INFOSYS LIMITED

in ₹ crore

Balance Sheet as at	Note	December 31, 2011	March 31, 2011
EQUITY AND LIABILITIES			
SHAREHOLDERS' FUNDS			
Share capital	2.1	287	287
Reserves and surplus	2.2	28,928	24,214
		29,215	24,501
NON-CURRENT LIABILITIES			
Deferred tax liabilities (net)	2.3	28	-
Other long-term liabilities	2.4	23	25
		51	25
CURRENT LIABILITIES			
Trade payables	2.5	74	85
Other current liabilities	2.6	2,668	1,770
Short-term provisions	2.7	1,318	2,473
		4,060	4,328
		33,326	**28,854**
ASSETS			
NON-CURRENT ASSETS			
Fixed assets			
Tangible assets	2.8	3,889	4,056
Intangible assets	2.8	-	-
Capital work-in-progress		479	249
		4,368	4,305
Non-current investments	2.10	1,289	1,206
Deferred tax assets (net)	2.3	188	230
Long-term loans and advances	2.11	1,121	1,244
Other non-current assets	2.12	8	-
		6,974	6,985
CURRENT ASSETS			
Current investments	2.10	242	119
Trade receivables	2.13	5,720	4,212
Cash and cash equivalents	2.14	17,516	15,165
Short-term loans and advances	2.15	2,874	2,373
		26,352	21,869
		33,326	**28,854**
SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS	1 & 2		

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

Natrajh Ramakrishna
Partner
Membership No. 32815

K.V.Kamath
Chairman

S. Gopalakrishnan
Executive Co-Chairman

S. D. Shibulal
Chief Executive Officer and Managing Director

Deepak M. Satwalekar
Director

Dr. Omkar Goswami
Director

Sridar A. Iyengar
Director

David L. Boyles
Director

R.Seshasayee
Director

Ann M. Fudge
Director

Ravi Venkatesan
Director

Srinath Batni
Director

V. Balakrishnan
Director and Chief Financial Officer

Bangalore
January 12, 2012

B. G. Srinivas
Director

Ashok Vemuri
Director

K. Parvatheesam
Company Secretary

INFOSYS LIMITED

in ₹ crore, except per share data

Statement of Profit and Loss for the	Note	Quarter ended December 31,		Nine months ended December 31,	
		2011	2010	2011	2010
Income from software services and products	2.16	8,696	6,534	23,071	18,717
Other income	2.17	422	275	1,220	760
Total revenue		**9,118**	**6,809**	**24,291**	**19,477**
Expenses					
Employee benefit expenses	2.18	4,175	3,208	11,422	9,159
Cost of technical sub-contractors	2.18	657	557	1,827	1,551
Travel expenses	2.18	258	163	713	581
Cost of software packages and others	2.18	163	127	443	315
Communication expenses	2.18	58	37	150	120
Professional charges		163	83	352	207
Depreciation and amortisation expense	2.8	198	184	590	551
Other expenses	2.18	300	182	809	569
Total expenses		**5,972**	**4,541**	**16,306**	**13,053**
PROFIT BEFORE TAX		**3,146**	**2,268**	**7,985**	**6,424**
Tax expense:					
Current tax	2.19	838	630	2,238	1,797
Deferred tax	2.19	73	(3)	36	(86)
PROFIT FOR THE PERIOD		**2,235**	**1,641**	**5,711**	**4,713**
EARNINGS PER EQUITY SHARE					
Equity shares of par value ₹5/- each					
Basic		38.92	28.59	99.46	82.11
Diluted		38.92	28.58	99.45	82.08
Number of shares used in computing earnings per share	2.31				
Basic		57,42,10,684	57,40,80,401	57,41,90,202	57,39,71,678
Diluted		57,42,30,160	57,42,14,488	57,42,28,549	57,41,92,032
SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS	1 & 2				

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

Natrajh Ramakrishna *Partner* Membership No. 32815	K.V.Kamath *Chairman*	S. Gopalakrishnan *Executive Co-Chairman*	S. D. Shibulal *Chief Executive Officer and Managing Director*	Deepak M. Satwalekar *Director*
	Dr. Omkar Goswami *Director*	Sridar A. Iyengar *Director*	David L. Boyles *Director*	R.Seshasayee *Director*
	Ann M. Fudge *Director*	Ravi Venkatesan *Director*	Srinath Batni *Director*	V. Balakrishnan *Director and Chief Financial Officer*
Bangalore January 12, 2012	B. G. Srinivas *Director*	Ashok Vemuri *Director*	K. Parvatheesam *Company Secretary*	

INFOSYS LIMITED

in ₹ crore

Cash Flow Statement for the	Note	Nine months ended December 31,	
		2011	**2010**
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		7,985	6,424
Adjustments to reconcile profit before tax to cash provided by operating activities			
Depreciation and amortisation expense		590	551
Interest and dividend income		(1,156)	(740)
Effect of exchange differences on translation of assets and liabilities		(18)	(8)
Changes in assets and liabilities			
Trade receivables		(1,508)	(715)
Loans and advances and other assets	2.33.1	(491)	(419)
Liabilities and provisions	2.33.2	1,034	232
		6,436	5,325
Income taxes paid	2.33.3	(1,962)	(1,799)
NET CASH GENERATED BY OPERATING ACTIVITIES		**4,474**	**3,526**
CASH FLOWS FROM INVESTING ACTIVITIES			
Payment towards capital expenditure	2.33.4	(769)	(843)
Investments in subsidiaries	2.33.5	(83)	(66)
Disposal of other investments	2.33.6	(123)	2,476
Interest and dividend received	2.33.7	1,141	702
NET CASH PROVIDED BY/(USED IN) INVESTING ACTIVITIES		**166**	**2,269**
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issuance of share capital on exercise of stock options		5	23
Repayment of loan given to subsidiary		(3)	23
Dividends paid including residual dividend		(2,011)	(3,156)
Dividend tax paid		(327)	(524)
NET CASH USED IN FINANCING ACTIVITIES		**(2,336)**	**(3,634)**
Effect of exchange differences on translation of foreign currency cash and cash equivalents		47	3
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		**2,351**	**2,164**
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD		15,165	11,297
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	2.33.9	**17,516**	**13,461**
SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS	1 & 2		

As per our report attached
for B S R & Co.
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Natrajh Ramakrishna
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Director and Chief Financial Officer

Bangalore
January 12, 2012

B. G. Srinivas
Director

Ashok Vemuri
Director

K. Parvatheesam
Company Secretary

Significant accounting policies and notes on accounts

Company overview

Infosys Limited ('Infosys' or 'the Company') along with its majority-owned and controlled subsidiary, Infosys BPO Limited ('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 Services') and Infosys Technologies (Shanghai) Company Limited ('Infosys Shanghai') is a leading global technology services corporation. The Company provides business consulting, technology, engineering and outsourcing services to help clients build tomorrow's enterprise. In addition, the Company offers software products for the banking industry.

1 Significant accounting policies

1.1 Basis of preparation of financial statements

These financial statements are prepared in accordance with Indian Generally Accepted Accounting Principles (GAAP) under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values. GAAP comprises mandatory accounting standards as prescribed by the Companies (Accounting Standards) Rules, 2006, the provisions of the Companies Act, 1956 and guidelines issued by the Securities and Exchange Board of India (SEBI). Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

1.2 Use of estimates

The preparation of the financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported balances of assets and liabilities and disclosures relating to contingent liabilities as at the date of the financial statements and reported amounts of income and expenses during the period. Examples of such estimates include computation of percentage of completion which requires the Company to estimate the efforts 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 the Management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

The Management periodically assesses using, external and internal sources, whether there is an indication that an asset may be impaired. An impairment loss is recognized wherever the carrying value of an asset exceeds its recoverable amount. The recoverable amount is higher of the asset's net selling price and value in use, which means the present value of future cash flows expected to arise from the continuing use of the asset and its eventual disposal. An impairment loss for an asset is reversed if, and only if, the reversal can be related objectively to an event occurring after the impairment loss was recognized. The carrying amount of an asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortization or depreciation) had no impairment loss been recognized for the asset in prior years.

1.3 Revenue recognition

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

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

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

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

The Company presents revenues net of value-added taxes in its statement of profit and loss

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

1.4 Provisions and contingent liabilities

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

1.5 Post-sales client support and warranties

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

1.6 Onerous contracts

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

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

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

1.8 Depreciation and amortization

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

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

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

1.9 Retirement benefits to employees

a Gratuity

In accordance with the Payment of Gratuity Act, 1972, the Company provides for gratuity, a defined benefit retirement plan ('the Gratuity Plan') covering eligible employees. The Gratuity Plan provides a lump-sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment with the Company.

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

b Superannuation

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

c Provident fund

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

d Compensated absences

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

1.10 Research and development

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

1.11 Foreign currency transactions

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

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

1.12 Forward and options contracts in foreign currencies

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

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

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

1.13 Income taxes

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

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

1.14 Earnings per share

Basic earnings per share is computed by dividing the net profit after tax by the weighted average number of equity shares outstanding during the period. Diluted earnings per share is computed by dividing the profit after tax by the weighted average number of equity shares considered for deriving basic earnings per share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. The diluted potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value which is the average market value of the outstanding shares. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented.

The number of shares and potentially dilutive equity shares are adjusted retrospectively for all periods presented for any share splits and bonus shares issues including for changes effected prior to the approval of the financial statements by the Board of Directors.

1.15 Investments

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

1.16 Cash and cash equivalents

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

1.17 Cash flow statement

Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

1.18 Leases

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

2 NOTES ON ACCOUNTS FOR THE QUARTER AND NINE MONTHS ENDED DECEMBER 31, 2011

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

2.1 SHARE CAPITAL

in ₹ crore, except as otherwise stated

Particulars	As at	
	December 31, 2011	March 31, 2011
Authorized		
Equity shares, ₹5/- par value		
60,00,00,000 (60,00,00,000) equity shares	300	300
Issued, Subscribed and Paid-Up		
Equity shares, ₹5/- par value [(1)]	287	287
57,42,19,117 (57,41,51,559) equity shares fully paid-up		
[Of the above, 53,53,35,478 (53,53,35,478) equity shares, fully paid up have been issued as bonus shares by capitalization of the general reserve.]		
	287	**287**

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

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

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

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

During the year ended March 31, 2011, the amount of per share dividend recognized as distributions to equity shareholders was ₹60. The dividend for the year ended March 31, 2011 includes ₹20 per share of final dividend, ₹10 per share of interim dividend and ₹30 per share of 30th year special dividend. The total dividend appropriation for the year ended March 31, 2011 amounted to ₹4,013 crore including corporate dividend tax of ₹568 crore.

The Board of Directors, in their meeting on October 12, 2011, declared an interim dividend of ₹15 per equity share. The total dividend appropriation for the nine months ended December 31, 2011 amounted to ₹1,002 crore including corporate dividend tax of ₹140 crore.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the company, after distribution of all preferential amounts. However, no such preferential amounts exist currently. The distribution will be in proportion to the number of equity shares held by the shareholders.

The details of shareholder holding more than 5% shares as at December 31, 2011 and March 31, 2011 is set out below :

Name of the shareholder	As at December 31, 2011		As at March 31, 2011	
	No. of shares	% held	No. of shares	% held
Life Insurance Corporation of India[(1)]	2,96,95,772	5.17	2,45,97,487	4.28

[(1)] *includes all schemes under their management*

The reconciliation of the number of shares outstanding and the amount of share capital as at December 31, 2011 and March 31, 2011 is set out below:

Particulars	As at December 31, 2011		As at March 31, 2011	
	Number of shares	Amount	Number of shares	Amount
Number of shares at the beginning	57,41,51,559	287	57,38,25,192	287
Add: Shares issued on exercise of employee stock options	67,558	-	3,26,367	-
Number of shares at the end	57,42,19,117	287	57,41,51,559	287

Stock option plans

The Company has two Stock Option Plans.

1998 Stock Option Plan ('the 1998 Plan')

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

1999 Stock Option Plan ('the 1999 Plan')

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

The activity in the 1998 Plan and 1999 Plan during the quarter and nine months ended December 31, 2011 and December 31, 2010, respectively, is set out below:

Particulars	Quarter ended December 31,		Nine months ended December 31,	
	2011	2010	2011	2010
The 1998 Plan :				
Options outstanding, beginning of the period	13,560	123,539	50,070	242,264
Less: Exercised	9,910	63,156	46,420	179,475
Forfeited	480	1,113	480	3,519
Options outstanding, end of the period	**3,170**	**59,270**	**3,170**	**59,270**
Options exercisable, end of the period	3,170	59,270	3,170	59,270
The 1999 Plan :				
Options outstanding, beginning of the period	26,643	99,876	48,720	204,464
Less: Exercised	6,125	31,863	21,138	125,026
Forfeited	-	5,757	7,064	17,182
Options outstanding, end of the period	**20,518**	**62,256**	**20,518**	**62,256**
Options exercisable, end of the period	16,263	53,768	16,263	53,768

The weighted average share price of options exercised under the 1998 Plan during the quarter ended December 31, 2011 and December 31, 2010 was ₹2,749 and ₹3,158, respectively. The weighted average share price of options exercised under the 1999 Plan during the quarter ended December 31, 2011 and December 31, 2010 was ₹2,726 and ₹3,148, respectively.

The weighted average share price of options exercised under the 1998 Plan during the nine months ended December 31, 2011 and December 31, 2010 was ₹2,777 and ₹2,949, respectively. The weighted average share price of options exercised under the 1999 Plan during the nine months ended December 31, 2011 and December 31, 2010 was ₹2,649 and ₹2,885, respectively.

The following tables summarize information about the options outstanding under the 1998 Plan and 1999 Plan as at December 31, 2011 and March 31, 2011 respectively:

Range of exercise prices per share (₹)	As at December 31, 2011		
	Number of shares arising out of options	Weighted average remaining contractual life (in years)	Weighted average exercise price (in ₹)
The 1998 Plan:			
300-700	-	-	-
701-1,400	3,170	0.10	876
	3,170	**0.10**	**876**
The 1999 Plan:			
300-700	6,399	0.17	477
701-2,500	14,119	0.96	2,121
	20,518	**0.71**	**1,608**

Range of exercise prices per share (₹)	As at March 31, 2011		
	Number of shares arising out of options	**Weighted average remaining contractual life (in years)**	**Weighted average exercise price (in ₹)**
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**

As at December 31, 2011 and March 31, 2011, the Company had 23,688 and 98,790 number of shares reserved for issue under the 1998 and 1999 employee stock option plans, respectively. Most of the shares reserved for issue under the 1998 and 1999 employee stock option plans are vested and are exercisable at any point of time, except for 4,255 shares issued under the 1999 employee stock option plan which is unvested as of December 31, 2011. The vesting date for these 4,255 shares is June 16, 2012.

2.2 RESERVES AND SURPLUS

in ₹ crore

Particulars	As at	
	December 31, 2011	**March 31, 2011**
Capital reserve - Opening balance	54	54
Add: Transferred from Surplus	-	-
	54	**54**
Securities premium account - Opening balance	3,057	3,022
Add: Receipts on exercise of employee stock options	5	24
Income tax benefit arising from exercise of stock options	-	11
	3,062	**3,057**
General reserve - Opening balance	5,512	4,867
Add: Transferred from Surplus	-	645
	5,512	**5,512**
Surplus- Opening Balance	15,591	13,806
Add: Net profit after tax transferred from Statement of Profit and Loss	5,711	6,443
Amount available for appropriation	21,302	20,249
Appropriations:		
Interim dividend	862	574
30th year special dividend	-	1,722
Final dividend	-	1,149
Total dividend	862	3,445
Dividend tax	140	568
Amount transferred to general reserve	-	645
Surplus- Closing Balance	**20,300**	**15,591**
	28,928	**24,214**

2.3 DEFERRED TAXES

in ₹ crore

Particulars	As at	
	December 31, 2011	March 31, 2011
Deferred tax assets		
Fixed assets	243	234
Trade receivables	21	19
Unavailed leave	75	85
Computer software	30	24
Accrued compensation to employees	58	24
Others	15	20
	442	**406**
Deferred tax liabilities		
Branch profit tax	282	176
	282	**176**

Deferred tax assets and deferred tax liabilities have been offset wherever the Company has a legally enforceable right to set off current tax assets against current tax liabilities and where the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority.

As at December 31, 2011 and March 31, 2011, the Company has provided for branch profit tax of ₹282 and ₹176 crore, respectively, for its overseas branches, as the Company estimates that these branch profits would be distributed in the foreseeable future. Branch profit tax balance increased by ₹33 crore during the nine months ended December 31, 2011 due to foreign currency fluctuation impact.

2.4 OTHER LONG-TERM LIABILITIES

in ₹ crore

Particulars	As at	
	December 31, 2011	March 31, 2011
Others		
Gratuity obligation - unamortised amount relating to plan amendment (*refer to note 2.28*)	16	18
Rental deposits received from subsidiary *(refer to note 2.25)*	7	7
	23	**25**

2.5 TRADE PAYABLES

in ₹ crore

Particulars	As at	
	December 31, 2011	March 31, 2011
Trade payables	74	85
	74	**85**
(1) Includes dues to subsidiaries (refer to note 2.25)	65	55

2.6 OTHER CURRENT LIABILITIES

in ₹ crore

Particulars	As at	
	December 31, 2011	March 31, 2011
Accrued salaries and benefits		
Salaries and benefits	45	42
Bonus and incentives	402	363
Other liabilities		
Provision for expenses	808	537
Retention monies	31	21
Withholding and other taxes payable	560	292
Gratuity obligation - unamortised amount relating to plan amendment, current (*refer to note 2.28)*	3	4
Other payables	1	1
Advances received from clients	14	19
Unearned revenue	540	488
Mark-to-market loss on forward and options contracts	261	-
Unpaid dividends	3	3
	2,668	**1,770**

2.7 SHORT-TERM PROVISIONS

in ₹ crore

Particulars	As at	
	December 31, 2011	**March 31, 2011**
Provision for employee benefits		
Unavailed leave	402	303
Others		
Proposed dividend	-	1,149
Provision for		
Tax on dividend	-	187
Income taxes	781	756
Post-sales client support and warranties	135	78
	1,318	**2,473**

Provision for post-sales client support and warranties

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

in ₹ crore

Particulars	Quarter ended December 31,		Nine months ended December 31,		Year ended March 31,
	2011	**2010**	**2011**	**2010**	**2011**
Balance at the beginning	89	72	78	73	73
Provision recognized/(reversal)	48	(3)	68	(4)	5
Provision utilised	(2)	-	(11)	-	-
Exchange difference during the period	-	-	-	-	-
Balance at the end	**135**	**69**	**135**	**69**	**78**

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

2.8 FIXED ASSETS

in ₹ crore, except as otherwise stated

Particulars	Original cost				Depreciation and amortization				Net book value	
	As at April 1, 2011	Additions during the period	Deductions/ Retirement during the period	As at December 31, 2011	As at April 1, 2011	For the period	Deductions during the period	As at December 31, 2011	As at December 31, 2011	As at March 31, 2011
Tangible assets :										
Land : Free-hold	406	8	-	414	-	-	-	-	414	406
Leasehold	135	25	-	160	-	-	-	-	160	135
Buildings [(1)(2)]	3,532	105	-	3,637	964	181	-	1,145	2,492	2,568
Plant and equipment [(2)]	876	54	-	930	525	125	-	650	280	351
Office equipment	276	28	-	304	143	41	-	184	120	133
Computer equipment [(2)]	1,092	153	7	1,238	872	159	7	1,024	214	220
Furniture and fixtures [(2)]	598	48	-	646	359	83	-	442	204	239
Vehicles	7	2	-	9	3	1	-	4	5	4
	6,922	423	7	7,338	2,866	590	7	3,449	3,889	4,056
Intangible assets :										
Intellectual property rights	12	-	-	12	12	-	-	12	-	-
	12	-	-	12	12	-	-	12	-	-
Total	**6,934**	**423**	**7**	**7,350**	**2,878**	**590**	**7**	**3,461**	**3,889**	**4,056**
Previous year	**6,357**	**1,020**	**443**	**6,934**	**2,578**	**740**	**440**	**2,878**	**4,056**	

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

(2) Includes certain assets provided on operating lease to Infosys BPO, a subsidiary.

Profit / (loss) on disposal of fixed assets during the quarter and nine months ended December 31, 2011 and December 31, 2010 is less than ₹1 crore and accordingly disclosed under note 2.35.

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

Tangible assets provided on operating lease to Infosys BPO, a subsidiary company, as at December 31, 2011 and March 31, 2011 are as follows:

in ₹ crore

Particulars	**Cost**	**Accumulated depreciation**	**Net book value**
Buildings	60	28	32
	60	*25*	*35*
Plant and machinery	3	3	-
	3	*2*	*1*
Computer equipment	1	1	-
	1	*1*	-
Furniture and fixtures	2	2	-
	1	*1*	-
Total	**66**	**34**	**32**
	65	***29***	***36***

The aggregate depreciation charged on the above assets during the quarter and nine months ended December 31, 2011 amounted to ₹1 crore and ₹4 crore respectively (₹1 crore and ₹5 crore for the quarter and nine months ended December 31, 2010, respectively).

The rental income from Infosys BPO for the quarter and nine months ended December 31, 2011 amounted to ₹3 crore and ₹9 crore respectively (₹5 crore and ₹13 crore for the quarter and nine months ended December 31, 2010, respectively).

2.9 LEASES

Obligations on long-term, non-cancelable operating leases

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

in ₹ crore

Particulars	**Quarter ended December 31,**		**Nine months ended December 31,**	
	2011	**2010**	**2011**	**2010**
Lease rentals recognized during the period	26	18	66	50

in ₹ crore

Lease obligations payable	**As at December 31, 2011**	**As at March 31, 2011**
Within one year of the balance sheet date	95	63
Due in a period between one year and five years	164	152
Due after five years	42	30

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

2.10 INVESTMENTS

in ₹ crore, except as otherwise stated

Particulars	As at	
	December 31, 2011	March 31, 2011
Non-current investments		
Long term investments - at cost		
Trade (unquoted) *(refer to note 2.10.1)*		
Investments in equity instruments	6	6
Less: Provision for investments	2	2
	4	**4**
Others (unquoted)		
Investments in equity instruments of subsidiaries		
Infosys BPO Limited [(1)]		
3,38,22,319 (3,38,22,319) equity shares of ₹ 10/- each, fully paid	659	659
Infosys Technologies (China) Co. Limited	107	107
Infosys Technologies (Australia) Pty Limited		
1,01,08,869 (1,01,08,869) equity shares of AUD 0.11 par value, fully paid	66	66
Infosys Consulting, Inc., USA		
5,50,00,000 (5,50,00,000) common stock of USD 1.00 par value, fully paid	243	243
Infosys Technologies, S. de R.L. de C.V., Mexico	54	54
Infosys Technologies Sweden AB		
1,000 (1,000) equity shares of SEK 100 par value, fully paid	-	-
Infosys Technologies DO Brasil LTDA		
1,45,16,997 (1,45,16,997) shares of BRL 1.00 par value, fully paid	39	38
Infosys Technologies (Shanghai) Company Limited	93	11
Infosys Public Services, Inc		
1,00,00,000 (1,00,00,000) common stock of USD 0.50 par value, fully paid	24	24
	1,285	**1,202**
	1,289	**1,206**
Current investments – at the lower of cost and fair value		
Others Non-trade (unquoted)		
Certificates of deposit *(refer to note 2.10.2)*	242	119
	242	**119**
Aggregate amount of unquoted investments	**1,531**	**1,325**
Aggregate amount of provision made for non-current investments	**2**	**2**

[(1)] *Investments include 4,76,250 (6,79,250) options of Infosys BPO*

2.10.1 Details of Investments

The details of non-current trade investments in equity instruments as at December 31, 2011 and March 31, 2011 is as follows:

in ₹ crore

Particulars	As at	
	December 31, 2011	March 31, 2011
OnMobile Systems Inc., (formerly Onscan Inc.) USA		
21,54,100 (21,54,100) common stock at USD 0.4348 each, fully paid, par value USD 0.001 each	4	4
Merasport Technologies Private Limited		
2,420 (2,420) equity shares at ₹ 8,052 each, fully paid, par value ₹ 10 each	2	2
	6	**6**
Less: Provision for investment	2	2
	4	**4**

2.10.2 Details of Investments in certificates of deposit

The balances held in certificates of deposit as at December 31, 2011 is as follows:

Particulars	Face Value ₹	Units	Amount (in ₹ Crore)
State Bank of Mysore	100,000	10,000	91
Union Bank of India	100,000	2,500	23
Andhra Bank	100,000	14,000	128
		26,500	**242**

The balances held in certificates of deposit as at March 31, 2011 is as follows:

Particulars	Face Value ₹	Units	Amount (in ₹ Crore)
State Bank of Hyderabad	1,00,000	7,500	71
Union Bank of India	1,00,000	5,000	48
		12,500	**119**

2.11 LONG-TERM LOANS AND ADVANCES

in ₹ crore

Particulars	As at December 31, 2011	As at March 31, 2011
Unsecured, considered good		
Capital advances	376	250
Electricity and other deposits	27	30
Rental deposits	22	16
Other loans and advances		
Advance income taxes	673	924
Prepaid expenses	18	20
Loans and advances to employees		
Housing and other loans	5	4
	1,121	**1,244**

2.12 OTHER NON-CURRENT ASSETS

in ₹ crore

Particulars	As at December 31, 2011	As at March 31, 2011
Others		
Advance to gratuity trust (refer to note 2.28)	8	-
	8	**-**

2.13 TRADE RECEIVABLES [(1)]

in ₹ crore

Particulars	As at December 31, 2011	As at March 31, 2011
Debts outstanding for a period exceeding six months		
Unsecured		
Considered doubtful	48	56
Less: Provision for doubtful debts	48	56
	-	-
Other debts		
Unsecured		
Considered good[(2)]	5,720	4,212
Considered doubtful	37	27
	5,757	4,239
Less: Provision for doubtful debts	37	27
	5,720	4,212
	5,720	**4,212**
[(1)] *Includes dues from companies where directors are interested*	-	2
[(2)] *Includes dues from subsidiaries (refer to note 2.25)*	167	72

Provision for doubtful debts

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

2.14 CASH AND CASH EQUIVALENTS

in ₹ crore

Particulars	As at	
	December 31, 2011	March 31, 2011
Cash on hand	-	-
Balances with banks		
In current and deposit accounts	16,016	13,665
Others		
Deposits with financial institutions	1,500	1,500
	17,516	**15,165**
Balances with banks in unpaid dividend accounts	3	3
Deposit accounts with more than 12 months maturity	80	606
Balances with banks held as margin money deposits against guarantees	116	92

Cash and cash equivalents as of December 31, 2011 and March 31, 2011 include restricted cash and bank balances of ₹119 crore and ₹95 crore, respectively. The restrictions are primarily on account of cash and bank balances held as margin money deposits against guarantees and unclaimed dividends.

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

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

in ₹ crore

Particulars	As at	
	December 31, 2011	March 31, 2011
In current accounts		
ANZ Bank, Taiwan	2	3
Bank of America, USA	169	274
Citibank NA, Australia	25	61
Citibank NA, Thailand	1	1
Citibank NA, Japan	22	17
Deutsche Bank, Belgium	1	5
Deutsche Bank, Germany	8	5
Deutsche Bank, Netherlands	2	2
Deutsche Bank, France	1	3
Deutsche Bank, Switzerland	1	1
Deutsche Bank, Singapore	1	3
Deutsche Bank, UK	14	40
Deutsche Bank, Spain	1	1
HSBC Bank, UK	-	1
Nordbanken, Sweden	2	4
Royal Bank of Canada, Canada	8	23
Deustche Bank, India	17	11
Deustche Bank-EEFC (Euro account)	5	8
Deustche Bank-EEFC (U.S. Dollar account)	22	141
Deutsche Bank-EEFC (Swiss Franc account)	2	2
ICICI Bank, India	19	18
ICICI Bank-EEFC (U.S. Dollar account)	10	14
Standard Chartered Bank, UAE	1	-
The Bank of Tokyo-Mitsubishi UFJ, Ltd., Japan	1	-
	335	638
In deposit accounts		
Allahabad Bank	729	500
Andhra Bank	359	399
Axis Bank	746	476
Bank of Baroda	1,500	1,100
Bank of India	1,197	1,197
Bank of Maharashtra	125	488
Canara Bank	1,241	1,225
Central Bank of India	500	354
Corporation Bank	500	295
DBS Bank	40	-
Federal Bank	20	-
HDFC Bank	1,357	646
ICICI Bank	1,500	689

in ₹ crore

Particulars	As at December 31, 2011	As at March 31, 2011
IDBI Bank	974	716
ING Vysya Bank	82	-
Indian Overseas Bank	500	500
Jammu and Kashmir Bank	25	12
Kotak Mahindra Bank	25	25
Oriental Bank of Commerce	600	578
Punjab National Bank	1,500	1,493
State Bank of Hyderabad	82	225
State Bank of India	-	386
State Bank of Mysore	363	354
South Indian Bank	25	25
Syndicate Bank	550	500
Union Bank of India	674	631
Vijaya Bank	200	95
Yes Bank	148	23
	15,562	12,932
In unpaid dividend accounts		
Citibank - Unclaimed dividend account	-	1
HDFC Bank - Unclaimed dividend account	2	1
ICICI bank - Unclaimed dividend account	1	1
	3	3
In margin money deposits against guarantees		
Canara Bank	54	29
State Bank of India	62	63
	116	92
Deposits with financial institutions		
HDFC Limited	1,500	1,500
	1,500	1,500
Total cash and cash equivalents as per Balance Sheet	**17,516**	**15,165**

2.15 SHORT-TERM LOANS AND ADVANCES

in ₹ crore

Particulars	As at December 31, 2011	As at March 31, 2011
Unsecured, considered good		
Loans to subsidiary *(refer to note 2.25)*	41	32
Others		
Advances		
Prepaid expenses	26	32
For supply of goods and rendering of services	21	50
Withholding and other taxes receivable	656	516
Others	14	10
	758	640
Restricted deposits *(refer to note 2.32)*	426	344
Unbilled revenues	1,487	1,158
Interest accrued but not due	28	14
Loans and advances to employees		
Housing and other loans	45	38
Salary advances	88	84
Electricity and other deposits	36	30
Rental deposits	6	2
Mark-to-market gain on forward and options contracts	-	63
	2,874	2,373
Unsecured, considered doubtful		
Loans and advances to employees	3	3
	2,877	2,376
Less: Provision for doubtful loans and advances to employees	3	3
	2,874	**2,373**

2.16 INCOME FROM SOFTWARE SERVICES AND PRODUCTS

in ₹ crore

Particulars	Quarter ended December 31,		Nine months ended December 31,	
	2011	**2010**	**2011**	**2010**
Income from software services	8,247	6,182	21,961	17,841
Income from software products	449	352	1,110	876
	8,696	**6,534**	**23,071**	**18,717**

2.17 OTHER INCOME

in ₹ crore

Particulars	Quarter ended December 31,		Nine months ended December 31,	
	2011	**2010**	**2011**	**2010**
Interest received on deposits with banks and others	398	253	1,136	722
Dividend received on investment in mutual fund units	9	1	20	18
Miscellaneous income, net	9	5	22	17
Gains / (losses) on foreign currency, net	6	16	42	3
	422	**275**	**1,220**	**760**

2.18 EXPENSES

in ₹ crore

Particulars	Quarter ended December 31,		Nine months ended December 31,	
	2011	**2010**	**2011**	**2010**
Employee benefit expenses				
Salaries and bonus including overseas staff expenses	4,079	3,083	11,086	8,819
Contribution to provident and other funds	84	108	297	299
Staff welfare	12	17	39	41
	4,175	3,208	11,422	9,159
Cost of technical sub-contractors				
Technical sub-contractors - subsidiaries	464	427	1,366	1,199
Technical sub-contractors - others	193	130	461	352
	657	557	1,827	1,551
Travel expenses				
Overseas travel expenses	230	142	641	522
Traveling and conveyance	28	21	72	59
	258	163	713	581
Cost of software packages and others				
For own use	129	85	314	239
Third party items bought for service delivery to clients	34	42	129	76
	163	127	443	315
Communication expenses				
Telephone charges	39	31	110	93
Communication expenses	19	6	40	27
	58	37	150	120

in ₹ crore

Particulars	Quarter ended December 31,		Nine months ended December 31,	
	2011	2010	2011	2010
Other expenses				
Office maintenance	58	46	172	130
Power and fuel	38	35	117	107
Brand building	16	17	61	51
Rent	26	18	66	50
Rates and taxes, excluding taxes on income	13	12	36	30
Repairs to building	4	11	34	31
Repairs to plant and machinery	9	9	28	23
Computer maintenance	14	6	33	19
Consumables	9	7	19	20
Insurance charges	7	5	19	17
Research grants	1	1	2	14
Marketing expenses	6	3	14	10
Commission charges	5	3	19	7
Printing and Stationery	2	3	8	9
Professional membership and seminar participation fees	4	3	9	7
Postage and courier	1	2	7	6
Advertisements	1	2	3	5
Provision for post-sales client support and warranties	48	(3)	68	(4)
Commission to non-whole time directors	2	1	6	4
Freight Charges	1	-	1	1
Provision for bad and doubtful debts and advances	19	(1)	57	27
Books and periodicals	1	1	2	2
Auditor's remuneration				
Statutory audit fees	1	1	1	1
Bank charges and commission	1	-	2	1
Donations	13	-	25	1
	300	182	809	569

2.19 TAX EXPENSE

in ₹ crore

	Quarter ended December 31,		Nine months ended December 31,	
	2011	2010	2011	2010
Current tax				
Income taxes	838	630	2,238	1,797
Deferred taxes	73	(3)	36	(86)
	911	**627**	**2,274**	**1,711**

Income taxes

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

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

in ₹ crore

Particulars		As at December 31, 2011		As at March 31, 2011
Contingent liabilities :				
Outstanding guarantees and counter guarantees to various banks, in respect of the guarantees given by those banks in favour of various government authorities and others		3		3
Claims against the Company, not acknowledged as debts[(1)]		683		271
[Net of amount paid to statutory authorities ₹473 crore (*₹469 crore*)]				
Commitments :				
Estimated amount of unexecuted capital contracts (net of advances and deposits)		961		742
	in million	in ₹ crore	in million	in ₹ crore
Forward contracts outstanding				
In USD	540	2,868	500	2,230
In Euro	20	137	20	127
In GBP	20	164	10	72
In AUD	20	108	10	46
Options outstanding				
In USD	70	372	-	-
		3,649		2,475

[(1)] Claims against the company not acknowledged as debts include demand from the Indian Income tax authorities for payment of additional tax of ₹1,054 crore (₹671 crore), including interest of ₹281 crore (₹177 crore) upon completion of their tax review for fiscal 2005, fiscal 2006, fiscal 2007 and fiscal 2008. 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 and fiscal 2008 also includes disallowance of portion of profit earned outside India from the STP units and disallowance of profits earned from SEZ units. The matter for fiscal 2005, fiscal 2006 and fiscal 2007 is pending before the Commissioner of Income tax (Appeals) Bangalore.

The company is contesting the demand and the management, including its tax advisors, believes that its position will likely be upheld in the appellate process. No tax expense has been accrued in the financial statements for the tax demand raised except for claims where the probability of the position being upheld is lower, based on the management estimate, supported by an external opinion. 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.

As of the Balance Sheet date, the Company's net foreign currency exposures that are not hedged by a derivative instrument or otherwise is ₹1,058 crore (₹1,196 crore as at March 31, 2011).

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

in ₹ crore

Particulars	As at December 31, 2011	As at March 31, 2011
Not later than one month	399	413
Later than one month and not later than three months	1,315	590
Later than three months and not later than one year	1,935	1,472
	3,649	**2,475**

The Company recognized a loss on derivative financial instruments of ₹239 crore and gain on derivative financial instruments of ₹46 crore during the quarter ended December 31, 2011 and December 31, 2010, respectively, which is included in other income.

The Company recognized a loss on derivative financial instruments of ₹448 crore and gain on derivative financial instruments of ₹22 crore during the nine months ended December 31, 2011 and December 31, 2010, respectively, which is included in other income.

2.21 QUANTITATIVE DETAILS

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

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

in *₹ crore*

Particulars	Quarter ended December 31, 2011	Quarter ended December 31, 2010	Nine months ended December 31, 2011	Nine months ended December 31, 2010
Capital goods	29	23	107	108
Software packages	-	-	-	1
	29	**23**	**107**	**109**

2.23 ACTIVITY IN FOREIGN CURRENCY

in ₹ *crore*

Particulars	Quarter ended December 31,		Nine months ended December 31,	
	2011	2010	2011	2010
Earnings in foreign currency				
Income from software services and products	8,540	6,293	21,776	17,662
Interest received from banks and others	-	-	10	6
	8,540	6,293	21,786	17,668
Expenditure in foreign currency				
Overseas travel expenses (including visa charges)	200	125	503	410
Professional charges	132	47	254	119
Technical sub-contractors - subsidiaries	464	428	1,366	1,200
Overseas salaries and incentives	2,563	1,781	6,663	5,053
Other expenditure incurred overseas for software development	330	494	972	1,068
	3,689	2,875	9,758	7,850
Net earnings in foreign currency	**4,851**	**3,418**	**12,028**	**9,818**

2.24 DIVIDENDS REMITTED IN FOREIGN CURRENCIES

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

The particulars of dividends remitted during the quarter ended December 31, 2011 and December 31, 2010 are as follows:

in ₹ crore

Particulars	Number of Non-resident share holders	Number of shares to which the dividends relate	Quarter ended December 31,	
			2011	2010
Interim dividend for fiscal 2012	5	8,13,31,029	122	-
Interim and 30th year special dividend for fiscal 2011	4	10,87,18,147	-	435

The particulars of dividends remitted during the nine months ended December 31, 2011 and December 31, 2010 are as follows:

in ₹ crore

Particulars	Number of Non-resident share holders	Number of shares to which the dividends relate	Nine months ended December 31,	
			2011	2010
Interim dividend for fiscal 2012	5	8,13,31,029	122	-
Interim and 30th year special dividend for fiscal 2011	4	10,87,18,147	-	435
Final dividend for fiscal 2011	4	8,74,37,368	175	-
Final dividend for fiscal 2010	7	10,68,22,614	-	160

2.25 RELATED PARTY TRANSACTIONS

List of related parties:

Name of subsidiaries	Country	Holding as at	
		December 31, 2011	March 31, 2011
Infosys BPO	India	99.98%	99.98%
Infosys Australia	Australia	100%	100%
Infosys China	China	100%	100%
Infosys Consulting Inc (1)	USA	100%	100%
Infosys Mexico	Mexico	100%	100%
Infosys Sweden	Sweden	100%	100%
Infosys Shanghai	China	100%	100%
Infosys Brasil	Brazil	100%	100%
Infosys Public Services, Inc.	USA	100%	100%
Infosys BPO s. r. o (2)	Czech Republic	99.98%	99.98%
Infosys BPO (Poland) Sp Z.o.o (2)	Poland	99.98%	99.98%
Infosys BPO (Thailand) Limited (2)	Thailand	-	-
Infosys Consulting India Limited (1)(3)	India	100%	100%
McCamish Systems LLC (2)	USA	99.98%	99.98%

(1) During the quarter ended September 30, 2011, the Board of Infosys Consulting Inc., approved a scheme of amalgamation and initiated its merger with Infosys Limited.

(2) 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.

(3) Infosys Consulting India Limited is wholly owned subsidiary of Infosys Consulting Inc.

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

The details of amounts due to or due from as at December 31, 2011 and March 31, 2011 are as follows:

in ₹ *crore*

Particulars	As at	
	December 31, 2011	March 31, 2011
Short-term Loans and Advances		
Infosys China	27	23
Infosys Brazil	14	9
Trade Receivables		
Infosys China	11	39
Infosys Australia	2	5
Infosys Mexico	-	1
Infosys Consulting	110	24
Infosys BPO (Including subsidiaries)	1	3
Infosys Public Services	43	-
Trade Payables		
Infosys China	31	32
Infosys Australia	19	-
Infosys BPO (Including subsidiaries)	10	3
Infosys Consulting	5	17
Infosys Consulting India	-	1
Infosys Mexico	(3)	1
Infosys Sweden	1	1
Infosys Public Services	2	-
Deposit taken for shared services		
Infosys BPO	7	7

The details of the related party transactions entered into by the Company, in addition to the lease commitments described in note 2.9, for the quarter and nine months ended December 31, 2011 and December 31, 2010 are as follows:

in ₹ *crore*

Particulars	Quarter ended December 31,		Nine months ended December 31,	
	2011	2010	2011	2010
Capital transactions:				
Financing transactions				
Infosys Shanghai	24	-	82	-
Infosys Mexico	-	14	-	14
Infosys Brasil	1	10	1	10
Infosys China	-	-	-	42
Loans				
Infosys Brasil	3	-	3	-
Infosys China	-	(23)	-	(23)
Revenue transactions:				
Purchase of services				
Infosys Australia	339	260	973	655
Infosys China	88	63	194	181
Infosys Consulting	15	82	145	301
Infosys Consulting India	-	5	2	5
Infosys BPO (Including subsidiaries)	8	3	20	9
Infosys Sweden	3	3	8	9
Infosys Mexico	11	13	23	37
Infosys Brazil	-	(2)	1	2
Purchase of shared services including facilities and personnel				
Infosys Consulting (including subsidiaries)	-	-	2	-
Infosys BPO (including subsidiaries)	32	41	77	83
Interest income				
Infosys China	-	1	1	2
Infosys Brazil	1	-	1	-
Sale of services				
Infosys Australia	-	8	14	23
Infosys China	2	-	6	3
Infosys Brazil	-	-	1	-
Infosys Mexico	1	-	4	-
Infosys BPO (including subsidiaries)	8	5	23	13
Infosys Consulting	2	21	43	49
Infosys Public Services	42	-	42	-
Sale of shared services including facilities and personnel				
Infosys BPO (including subsidiaries)	14	18	43	63
Infosys Consulting	-	1	21	3

During the quarter and nine months ended December 31, 2011, an amount of ₹10 and ₹20 crore, respectively (Nil for the quarter and nine months ended December 31, 2010) was donated to Infosys Foundation, a not-for-profit foundation, in which certain directors of the Company are trustees.

During the quarter and nine months ended December 31, 2011, an amount of Nil (Nil and ₹12 crore for the quarter and nine months ended December 31, 2010 respectively) has been granted to Infosys Science Foundation, a not-for-profit foundation, in which certain directors and officers of the Company are trustees.

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

in ₹ *crore*

Particulars	Quarter ended December 31,		Nine months ended December 31,	
	2011	2010	2011	2010
Salaries and other employee benefits	13	8	34	28

2.26 RESEARCH AND DEVELOPMENT EXPENDITURE

in ₹ *crore*

Particulars	Quarter ended December 31,		Nine months ended December	
	2011	**2010**	**2011**	**2010**
Capital	4	-	4	4
Revenue	168	132	478	387

2.27 SEGMENT REPORTING

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

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

Revenue and identifiable operating expenses in relation to segments are categorized based on items that are individually identifiable to that segment. Allocated expenses of segments include expenses incurred for rendering services from the company's offshore software development centers and on-site expenses, which are categorized in relation to the associated turnover of the segment. Certain expenses such as depreciation, which form a significant component of total expenses, are not specifically allocable to specific segments as the underlying assets are used interchangeably. Management believes that it is not practical to provide segment disclosures relating to those costs and expenses, and accordingly these expenses are separately disclosed as "unallocated" and adjusted against the total income of the Company.

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

Industry Segments

Quarter ended December 31, 2011 and December 31, 2010:

in ₹ crore

Particulars	FSI	MFG	ECS	RCL	Total
Income from software services and products	3,114	1,692	1,810	2,080	8,696
	2,409	*1,194*	*1,499*	*1,432*	*6,534*
Identifiable operating expenses	1,380	744	809	838	3,771
	1,089	*533*	*723*	*596*	*2,941*
Allocated expenses	692	397	425	489	2,003
	522	*259*	*325*	*310*	*1,416*
Segmental operating income	1,042	551	576	753	2,922
	798	*402*	*451*	*526*	*2,177*
Unallocable expenses					198
					184
Other income					422
					275
Profit before tax					3,146
					2,268
Tax expense					911
					627
Profit for the period					2,235
					1,641

Industry Segments

Nine months ended December 31, 2011 and December 31, 2010:

in ₹ crore

Particulars	FSI	MFG	ECS	RCL	Total
Income from software services and products	8,302	4,466	4,834	5,469	23,071
	6,862	*3,412*	*4,074*	*4,369*	*18,717*
Identifiable operating expenses	3,870	2,045	2,236	2,324	10,475
	3,112	*1,536*	*1,895*	*2,005*	*8,548*
Allocated expenses	1,845	1,027	1,110	1,259	5,241
	1,451	*721*	*861*	*921*	*3,954*
Segmental operating income	2,587	1,394	1,488	1,886	7,355
	2,299	*1,155*	*1,318*	*1,443*	*6,215*
Unallocable expenses					590
					551
Other income					1,220
					760
Profit before tax					7,985
					6,424
Tax expense					2,274
					1,711
Profit for the period					5,711
					4,713

Geographic Segments

Quarter ended December 31, 2011 and December 31, 2010:

in ₹ crore

Particulars	North America	Europe	India	Rest of the World	Total
Income from software services and products	5,632	1,914	188	962	8,696
	4,294	*1,357*	*152*	*731*	*6,534*
Identifiable operating expenses	2,362	827	101	481	3,771
	1,887	*586*	*75*	*393*	*2,941*
Allocated expenses	1,319	439	38	207	2,003
	930	*294*	*33*	*159*	*1,416*
Segmental operating income	1,951	648	49	274	2,922
	1,477	*477*	*44*	*179*	*2,177*
Unallocable expenses					198
					184
Other income, net					422
					275
Profit before tax					3,146
					2,268
Tax expense					911
					627
Profit for the period					2,235
					1,641

Nine months ended December 31, 2011 and December 31, 2010:

in ₹ crore

Particulars	North America	Europe	India	Rest of the World	Total
Income from software services and products	15,132	4,764	560	2,615	23,071
	12,499	*3,836*	*403*	*1,979*	*18,717*
Identifiable operating expenses	6,588	2,211	282	1,394	10,475
	5,612	*1,693*	*187*	*1,056*	*8,548*
Allocated expenses	3,476	1,082	117	566	5,241
	2,640	*810*	*85*	*419*	*3,954*
Segmental operating income	5,068	1,471	161	655	7,355
	4,247	*1,333*	*131*	*504*	*6,215*
Unallocable expenses					590
					551
Other income, net					1,220
					760
Profit before tax					7,985
					6,424
Tax expense					2,274
					1,711
Profit for the period					5,711
					4,713

2.28 GRATUITY PLAN

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

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

in ₹ crore

Particulars	As at				
	December 31, 2011	March 31 2011	March 31, 2010	March 31, 2009	March 31, 2008
Obligations at year beginning	459	308	256	217	221
Transfer of obligation	-	-	(2)	-	-
Service cost	119	171	72	47	47
Interest cost	27	24	19	15	16
Actuarial (gain)/ loss	(17)	15	(4)	-	(9)
Benefits paid	(51)	(59)	(33)	(23)	(21)
Amendment in benefit plans	-	-	-	-	(37)
Obligations at year/period end	**537**	**459**	**308**	**256**	**217**

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

Particulars	December 31, 2011	March 31 2011	March 31, 2010	March 31, 2009	March 31, 2008
Change in plan assets					
Plan assets at year beginning, at fair value	459	310	256	229	221
Expected return on plan assets	35	34	24	16	18
Actuarial gain	2	1	1	5	2
Contributions	100	173	62	29	9
Benefits paid	(51)	(59)	(33)	(23)	(21)
Plan assets at year/period end, at fair value	**545**	**459**	**310**	**256**	**229**
Reconciliation of present value of the obligation and the fair value of the plan assets:					
Fair value of plan assets at the end of the year/period	545	459	310	256	229
Present value of the defined benefit	537	459	308	256	217
Asset recognized in the balance sheet	**8**	**-**	**2**	**-**	**12**
Assumptions					
Interest rate	8.56%	7.98%	7.82%	7.01%	7.92%
Estimated rate of return on plan assets	9.45%	9.36%	9.00%	7.01%	7.92%
Weighted expected rate of salary increase	7.27%	7.27%	7.27%	5.10%	5.10%

Net gratuity cost for the quarter and nine months ended December 31, 2011 and December 31, 2010 comprises of the following components:

in ₹ crore

Particulars	Quarter ended December 31,		Nine months ended December 31,	
	2011	2010	2011	2010
Gratuity cost for the year				
Service cost	31	59	119	131
Interest cost	8	3	27	9
Expected return on plan assets	(12)	(9)	(35)	(25)
Actuarial (gain)/loss	(14)	(3)	(19)	10
Plan amendment amortization	(1)	(1)	(3)	(3)
Net gratuity cost	**12**	**49**	**89**	**122**
Actual return on plan assets	12	10	37	27

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

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

As at December 31, 2011 and March 31, 2011, the plan assets have been primarily invested in government securities. The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors such as supply and demand factors in the employment market. The Company expects to contribute approximately ₹20 crore to the gratuity trust during the remainder of fiscal 2012.

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 statement of profit and loss over 10 years representing the average future service period of the employees. The unamortized liability as at December 31, 2011 and March 31, 2011 amounted to ₹19 crore and ₹22 crore, respectively and disclosed under 'Other long-term liabilities and other current liabilities'.

2.29 PROVIDENT FUND

The Company contributed ₹54 crore and ₹158 crore towards provident fund during the quarter and nine months ended December 31, 2011, respectively (₹44 crore and ₹132 crore during the quarter and nine months ended December 31, 2010, respectively).

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

The details of fund and plan asset position as at December 31, 2011 is given below:

in ₹ crore

Particulars	As at December 31, 2011
Plan assets at period end, at fair value	1,741
Present value of benefit obligation at period end	1,741
Asset recognized in balance sheet	-

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

Particulars	As at December 31, 2011
Government of India (GOI) bond yield	8.56%
Remaining term of maturity	8 years
Expected guaranteed interest rate	8.50%

2.30 SUPERANNUATION

The Company contributed ₹15 crore and ₹46 crore to the superannuation trust during the quarter and nine months ended December 31, 2011, respectively (₹14 crore and ₹43 crore during the quarter and nine months ended December 31, 2010, respectively).

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

Particulars	Quarter ended December 31,		Nine months ended December 31,	
	2011	2010	2011	2010
Number of shares considered as basic weighted average shares outstanding	57,42,10,684	57,40,80,401	57,41,90,202	57,39,71,678
Add: Effect of dilutive issues of shares/stock options	19,476	1,34,087	38,347	2,20,354
Number of shares considered as weighted average shares and potential shares outstanding	**57,42,30,160**	**57,42,14,488**	**57,42,28,549**	**57,41,92,032**

2.32 RESTRICTED DEPOSITS

Deposits with financial institutions as at December 31, 2011 include ₹426 crore (₹431 crore and ₹344 crore as at December 31, 2010 and March 31, 2011, respectively) 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'.

2.33 SCHEDULES TO CASH FLOW STATEMENTS

in ₹ crore, except as otherwise stated

Particulars	Nine months ended December 31, 2011	2010
2.33.1 CHANGE IN LOANS AND ADVANCES AND OTHER ASSETS		
As per the balance sheet (current and non current)	4,003	3,069
Less: Gratuity obligation - unamortised amount relating to plan amendment[(1)]	19	23
Interest accrued but not due	28	52
Loan to subsidiary	41	23
Advance income taxes	673	684
Capital Advance	376	197
	2,866	**2,090**
Less: Opening balance considered	2,375	1,671
	491	**419**

[(1)] *refer to note 2.28*

Particulars	2011	2010
2.33.2 CHANGE IN LIABILITIES AND PROVISIONS		
As per the balance sheet (current and non current)	4,083	3,019
Less: Unpaid dividend	3	3
Retention monies	31	20
Gratuity obligation - unamortised amount relating to plan amendment	19	23
Provisions separately considered in Cash Flow statement		
Income taxes	781	760
Proposed dividend	-	-
Tax on dividend	-	-
	3,249	2,213
Less: Opening balance considered	2,215	1,981
	1,034	**232**
2.33.3 INCOME TAXES PAID		
Charge as per the profit and loss account	2,274	1,711
Add/(Less) : Increase/(Decrease) in advance income taxes	(251)	43
Increase/(Decrease) in deferred taxes [(1)]	(36)	86
(Increase)/Decrease in income tax provision	(25)	(41)
	1,962	**1,799**

[(1)] *excludes exchange difference of ₹34 crore for the nine months ended December 31, 2011*

Particulars	2011	2010
2.33.4 PAYMENT TOWARDS CAPITAL EXPENDITURE		
As per the balance sheet [(1)]	423	788
Less: Opening capital work-in-progress	249	228
Add: Closing capital work-in-progress	479	221
Add: Opening retention monies	21	66
Less: Closing retention monies	31	20
Add: Closing capital advance	376	197
Less: Opening capital advance	250	181
	769	**843**

[(1)] *Net of ₹3 crore movement in land from leasehold to free-hold upon acquisition for the nine months ended December 31, 2010*

Particulars	2011	2010
2.33.5 INVESTMENTS IN SUBSIDIARIES [(1)]		
As per the balance sheet	1,285	1,191
Less: Opening balance considered	1,202	1,125
	83	**66**

[(1)] *Refer to note 2.25 for investment made in subsidiaries*

Particulars	2011	2010
2.33.6 INVESTMENT/(DISPOSAL) OF OTHER INVESTMENTS		
Opening balance considered	119	3,497
Less: Closing balance	242	1,021
	(123)	**2,476**
2.33.7 INTEREST AND DIVIDEND RECEIVED		
Interest and dividend income as per profit and loss account	1,156	740
Add: Opening interest accrued but not due on certificate of deposits and bank deposits	14	14
Less: Closing interest accrued but not due on certificate of deposits and bank deposits and subsidiary loan	29	52
	1,141	**702**
2.33.8 LOAN GIVEN TO SUBSIDIARIES		
Closing Balance [(1)]	35	23
Less: Opening balance	32	46
	3	**(23)**

[(1)] *excludes exchange difference of ₹5 crore and interest accrued of ₹1 crore for the nine months ended December 31, 2011*

Particulars	2011	2010
2.33.9 CASH AND CASH EQUIVALENTS AT THE END		
As per the balance sheet	17,516	13,461
	17,516	**13,461**

2.34 FUNCTION WISE CLASSIFICATION OF STATEMENT OF PROFIT AND LOSS

in ₹ crore

Statement of Profit and Loss account for the	Quarter ended December 31,		Nine months ended December 31,	
	2011	**2010**	**2011**	**2010**
Income from software services and products	8,696	6,534	23,071	18,717
Software development expenses	4,843	3,660	13,183	10,507
GROSS PROFIT	**3,853**	**2,874**	**9,888**	**8,210**
Selling and marketing expenses	382	320	1,073	902
General and administration expenses	549	377	1,460	1,093
	931	697	2,533	1,995
OPERATING PROFIT BEFORE DEPRECIATIO	**2,922**	**2,177**	**7,355**	**6,215**
Depreciation and amortization	198	184	590	551
OPERATING PROFIT	**2,724**	**1,993**	**6,765**	**5,664**
Other income	422	275	1,220	760
PROFIT BEFORE TAX	**3,146**	**2,268**	**7,985**	**6,424**
Tax expense:				
Current tax	838	630	2,238	1,797
Deferred tax	73	(3)	36	(86)
PROFIT FOR THE PERIOD	**2,235**	**1,641**	**5,711**	**4,713**

2.35 DETAILS OF ROUNDED OFF AMOUNTS

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

Balance Sheet Items *in ₹ crore*

Schedule	Description	As at	
		December 31, 2011	**March 31, 2011**
2.8	Fixed assets - Vehicles		
	Deletion during the period	0.47	0.08
	Depreciation on deletions	0.47	0.08
2.10	Investments		
	Investment in Infosys Sweden	0.06	0.06

Profit & Loss Items *in ₹ crore*

Schedule	Description	Quarter ended December 31,		Nine months ended December 31,	
		2011	**2010**	**2011**	**2010**
Profit & Loss	Additional dividend	-	-	0.02	-
	Residual dividend	-	-	-	0.08
	Additional dividend tax	-	-	-	0.01
2.19	Auditor's remuneration				
	Certification charges	0.01	0.01	0.05	0.04
	Out-of-pocket expense	0.01	0.01	0.03	0.03

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

Natrajh Ramakrishna
Partner
Membership No. 32815

K.V.Kamath
Chairman

S. Gopalakrishnan
Executive Co-Chairman

S. D. Shibulal
Chief Executive Officer and Managing Director

Deepak M. Satwalekar
Director

Dr. Omkar Goswami
Director

Sridar A. Iyengar
Director

David L. Boyles
Director

R.Seshasayee
Director

Ann M. Fudge
Director

Ravi Venkatesan
Director

Srinath Batni
Director

V. Balakrishnan
Director and Chief Financial Officer

Bangalore
January 12, 2012

B. G. Srinivas
Director

Ashok Vemuri
Director

K. Parvatheesam
Company Secretary