 2018, based on evaluation of proposals received and progress of negotiations with potential buyers, the Company concluded that the investments in Panaya and Skava does not meet the criteria for "Held for Sale" classification because it is no longer highly probable that sale would be consummated by March 31, 2019 (twelve months from date of initial classification as "Held for Sale") Accordingly, in accordance with Ind AS 105 -" Non current Assets held for Sale and Discontinued Operations", the investment in subsidiaries, Panaya and Skava have been included in non-current investments line item in the standalone financial statements as at December 31, 2018.

On reclassification from "Held for Sale", the investment in subsidiaries, Panaya and Skava have been remeasured in the quarter ended December 31, 2018 at the lower of cost and estimated recoverable amount resulting in recognition of an adjustment in respect of excess of carrying amount over recoverable amount on reclassification from "Held for Sale" of ₹469 crore in respect of Skava in the standalone statement of profit and loss for the three months and nine months ended December 31, 2018.

By order of the Board
for Infosys Limited

Bengaluru, India
January 11, 2019

Salil Parekh
Chief Executive Officer and Managing Director

The Board has also taken on record the audited condensed consolidated results of Infosys Limited and its subsidiaries for the quarter and nine months ended December 31, 2018, prepared as per International Financial Reporting Standards (IFRS) and reported in US dollars. A summary of the financial statements is as follows:

(in US$ million, except per equity share data)

Particulars	Quarter ended December 31,	Quarter ended September 30,	Quarter ended December 31,	Nine months ended December 31,		Year ended March 31,
	2018	2018	2017	2018	2017	2018
	Audited	Audited	Unaudited	Audited	Unaudited	Audited
Revenues	2,987	2,921	2,755	8,740	8,134	10,939
Cost of sales	1,956	1,884	1,773	5,660	5,208	7,001
Gross profit	**1,031**	**1,037**	**982**	**3,080**	**2,926**	**3,938**
Operating expenses	356	345	313	1,042	960	1,279
Operating profit	**675**	**692**	**669**	**2,038**	**1,966**	**2,659**
Other income, net	105	105	149	317	413	513
Reduction in the fair value of Disposal Group held for sale (Refer Note a below)	-	-	-	(39)	-	(18)
Adjustment in respect of excess of carrying amount over recoverable amount on reclassification from "Held for Sale" (Refer Note a below)	(65)	-	-	(65)	-	-
Share in net profit/(loss) of associate, including impairment	-	-	-	-	(11)	(11)
Profit before income taxes	**715**	**797**	**818**	**2,251**	**2,368**	**3,143**
Income tax expense	213	216	22	633	453	657
Net profit	**502**	**581**	**796**	**1,618**	**1,915**	**2,486**
Earnings per equity share *						
Basic	0.12	0.13	0.17	0.37	0.42	0.55
Diluted	0.12	0.13	0.17	0.37	0.42	0.55
Total assets	11,872	11,288	11,889	11,872	11,889	12,255
Cash and cash equivalents and current investments	3,764	3,508	3,615	3,764	3,615	4,023

** EPS is not annualized for the quarter and nine months ended December 31, 2018, quarter ended September 30, 2018 and quarter and nine months ended December 31, 2017.*

a. In the three months ended March 2018, the Company had initiated identification and evaluation of potential buyers for its subsidiaries, Kallidus and Skava (together referred to as "Skava") and Panaya, collectively referred to as the "Disposal Group". The Disposal Group was classified and presented separately as "held for sale" and was carried at the lower of carrying value and fair value.Consequently, a reduction in the fair value of Disposal Group held for sale amounting to $18 million in respect of Panaya had been recognized in the consolidated statement of comprehensive income for the three months and year ended March 31, 2018. During the three months ended June 30, 2018, on remeasurement, including consideration of progress in negotiations on offers from prospective buyers for Panaya, the Company has recorded a reduction in the fair value of Disposal Group held for sale amounting to $39 million in respect of Panaya.

During the three months ended December 31, 2018, based on evaluation of proposals received and progress of negotiations with potential buyers, the Company concluded that the Disposal Group does not meet the criteria for "Held for Sale" classification because it is no longer highly probable that sale would be consummated by March 31, 2019 (twelve months from date of initial classification as "Held for Sale") Accordingly, in accordance with IFRS 5 -" Non current Assets held for Sale and Discontinued Operations", the assets and liabilities of Panaya and Skava have been included on a line by line basis in the consolidated financial statements for the period and as at December 31, 2018.

On reclassification from "Held for Sale", the assets of Panaya and Skava have been remeasured in the quarter ended December 31, 2018 at the lower of cost and estimated recoverable amount resulting in recognition of additional depreciation and amortization expenses of $12 million and an adjustment in respect of excess of carrying amount over recoverable amount on reclassification from "Held for Sale" of $65 million (comprising of $52 million towards goodwill and $13 million towards value of customer relationships) in respect of Skava in the consolidated statement of comprehensive income for the three months and nine months ended December 31, 2018.

Infosys® Navigate your next

Q3 FY 19 Financial Results

Infosys Limited
CIN : L85110KA1981PLC013115
Regd. Office: Electronics City, Hosur Road, Bengaluru 560 100, India.
Website: www.infosys.com; Email: investors@infosys.com; Telephone: 91 80 2852 0261; Fax: 91 80 2852 0362

Extract of audited consolidated financial results of Infosys Limited and its subsidiaries for the quarter and nine months ended December 31, 2018 prepared in compliance with the Indian Accounting Standards (Ind-AS)

(in ₹ crore except per equity share data)

Particulars	Quarter ended December 31, 2018	Nine months ended December 31, 2018	Quarter ended December 31, 2017
Revenue from operations	**21,400**	**61,137**	**17,794**
Profit before tax (Refer Note a, b, 5)	5,132	15,758	5,281
Profit for the period (Refer Note a, b, 5)	3,610	11,332	5,129
Total comprehensive income for the period (comprising profit for the period after tax and other comprehensive income after tax)	3,449	11,528	5,039
Profit attributable to:			
Owners of the company	3,609	11,330	5,129
Non-controlling interest	1	2	-
	3,610	**11,332**	**5,129**
Total comprehensive income attributable to:			
Owners of the company	3,448	11,526	5,039
Non-controlling interest	1	2	-
	3,449	**11,528**	**5,039**
Paid-up equity share capital (par value ₹5/- each, fully paid)	2,176	2,176	1,088
Other equity*	63,835	63,835	67,838
Earnings per share (par value ₹5/- each) (Refer note c)**			
Basic	8.30	26.06	11.27
Diluted	8.29	26.03	11.27

** Represents balance as per the audited Balance Sheet of the previous year as required by SEBI (Listing and Other Disclosure Requirements) Regulations, 2015*
*** EPS is not annualized for the quarter and nine months ended December 31, 2018 and quarter ended December 31, 2017.*

Notes pertaining to the previous quarters / periods

a) In December 2017, on account of the conclusion of an Advance Pricing Agreement ("APA") with the U.S. Internal Revenue Service ("IRS"), the Company had, in accordance with the APA, reversed income tax expense provision of $225 million (₹1,432 crore), which pertained to previous periods which are no longer required. Consequently, profit for the quarter and nine months ended December 31, 2017 and year ended March 31, 2018 had increased resulting in an increase in Basic earnings per equity share by ₹3.15 ($0.05) (adjusted for September 2018 bonus issue) for the quarter ended December 31, 2017, by ₹2.91 ($0.04) (adjusted for September 2018 bonus issue) for nine months ended December 31, 2017 and by ₹2.94 ($0.05) (adjusted for September 2018 bonus issue) for the year ended March 31, 2018.

b) Other income includes ₹200 crore for the three months ended December 31, 2017 towards the interest on income tax refund.

c) The Company has allotted 2,18,41,91,490 fully paid up equity shares (including treasury shares) of face value ₹5/- each during the three months ended September 30, 2018 pursuant to a bonus issue approved by the shareholders through postal ballot. The bonus shares were issued by capitalization of profits transferred from general reserve. Bonus share of one equity share for every equity share held, and a bonus issue, viz., 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. The bonus shares allotted rank pari passu in all respects and carry the same rights as the existing equity shareholders and are entitled to participate in full, in any dividend and other corporate action, recommended and declared after the new equity shares are allotted.Consequent to the September 2018 bonus issue, the earnings per share has been adjusted for previous periods presented in accordance with Ind AS 33, Earnings per share.

Notes pertaining to the current quarter

1. The audited interim consolidated financial statements for the quarter and nine months ended December 31, 2018 have been taken on record by the Board of Directors at its meeting held on January 11, 2019. The statutory auditors, Deloitte Haskins & Sells LLP have expressed an unqualified audit opinion. The information presented above is extracted from the audited interim consolidated financial statements. The interim consolidated financial statements are prepared in accordance with the Indian Accounting Standards (Ind-AS) as prescribed under Section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules thereafter.

2. Update on capital allocation policy

In line with the capital allocation policy announced in April 2018, the Board, at its meeting on January 11, 2019, approved the Buyback of Equity Shares, from the open market route through the Indian stock exchanges, amounting to ₹8,260 crore (Maximum Buyback Size) (approximately $1,184 million) at a price not exceeding ₹800 per share (Maximum Buyback Price) (approximately $11.46 per share), subject to shareholders' approval by way of Postal Ballot. Further, the Board also approved a special dividend of ₹4/- per share (approximately $0.06 per share) that would result in a payout of approximately ₹2,107 crore (approximately $302 million) (including dividend distribution tax).

After the execution of the above, along with the special dividend (including dividend distribution tax) of ₹2,633 crore ($386 million) already paid in June 2018, the Company would complete the distribution of ₹13,000 crore to the shareholders, which was announced as part of its capital allocation policy in April 2018.

As the USD/INR* exchange rates have moved from April 2018 when the capital allocation policy was announced, the total capital allocation in US$ terms amounts to $1,872 million (comprising $1,184 million pertaining to buyback as mentioned above, $386 million towards special dividend paid in June 2018 and $302 million towards special dividend to be paid to shareholders in January 2019),

* USD/INR = 69.78 as at December 31, 2018

3. Board update

Based on the recommendation of the Nomination and Remuneration Committee, the Board approved the re-appointment of Kiran Mazumdar-Shaw as the Lead Independent Director from April 1, 2019 to March 22, 2023, subject to shareholder' approval.

4. Management change

a. The Board has appointed Nilanjan Roy as the Chief Financial Officer of the Company effective March 1, 2019.

b. Jayesh Sanghrajka was appointed as the Interim Chief Financial Officer effective November 17, 2018. He will resume his responsibilities as Deputy Chief Financial Officer effective March 1, 2019.

c. M.D. Ranganath resigned as Chief Financial Officer effective November 16, 2018. The Board placed on record its deep appreciation for the services rendered by him during his tenure as the Chief Financial Officer.

5. Reclassification of Disposal Group "Held for Sale"

In the three months ended March 31, 2018, the Company had initiated identification and evaluation of potential buyers for its subsidiaries, Kallidus and Skava (together referred to as "Skava") and Panaya, collectively referred to as the "Disposal Group". The Disposal Group was classified and presented separately as "held for sale" and was carried at the lower of carrying value and fair value. Consequently, a reduction in the fair value of Disposal Group held for sale amounting to ₹118 crore in respect of Panaya had been recognized in the consolidated statement of profit and loss for the three months and year ended March 31, 2018. During the three months ended June 30, 2018, on remeasurement, including consideration of progress in negotiations on offers from prospective buyers for Panaya, the Company has recorded a reduction in the fair value of Disposal Group held for sale amounting to ₹270 crore in respect of Panaya.

During the three months ended December 31, 2018, based on evaluation of proposals received and progress of negotiations with potential buyers, the Company concluded that the Disposal Group does not meet the criteria for "Held for Sale" classification because it is no longer highly probable that sale would be consummated by March 31, 2019 (twelve months from date of initial classification as "Held for Sale") Accordingly, in accordance with Ind AS 105 -" Non current Assets held for Sale and Discontinued Operations", the assets and liabilities of Panaya and Skava have been included on a line by line basis in the consolidated financial statements for the period and as at December 31, 2018.

On reclassification from "Held for Sale", the assets of Panaya and Skava have been remeasured in the quarter ended December 31, 2018 at the lower of cost and estimated recoverable amount resulting in recognition of additional depreciation and amortization expenses of ₹88 crore and an adjustment in respect of excess of carrying amount over recoverable amount on reclassification from "Held for Sale" of ₹451 crore (comprising of ₹358 crore towards goodwill and ₹93 crore towards value of customer relationships) in respect of Skava in the consolidated statement of profit and loss for the three months and nine months ended December 31, 2018.

6. Acquisitions
Fluido Oy

On October 11, 2018, Infosys Consulting Pte Limited (a wholly owned subsidiary of Infosys Limited) acquired 100% of voting interests in Fluido Oy (Fluido), a Nordic-based salesforce advisor and consulting partner in cloud consulting, implementation and training services for a total consideration of upto Euro 65 million (approximately ₹560 crore), comprising of cash consideration of Euro 45 million (approximately ₹388 crore), contingent consideration of upto Euro 12 million (approximately ₹103 crore) and retention payouts of upto Euro 8 million (approximately ₹69 crore), payable to the employees of Fluido over the next three years, subject to their continuous employment with the group.

Infosys Compaz Pte. Ltd (formerly Trusted Source Pte. Ltd)

On November 16, 2018, Infosys Consulting Pte Limited (a wholly owned subsidiary of Infosys Limited) acquired 60% stake in Infosys Compaz Pte. Ltd, a Singapore based IT services company.The business acquisition was conducted by entering into a share purchase agreement for a total consideration of up to SGD 17 million (approximately ₹91 crore on acquisition date), which includes a cash consideration of SGD 10 million (approximately ₹54 crore) and a contingent consideration of up to SGD 7 million (approximately ₹37 crore on acquisition date).

Proposed acquisition- Hitachi Procurement Service Co. Ltd

On December 14, 2018, Infosys Consulting Pte Limited (a wholly owned subsidiary of Infosys Limited) entered into a definitive agreement to acquire 81% of the shareholding in Hitachi Procurement Service Co., Ltd., a wholly-owned subsidiary of Hitachi Ltd, Japan, for a consideration including base purchase price of up to JPY 2.76 billion (approximately ₹175 crore) and customary closing adjustments, subject to regulatory approvals and fulfilment of closing conditions.

7. Compensation changes

On recommendation of the Nomination and Remuneration Committee, the Board in its meeting held on January 11, 2019, approved the following-

i. Grant of annual Restricted Stock Units (RSUs) having a value of ₹3.25 crores to Salil Parekh, Chief Executive Officer and Managing Director, in accordance with the terms of his appointment as approved by the shareholders. The RSUs are issued under 2015 Stock Incentive Compensation Plan ('Plan'). The grant date for these RSUs is February 1, 2019. The RSUs would vest over a period of three years and the exercise price of RSUs will be equal to the par value of the shares. Value of each RSU will be the closing trading price of the share on National Stock Exchange as of the grant date.

ii. Grant of 68,250 RSU's to U.B. Pravin Rao, Chief Operating Officer and Whole-time Director, based on his performance in fiscal 2018, in accordance with the terms of his employment as approved by the shareholders. The RSUs are issued under the Plan. The grant date for these RSUs is February 1, 2019. These RSUs would vest over a period of four years and the exercise price of RSUs will be equal to the par value of the shares.

iii. Revision of compensation of Key Management Personnel with effect from October 1, 2018: Mohit Joshi, Ravi Kumar S., Inderpreet Sawhney, Krishnamurthy Shankar, Jayesh Sanghrajka and A.G.S. Manikantha. The revised aggregate compensation of these KMP includes fixed compensation of ₹18.20 crore and target variable compensation of ₹13.60 crore. Additionally, based on fiscal 2018 performance, 372,100 RSU's were granted under the Plan. The grant date for these RSU's is February 1, 2019. The RSUs would vest over a period of four years and the exercise price of RSUs will be equal to the par value of the shares.

iv. Grant of 1,874,600 RSUs to 405 eligible employees under the Plan. The grant date for these RSUs is February 1, 2019. The RSUs would vest over a period of four years and the exercise price of RSUs will be equal to the par value of the shares.

8. Information on dividends for the quarter and nine months ended December 31, 2018

The Board declared a special dividend of ₹4/- per equity share on January 11, 2019. The record date for the payment is January 25, 2019. The special dividend will be paid on January 28, 2019.

The Board declared an interim dividend of ₹7/- (par value of ₹5/- each) per equity share on October 16, 2018 and the same was paid on October 30, 2018. The interim dividend declared in the previous year was ₹6.50/- per equity share. (adjusted for September 2018 bonus issue).

(in ₹)

Particulars	Quarter ended December 31,	Nine months ended December 31,	Quarter ended December 31,
	2018	2018	2017
Dividend per share (par value ₹5/- each)			
Interim dividend	-	7.00	-
Final dividend	-	-	-
Special dividend	4.00	4.00	-

Note: Dividend per equity share disclosed for previous period in the above table represents dividends declared previously, retrospectively adjusted for September 2018 bonus issue.

9. Audited financial results of Infosys Limited (Standalone information)

(in ₹ crore)

Particulars	Quarter ended December 31,	Nine months ended December 31,	Quarter ended December 31,
	2018	2018	2017
Revenue from operations	18,819	54,171	15,631
Profit before tax (Refer note (a) below)	4,942	14,974	5,922
Profit for the period (Refer note (a) below)	3,501	10,882	6,004

Note:

a) In the three months ended March 2018, the Company had initiated identification and evaluation of potential buyers for the sale of its investment in subsidiaries, Kallidus and Skava (together referred to as "Skava") and Panaya. The investment in these subsidiaries was classified and presented separately as "held for sale" and was carried at the lower of carrying value and fair value. Consequently, the Company has recognized a reduction in the fair value of investment amounting to ₹589 crore during the three months and year ended March 31, 2018 in respect of Panaya in the standalone financial statements of Infosys. During the three months ended June 30, 2018, on remeasurement, including consideration of progress in negotiations on offers from prospective buyers for Panaya, the Company has recorded a reduction in the fair value of investment amounting to ₹265 crore in respect of Panaya.

During the three months ended December 31, 2018, based on evaluation of proposals received and progress of negotiations with potential buyers, the Company concluded that the investments in Panaya and Skava does not meet the criteria for "Held for Sale" classification because it is no longer highly probable that sale would be consummated by March 31, 2019 (twelve months from date of initial classification as "Held for Sale") Accordingly, in accordance with Ind AS 105 -" Non current Assets held for Sale and Discontinued Operations", the investment in subsidiaries, Panaya and Skava have been included in non-current investments line item in the standalone financial statements as at December 31, 2018.

On reclassification from "Held for Sale", the investment in subsidiaries, Panaya and Skava have been remeasured in the quarter ended December 31, 2018 at the lower of cost and estimated recoverable amount resulting in recognition of an adjustment in respect of excess of carrying amount over recoverable amount on reclassification from "Held for Sale" of ₹469 crore in respect of Skava in the standalone statement of profit and loss for the three months and nine months ended December 31, 2018.

The above is an extract of the detailed format of Quarterly audited financial results filed with Stock Exchanges under Regulation 33 of the SEBI (Listing and Other Disclosure Requirements) Regulations, 2015. The full format of the Quarterly Financial Results are available on the Stock Exchange websites, www.nseindia.com and www.bseindia.com, and on the Company's website, www.infosys.com.

Certain statements mentioned in this release concerning our future growth prospects are forward-looking statements regarding our future business expectations intended to qualify for the 'safe harbor' under the Private Securities Litigation Reform Act of 1995, which involve a number of risks and uncertainties that could cause actual results to differ materially from those in such forward-looking statements. The risks and uncertainties relating to these statements include, but are not limited to, risks and uncertainties regarding fluctuations in earnings, fluctuations in foreign exchange rates, our ability to manage growth, intense competition in IT services including those factors which may affect our cost advantage, wage increases in India, our ability to attract and retain highly skilled professionals, time and cost overruns on fixed-price, fixed-time frame contracts, client concentration, restrictions on immigration, industry segment concentration, our ability to manage our international operations, reduced demand for technology in our key focus areas, disruptions in telecommunication networks or system failures, our ability to successfully complete and integrate potential acquisitions, liability for damages on our service contracts, the success of the companies in which Infosys has made strategic investments, withdrawal or expiration of governmental fiscal incentives, political instability and regional conflicts, legal restrictions on raising capital or acquiring companies outside India, and unauthorized use of our intellectual property and general economic conditions affecting our industry. Additional risks that could affect our future operating results are more fully described in our United States Securities and Exchange Commission filings including our Annual Report on Form 20-F for the fiscal year ended March 31, 2018. These filings are available at www.sec.gov. Infosys may, from time to time, make additional written and oral forward-looking statements, including statements contained in the company's filings with the Securities and Exchange Commission and our reports to shareholders. The company does not undertake to update any forward-looking statements that may be made from time to time by or on behalf of the company unless it is required by law.

Infosys
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Q3 FY 19 Financial Results

Infosys Limited

CIN: L85110KA1981PLC013115

Regd. Office: Electronics City, Hosur Road, Bengaluru – 560 100, India.

Website: www.infosys.com; Email: investors@infosys.com; Telephone: 91 80 2852 0261; Fax: 91 80 2852 0362

Statement of Audited results of Infosys Limited for the quarter and nine months ended December 31, 2018 prepared in compliance with the Indian Accounting Standards (Ind-AS)

(in ₹ crore, except per equity share data)

Particulars	Quarter ended December 31,	Quarter ended September 30,	Quarter ended December 31,	Nine months ended December 31,		Year ended March 31,
	2018	2018	2017	2018	2017	2018
	Audited	Audited	Audited	Audited	Audited	Audited
Revenue from operations	18,819	18,297	15,631	54,171	45,957	61,941
Other income, net (Refer note b and c)	756	742	1,811	2,215	3,384	4,019
Total income	**19,575**	**19,039**	**17,442**	**56,386**	**49,341**	**65,960**
Expenses						
Employee benefit expenses	9,784	9,489	8,287	28,098	24,053	32,472
Cost of technical sub-contractors	2,037	1,902	1,349	5,606	4,060	5,494
Travel expenses	483	470	366	1,419	1,111	1,479
Cost of software packages and others	392	448	315	1,255	950	1,270
Communication expenses	81	88	85	252	255	330
Consultancy and professional charges	291	241	190	784	592	826
Depreciation and amortisation expense	406	390	354	1,171	1,045	1,408
Other expenses	690	760	574	2,093	1,756	2,184
Reduction in the fair value of assets held for sale (Refer Note 5)	-	-	-	265	-	589
Adjustment in respect of excess of carrying amount over recoverable amount on reclassification from "Held for Sale" (Refer Note 5)	469	-	-	469	-	-
Total expenses	**14,633**	**13,788**	**11,520**	**41,412**	**33,822**	**46,052**
Profit before tax	**4,942**	**5,251**	**5,922**	**14,974**	**15,519**	**19,908**
Tax expense: (Refer note a)						
Current tax	1,340	1,467	(134)	4,136	2,607	4,003
Deferred tax	101	(95)	52	(44)	(86)	(250)
Profit for the period	**3,501**	**3,879**	**6,004**	**10,882**	**12,998**	**16,155**
Other comprehensive income						
Items that will not be reclassified subsequently to profit or loss						
Remeasurement of the net defined benefit liability / asset, net	(20)	3	17	(18)	21	52
Equity instruments through other comprehensive income, net	57	7	-	68	-	7
Items that will be reclassified subsequently to profit or loss						
Fair value changes on derivatives designated as cash flow hedges, net	56	(29)	5	36	(41)	(39)
Fair value changes on investments, net	33	(13)	(23)	(20)	13	1
Total other comprehensive income/ (loss), net of tax	**126**	**(32)**	**(1)**	**66**	**(7)**	**21**
Total comprehensive income for the period	**3,627**	**3,847**	**6,003**	**10,948**	**12,991**	**16,176**
Paid-up share capital (par value ₹5/- each fully paid)	2,184	2,184	1,092	2,184	1,092	1,092
Other Equity*	62,410	62,410	66,869	62,410	66,869	62,410
Earnings per equity share (par value ₹5 /- each) (Refer note d)**						
Basic (₹) (Refer note a and Note 5)	8.01	8.88	13.14	24.91	28.34	35.64
Diluted (₹)	8.01	8.88	13.13	24.90	28.33	35.62

** Represents balance as per the audited Balance Sheet of the previous year as required by SEBI (Listing and Other Disclosure Requirements) Regulations, 2015*

*** EPS is not annualized for the quarter and nine months ended December 31, 2018, quarter ended September 30, 2018 and quarter and nine months ended December 31, 2017.*

Notes pertaining to the previous quarters / periods

a) In December 2017, on account of the conclusion of an Advance Pricing Agreement ("APA") with the U.S. Internal Revenue Service ("IRS"), the Company had, in accordance with the APA, reversed income tax expense provision of $225 million (₹1,432 crore), which pertained to previous periods which are no longer required. Consequently, profit for the quarter and nine months ended December 31, 2017 and year ended March 31, 2018 had increased resulting in an increase in Basic Earnings Per equity share by ₹3.13 ($0.05) (adjusted for September 2018 bonus issue) for the quarter ended December 31, 2017, by ₹2.89 ($0.05) (adjusted for September 2018 bonus issue) for nine months ended December 31, 2017 and by ₹2.93 ($0.05) (adjusted for September 2018 bonus issue) for the year ended March 31, 2018.

b) Other income includes ₹199 crore for the three months ended December 31, 2017 and ₹257 crore each for the nine months ended December 31, 2017 and year ended March 31, 2018 towards the interest on income tax refund.

c) During the quarter ended June 30, 2017, the Company had written down the entire carrying value of the investment in its subsidiary Infosys Nova Holding LLC, amounting to ₹ 94 crore.

d) The Company has allotted 2,18,41,91,490 fully paid up equity shares (including treasury shares) of face value ₹5/- each during the three months ended September 30, 2018 pursuant to a bonus issue approved by the shareholders through postal ballot. The bonus shares were issued by capitalization of profits transferred from general reserve. Bonus share of one equity share for every equity share held, and a bonus issue, viz., 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. The bonus shares allotted rank pari passu in all respects and carry the same rights as the existing equity shareholders and are entitled to participate in full, in any dividend and other corporate action, recommended and declared after the new equity shares are allotted.Consequent to the September 2018 bonus issue, the earnings per share has been adjusted for previous periods presented in accordance with Ind AS 33, Earnings per share.

Notes pertaining to the current quarter

1. The audited interim condensed standalone financial statements for the quarter and nine months ended December 31, 2018 have been taken on record by the Board of Directors at its meeting held on January 11, 2019. **The statutory auditors, Deloitte Haskins & Sells LLP have expressed an unqualified audit opinion**. The information presented above is extracted from the audited interim condensed standalone financial statements. The interim condensed standalone financial statements are prepared in accordance with the Indian Accounting Standards (Ind-AS) as prescribed under Section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules thereafter.

2. Update on capital allocation policy

In line with the capital allocation policy announced in April 2018, the Board, at its meeting on January 11, 2019, approved the Buyback of Equity Shares, from the open market route through the Indian stock exchanges, amounting to ₹8,260 crore (Maximum Buyback Size) (approximately $1,184 million) at a price not exceeding ₹800 per share (Maximum Buyback Price) (approximately $11.46 per share), subject to shareholders' approval by way of Postal Ballot. Further, the Board also approved a special dividend of ₹4/- per share (approximately $0.06 per share) that would result in a payout of approximately ₹2,107 crore (approximately $302 million) (including dividend distribution tax).

After the execution of the above, along with the special dividend (including dividend distribution tax) of ₹2,633 crore ($386 million) already paid in June 2018, the Company would complete the distribution of ₹13,000 crore to the shareholders, which was announced as part of its capital allocation policy in April 2018.

As the USD/INR* exchange rates have moved from April 2018 when the capital allocation policy was announced, the total capital allocation in US$ terms amounts to $1,872 million (comprising $1,184 million pertaining to buyback as mentioned above, $386 million towards special dividend paid in June 2018 and $302 million towards special dividend to be paid to shareholders in January 2019),

* USD/INR = 69.78 as at December 31, 2018

3. Board update

Based on the recommendation of the Nomination and Remuneration Committee, the Board approved the re-appointment of Kiran Mazumdar-Shaw as the Lead Independent Director from April 1, 2019 to March 22, 2023, subject to shareholder' approval.

4. Management change

a. The Board has appointed Nilanjan Roy as the Chief Financial Officer of the Company effective March 1, 2019.

b. Jayesh Sanghrajka was appointed as the Interim Chief Financial Officer effective November 17, 2018. He will resume his responsibilities as Deputy Chief Financial Officer effective March 1, 2019

c. M.D. Ranganath resigned as Chief Financial Officer effective November 16, 2018. The Board placed on record its deep appreciation for the services rendered by him during his tenure as the Chief Financial Officer.

5. Reclassification of assets "Held for Sale"

In the three months ended March 31, 2018, the Company had initiated identification and evaluation of potential buyers for the sale of its investment in subsidiaries, Kallidus and Skava (together referred to as "Skava") and Panaya. The investment in these subsidiaries was classified and presented separately as "held for sale" and was carried at the lower of carrying value and fair value. Consequently, the Company has recognized a reduction in the fair value of investment amounting to ₹589 crore during the three months and year ended March 31, 2018 in respect of Panaya in the standalone financial statements of Infosys. During the three months ended June 30, 2018, on remeasurement, including consideration of progress in negotiations on offers from prospective buyers for Panaya, the Company has recorded a reduction in the fair value of investment amounting to ₹265 crore in respect of Panaya.

During the three months ended December 31, 2018, based on evaluation of proposals received and progress of negotiations with potential buyers, the Company concluded that the investments in Panaya and Skava does not meet the criteria for "Held for Sale" classification because it is no longer highly probable that sale would be consummated by March 31, 2019 (twelve months from date of initial classification as "Held for Sale") Accordingly, in accordance with Ind AS 105 -" Non current Assets held for Sale and Discontinued Operations", the investment in subsidiaries, Panaya and Skava have been included in non-current investments line item in the standalone financial statements as at December 31, 2018.

On reclassification from "Held for Sale", the investment in subsidiaries, Panaya and Skava have been remeasured in the quarter ended December 31, 2018 at the lower of cost and estimated recoverable amount resulting in recognition of an adjustment in respect of excess of carrying amount over recoverable amount on reclassification from "Held for Sale" of ₹469 crore in respect of Skava in the standalone statement of profit and loss for the three months and nine months ended December 31, 2018.

6. Compensation changes

On recommendation of the Nomination and Remuneration Committee, the Board in its meeting held on January 11, 2019, approved the following-

i. Grant of annual Restricted Stock Units (RSUs) having a value of ₹3.25 crores to Salil Parekh, Chief Executive Officer and Managing Director, in accordance with the terms of his appointment as approved by the shareholders. The RSUs are issued under 2015 Stock Incentive Compensation Plan ('Plan'). The grant date for these RSUs is February 1, 2019. The RSUs would vest over a period of three years and the exercise price of RSUs will be equal to the par value of the shares. Value of each RSU will be the closing trading price of the share on National Stock Exchange as of the grant date.

ii. Grant of 68,250 RSU's to U.B. Pravin Rao, Chief Operating Officer and Whole-time Director, based on his performance in fiscal 2018, in accordance with the terms of his employment as approved by the shareholders. The RSUs are issued under the Plan. The grant date for these RSUs is February 1, 2019. These RSUs would vest over a period of four years and the exercise price of RSUs will be equal to the par value of the shares.

iii. Revision of compensation of Key Management Personnel with effect from October 1, 2018: Mohit Joshi, Ravi Kumar S., Inderpreet Sawhney, Krishnamurthy Shankar, Jayesh Sanghrajka and A.G.S. Manikantha. The revised aggregate compensation of these KMP includes fixed compensation of ₹18.20 crore and target variable compensation of ₹13.60 crore. Additionally, based on fiscal 2018 performance, 372,100 RSU's were granted under the Plan. The grant date for these RSU's is February 1, 2019. The RSUs would vest over a period of four years and the exercise price of RSUs will be equal to the par value of the shares.

iv. Grant of 1,874,600 RSUs to 405 eligible employees under the Plan. The grant date for these RSUs is February 1, 2019. The RSUs would vest over a period of four years and the exercise price of RSUs will be equal to the par value of the shares.

7. Information on dividends for the quarter and nine months ended December 31, 2018

The Board declared a special dividend of ₹4/- per equity share on January 11, 2019. The record date for the payment is January 25, 2019. The special dividend will be paid on January 28, 2019.

The Board declared an interim dividend of ₹7/- (par value of ₹5/- each) per equity share on October 16 , 2018 and the same was paid on October 30, 2018. The interim dividend declared in the previous year was ₹6.50/- per equity share. (adjusted for September 2018 bonus issue).

(in ₹)

Particulars	Quarter ended December 31,	Quarter ended September 30,	Quarter ended December 31,	Nine months ended December 31,		Year ended March 31,
	2018	2018	2017	2018	2017	2018
Dividend per share (par value ₹5/- each)						
Interim dividend	-	7.00	-	7.00	6.50	6.50
Final dividend	-	-	-	-	-	10.25
Special dividend	4.00	-	-	4.00	-	5.00

Note: Dividend per equity share disclosed for previous periods in the above table represents dividends declared previously, retrospectively adjusted for September 2018 bonus issue.

7. Segment Reporting

The Company publishes interim condensed standalone financial statements along with the interim consolidated financial statements. In accordance with Ind AS 108, Operating Segments, the company has disclosed the segment information in the audited interim consolidated financial statements.Accordingly, the segment information is given in the audited consolidated financial results of Infosys Limited and its subsidiaries for the quarter and nine months ended December 31, 2018.

By order of the Board
for Infosys Limited

Bengaluru, India
January 11, 2019

Salil Parekh
Chief Executive Officer and Managing Director

Certain statements mentioned in this release concerning our future growth prospects are forward-looking statements regarding our future business expectations intended to qualify for the 'safe harbor' under the Private Securities Litigation Reform Act of 1995, which involve a number of risks and uncertainties that could cause actual results to differ materially from those in such forward-looking statements. The risks and uncertainties relating to these statements include, but are not limited to, risks and uncertainties regarding fluctuations in earnings, fluctuations in foreign exchange rates, our ability to manage growth, intense competition in IT services including those factors which may affect our cost advantage, wage increases in India, our ability to attract and retain highly skilled professionals, time and cost overruns on fixed-price, fixed-time frame contracts, client concentration, restrictions on immigration, industry segment concentration, our ability to manage our international operations, reduced demand for technology in our key focus areas, disruptions in telecommunication networks or system failures, our ability to successfully complete and integrate potential acquisitions, liability for damages on our service contracts, the success of the companies in which Infosys has made strategic investments, withdrawal or expiration of governmental fiscal incentives, political instability and regional conflicts, legal restrictions on raising capital or acquiring companies outside India, and unauthorized use of our intellectual property and general economic conditions affecting our industry. Additional risks that could affect our future operating results are more fully described in our United States Securities and Exchange Commission filings including our Annual Report on Form 20-F for the fiscal year ended March 31, 2018. These filings are available at www.sec.gov. Infosys may, from time to time, make additional written and oral forward-looking statements, including statements contained in the company's filings with the Securities and Exchange Commission and our reports to shareholders. The company does not undertake to update any forward-looking statements that may be made from time to time by or on behalf of the company unless it is required by law.