Schedules to the Consolidated Financial Statements for the year ended March 31, 2011

24. Significant accounting policies and notes on accounts

Company overview

Infosys Technologies Limited ("Infosys" or "the company") along with its majority owned and controlled subsidiary, Infosys BPO Limited ("Infosys BPO") and wholly owned and controlled subsidiaries, Infosys Technologies (Australia) Pty. Limited ("Infosys Australia"), Infosys Technologies (China) Co. Limited ("Infosys China"), Infosys Consulting, Inc.("Infosys Consulting"), Infosys Technologies S. De R.L. de C.V. ("Infosys Mexico"), Infosys Technologies (Sweden) AB ("Infosys Sweden"), Infosys Tecnologia Do Brasil LTDA ("Infosys Brasil"), Infosys Public Services, Inc, USA ("Infosys Public Servies") and Infosys Technologies (Shanghai) Company Limited ("Infosys Shanghai") and controlled trusts is a leading global technology services corporation. The group of companies ("the Group") provides end-to-end business solutions that leverage technology thereby enabling clients to enhance business performance. The Group provides solutions that span the entire software life cycle encompassing technical consulting, design, development, re-engineering, maintenance, systems integration, package evaluation and implementation, testing and infrastructure management services. In addition, the Group offers software products for the banking industry, business consulting and business process management services.

24.1. Significant accounting policies

24.1.1. Basis of preparation of financial statements

The 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 value. GAAP comprises mandatory accounting standards prescribed by the Companies (Accounting Standards) Rules, 2006 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.

The financial statements are prepared in accordance with the principles and procedures required for the preparation and presentation of consolidated financial statements as laid down under the Accounting Standard (AS) 21, “Consolidated Financial Statements” . The financial statements of Infosys - the parent company, Infosys BPO, Infosys China, Infosys Australia, Infosys Mexico, Infosys Consulting, Infosys Sweden, Infosys Brasil, Infosys Public Services, Infosys Shanghai and controlled trusts have been combined on a line-by-line basis by adding together book values of like items of assets, liabilities, income and expenses after eliminating intra-group balances and transactions and resulting unrealized gain/loss. The consolidated financial statements are prepared by applying uniform accounting policies in use at the Group. Minority interests have been excluded. Minority interests represent that part of the net profit or loss and net assets of subsidiaries that are not, directly or indirectly, owned or controlled by the company.

24.1.2. Use of estimates

The preparation of the financial statements in conformity with GAAP requires the 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 Group to estimate the efforts expended to date as a proportion of the total efforts to be expended, provisions for doubtful debts, future obligations under employee retirement benefit plans, income taxes, post-sales customer support and the useful lives of fixed assets and intangible assets.

Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the consolidated financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the consolidated financial statements.

The Management periodically assesses using, external and internal sources, whether there is an indication that an asset may be impaired. An impairment loss is recognised 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 other than goodwill 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 other than goodwill is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortization or depreciation) had no impairment loss been recognized for the asset in previous years.

24.1.3. Revenue recognition

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

Revenue on time-and-material contracts are recognized as the related services are performed and revenue from the end of the last billing to the Balance Sheet date is recognized as unbilled revenues. Revenue from fixed-price, fixed-timeframe contracts, where there is no uncertainty as to measurement or collectability of consideration, is recognized 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 billing 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. 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 Group 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 Group 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 Group recognizes changes in the estimated amount of obligations for discounts using a cumulative catch-up approach. The discounts are passed on to the customer either as direct payments or as a reduction of payments due from the customer.

The Group presents revenues net of value-added taxes in its consolidated profit and loss account.

Profit on sale of investments is recorded on transfer of title from the Group 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 Group's right to receive dividend is established.

24.1.4. Provisions and contingent liabilities

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

24.1.4.a. Post-sales client support and warranties

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

24.1.4.b. Onerous contracts

Provisions for onerous contracts are recognized when the expected benefits to be derived by the Group from a contract are lower than the unavoidable costs of meeting the future obligations under the contract. The provision is measured at lower of the expected cost of terminating the contract and the expected net cost of fulfilling the contract.

24.1.5. Fixed assets, including goodwill, intangible assets and capital work-in-progress

Fixed assets are stated at cost, less accumulated depreciation and impairments, if any. Direct costs are capitalized until fixed assets are ready for use. Capital work-in-progress comprises outstanding advances paid to acquire fixed assets and the cost of fixed assets that are not yet ready for their intended use at the reporting date. Intangible assets are recorded at the consideration paid for acquisition of such assets and are carried at cost less accumulated amortization and impairment. Goodwill comprises the excess of purchase consideration over the fair value of the net assets of the acquired enterprise. Goodwill arising on consolidation or acquisition is not amortized but is tested for impairment.

24.1.6. Depreciation and amortization

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

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

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

24.1.7. Retirement benefits to employees

24.1.7.a. Gratuity

In accordance with the Payment of Gratuity Act, 1972, Infosys provides for gratuity, a defined benefit retirement plan ("the Gratuity Plan") covering eligible employees of the company and Infosys BPO. 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 Group.

Liabilities with regard to the Gratuity Plan are determined by actuarial valuation at each Balance Sheet date using the projected unit credit method. The company fully contributes all ascertained liabilities to the Infosys Technologies Limited Employees' Gratuity Fund Trust ("the Trust"). In case of Infosys BPO, contributions are made to the Infosys BPO's Employees' Gratuity Fund Trust. Trustees administer contributions made to the Trusts and contributions are invested in specific instruments, as permitted by the law. The Group recognizes the net obligation of the Gratuity plan in the consolidated Balance Sheet as an asset or liability, respectively in accordance with AS 15, “Employee Benefits”. The Group'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 consolidated profit and loss account in the period in which they arise.

24.1.7.b. Superannuation

Certain employees of Infosys are also participants in the superannuation plan (“the Plan”) which is a defined contribution plan. The Company had no obligations to the Plan beyond its monthly contributions. Certain employees of Infosys BPO and Infosys Australia were also eligible for superannuation benefit. Infosys BPO and Infosys Australia made monthly provisions under the superannuation plan based on a specified percentage of each covered employee's salary. Infosys BPO had no further obligations to the superannuation plan beyond its monthly provisions which are periodically contributed to a trust fund, the corpus of which is invested with the Life Insurance Corporation of India.

24.1.7.c. Provident fund

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

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

24.1.7.d. Compensated absences

The employees of the Group are entitled to compensated absences which are both accumulating and non-accumulating in nature. The expected cost of accumulating compensated absences is determined by actuarial valuation based on the additional amount expected to be paid as a result of the unused entitlement that has accumulated at the Balance Sheet date. Expense on non-accumulating compensated absences is recognized in the period in which the absences occur.

24.1.8. Research and development

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

24.1.9. Foreign currency transactions

Foreign currency denominated monetary assets and liabilities are translated into the relevant functional currency at exchange rates in effect at the Balance Sheet date. The gains or losses resulting from such translations are included in the profit or loss account. 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 into the relevant functional currencies 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.

The functional currency of Infosys and Infosys BPO is the Indian Rupee. The functional currencies for Infosys Australia, Infosys China, Infosys Consulting, Infosys Mexico, Infosys Sweden, Infosys Brasil, Infosys Public Services and Infosys Shanghai are their respective local currencies. The translation of financial statements of the foreign subsidiaries from the local currency to the functional currency of the Company is performed for Balance Sheet accounts using the exchange rate in effect at the Balance Sheet date and for revenue, expense and cash-flow items using a monthly average exchange rate for the respective periods and the resulting difference is presented as foreign currency translation reserve included in “Reserves and Surplus”. When a subsidiary is disposed off, in part or in full, the relevant amount is transferred to profit or loss.

24.1.10. Forward contracts and options in foreign currencies

The Group 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 Group and the Group does not use those for trading or speculation purposes.

Effective April 1, 2008, the Group 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 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 is recognized in the profit or loss account. The Group 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 consolidated Profit and Loss account of that period. To designate a forward or options contract as an effective hedge, management objectively evaluates and evidences with appropriate supporting documents at the inception of each contract whether the contract is effective in achieving offsetting cash flows attributable to the hedged risk. In the absence of a designation as effective hedge, a gain or loss is recognized in the consolidated Profit and Loss account. Currently, the hedges undertaken by the Group are all ineffective in nature and the resultant gain or loss consequent to fair valuation is recognized in the consolidated Profit and Loss account at each reporting date.

24.1.11. Income taxes

Income taxes are accrued in the same period the related revenue and expenses arise. A provision is made for income tax annually based on the tax liability computed after considering tax allowances and exemptions. Provisions are recorded when it is estimated that a liability due to disallowances or other matters is probable. 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 consolidated Balance Sheet if there is convincing evidence that the Group will pay normal tax after the tax holiday period and the resultant asset can be measured reliably. The Group 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 offered 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. Tax benefits of deductions earned on exercise of employee share options in excess of compensation charged to the consolidated Profit and Loss account are credited to the share premium account.

24.1.12. 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 net 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 at 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 consolidated financial statements by the Board of Directors.

24.1.13. Investments

Trade investments are the investments made to enhance the Group's business interests. Investments are either classified as current or long-term based on Management's intention at the time of purchase. Current investments are carried at 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.

24.1.14. Cash and cash equivalents

Cash and cash equivalents comprise cash and cash on deposit with banks and corporations. The Group 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.

24.1.15. Cash flow statement

Cash flows are reported using the indirect method, whereby net 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 Group are segregated.

24.1.16. Leases

Lease under which the Group 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 profit and loss account over the lease term.

24.1.17. Government grants

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

24.2. Notes on accounts

Amounts in the financial statements are presented in Rupees crore, except for per share data and as otherwise stated. Certain amounts that are required to be disclosed and do not appear due to rounding off are detailed in note 24.3.All exact amounts are stated with the suffix "/-". One crore equals 10 million.

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

24.2.1. Aggregate expenses

The aggregate amounts incurred on expenses are as follows:

in ₹ crore

	Year ended March 31,	
	2011	**2010**
Salaries and bonus including overseas staff expenses	14,306	11,733
Contribution to provident and other funds	456	306
Staff welfare	94	46
Overseas travel expenses	839	610
Traveling and conveyance	115	82
Technical sub-contractors	603	372
Software packages for own use	350	336
Third party items bought for service delivery to clients	139	17
Professional charges	344	278
Telephone charges	153	139
Communication expenses	84	86
Power and fuel	167	145
Office maintenance	222	165
Guesthouse maintenance	9	4
Rent	146	125
Brand building	74	57
Commission charges	15	16
Insurance charges	33	31
Printing and stationery	14	12
Computer maintenance	53	29
Consumables	27	25
Rates and taxes	54	31
Advertisements	7	3
Donations	1	44
Marketing expenses	22	15
Professional membership and seminar participation fees	12	9
Repairs to building	45	34
Repairs to plant and machinery	36	32
Postage and courier	13	12
Provision for post-sales client support and warranties	5	(2)
Books and periodicals	4	4
Recruitment and training	2	2
Provision for bad and doubtful debts	2	-
Provision for doubtful loans and advances	2	1
Commission to non-whole time directors	6	6
Sales promotion expenses	1	1
Auditor's remuneration		
Statutory audit fees	2	2
Bank charges and commission	2	2
Freight charges	2	1
Research grants	18	23
Miscellaneous expenses	54	47
	18,533	**14,881**

24.2.2. **Capital commitments and contingent liabilities**

in ₹ crore

Particulars	As at March 31,			
	2011		2010	
Estimated amount of unexecuted capital contracts (net of advances and deposits)		814	`	301
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		21		18
Claims against the Company, not acknowledged as debts [(1)] [Net of amount paid to statutory authorities of ₹469 crore *(₹241 crore)*]		271		28
	in million	in ₹ crore	in million	in ₹ crore
Forward contracts outstanding				
In USD	546	2,433	267	1,199
In Euro	28	177	22	130
In GBP	15	108	11	71
In AUD	10	46	3	12
Options contracts outstanding				
In USD	-	-	200	898
		2,764		2,310

[(1)] *Claims against the Company not acknowledged as debts include demand from the Indian tax authorities for payment of additional tax of ₹671crore (₹214 crore), including interest of ₹177 crore (₹39 crore) upon completion of their tax review for fiscal 2005, fiscal 2006 and fiscal 2007. The tax demands are mainly on account of disallowance of a portion of the deduction claimed by the Company under Section 10A of the Income tax Act. The deductible amount is determined by the ratio of export turnover to total turnover. The disallowance arose from certain expenses incurred in foreign currency being reduced from export turnover but not reduced from total turnover. The tax demand for fiscal 2007 also includes disallowance of portion of profit earned outside India from the STP units and disallowance of profits earned from SEZ units. The matter for fiscal 2005, 2006 and 2007 is pending before the Commissioner of Income tax (Appeals), Bangalore.*

The Company is contesting the demands and the Management, including its tax advisors, believes that its position will likely be upheld in the appellate process. No tax expense has been accrued in the financial statements for the tax demand raised. The Management believes that the ultimate outcome of this proceeding will not have a material adverse effect on the Company's financial position and results of operations.

24.2.3. Obligations on long-term, non-cancelable operating leases

The lease rentals charged for the year ended March 31, 2011 and March 31, 2010 and maximum obligations on long-term non-cancelable operating leases payable as per the rentals stated in the respective agreements:

in ₹ crore

Particulars	Year ended March 31, 2011	Year ended March 31, 2010
Lease rentals recognized during the year	146	125

in ₹ crore

Lease obligations payable	As at March 31, 2011	As at March 31, 2010
Within one year of the balance sheet date	109	84
Due in a period between one year and five years	251	249
Due after five years	71	62

The operating lease arrangements extend upto a maximum of ten years from their respective dates of inception and relates to rented overseas premises. Some of these lease agreements have price escalation clause.

24.2.4. Related party transactions

During the year ended March 31, 2011, an amount of Nil (₹35 crore for the year ended March 31, 2010) was donated to Infosys Foundation, a not-for-profit foundation, in which certain directors and officers of the Company are trustees.

Related parties include Infosys Science Foundation and Infosys Technologies Limited Employees' Welfare Trust which are controlled trusts.

24.2.5. Transactions with key management personnel

Particulars of remuneration and other benefits paid to key management personnel during the year ended March 31, 2011 and March 31, 2010 have been detailed in Schedule 24.4.

24.2.6. Research and development expenditure

in ₹ crore

Particulars	Year ended March 31, 2011	Year ended March 31, 2010
Capital	6	3
Revenue	527	435

24.2.7. Stock option plans

The Company has two Stock Option Plans that are currently operational.

1998 Stock Option Plan ("the 1998 Plan")

The 1998 Plan was approved by the Board of Directors in December 1997 and by the shareholders in January 1998, and is for issue of 1,17,60,000 ADSs representing 1,17,60,000 equity shares. All options under the 1998 Plan are exercisable for ADSs representing equity shares. A Compensation Committee comprising independent members of the Board of Directors administers the 1998 Plan. All options have been granted at 100% of fair market value. The 1998 Plan lapsed on January 6, 2008, and consequently no further shares will be issued to employees under this plan.

1999 Stock Option Plan ("the 1999 Plan")

In fiscal 2000, the Company instituted the 1999 Plan. The shareholders and the Board of Directors approved the plan in September 1999, which provides for the issue of 5,28,00,000 equity shares to the employees. The Compensation Committee administers the 1999 Plan. Options will be issued to employees at an exercise price that is not less than the fair market value. The 1999 Plan lapsed on June 11, 2009, and consequently no further shares will be issued to employees under this plan.

The activity in the 1998 Plan and 1999 Plan during the year ended March 31, 2011 and March 31, 2010 is as follows:

	Year ended March 31,	
	2011	**2010**
The 1998 Plan :		
Options outstanding, beginning of year	2,42,264	9,16,759
Less: Exercised	1,88,675	6,14,071
Forfeited	3,519	60,424
Options outstanding, end of year	**50,070**	**2,42,264**
The 1999 Plan :		
Options outstanding, beginning of year	2,04,464	9,25,806
Less: Exercised	1,37,692	3,81,078
Forfeited	18,052	3,40,264
Options outstanding, end of year	**48,720**	**2,04,464**

The weighted average share price of options exercised under the 1998 Plan during the year ended March 31, 2011 and March 31, 2010 was ₹2,950 and ₹2,266 respectively. The weighted average share price of options exercised under the 1999 Plan during the year ended March 31, 2011 and March 31, 2010 was ₹2,902 and ₹2,221 respectively.

The following tables summarize information about the 1998 and 1999 share options outstanding as of March 31, 2011 and March 31, 2010:

Range of exercise prices per share (₹)	**As at March 31, 2011**		
	Number of shares arising out of options	**Weighted average remaining contractual life**	**Weighted average exercise price**
The 1998 Plan:			
300-700	24,680	0.73	587
701-1,400	25,390	0.56	777
	50,070	**0.65**	**683**
The 1999 Plan:			
300-700	33,759	0.65	448
701-2,500	14,961	1.71	2,121
	48,720	**0.97**	**962**

Range of exercise prices per share (₹)	As at March 31, 2010		
	Number of shares arising out of options	**Weighted average remaining contractual life**	**Weighted average exercise price**
The 1998 Plan:			
300-700	1,74,404	0.94	551
701-1,400	67,860	1.27	773
	2,42,264	**1.03**	**613**
The 1999 Plan:			
300-700	1,52,171	0.91	439
701-2,500	52,293	1.44	2,121
	2,04,464	**1.05**	**869**

The aggregate options considered for dilution are set out in note 24.2.16

Proforma Accounting for Stock Option Grants

Guidance note on "Accounting for employee share based payments" issued by Institute of Chartered Accountants of India establishes financial accounting and reporting principles for employee share based payment plans. The guidance note applies to employee share based payment plans, the grant date in respect of which falls on or after April 1, 2005.

As allowed by the guidance note, Infosys has elected to continue to apply the intrinsic value-based method of accounting described above, and has adopted the disclosure requirements of the guidance note "Accounting for employee share based payments". Had the compensation cost for Infosys's stock-based compensation plan been determined in a manner consistent with the fair value approach described in guidance note, the Company's net profit and basic and diluted earnings per share as reported would have reduced to the proforma amounts as indicated :

in ₹ crore, except per share data

Particulars	Year ended March 31,	
	2011	**2010**
Net Profit after tax, exceptional item and minority interest		
As Reported	6,835	6,266
Less: Stock-based employee compensation expense	-	1
Adjusted Proforma	**6,835**	**6,265**
Basic Earnings per share as reported	119.66	109.84
Proforma Basic Earnings per share	119.66	109.83
Diluted Earnings per share as reported	119.63	109.72
Proforma Diluted Earnings per share	119.63	109.71

24.2.8. Income taxes

The provision for taxation includes tax liabilities in India on the company’s global income as reduced by exempt incomes and any tax liabilities arising overseas on income sourced from those countries. Infosys' operations are conducted through Software Technology Parks ("STPs") and Special Economic Zones ("SEZs"). Income from STPs are tax exempt for the earlier of 10 years commencing from the fiscal year in which the unit commences software development, or March 31, 2011. Income from SEZs is fully tax exempt for the first 5 years, 50% exempt for the next 5 years and 50% exempt for another 5 years subject to fulfilling certain conditions. For Fiscal 2008 and 2009, the company had calculated its tax liability under Minimum Alternate Tax (MAT). The MAT credit can be carried forward and set off against the future tax payable. In the current year, the company has calculated its tax liability under normal provisions of the Income Tax Act and utilised the brought forward MAT Credit.

As at March 31, 2011, the company has provided for branch profit tax of ₹176 crore for its overseas branches, as the company estimates that these branch profits would be distributed in the foreseeable future. Further, the tax provision for the year ended March 31, 2010, included a net tax reversal of ₹316 crore relating to SEZ units, for provisions no longer required.

24.2.9. Loans and advances

in ₹ crore

Particulars	As at March 31, 2011	2010
Deposits with financial institutions:		
HDFC Limited	1,571	1,551
Sundaram BNP Paribas Home Finance Limited	-	4
Life Insurance Corporation of India	437	337
	2,008	**1,892**

Deposit with Life Insurance Corporation of India represents amount deposited to settle employee-related obligations as and when they arise during the normal course of business. (Refer to note 24.2.21.b).

24.2.10. Fixed assets

For the year ended March 31, 2011 the profit/loss on disposal of fixed assets is less than ₹1 crore and accordingly disclosed in note 24.3. Profit / loss on disposal of fixed assets during the year ended March 31, 2010 was ₹2 crore.

The Company has entered into lease-cum-sale agreements to acquire certain properties. In accordance with the terms of these agreements, the Company has the option to purchase the properties on expiry of the lease period. The Company has already paid 99% of the value of the properties at the time of entering into the lease-cum-sale agreements. These amounts are disclosed as “Land - leasehold” under “Fixed assets” in the financial statements. Additionally, certain land has been purchased for which the Company has possession certificate for which sale deeds are yet to be executed as at March 31, 2011.

24.2.11. Details of investments

The details of investments in and disposal of securities for the year ended March 31, 2011 and March 31, 2010 are as follows:

in ₹ crore

Particulars	**Year ended March 31, 2011**	**2010**
Investment in securities		
Certificates of deposit	840	1,180
Liquid mutual fund units	1,932	9,901
	2,772	**11,081**
Redemption / Disposal of Investment in securities		
Long-term investments	-	5
Liquid mutual fund units	4,429	7,383
Certificates of deposit	1,901	-
	6,330	**7,388**
Net movement in investment	**(3,558)**	**3,693**

24.2.12. Holding of Infosys in its subsidiaries

Name of the subsidiary	Country of incorporation	As at March 31, 2011	As at March 31, 2010
Infosys BPO	India	99.98%	99.98%
Infosys Australia	Australia	100%	100%
Infosys China (1)	China	100%	100%
Infosys Consulting	USA	100%	100%
Infosys Mexico (2)	Mexico	100%	100%
Infosys Sweden	Sweden	100%	100%
Infosys Shanghai (3)	China	100%	-
Infosys Brasil (4)	Brazil	100%	100%
Infosys Public Services, Inc.	USA	100%	100%
Infosys BPO s. r. o (5)	Czech Republic	99.98%	99.98%
Infosys BPO (Poland) Sp Z.o.o (5)	Poland	99.98%	99.98%
Infosys BPO (Thailand) Limited (5)	Thailand	-	99.98%
Infosys Consulting India Limited (6)	India	100%	100%
McCamish Systems LLC (5)(7)	USA	99.98%	99.98%

(1) During the year ended March 31, 2011 the Company made an additional investment of ₹42 crore (USD 9 million) in Infosys China, which is a wholly owned subsidiary. As of March 31, 2011 and March 31, 2010, the Company has invested an aggregate of ₹107 crore (USD 23 million) and ₹65 crore (USD 14 million), respectively, in the subsidiary.

(2) During the year ended March 31, 2011 the Company made an additional investment of ₹14 crore (Mexican Peso 40 million) in Infosys Mexico, which is a wholly owned subsidiary. As of March 31, 2011 and March 31, 2010, the Company has invested an aggregate of ₹54 crore (Mexican Peso 150 million) and ₹40 crore (Mexican Peso 110 million), respectively, in the subsidiary.

(3) On February 21, 2011 the Company incorporated a wholly-owned subsidiary, Infosys Technologies (Shanghai) Company limited and invested ₹11 crore (USD 3 million) in the subsidiary. As of March 31, 2011 the Company has invested an aggregate of ₹11 crore (USD 3 million) in the subsidiary.

(4) During the year ended March 31, 2011 the company made an additional investment of ₹10 crore (BRL 4 million) in the subsidiary. As of March 31, 2011 and March 31, 2010 the Company has invested an aggregate of ₹38 crore (BRL 15 million) and ₹28 crore (BRL 11 million), respectively, in the subsidiary.

(5) Infosys BPO s.r.o, Infosys BPO (Poland) Sp Z.o.o, Infosys BPO (Thailand) Limited and McCamish Systems LLC are wholly owned subsidiaries of Infosys BPO. During the year ended March 31, 2011 Infosys BPO (Thailand) Limited was liquidated.

[(6)] *During the year ended March 31, 2010, Infosys Consulting incorporated a wholly-owned subsidiary, Infosys Consulting India Limited. As of March 31, 2011 and March 31, 2010 Infosys Consulting has invested an aggregate of ₹1 crore in the subsidiary.*

[(7)] *During the year ended March 31, 2010, Infosys BPO acquired 100% of the voting interests in McCamish Systems LLC (McCamish), a business process solutions provider based in Atlanta, Georgia, in the United States. The business acquisition was conducted by entering into Membership Interest Purchase Agreement for a cash consideration of ₹ 173 crore and a contingent consideration of ₹ 67 crore. The acquisition was accounted as a business combination which resulted in goodwill of ₹227 crore.*

24.2.13. Provision for doubtful debts

Periodically, the Group evaluates all customer dues to the Group for collectability. The need for provisions is assessed based on various factors including collectability of specific dues, risk perceptions of the industry in which the customer operates, general economic factors, which could effect the customer's ability to settle. The Group normally provides for debtor dues outstanding for 180 days or longer as at the Balance Sheet date. As at March 31, 2011, the Group has provided for doubtful debts of ₹19 crore (₹21 crore as at March 31, 2010) on dues from certain customers although the outstanding amounts were less than 180 days old, since the amounts were considered doubtful of recovery. The Group pursues the recovery of the dues, in part or full.

24.2.14. Segment reporting

The Group's operations predominantly relate to providing end-to-end business solutions that leverage technology thereby enabling clients to enhance business performance, delivered to customers globally operating in various industry segments. Accordingly, revenues represented along industry classes comprise the primary basis of segmental information set out in these financial statements. Secondary segmental reporting is performed on the basis of the geographical location of customers.

The accounting principles consistently used in the preparation of the financial statements are also consistently applied to record income and expenditure in individual segments. These are as set out in the note on significant accounting policies.

Industry segments at the Group are primarily financial services comprising customers providing banking, finance and insurance services; manufacturing companies; companies in the telecommunications and the retail industries; and others such as utilities, transportation and logistics companies.

Income and direct expenses in relation to segments are categorized based on items that are individually identifiable to that segment, while the remainder of the costs 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 services are used interchangeably. The Group 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 directly charged against total income.

Fixed assets used in the 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.

Customer relationships are driven based on the location of the respective client. 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.

Geographical revenues are segregated based on the location of the customer who is invoiced or in relation to which the revenue is otherwise recognized.

Industry segments

Year ended March 31, 2011 and *March 31, 2010:*

in ₹ crore

Particulars	Financial Services	Manufacturing	Telecom	Retail	Others	Total
Revenues	9,862	5,393	3,549	3,898	4,799	27,501
	7,731	*4,506*	*3,661*	*3,035*	*3,809*	*22,742*
Identifiable operating expenses	4,122	2,311	1,420	1,647	2,099	11,599
	3,068	*1,993*	*1,284*	*1,243*	*1,544*	*9,132*
Allocated expenses	2,456	1,370	899	990	1,219	6,934
	1,953	*1,139*	*926*	*767*	*964*	*5,749*
Segmental operating income	3,284	1,712	1,230	1,261	1,481	8,968
	2,710	*1,374*	*1,451*	*1,025*	*1,301*	*7,861*
Unallocable expenses						854
						905
Operating income						8,114
						6,956
Other income, net						1,211
						934
Provision for investments						-
						(9)
Net profit before taxes and exceptional item						9,325
						7,899
Income taxes						2,490
						1,681
Net profit after taxes before exceptional item						6,835
						6,218
Exceptional item - Income on sale of investments, net of taxes						-
						48
Net profit after taxes and exceptional item						6,835
						6,266

Geographic segments

Year ended March 31, 2011 and *March 31, 2010* :

in ₹ crore

Particulars	North America	Europe	India	Rest of the World	Total
Revenues	17,958	5,927	599	3,017	27,501
	14,972	*5,237*	*270*	*2,263*	*22,742*
Identifiable operating expenses	7,658	2,467	281	1,193	11,599
	6,067	*2,093*	*80*	*892*	*9,132*
Allocated expenses	4,555	1,488	144	747	6,934
	3,784	*1,325*	*68*	*572*	*5,749*
Segmental operating income	5,745	1,972	174	1,077	8,968
	5,121	*1,819*	*122*	*799*	*7,861*
Unallocable expenses					854
					905
Operating income					8,114
					6,956
Other income, net					1,211
					934
Provision on investments					-
					(9)
Net profit before taxes and exceptional item					9,325
					7,899
Income taxes					2,490
					1,681
Net profit after taxes before exceptional item					6,835
					6,218
Exceptional item - Income on sale of investments, net of taxes					-
					48
Net profit after taxes and exceptional item					6,835
					6,266

24.2.15. Dividends remitted in foreign currencies

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

The particulars of dividends remitted are as follows:

in ₹ crore

Particulars	Number of shares to which the dividends relate	Year ended March 31, 2011	2010
Interim and 30th year special dividend for fiscal 2011	10,87,18,147	435	-
Interim dividend for fiscal 2010	10,70,15,201	-	107
Final dividend for fiscal 2010	10,68,22,614	160	-
Final dividend for fiscal 2009	10,73,97,313	-	145

24.2.16. Reconciliation of basic and diluted shares used in computing earnings per share

	Year ended March 31, 2011	2010
Number of shares considered as basic weighted average shares outstanding [(1)]	57,11,80,050	57,04,75,923
Add: Effect of dilutive issues of shares/stock options	1,88,308	6,40,108
Number of shares considered as weighted average shares and potential shares outstanding	**57,13,68,358**	**57,11,16,031**

[(1)] *Excludes shares held by controlled trusts*

24.2.17. Provision for post-sales client support and warranties

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

in ₹ crore

	Year ended March 31, 2011	2010
Balance at the beginning	82	92
Provision recognized/(reversed)	5	(2)
Provision utilized	-	(8)
Translation difference	1	-
Balance at the end	**88**	**82**

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

24.2.18. Gratuity Plan

The following table set out the status of the gratuity plan as required under AS 15.

Reconciliation of opening and closing balances of the present value of the defined benefit obligation and plan assets : *in ₹ crore*

	As at March 31,				
	2011	**2010**	**2009**	**2008**	**2007**
Obligations at year beginning	325	267	224	225	183
Service cost	178	80	51	50	45
Interest cost	25	19	16	17	14
Actuarial loss / (gain)	17	(5)	1	(8)	(1)
Benefits paid	(65)	(36)	(25)	(23)	(16)
Amendment in benefit plan	-	-	-	(37)	-
Obligations at year end	**480**	**325**	**267**	**224**	**225**

Defined benefit obligation liability as at the Balance Sheet is fully funded by the Group.

Change in plan assets					
Plans assets at year beginning, at fair value	327	268	236	225	170
Expected return on plan assets	36	25	17	18	16
Actuarial gain	-	1	5	2	3
Contributions	182	69	35	14	54
Benefits paid	(65)	(36)	(25)	(23)	(18)
Plans assets at year end, at fair value	**480**	**327**	**268**	**236**	**225**

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 period	480	327	268	236	225
Present value of the defined benefit obligations at the end of the year	480	325	267	224	225
Asset recognized in the Balance Sheet	**-**	**2**	**1**	**12**	**-**

Assumptions					
Interest rate	7.98%	7.82%	7.01%	7.92%	7.99%
Estimated rate of return on plan assets	9.36%	9.00%	7.01%	7.92%	7.99%
Weighted expected rate of salary increase	7.27%	7.27%	5.10%	5.10%	5.10%

Net gratuity cost for the year ended March 31, 2011 and March 31, 2010 comprises of the following components :

in ₹ crore

	Year ended March 31,	
	2011	**2010**
Gratuity cost for the year		
Service cost	178	80
Interest cost	25	19
Expected return on plan assets	(36)	(25)
Actuarial gain	17	(6)
Plan amendment amortization	(4)	(3)
Net gratuity cost	**180**	**65**
Actual return on plan assets	37	26

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

As of March 31, 2011 and March 31, 2010, the plan assets have been primarily invested in government securities. The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors such as supply and demand factors in the employment market.

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 amortised on a straight line basis to the Profit and Loss account over 10 years representing the average future service period of the employees. The unamortized liability as at March 31, 2011 and March 31, 2010 amounted to ₹22 crore and ₹26 crore, respectively and is disclosed under "Current Liabilities".

The group expects to contribute approximately ₹106 crore to the gratuity trusts during fiscal 2012.

24.2.19.a. Provident Fund

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. Pending the issuance of the guidance note from the Actuarial Society of India, the Company's actuary has expressed an inability to reliably measure provident fund liabilities. Accordingly the Company is unable to exhibit the related information.

The Company contributed ₹198 crore and ₹171 crore to the Provident Fund during the year ended March 31, 2011 and March 31, 2010 respectively.

24.2.19.b. Superannuation

The Company contributed ₹109 crore and ₹91 crore to the Superannuation Trust during the year ended March 31, 2011 and March 31, 2010 respectively.

24.2.20. Cash and bank balances

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

in ₹ crore

Balances with scheduled banks in India	**As at March 31,**	
	2011	**2010**
In current accounts		
Citibank-Unclaimed dividend account	1	-
Citibank N.A., India	2	2
Deustche Bank	12	13
Deustche Bank-EEFC (Euro account)	8	3
Deustche Bank-EEFC (Swiss Franc account)	2	-
Deutsche Bank-EEFC (United Kingdom Pound Sterling account)	-	1
Deustche Bank-EEFC (U.S. Dollar account)	143	8
HDFC Bank-Unclaimed dividend account	1	1
ICICI Bank	32	133
ICICI Bank-EEFC (Euro account)	-	1
ICICI Bank-EEFC (United Kingdom Pound Sterling account)	1	2
ICICI Bank-EEFC (U.S. Dollar account)	22	10
ICICI bank-Unclaimed dividend account	1	1
	225	**175**
In deposit accounts		
Andhra Bank	399	99
Allahabad Bank	561	150
Axis Bank	536	-
Bank of India	1,197	881
Bank of Baroda	1,100	299
Bank of Maharashtra	506	500
Barclays Bank	-	100
Canara Bank	1,329	963
Central Bank of India	354	100
Corporation Bank	295	276
DBS Bank	-	49
HDFC Bank	646	-
HSBC Bank	-	483
ICICI Bank	788	1,435
IDBI Bank	770	909
ING Vysya Bank	-	25
Indian Overseas Bank	518	140
Jammu and Kashmir Bank	12	10
Kotak Mahindra Bank	25	61
Oriental Bank of Commerce	653	100
Punjab National Bank	1,493	994
Standard Chartered Bank	-	-
State Bank of Hyderabad	255	233
State Bank of India	457	126
State Bank of Mysore	354	496
South Indian Bank	50	-
Syndicate Bank	504	475
The Bank of Nova Scotia	-	-
Union Bank of India	631	93
Vijaya Bank	144	95
Yes Bank	33	-
	13,610	**9,092**

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

in ₹ crore

Balances with non-scheduled banks	As at March 31,	
	2011	**2010**
In current accounts		
ABN Amro Bank, China	17	33
ABN Amro Bank, China (U.S. Dollar account)	24	14
ABN Amro Bank, Taiwan	3	2
Bank of America, Mexico	4	18
Bank of America, USA	296	686
Banamex, Mexico	2	2
China Merchants Bank , China	-	1
Citibank NA, Australia	61	25
Citibank NA, Brazil	5	9
Citibank NA, China (U.S. Dollar account)	11	-
Citibank NA, Czech Republic	1	-
Citibank NA, Czech Republic (U.S. Dollar account)	-	2
Citibank NA, New Zealand	2	1
Citibank NA, Japan	17	2
Citibank NA, Thailand	1	1
Deutsche Bank, Belgium	5	18
Deutsche Bank, Czech Republic	1	-
Deutsche Bank, France	3	1
Deutsche Bank, Germany	5	12
Deutsche Bank, Moscow (U.S. Dollar account)	-	1
Deutsche Bank, Netherlands	2	7
Deustche Bank, Philiphines	1	-
Deustche Bank, Philiphines (U.S. Dollar account)	1	3
Deutsche Bank, Poland	1	2
Deutsche Bank, Poland (Euro account)	2	1
Deutsche Bank, Spain	1	1
Deustche Bank, Thailand	-	3
Deustche Bank, Thailand (U.S. Dollar account)	-	1
Deutsche Bank, UK	40	29
Deutsche Bank, Singapore	3	1
Deutsche Bank, Switzerland	1	10
Deutsche Bank, Switzerland (U.S. Dollar account)	-	1
HSBC Bank, UK	10	2
ICICI Bank, UK	1	1
National Australia Bank Limited, Australia	1	21
National Australia Bank Limited, Australia (U.S. Dollar account)	-	14
Nordbanken, Sweden	5	1
Royal Bank of Canada, Canada	23	20
Shanghai Pudong Development Bank, China	2	-
Wachovia Bank, USA	-	7
	552	**953**
In deposit accounts		
ABN Amro bank, China	14	-
Bank of America, Mexico	17	-
Bank of America, USA	82	-
Citibank N.A., Czech Republic	5	9
Citibank N.A, (Euro account)	-	3
Citibank N.A, (U.S. Dollar account)	1	4
Citibank N.A, Brazil	3	-
Deutsche Bank , Poland	21	8
HSBC Bank, London	18	-
National Australia Bank Limited, Australia	546	312
Nordbanken, Sweden	1	-
	708	**336**
Total Cash and bank balances as per balance sheet	**15,095**	**10,556**

24.2.21. Cash flow statement

24.2.21.a. Unclaimed dividend

The balance of cash and cash equivalents includes ₹3 crore as at March 31, 2011 (₹2 crore as at March 31, 2010) set aside for payment of dividends.

24.2.21.b. Balances held by controlled trusts

The balance of cash and cash equivalents includes ₹106 crore and ₹69 crore as at March 31, 2011 and March 31, 2010 held by controlled trusts.

24.2.21.c. Restricted cash

Deposits with financial institutions as at March 31, 2011 include ₹437 crore (₹337 crore as at March 31, 2010) deposited with Life Insurance Corporation of India to settle employee related obligations as and when they arise during the normal course of business. This amount is considered as restricted cash and is hence not considered "cash and cash equivalents".

24.2.22 Exceptional item

During the year ended March 31, 2010 the company sold 32,31,151 shares of On Mobile Systems Inc, USA (OMSI) at a price of ₹166.58 per share amounting to a total consideration of ₹53 crore, net of taxes and transaction costs. The resultant income of ₹48 crore has been appropriated to capital reserve.

24.3. Details of rounded off amounts

The financial statements are represented in ₹crore as per the approval received from Department of Company Affairs (DCA) earlier. Those items which were not represented in the financial statement due to rounding off to the nearest ₹ crore are given as follows :

Balance Sheet Items

in ₹ crore

Schedule	Description	As at March 31, 2011	2010
Balance Sheet			
24.2.20	Non-scheduled banks-Current Account		
	ABN Amro Bank, Denmark	0.27	0.21
	Banamex, Mexico	-	2.00
	Bank of Baroda, Mauritius	0.02	0.02
	China Merchants Bank, China	0.16	0.62
	Citibank N.A., Czech Republic	0.18	0.35
	Citibank N.A., Czech Republic Euro account	0.31	0.13
	Citibank N.A., China	0.13	-
	Deustche Bank, Moscow	0.10	0.34
	Deutsche Bank, Philiphines	0.90	0.39
	Deustche Bank, Poland	0.04	2.37
	Deustche Bank, Poland Euro account	0.02	0.74
	Deutsche Bank,Zurich, Switzerland	0.01	9.72
	ICICI Bank, UK	-	1.07
	Nordbanken, Sweden	-	0.73
	PNC Bank, USA	-	0.02
	Standard Chartered Bank , UAE	0.17	0.09
	Svenska Handelsbanken, Sweden	0.03	0.01
	The Bank of Tokyo - Mitsubishi UFJ, Ltd.,Japan	0.41	0.16

Profit & Loss Items

in ₹ crore

Schedule	Description	Year ended March 31, 2011	2010
Profit and Loss			
	Minority Interest	0.04	0.06
	Residual dividend paid	-	0.25
	Additional dividend tax	0.01	0.04
24.2.1	Aggregate expenses		
	Provision for doubtful loans and advances	-	0.01
	Auditor's remuneration :		
	Certification charges	0.06	0.05
	Out-of-pocket expenses	0.02	0.04
	Others	0.05	0.01

Cash Flow Statement Items

Schedule	Description	Year ended March 31, 2011	2010
	Profit/ loss on sale of fixed assets	0.84	2.00

24.4 Transactions with key management personnel

Key management personnel comprise directors and members of the executive council.

Particulars of remuneration and other benefits paid to whole-time directors and members of executive council during the year ended March 31, 2011 and *March 31, 2010* are as follows:

in ₹ crore

Name	Salary	Contributions to provident and other funds	Perquisites and incentives	Total Remuneration
Co-Chairman [(1)]				
Nandan M. Nilekani	-	-	-	-
	0.09	*0.02*	*0.23*	*0.34*
Chief Executive Officer and Managing Director				
S. Gopalakrishnan	0.34	0.08	0.69	1.11
	0.32	*0.08*	*0.61*	*1.01*
Chief Operating Officer and Director				
S. D. Shibulal	0.34	0.08	0.66	1.08
	0.31	*0.08*	*0.56*	*0.95*
Whole-time directors				
K. Dinesh	0.34	0.08	0.68	1.10
	0.32	*0.08*	*0.61*	*1.01*
T. V. Mohandas Pai	0.43	0.10	2.56	3.09
	0.36	*0.08*	*2.69*	*3.13*
Srinath Batni	0.43	0.10	1.76	2.29
	0.36	*0.07*	*1.98*	*2.41*
Executive Council Members				
Chief Financial Officer				
V. Balakrishnan	0.38	0.08	2.15	2.61
	0.30	*0.08*	*2.06*	*2.44*
Ashok Vemuri	2.22	-	3.10	5.32
	2.09	-	*2.79*	*4.88*
Chandra Shekar Kakal	0.34	0.08	2.16	2.58
	0.28	*0.06*	*1.73*	*2.07*
B.G. Srinivas	1.94	-	2.99	4.93
	1.81	-	*2.75*	*4.56*
Subhash B. Dhar	0.30	0.08	1.69	2.07
	0.24	*0.07*	*1.42*	*1.73*

(1) Effective July 9, 2009 , Nandan M Nilekani relinquished the positions of Co-Chairman and Member of the Board

Particulars of remuneration and other benefits of non-executive/ independent directors for the year ended March 31, 2011 and *March 31, 2010 :*

Name	Commission	Sitting fees	Reimbursement of expenses	Total Remuneration
Independent directors				
Deepak M. Satwalekar	0.59	-	0.01	0.60
	0.60	-	-	*0.60*
Prof.Marti G. Subrahmanyam	0.79	-	0.23	1.02
	0.65	-	*0.20*	*0.85*
Dr.Omkar Goswami	0.51	-	0.03	0.54
	0.52	-	*0.03*	*0.55*
Claude Smadja [(1)]	0.23	-	0.09	0.32
	0.59	-	*0.25*	*0.84*
Rama Bijapurkar [(2)]	0.04	-	0.04	0.08
	0.49	-	*0.02*	*0.51*
Sridar A. Iyengar	0.81	-	0.24	1.05
	0.74	-	*0.21*	*0.95*
David L. Boyles	0.65	-	0.34	0.99
	0.59	-	*0.15*	*0.74*
Prof. Jeffrey S. Lehman	1.12	-	0.13	1.25
	0.61	-	*0.24*	*0.85*
K.V.Kamath	0.56	-	0.01	0.57
	0.39	-	*0.02*	*0.41*
R. Seshasayee [(3)]	0.10	-	0.10	0.20
	-	-	-	-
Non-executive Chairman and Chief mentor				
N. R. Narayana Murthy	0.61	-	-	0.61
	0.57	-	-	*0.57*

[(1)] *Retired from the board effective August 30, 2010*

[(2)] *Resigned from the board effective April 13, 2010*

[(3)] *Joined the board effective January 13, 2011*