

Audited financial results of Infosys Limited for the quarter and half-year ended September 30, 2014.

(in ₹ crore, except share and per equity share data)

Particulars	Quarter ended September 30,	Quarter ended June 30,	Quarter ended September 30,	Half-year ended September 30,		Year ended March 31
	2014	2014	2013	2014	2013	2014
Income from software services and products	11,863	11,319	11,482	23,182	21,441	44,341
Expenses:						
Employee benefit expenses	6,340	6,234	6,572	12,574	12,139	24,350
Deferred consideration pertaining to acquisition	56	57	57	113	109	228
Cost of technical sub-contractors	679	617	666	1,296	1,245	2,596
Travel expenses	366	340	340	706	687	1,287
Cost of software packages and others	198	268	165	466	339	920
Communication expenses	86	92	88	178	163	329
Professional charges	87	47	92	134	187	474
Depreciation and amortization expense	251	192	257	443	507	1,101
Other expenses	464	467	540	931	847	1,630
Total expenses	8,527	8,314	8,777	16,841	16,223	32,915
Profit from operations before other income	3,336	3,005	2,705	6,341	5,218	11,426
Other income	833	790	503	1,623	1,066	2,576
Profit before exceptional item and tax	4,169	3,795	3,208	7,964	6,284	14,002
Profit on transfer of business (refer to note 3)	412	-	-	412	-	-
Profit before tax	4,581	3,795	3,208	8,376	6,284	14,002
Tax expense	1,216	1,075	882	2,291	1,708	3,808
Net Profit for the period	3,365	2,720	2,326	6,085	4,576	10,194
Paid-up equity share capital (par value ₹5/- each fully paid) *	286	286	287	286	287	286
Reserves and surplus **	41,806	41,806	35,772	41,806	35,772	35,772
Earnings per share (par value of ₹5/- each)						
Before exceptional item						
Basic	51.68	47.60	40.50	99.28	79.69	178.39
Diluted	51.68	47.60	40.50	99.28	79.69	178.39
After Exceptional item						
Basic	58.89	47.60	40.50	106.49	79.69	178.39
Diluted	58.89	47.60	40.50	106.49	79.69	178.39
Total Public Shareholding #						
Number of shares	39,66,88,097	38,98,49,697	39,56,76,421	39,66,88,097	39,56,76,421	39,02,57,428
Percentage of shareholding	69.08	67.89	68.90	69.08	68.90	67.96
Promoters and Promoter Group Shareholding						
Pledged / Encumbered						
Number of shares	-	-	-	-	-	-
Percentage of shares (as a % of the total shareholding of promoter and promoter group)	-	-	-	-	-	-
Percentage of shares (as a % of the total share capital of the company)	-	-	-	-	-	-
Non – encumbered						
Number of shares	9,14,08,078	9,15,08,078	9,15,08,078	9,14,08,078	9,15,08,078	9,15,08,078
Percentage of shares (as a % of the total shareholding of promoter and promoter group)	100.00	100.00	100.00	100.00	100.00	100.00
Percentage of shares (as a % of the total share capital of the company)	15.92	15.94	15.94	15.92	15.94	15.94

* net of treasury shares

** Represents the previous accounting year balance as required under Clause 41 of the Listing Agreement.

#Total public shareholding as defined under Clause 40A of the Listing Agreement excludes shares held by founders and American Depositary Receipt Holders.

Notes:

1. The audited financial statements for the quarter and half-year ended September 30, 2014 have been taken on record by the Board of Directors at its meeting held on October 10, 2014. The statutory auditors have expressed an unqualified audit opinion. The information presented above is extracted from the audited standalone financial statements.

2. Changes to the Board

- The members of the company at the Extra-ordinary General Meeting held on July 30, 2014 approved the appointment of Dr. Vishal Sikka as the Chief Executive Officer and Managing Director effective August 1, 2014.
- Narayana Murthy will cease to be Non-Executive Chairman effective October 10, 2014. He indicated that in line with the company's high corporate governance standards and to avoid any perceived conflicts, it would not be appropriate for him to be the Chairman Emeritus of Infosys. The Board accepted Mr. Murthy's decision and sincerely thanked him for his vision, leadership and guidance in making Infosys a globally respected company.
- S. Gopalakrishnan will cease to be Non-Executive Vice Chairman effective October 10, 2014. The Board expresses its deep sense of appreciation for the services rendered by him during his tenure on the Board.
- K.V. Kamath has been elected as the Chairman of the Board effective October 11, 2014

3. Edgeverve Systems Limited

At the Annual General Meeting held on June 14, 2014, the shareholders had authorized the Board to enter into a Business Transfer Agreement with Edgeverve, with effect from July 1, 2014. The company has undertaken an enterprise valuation by an independent valuer and accordingly the business has been transferred for a consideration of \$70 million (approximately ₹421 crore) with effect from July 1, 2014. Net assets amounting to ₹9 crore have also been transferred and accordingly a gain of ₹412 crore has been recorded as an exceptional item. The consideration has been settled through the issue of fully paid up shares in Edgeverve.

4. During the quarter ended June 30, 2014, based on internal and external technical evaluation, management reassessed the remaining useful life of assets, primarily consisting of buildings and computers with effect from April 1, 2014. Accordingly, the useful life of certain assets required a change from the previous estimates. If the Company had continued with the previously assessed useful lives, charge for depreciation for the quarter and half-year ended September 30, 2014 would have been higher by ₹111 crore and ₹238 crore respectively, for the assets held as at April 1, 2014.

5. The Board in its meeting held on October 10, 2014 has considered and approved and recommended a bonus issue of one equity share for every equity share held, and a bonus issue, viz., a stock dividend of one American Depositary Share (ADS) for every ADS held, respectively, as on a record date to be determined. Consequently, the ratio of equity shares underlying the ADSs held by an American Depositary Receipt holder would remain unchanged.

The Board approved and recommended the issuance in order to increase the liquidity of its shares and to expand the retail shareholder base.

The bonus issue of equity shares and ADSs will be subject to approval by the shareholders, through a postal ballot, and any other applicable statutory and regulatory approvals. Accordingly, the record date for the bonus issues of equity shares and ADSs will be announced in due course.

6. Information on dividends for the quarter and half year ended September 30, 2014

The Board declared an interim dividend of ₹30/- per equity share. The record date for the payment of interim dividend is October 17, 2014. The interim dividend will be paid on October 20, 2014. The interim dividend declared in the previous year was ₹20/- per equity share.

(in ₹)

Particulars	Quarter ended September 30,	Quarter ended June 30,	Quarter ended September 30,	Half-year ended September 30,		Year ended March 31,
	2014	2014	2013	2014	2013	2014
Dividend per share (par value ₹5/- each)						
Interim dividend	30.00	-	20.00	30.00	20.00	20.00
Final dividend	-	-	-	-	-	43.00
Total dividend	30.00	-	20.00	30.00	20.00	63.00

The final dividend of ₹43/- per equity share for fiscal 2014 was approved by the shareholders at the Annual General Meeting of the company held on June 14, 2014 and the same was paid on June 16, 2014.

7. Other Information

(in ₹ crore)

Particulars	Quarter ended September 30,	Quarter ended June 30,	Quarter ended September 30,	Half-year ended September 30,		Year ended March 31,
	2014	2014	2013	2014	2013	2014
Staff costs	6,340	6,234	6,572	12,574	12,139	24,350
Items exceeding 10% of aggregate expenditure	-	-	-	-	-	-
Details of other income:						
Interest received on deposits with banks and others	636	608	516	1,244	1,013	2,135
Dividend received on investment in mutual fund units	40	49	42	89	73	137
Miscellaneous income, net	18	6	7	24	13	26
Gains / (losses) on foreign currency, net	139	127	(62)	266	(33)	278
Total	833	790	503	1,623	1,066	2,576

8. Information on investor complaints pursuant to Clause 41 of the Listing Agreement for the quarter ended September 30, 2014

Nature of complaints received	Opening balance	Additions	Disposal	Closing balance
Non-receipt of dividend / Annual Report related	-	130	130	-

9. Statement of assets and liabilities (Standalone-Audited)

(in ₹ crore)

Particulars	As at	
	September 30, 2014	March 31, 2014
EQUITY AND LIABILITIES		
Shareholders' funds		
Share capital	286	286
Reserves and surplus	45,837	41,806
Sub-total-Shareholders' funds	46,123	42,092
Non-current liabilities		
Deferred tax liabilities (net)	-	-
Other long-term liabilities	454	364
Sub-total-Non-current liabilities	454	364
Current liabilities		
Trade payables	275	68
Other current liabilities	5,077	4,071
Short-term provisions	5,841	6,117
Sub-total-Current liabilities	11,193	10,256
TOTAL - EQUITY AND LIABILITIES	57,770	52,712
ASSETS		
Non-current assets		
Fixed assets	7,507	6,686
Non-current investments	4,429	3,968
Deferred tax assets (net)	561	542
Long-term loans and advances	1,874	2,227
Other non-current assets	102	52
Sub-total-Non-current assets	14,473	13,475
Current assets		
Current investments	3,588	2,749
Trade receivables	8,108	7,336
Cash and cash equivalents	26,246	24,100
Short-term loans and advances	5,355	5,052
Sub-total-Current assets	43,297	39,237
TOTAL - ASSETS	57,770	52,712

The above disclosure is in compliance with clause 41(V)(h) of the Listing Agreement. The disclosure is an extract of the audited Standalone Balance Sheet of Infosys Limited as at September 30, 2014

10. Segment reporting (Standalone-Audited)

(in ₹ crore)

Particulars	Quarter ended September 30,	Quarter ended June 30,	Quarter ended September 30,	Half-year ended September 30,		Year ended March 31,
	2014	2014	2013	2014	2013	2014
Revenue by industry segment						
Financial Services and Insurance (FSI)	3,992	3,896	3,979	7,888	7,446	15,374
Manufacturing (MFG)	2,537	2,439	2,476	4,976	4,587	9,434
Energy & utilities, Communication and Services (ECS)	2,534	2,289	2,298	4,823	4,276	8,862
Retail, Consumer Packaged Goods and Logistics (RCL)	2,097	2,062	2,089	4,159	3,914	8,106
Life Sciences and Healthcare (LSH)	703	633	640	1,336	1,218	2,565
Total	11,863	11,319	11,482	23,182	21,441	44,341
Less: Inter-segment revenue	-	-	-	-	-	-
Net revenue from operations	11,863	11,319	11,482	23,182	21,441	44,341
Segment profit before tax and depreciation						
Financial Services and Insurance (FSI)	1,211	1,141	1,059	2,352	2,071	4,553
Manufacturing (MFG)	719	676	559	1,395	1,090	2,405
Energy & utilities, Communication and Services (ECS)	796	602	704	1,398	1,304	2,717
Retail, Consumer Packaged Goods and Logistics (RCL)	662	638	519	1,300	995	2,231
Life Sciences and Healthcare (LSH)	199	140	121	339	265	621
Total	3,587	3,197	2,962	6,784	5,725	12,527
Less: Other unallocable expenditure	251	192	257	443	507	1,101
Add: Unallocable other income	833	790	503	1,623	1,066	2,576
Profit before exceptional item and tax	4,169	3,795	3,208	7,964	6,284	14,002
Exceptional item (refer to note 3)	412	-	-	412	-	-
Profit before tax	4,581	3,795	3,208	8,376	6,284	14,002

Notes on segment information:

Primary segments

Effective quarter ended March 31, 2014, the Company reorganized its segments consequent to which the primary reportable segments of the company are as set out above. The previous period figures, extracted from audited financial statements, have been presented after incorporating necessary reclassification adjustments pursuant to changes in reportable segments.

Segmental capital employed

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

**By order of the Board
for Infosys Limited**

Dr. Vishal Sikka

Chief Executive Officer
and Managing Director

Bangalore, India

October 10, 2014

Certain statements in this results concerning our future growth prospects are forward-looking statements regarding our future business expectations intended to qualify for the 'safe harbor' under the Private Securities Litigation Reform Act of 1995, which involve a number of risks and uncertainties that could cause actual results to differ materially from those in such forward-looking statements. The risks and uncertainties relating to these statements include, but are not limited to, risks and uncertainties regarding fluctuations in earnings, fluctuations in foreign exchange rates, our ability to manage growth, intense competition in IT services including those factors which may affect our cost advantage, wage increases in India, our ability to attract and retain highly skilled professionals, time and cost overruns on fixed-price, fixed-time frame contracts, client concentration, restrictions on immigration, industry segment concentration, our ability to manage our international operations, reduced demand for technology in our key focus areas, disruptions in telecommunication networks or system failures, our ability to successfully complete and integrate potential acquisitions, liability for damages on our service contracts, the success of the companies in which Infosys has made strategic investments, withdrawal or expiration of governmental fiscal incentives, political instability and regional conflicts, legal restrictions on raising capital or acquiring companies outside India, and unauthorized use of our intellectual property and general economic conditions affecting our industry. Additional risks that could affect our future operating results are more fully described in our United States Securities and Exchange Commission filings including our Annual Report on Form 20-F for the fiscal year ended March 31, 2014 and on Form 6-K for the quarter ended June 30, 2014. These filings are available at www.sec.gov. Infosys may, from time to time, make additional written and oral forward-looking statements, including statements contained in the company's filings with the Securities and Exchange Commission and our reports to shareholders. In addition, please note that the date of this results is October 10, 2014, and any forward-looking statements contained herein are based on assumptions that we believe to be reasonable as of this date. The company does not undertake to update any forward-looking statements that may be made from time to time by or on behalf of the company unless it is required by law.