

Report for the third quarter ended December 31, 2014

Select financial data – IFRS (consolidated)

The Securities and Exchange Board of India (SEBI) had on November 9, 2009 issued a press release permitting listed entities having subsidiaries to voluntarily submit the consolidated financial statements as per IFRS. Further, the SEBI issued a circular, dated April 5, 2010, wherein the Listing Agreement has been modified to this effect from March 31, 2010. Consequent to this, the company has voluntarily prepared and published audited consolidated IFRS financial statements for the quarter ended December 31, 2014.

Statement of Comprehensive Income

in ₹ crore, except per share data

Particulars	Quarter ended		Year-on-year Growth (%)	Quarter ended September 30, 2014	Sequential Growth (%)
	December 31, 2014	December 31, 2013			
Revenues	13,796	13,026	5.9	13,342	3.4
Cost of sales	8,462	8,321	1.7	8,201	3.2
Gross Profit	5,334	4,705	13.4	5,141	3.8
Operating Expenses:					
Selling and marketing expenses	770	644	19.6	769	0.1
Administration expenses	875	802	9.1	889	(1.6)
Total Operating Expenses	1,645	1,446	13.8	1,658	(0.8)
Operating Profit	3,689	3,259	13.2	3,483	5.9
Other Income	840	731	14.9	877	(4.2)
Profit before income taxes	4,529	3,990	13.5	4,360	3.9
Income tax expense	1,279	1,115	14.7	1,264	1.2
Net Profit	3,250	2,875	13.0	3,096	5.0
Earnings per equity share					
Basic (₹)	28.44	25.16	13.0	27.09	5.0
Diluted (₹)	28.44	25.16	13.0	27.09	5.0

Balance Sheet data

in ₹ crore

Particulars	December 31, 2014	March 31, 2014
Cash and cash equivalents ⁽¹⁾	32,023	25,950
Available-for-sale financial assets	2,859	3,449
Trade receivables	9,061	8,351
Investment in certificates of deposit	–	859
Property, plant and equipment	8,732	7,887
Other assets	10,544	10,559
Total assets	63,219	57,055
Total liabilities	11,431	9,525
Total equity	51,788	47,530
Total liabilities and equity	63,219	57,055

⁽¹⁾ Cash and cash equivalents include deposits with corporations.

Ratio analysis – IFRS (consolidated)

in %

	Quarter ended		
	December 31, 2014	December 31, 2013	September 30, 2014
Cost of sales / total revenue (%)	61.3	63.9	61.5
Gross profit / total revenue (%)	38.7	36.1	38.5
Operating expenses / total revenue (%)	11.9	11.1	12.4
Operating profit / total revenue (%)	26.7	25.0	26.1
Tax / Profit before tax (PBT) (%)	28.2	27.9	29.0
Days sales outstanding (DSO) (LTM)	63	68	63
Cash and cash equivalents / total assets (%) ⁽¹⁾	55.2	50.8	54.5
Return on Capital Employed (ROCE) (PBIT / average capital employed) (%) (LTM)	35.4	33.4	35.2
Return on average invested capital (%) (LTM) ⁽¹⁾	60.3	52.4	60.2

LTM: Last twelve months

⁽¹⁾ Investments in available-for-sale financial assets (excluding investment in non-current unquoted equity securities) and certificates of deposit have been considered as cash and cash equivalents for the above ratio analysis.

Income statement

in US \$ million, except per share data

Particulars	Quarter ended		Year-on-year Growth (%)	Quarter ended September 30, 2014	Sequential Growth (%)
	December 31, 2014	December 31, 2013			
Revenues	2,218	2,100	5.6	2,201	0.8
Cost of sales	1,360	1,341	1.4	1,353	0.5
Gross profit	858	759	13.0	848	1.2
Operational expenses					
Selling and marketing expenses	124	104	19.2	127	(2.4)
Administration expenses	142	129	10.1	146	(2.7)
Total operating expenses	266	233	14.2	273	(2.6)
Operating profit	592	526	12.5	575	3.0
Other income	136	117	16.2	144	(5.6)
Profit before income taxes	728	643	13.2	719	1.3
Income tax expense	206	180	14.4	208	(1.0)
Net profit	522	463	12.7	511	2.2
Earnings per equity share					
Basic (₹)	0.46	0.41	12.2	0.45	2.2
Diluted (₹)	0.46	0.41	12.2	0.45	2.2

Balance Sheet data

in US \$ million

	December 31, 2014	March 31, 2014
Cash and cash equivalents ⁽¹⁾	5,080	4,331
Available-for-sale financial assets	453	575
Investment in certificates of deposit	–	143
Trade receivables	1,437	1,394
Property, plant and equipment	1,385	1,316
Other assets	1,673	1,763
Total assets	10,028	9,522
Total liabilities	1,813	1,589
Total equity	8,215	7,933
Total liabilities and equity	10,028	9,522

⁽¹⁾ Cash and cash equivalents include deposits with corporations.

Additional information

The following information for the three months and nine months ended December 31, 2014 is available in the Investors' section of our website, www.infosys.com:

1. Audited Balance Sheet, Statement of Profit and Loss, Cash Flow statement, Significant accounting policies and Notes on accounts for the three months and nine months ended December 31, 2014 and the related auditor's report: Indian GAAP standalone.
2. Audited IFRS Consolidated Interim Financial Statements (INR).
3. Unaudited condensed consolidated interim financial statements in USD prepared in compliance with IFRS.

Infosys is concerned about the environment and utilizes natural resources in a sustainable way. In order to intensify our paper conservation drive, from the quarter ended June 30, 2010 onwards, we have hosted the quarterly report on the company's website so that it is easily accessible to the investors anytime. We request you to kindly update your email addresses with your depository participant. A physical copy of the report will be sent only on request. You can send the request to investors@infosys.com. Your cooperation will help conserve paper and minimize our impact on the environment.

This Report is furnished to investors for informational purposes only. Investors should continue to rely on the official filed versions of financial statements and related information and not rely on this Report while making investment decisions. Investors in our securities registered and traded in the United States of America should rely on official filings with the United States Securities and Exchange Commission.

Safe harbor

Certain statements in connection with 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, 2014 and on Form 6-K for the quarter ended June 30, 2014 and September 30, 2014. 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.