

INFOSYS LIMITED
In ₹ crore

Balance Sheet as at	Note	December 31, 2015	March 31, 2015
EQUITY AND LIABILITIES			
SHAREHOLDERS' FUNDS			
Share capital	2.1	1,148	574
Reserves and surplus	2.2	56,548	47,494
		<u>57,696</u>	<u>48,068</u>
NON-CURRENT LIABILITIES			
Deferred tax liabilities (net)	2.3	-	-
Other long-term liabilities	2.4	147	30
		<u>147</u>	<u>30</u>
CURRENT LIABILITIES			
Trade payables	2.5	384	124
Other current liabilities	2.6	6,592	5,546
Short-term provisions	2.7	4,365	8,045
		<u>11,341</u>	<u>13,715</u>
		<u>69,184</u>	<u>61,813</u>
ASSETS			
NON-CURRENT ASSETS			
Fixed assets			
Tangible assets	2.8	7,955	7,347
Capital work-in-progress		827	769
		<u>8,782</u>	<u>8,116</u>
Non-current investments	2.10	11,027	6,108
Deferred tax assets (net)	2.3	411	433
Long-term loans and advances	2.11	5,495	4,378
Other non-current assets	2.12	5	26
		<u>25,720</u>	<u>19,061</u>
CURRENT ASSETS			
Current investments	2.10	368	749
Trade receivables	2.13	9,498	8,627
Cash and cash equivalents	2.14	26,238	27,722
Short-term loans and advances	2.15	7,360	5,654
		<u>43,464</u>	<u>42,752</u>
		<u>69,184</u>	<u>61,813</u>

SIGNIFICANT ACCOUNTING POLICIES

1

The accompanying notes form an integral part of the standalone interim financial statements
As per our report of even date attached
for B S R & Co. LLP
Chartered Accountants

Firm's Registration Number:101248W/W-100022

for and on behalf of the Board of Directors of Infosys Limited

Supreet Sachdev

Partner

Membership No. 205385

R.Seshasayee

Chairman

Dr. Vishal Sikka

*Chief Executive Officer and
Managing Director*

Roopa Kudva

Director

Bangalore

January 14, 2016

M. D. Ranganath

*Chief Financial Officer
and Executive Vice President*

A.G.S Manikantha

Company Secretary

INFOSYS LIMITED
In ₹ crore, except equity share and per equity share data

Statement of Profit and Loss for the	Note	Quarter ended December 31,		Nine months ended December 31,	
		2015	2014	2015	2014
Income from software services and products	2.16	13,562	12,192	39,825	35,374
Other income	2.17	737	823	2,230	2,446
Total revenue		14,299	13,015	42,055	37,820
Expenses					
Employee benefit expenses	2.18	7,103	6,358	20,905	18,932
Deferred consideration pertaining to acquisition	2.10.1	18	55	110	168
Cost of technical sub-contractors	2.18	1,226	777	3,225	2,073
Travel expenses	2.18	360	329	1,217	1,035
Cost of software packages and others	2.18	200	290	826	756
Communication expenses	2.18	73	116	232	294
Consultancy and professional charges		153	114	408	248
Depreciation and amortization expense	2.8	275	229	799	672
Other expenses	2.18	515	495	1,388	1,426
Total expenses		9,923	8,763	29,110	25,604
PROFIT BEFORE EXCEPTIONAL ITEM AND TAX		4,376	4,252	12,945	12,216
Profit on transfer of business	2.10.2	-	-	3,036	412
PROFIT BEFORE TAX		4,376	4,252	15,981	12,628
Tax expense:					
Current tax	2.19	1,207	1,172	3,590	3,491
Deferred tax	2.19	(14)	25	4	(3)
PROFIT FOR THE PERIOD		3,183	3,055	12,387	9,140

EARNINGS PER EQUITY SHARE

Equity shares of par value ₹5/- each

Before Exceptional item

Basic	13.86	13.37	40.71	38.19
Diluted	13.86	13.37	40.71	38.19

After Exceptional item

Basic	13.86	13.37	53.93	39.99
Diluted	13.86	13.37	53.93	39.99

Number of shares used in computing earnings per share 2.32

Basic	229,69,44,664	228,56,10,264	229,69,44,664	228,56,10,264
Diluted	229,69,44,664	228,56,51,100	229,69,44,664	228,56,29,016

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*Chief Executive Officer and
 Managing Director*

 Roopa Kudva
Director

 Bangalore
 January 14, 2016

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*Chief Financial Officer
 and Executive Vice President*

 A.G.S Manikantha
Company Secretary

Cash Flow Statement for the	Nine months ended December 31,	
	2015	2014
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	15,981	12,628
Adjustments to reconcile profit before tax to cash generated by operating activities		
Depreciation and amortization expense	799	672
Provision for bad and doubtful debts	(22)	116
Deferred purchase price	110	168
Interest and dividend income	(1,912)	(2,033)
Profit on transfer of business (Refer to Note 2.10.2)	(3,036)	(412)
Stock compensation expense	6	1
Other adjustments	125	46
Effect of exchange differences on translation of assets and liabilities	29	38
Changes in assets and liabilities		
Trade receivables	(849)	(776)
Loans and advances and other assets	(1,273)	(105)
Liabilities and provisions	1,278	1,445
	11,236	11,788
Income taxes paid	(4,046)	(3,116)
NET CASH GENERATED BY OPERATING ACTIVITIES	7,190	8,672
CASH FLOWS FROM INVESTING ACTIVITIES		
Payment towards capital expenditure	(1,613)	(1,408)
Proceeds on sale of fixed assets	2	2
Investment in subsidiaries	(254)	(132)
Payment towards acquisition (refer note 2.10.5 & 2.10.6)	(794)	-
Payment arising out of business transfer	(286)	-
Investment in preferred stock	(55)	-
Investment in liquid mutual fund units	(18,698)	(16,304)
Disposal of liquid mutual fund units	19,079	16,886
Investment in tax free bond	(242)	-
Redemption of certificates of deposit	-	783
Interest and dividend received	1,037	1,981
NET CASH USED IN INVESTING ACTIVITIES	(1,824)	1,808
CASH FLOWS FROM FINANCING ACTIVITIES		
Loan given to subsidiaries	(125)	(55)
Loan repaid by subsidiaries	126	-
Dividends paid (including corporate dividend tax)	(6,843)	(4,935)
NET CASH USED IN FINANCING ACTIVITIES	(6,842)	(4,990)
Effect of exchange differences on translation of foreign currency cash and cash equivalents	(8)	(24)
NET (DECREASE)/ INCREASE IN CASH AND CASH EQUIVALENTS	(1,484)	5,466
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	2,14	27,722
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	26,238	29,566

SIGNIFICANT ACCOUNTING POLICIES

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As per our report of even date attached

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Significant accounting policies

Company overview

Infosys is a global leader in consulting, technology, outsourcing and next-generation services. Along with its subsidiaries, Infosys provides Business IT services (comprising application development and maintenance, independent validation, infrastructure management, engineering services comprising product engineering and life cycle solutions and business process management); Consulting and systems integration services (comprising consulting, enterprise solutions, systems integration and advanced technologies); Products, business platforms and solutions to accelerate intellectual property-led innovation including Finacle, our banking solution; and offerings in the areas of Analytics, Cloud, and Digital Transformation.

The company is a public limited company incorporated and domiciled in India and has its registered office at Bangalore, Karnataka, India. The company has its primary listings on the BSE Limited and National Stock Exchange in India. The company's American Depositary Shares representing equity shares are also listed on the New York Stock Exchange (NYSE), Euronext London and Euronext Paris.

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 under Section 133 of the Companies Act, 2013 ('Act') read with Rule 7 of the Companies (Accounts) Rules, 2014, the provisions of the Act (to the extent notified) 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.

As the quarter and year-to-date figures are taken from the source and rounded to the nearest digits, the quarter figures in this statement added up to the figures reported for the previous quarters might not always add up to the year-to-date figures reported in this statement.

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 or costs expended to date as a proportion of the total efforts or costs 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 tangible 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.

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. Deferred contract costs are amortized over the term of the contract. 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 indirect 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 is reasonably estimable 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 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 statement of profit and loss. 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 Tangible assets and capital work-in-progress

Tangible assets are stated at cost, less accumulated depreciation and impairment, if any. Direct costs are capitalized until such 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.

1.8 Intangible assets

Intangible assets are recorded at the consideration paid for acquisition of such assets and are carried at cost less accumulated amortization and impairment.

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.

1.9 Depreciation and amortization

Depreciation on tangible 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. 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 ⁽¹⁾	22-25 years
Plant and Machinery ⁽¹⁾	5 years
Office equipment	5 years
Computer equipment ⁽¹⁾	3-5 years
Furniture and fixtures ⁽¹⁾	5 years
Vehicles ⁽¹⁾	5 years

⁽¹⁾ For these class of assets, based on internal assessment and independent technical evaluation carried out by external valuers the management believes that the useful lives as given above best represent the period over which management expects to use these assets. Hence the useful lives for these assets is different from the useful lives as prescribed under Part C of Schedule II of the Companies Act 2013.

Depreciation and amortization methods, useful lives and residual values are reviewed periodically, including at each financial year end. (Refer note 2.8)

1.10 Impairment

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.

1.11 Retirement benefits to employees

a Gratuity

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, performed by an independent actuary, at each Balance Sheet date using the projected unit credit method. The Company fully contributes all ascertained liabilities to the Infosys Limited Employees' Gratuity Fund Trust (the Trust). Trustees administer contributions made to the Trust and contributions are invested in a scheme with Life Insurance Corporation of India as permitted by law of India. 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 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 which are periodically contributed to a trust fund, the corpus of which is invested with the Life Insurance Corporation of India.

c Provident fund

Eligible employees receive benefits from a provident fund, which is a defined benefit plan. Both the eligible 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 portion to the Infosys Limited Employees' Provident Fund Trust. The trust invests in specific designated instruments as permitted by Indian law. 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 using projected unit credit method on the additional amount expected to be paid/availed 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.

1.12 Share-based payments

The company accounts for equity settled stock options as per the accounting treatment prescribed by Securities and Exchange Board of India (share based employee benefits) Regulations, 2014 and the Guidance Note on Employee Share-based Payments issued by the Institute of Chartered Accountants of India using the intrinsic value method.

1.13 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.

1.14 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 and subsequently 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.

1.15 Income taxes

Income taxes are accrued in the same period that the related revenue and expenses arise. A provision is made for income tax, 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. The income tax provision for the interim period is made based on the best estimate of the annual average tax rate expected to be applicable for the full financial year. 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 securities premium reserve.

1.16 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.

1.17 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. 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.

1.18 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.

1.19 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.

1.20 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 recognized as an expense on a straight line basis in the statement of profit and loss over the lease term.

2 NOTES TO ACCOUNTS FOR THE QUARTER AND NINE MONTHS ENDED DECEMBER 31, 2015

Amounts in the financial statements are presented in ₹ crore, except for per equity share data and as otherwise stated. All exact amounts are stated with the suffix “/.”. One crore equals 10 million.

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

2.1 SHARE CAPITAL

Particulars	in ₹ crore, except as otherwise stated	
	As at	
	December 31, 2015	March 31, 2015
Authorized		
Equity shares, ₹5/- par value		
240,00,00,000 (120,00,00,000) equity shares	1,200	600
Issued, Subscribed and Paid-Up		
Equity shares, ₹5/- par value ⁽¹⁾	1,148	574
229,69,44,664 (114,84,72,332) equity shares fully paid-up	1,148	574

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

⁽¹⁾ Refer note 2.32 for details of basic and diluted shares

Effective January 1, 2015, Infosys Limited Employees' Welfare Trust ('The Trust') has been deconsolidated consequent to SEBI (Share Based Employee Benefits) Regulations, 2014 issued on October 28, 2014.

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.

In the period of five years immediately preceding December 31, 2015:

The Company has allotted 114,84,72,332 fully paid-up shares of face value ₹ 5/- each during the quarter ended June 30, 2015, pursuant to bonus issue approved by the shareholders through postal ballot. The book closure date fixed by the Board was June 17, 2015.

The Company has allotted 57,42,36,166 fully paid up equity shares of face value ₹5/- each during the quarter ended December 31, 2014 pursuant to a bonus issue approved by the shareholders through a postal ballot. The record date fixed by the Board of Directors was December 3, 2014.

For both the bonus issues, bonus share of one equity share for every equity share held, and a stock dividend of one American Depositary Share (ADS) for every ADS held, respectively, has been allotted. Consequently, the ratio of equity shares underlying the ADSs held by an American Depositary Receipt holder remains unchanged. Options granted under the restricted stock unit plan have been adjusted for bonus shares.

The Board has increased dividend pay-out ratio from up to 40% to up to 50% of post-tax consolidated profits effective fiscal 2015.

During the year ended March 31, 2015, the amount of dividend per share recognised as distribution to equity shareholder includes ₹29.50/- per share of final dividend (not adjusted for bonus shares on June 17, 2015) and ₹30/- per share of interim dividend (not adjusted for bonus shares of June 17, 2015 and December 3, 2014). The total dividend appropriation for the year ended March 31, 2015 amounted to ₹6,145 crore including corporate dividend tax of ₹1,034 crore.

The Board of Directors, in their meeting on October 12, 2015, declared an interim dividend of ₹10/- per equity share. The total dividend appropriation for the nine months ended December 31, 2015 amounted to ₹2,765 crore including corporate dividend tax of ₹468 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 in proportion to the number of equity shares held by the shareholders, after distribution of all preferential amounts.

The details of shareholder holding more than 5% shares as at December 31, 2015 and March 31, 2015 are set out below :

Name of the shareholder	As at December 31, 2015		As at March 31, 2015	
	No. of shares	% held	No. of shares	% held
Deutsche Bank Trust Company Americas (Depository of ADR's - legal ownership)	38,53,17,937	16.78	18,60,73,981	16.20
Life Insurance Corporation of India	12,85,06,087	5.59	5,52,74,758	4.81

The reconciliation of the number of shares outstanding and the amount of share capital as at December 31, 2015 and March 31, 2015 is set out below:

Particulars	As at December 31, 2015		As at March 31, 2015	
	Number of shares	Amount (₹ crore)	Number of shares	Amount (₹ crore)
Number of shares at the beginning of the period	114,84,72,332	574	57,14,02,566	286
Add: Bonus shares issued (Including bonus on treasury shares)	114,84,72,332	574	57,42,36,166	287
Add: Treasury shares on account of deconsolidation of trust	-	-	28,33,600	1
Number of shares at the end of the period	229,69,44,664	1,148	114,84,72,332	574

Stock Option Plan:

2011 RSU Plan (the 2011 Plan): The Company has a 2011 RSU Plan which provides for the grant of restricted stock units (RSUs) to eligible employees of the Company. The Board of Directors recommended establishment of the 2011 Plan to the shareholders on August 30, 2011 and the shareholders approved the recommendation of the Board of Directors on October 17, 2011 through a postal ballot. The maximum aggregate number of shares that may be awarded under the Plan is 11,334,400 shares (currently held by the Infosys Limited Employees' Welfare Trust and adjusted for bonus shares issued) and the plan shall continue in effect for a term of 10 years from the date of initial grant under the plan. The RSUs will be issued at par value of the equity share. As on December 31, 2015, 1,11,02,071 shares are available for issue under the 2011 plan. The 2011 Plan is administered by the Management Development and Compensation Committee now known as the Nomination and Remuneration Committee (the Committee) and through the trust. The Committee is comprised of independent members of the Board of Directors.

During the year ended March 31, 2015, the company made a grant of 108,268 restricted stock units (adjusted for bonus issues) to Dr. Vishal Sikka, Chief Executive Office and Managing Director. The Board in its meeting held on June 22, 2015, on recommendation of Nomination and Remuneration Committee, granted 1,24,061 RSUs to Dr. Vishal Sikka. The RSUs will vest over a period of four years from the date of the grant in the proportions specified in the award agreement. The RSUs will vest subject to achievement of certain key performance indicators as set forth in the award agreement for each applicable year of the vesting tranche and continued employment through each vesting date.

In accordance with the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014, the excess of the closing market price on the grant date of the RSUs over the exercise price is amortized on a straight-line basis over the vesting period.

The activity in the 2011 Plan during the quarter and nine months ended December 31, 2015 is set out below:

Particulars	Quarter ended December 31, 2015		Nine months ended December 31, 2015	
	Shares arising out of options	Weighted average exercise price (₹)	Shares arising out of options	Weighted average exercise price (₹)
2011 Plan:				
Outstanding at the beginning*	2,23,213	5	1,08,268	5
Granted	-	-	1,24,061	5
Forfeited and expired	-	-	-	-
Exercised*	-	-	9,116	5
Outstanding at the end	2,23,213	5	2,23,213	5
Exercisable at the end	-	-	-	-

*adjusted for bonus issues

The weighted average share price of options exercised under the 2011 Plan on the date of exercise was ₹1,092/-

The activity in the 2011 Plan during quarter and nine months ended December 31, 2014 is set out below:

Particulars	Quarter ended December 31, 2014		Nine months ended December 31, 2014	
	Shares arising out of options	Weighted average exercise price (₹)	Shares arising out of options	Weighted average exercise price (₹)
2011 Plan:				
Outstanding at the beginning	1,08,268	5	-	-
Granted*	-	-	1,08,268	5
Forfeited and expired	-	-	-	-
Exercised	-	-	-	-
Outstanding at the end	1,08,268	5	1,08,268	5
Exercisable at the end	-	-	-	-

*Adjusted for bonus issue

The weighted average remaining contractual life of RSUs outstanding as of December 31, 2015 and March 31, 2015 under the 2011 Plan was 2.21 years and 2.39 years.

The differential on stock compensation expense if the 'fair value' of the RSU's on the date of the grant were considered instead of the 'intrinsic value' is less than ₹1 crore for each of the quarter and nine months ended December 31, 2015 and December 31, 2014. Consequently, there is no impact on earnings per share.

The fair value for the above impact analysis is estimated on the date of grant using the Black-Scholes-Merton model with the following assumptions:

Options granted during	Fiscal 2016	Fiscal 2015
Grant date	22-Jun-15	21-Aug-14
Weighted average share price (₹)*	1,024	3,549
Exercise price (₹)*	5	5
Expected volatility (%)	28-36	30 - 37
Expected life of the option (years)	1 - 4	1 - 4
Expected dividends (%)	2.43	1.84
Risk-free interest rate (%)	7- 8	8 - 9
Weighted average fair value as on grant date (₹)*	948	3,355

* Data for Fiscal 2015 is not adjusted for bonus issues

The expected term of an RSU is estimated based on the vesting term and contractual term of the RSU, as well as expected exercise behaviour of the employee who receives the RSU. Expected volatility during the expected term of the RSU is based on historical volatility of the observed market prices of the Company's publicly traded equity shares during a period equivalent to the expected term of the RSU.

During the quarter and nine months ended December 31, 2015, the Company recorded an employee compensation expense of ₹2 crore and ₹6 crore respectively in the statement of profit and loss (less than ₹1 crore and ₹1 crore during the quarter and nine months ended December 31, 2014)

2.2 RESERVES AND SURPLUS

in ₹ crore

Particulars	As at	
	December 31, 2015	March 31, 2015
Capital reserve - Opening balance	54	54
Add: Transferred from Surplus	-	-
	54	54
Securities premium reserve - Opening balance	2,778	3,069
Less: Deconsolidation of trust (Refer note 2.1)	-	4
Less: Amount utilized for issuance of bonus shares (Refer note 2.1)	574	287
Add: Exercise of stock options	1	-
	2,205	2,778
Stock Options Outstanding- Opening balance (Refer note 2.1)	2	-
Additions during the period	6	2
Less: Exercise of stock options	1	-
	7	2
General reserve - Opening balance	9,508	8,291
Add: Transferred from Surplus	-	1,217
	9,508	9,508
Special Economic Zone Re-investment Reserve- Opening balance ⁽¹⁾	-	-
Add: Transferred from Surplus	397	-
Less: Transferred to Surplus on utilization	397	-
Special Economic Zone Re-investment Reserve- Closing balance	-	-
Surplus - Opening balance	35,152	30,392
Add: Net profit after tax transferred from Statement of Profit and Loss	12,387	12,164
Less: Deconsolidation of trust, net (Refer note 2.1)	-	42
Add: Transfer from Special Economic Zone Re-investment Reserve on utilization	397	-
Amount available for appropriation	47,936	42,514
Appropriations:		
Interim dividend	2,297	1,723
Final dividend	-	3,388
Total dividend	2,297	5,111
Dividend tax	468	1,034
Amount transferred to general reserve	-	1,217
Amount transferred to Special Economic Zone Re-investment Reserve	397	-
Surplus- Closing Balance	44,774	35,152
	56,548	47,494

⁽¹⁾ The Special Economic Zone Re-investment Reserve has been created out of the profit of eligible SEZ units in terms of the provisions of Sec 10AA(1)(ii) of Income Tax Act, 1961. The reserve should be utilized by the Company for acquiring new plant and machinery for the purpose of its business in the terms of the Sec 10AA(2) of the Income Tax Act, 1961.

2.3 DEFERRED TAXES

Particulars	in ₹ crore	
	As at	
	December 31, 2015	March 31, 2015
Deferred tax assets		
Fixed assets	160	210
Trade receivables	95	100
Compensated absences	341	280
Computer software	49	51
Accrued compensation to employees	25	29
Post sales client support	69	72
Others	21	7
	760	749
Deferred tax liabilities		
Branch profit tax	334	316
Others	15	-
	349	316
Deferred tax assets after set-off	411	433
Deferred tax liabilities after set-off	-	-

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, 2015 and March 31, 2015, the Company has provided for branch profit tax of ₹ 334 crore and ₹316 crore, respectively, for its overseas branches, as the Company estimates that these branch profits would be distributed in the foreseeable future. The change in provision for branch profit tax includes ₹18 crore movement on account of exchange rate during the nine months ended December 31, 2015.

2.4 OTHER LONG-TERM LIABILITIES

Particulars	in ₹ crore	
	As at	
	December 31, 2015	March 31, 2015
Others		
Gratuity obligation - unamortized amount relating to plan amendment (refer note 2.29)	1	3
Payable for acquisition of business (refer note 2.10.5 & 2.10.6)	119	-
Rental deposits received from subsidiary (refer note 2.26)	27	27
	147	30

2.5 TRADE PAYABLES

Particulars	in ₹ crore	
	As at	
	December 31, 2015	March 31, 2015
Trade payables*	384	124
	384	124
*Includes dues to subsidiaries (refer note 2.26)	366	102

2.6 OTHER CURRENT LIABILITIES

Particulars	in ₹ crore	
	As at	
	December 31, 2015	March 31, 2015
Accrued salaries and benefits		
Salaries and benefits	1,091	1,144
Bonus and incentives	571	575
Unearned revenue	1,117	831
Unpaid dividends	3	3
Other liabilities		
Provision for expenses ⁽¹⁾	2,110	1,582
Retention monies	59	50
Withholding and other taxes payable	1,144	733
Gratuity obligation - unamortized amount relating to plan amendment, current (refer note 2.29)	4	4
Other payables ⁽²⁾	428	79
Advances received from clients	12	20
Mark-to-market forward and options contracts	7	-
Payable for acquisition of business (refer note 2.10.5 and 2.10.6)	46	525
	6,592	5,546
⁽¹⁾ Includes dues to subsidiaries (refer note 2.26)	-	36
⁽²⁾ Includes dues to subsidiaries (refer note 2.26)	104	33

2.7 SHORT-TERM PROVISIONS

Particulars	in ₹ crore	
	As at	
	December 31, 2015	March 31, 2015
Provision for employee benefits		
Compensated absences	1,069	907
Other Provisions		
Proposed dividend	-	3,388
Tax on dividend	-	690
Income taxes (net of advance tax and Tax Deducted at Source)	2,885	2,678
Post-sales client support and warranties and others	411	382
	4,365	8,045

Provision for post-sales client support and warranties and other provisions

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

Particulars	in ₹ crore					
	Quarter ended		Nine months ended		Year ended	
	December 31, 2015	December 31, 2014	December 31, 2015	December 31, 2014	March 31, 2015	
Balance at the beginning	351	345	382	325		325
Provision recognized/(reversed)	59	38	57	90		134
Provision utilised	(1)	(13)	(48)	(46)		(78)
Exchange difference during the period	2	4	20	5		1
Balance at the end	411	374	411	374		382

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

2.8 FIXED ASSETS

Following are the changes in the carrying value of fixed assets for the nine months ended December 31, 2015:

in ₹ crore, except as otherwise stated

Particulars	Tangible assets									Intangible assets		Total
	Land-Freehold	Land-Leasehold	Buildings ⁽¹⁾⁽²⁾	Plant and Machinery ⁽²⁾	Office equipment ⁽²⁾	Computer equipment ⁽²⁾⁽³⁾	Furniture and fixtures ⁽²⁾	Vehicles	Total	Intellectual property rights	Total	
Original cost												
As at April 1, 2015	929	621	5,733	1,361	525	2,812	832	14	12,827	42	42	12,869
Additions/	29	17	357	253	105	658	133	3	1,555	-	-	1,555
Adjustments during the period												
Deductions/ Retirement during the period	-	-	-	(1)	-	(244)	(3)	-	(248)	(13)	(13)	(261)
As at December 31, 2015	958	638	6,090	1,613	630	3,226	962	17	14,134	29	29	14,163
Depreciation and amortization												
As at April 1, 2015	-	16	1,937	838	280	1,852	549	8	5,480	42	42	5,522
For the period	-	4	158	149	65	332	89	2	799	-	-	799
Deductions/	-	-	-	(1)	-	(96)	(3)	-	(100)	(13)	(13)	(113)
Adjustments during the period												
As at December 31, 2015	-	20	2,095	986	345	2,088	635	10	6,179	29	29	6,208
Net book value												
As at December 31, 2015	958	618	3,995	627	285	1,138	327	7	7,955	-	-	7,955

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 cancellable operating lease to subsidiaries

⁽³⁾ During the nine months ended December 31, 2015, computer equipment having net book value of ₹20 crore was transferred to EdgeVerve (Refer note 2.10.2)

Following are the changes in the carrying value of fixed assets for the nine months ended December 31, 2014:

in ₹ crore, except as otherwise stated

Particulars	Tangible assets									Intangible assets		Total
	Land-Freehold	Land-Leasehold	Buildings ⁽¹⁾⁽²⁾	Plant and Machinery ⁽²⁾	Office equipment ⁽²⁾	Computer equipment ⁽²⁾⁽³⁾	Furniture and fixtures ⁽²⁾	Vehicles	Total	Intellectual property rights	Total	
Original cost												
As at April 1, 2014	781	349	4,878	1,090	393	2,178	679	13	10,361	59	59	10,420
Additions/	141	268	531	183	99	490	92	2	1,806	-	-	1,806
Adjustments during the period												
Deductions/ Retirement during the period	-	-	-	(3)	(1)	(38)	(7)	(2)	(51)	(17)	(17)	(68)
As at December 31, 2014	922	617	5,409	1,270	491	2,630	764	13	12,116	42	42	12,158
Depreciation and amortization												
As at April 1, 2014	-	-	1,754	671	215	1,554	441	7	4,642	46	46	4,688
For the period	-	15	135	127	48	247	85	2	659	13	13	672
Deductions/	-	-	-	(2)	(1)	(30)	(5)	(1)	(39)	(17)	(17)	(56)
Adjustments during the period												
As at December 31, 2014	-	15	1,889	796	262	1,771	521	8	5,262	42	42	5,304
Net book value												
As at December 31, 2014	922	602	3,520	474	229	859	243	5	6,854	-	-	6,854

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 cancellable operating lease to Infosys BPO, subsidiary

(3) During the nine months ended December 31, 2014, computer equipment having book value of ₹8 crore was transferred to EdgeVerve (Refer 2.10.2)

Following are the changes in the carrying value of fixed assets for the year ended March 31, 2015:

in ₹ crore, except as otherwise stated

Particulars	Tangible assets									Intangible assets		Total
	Land-Freehold	Land-Leasehold	Buildings ⁽¹⁾⁽²⁾	Plant and Machinery ⁽²⁾	Office equipment ⁽²⁾	Computer equipment ⁽²⁾⁽³⁾	Furniture and fixtures ⁽²⁾	Vehicles	Total	Intellectual property rights	Total	
Original cost												
As at April 1, 2014	781	349	4,878	1,090	393	2,178	679	13	10,361	59	59	10,420
Additions/	148	272	855	274	134	694	160	3	2,540	-	-	2,540
Adjustments during the year												
Deductions/ Retirement during the year	-	-	-	(3)	(2)	(60)	(7)	(2)	(74)	(17)	(17)	(91)
As at March 31, 2015	929	621	5,733	1,361	525	2,812	832	14	12,827	42	42	12,869
Depreciation and amortization												
As at April 1, 2014	-	-	1,754	671	215	1,554	441	7	4,642	46	46	4,688
For the period	-	16	183	169	67	350	113	2	900	13	13	913
Deductions/ Adjustments during the year	-	-	-	(2)	(2)	(52)	(5)	(1)	(62)	(17)	(17)	(79)
As at March 31, 2015	-	16	1,937	838	280	1,852	549	8	5,480	42	42	5,522
Net book value												
As at March 31, 2015	929	605	3,796	523	245	960	283	6	7,347	-	-	7,347

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 cancellable operating lease to subsidiaries

(3) During the year ended March 31, 2015, computer equipment having net book value of ₹8 crore was transferred to EdgeVerve (Refer note 2.10.2)

During the quarter ended June 30, 2014, the management based on internal and external technical evaluation had changed the useful life of certain assets primarily consisting of buildings and computers with effect from April 1, 2014. Accordingly, the useful lives of certain assets required a change from previous estimate.

The Company has entered into lease-cum-sale agreements to acquire certain properties. In accordance with the terms of some of these agreements, the Company has the option to purchase or renew the properties on expiry of the lease period.

Tangible assets provided on operating lease to subsidiaries as at December 31, 2015 and *March 31, 2015* are as follows:

<i>in ₹ crore</i>			
Particulars	Cost	Accumulated depreciation	Net book value
Buildings	82	41	41
	98	35	63
Plant and equipment	197	57	140
	12	3	9
Furniture and fixtures	33	6	27
	11	2	9
Computer Equipment	19	8	11
	-	-	-
Office equipment	25	9	16
	6	1	5

The aggregate depreciation charged on the above assets during the quarter and nine months ended December 31, 2015 amounted to ₹ 13 crore and ₹ 18 crore (₹3 crore and ₹ 4 crore for the quarter and nine months ended December 31, 2014).

The rental income from subsidiaries for the quarter and nine months ended December 31, 2015 amounted to ₹ 15 crore and ₹ 35 crore respectively (₹11 crore and ₹ 29 crore for the quarter and nine months ended December 31, 2014 respectively).

2.9 LEASES

Obligations on long-term, non-cancellable operating leases

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

<i>in ₹ crore</i>				
Particulars	Quarter ended December 31,		Nine months ended December 31,	
	2015	2014	2015	2014
Lease rentals recognized during the period	44	41	128	123

<i>in ₹ crore</i>			
Lease obligations payable	As at		
	December 31, 2015	March 31, 2015	
Within one year of the balance sheet date	142	101	
Due in a period between one year and five years	385	284	
Due after five years	302	158	

The operating lease arrangements, are renewable on a periodic basis and for most of the leases 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, 2015	March 31, 2015
Non-current investments		
Long term investments - at cost		
Trade (unquoted)		
Investments in equity instruments of subsidiaries		
Infosys BPO Limited		
3,38,22,319 (3,38,22,319) equity shares of ₹10/- each, fully paid	659	659
Infosys Technologies (China) Co. Limited	169	169
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 Technologies, S. de R.L. de C.V., Mexico		
17,49,99,990 (17,49,99,990) equity shares of MXN 1 par value, fully paid up	65	65
Infosys Technologies (Sweden) AB		
1,000 (1,000) equity shares of SEK 100 par value, fully paid	-	-
Infosys Tecnologia do Brasil Ltda		
5,91,24,348 (5,91,24,348) shares of BRL 1.00 par value, fully paid	149	149
Infosys Technologies (Shanghai) Company Limited	646	388
Infosys Public Services, Inc.		
3,50,00,000 (3,50,00,000) shares of USD 0.50 par value, fully paid	99	99
Infosys Consulting Holding AG (formerly Lodestone Holding AG) (refer note 2.10.1)		
23,350 (23,350) - Class A shares of CHF 1,000 each and 29,400 (29,400) - Class B Shares of CHF 100 each, fully paid up	1,323	1,323
Infosys Americas Inc.		
10,000 (10,000) shares of USD 10 per share, fully paid up	1	1
EdgeVerve Systems Limited (refer note 2.10.2)		
131,18,40,000 (46,18,39,994) equity shares of ₹10/- each, fully paid	1,312	462
Panaya Inc. (refer note 2.10.3)		
2 (2) shares of USD 0.01 per share, fully paid up	1,398	1,398
Infosys Nova Holdings LLC (refer note 2.10.4)	94	94
Kallidus Inc. (refer note 2.10.5)		
10,21,35,416 (Nil) shares	647	-
Skava Systems Private Limited (refer note 2.10.5)		
25,000 (Nil) shares of ₹10 per share, fully paid up	59	-
Noah Consulting LLC (refer note 2.10.6)	249	-
	6,936	4,873
Investment in debentures		
EdgeVerve Systems Limited (refer note 2.10.2)	2,549	-
25,49,00,000 (Nil) Unsecured redeemable, non-convertible debentures of ₹ 100 each fully paid up		
	9,485	4,873
Others (unquoted) (refer note 2.10.7)		
Investments in preferred stock	65	-
Investments in equity instruments	7	7
Less: Provision for investments	6	6
	66	1
Others (quoted)		
Investments in tax free bonds (refer note 2.10.8)	1,476	1,234
	1,476	1,234
Total non-current investments	11,027	6,108
Current investments – at the lower of cost and fair value		
Other current investments		
Unquoted		
Liquid mutual fund units (refer note 2.10.9)	368	749
	368	749
Quoted		
Investments in government bonds (refer note 2.10.8)	-	-
	-	-
Total current investments	368	749
Total investments	11,395	6,857
Aggregate amount of quoted investments excluding interest accrued but not due of ₹38 crore as at December 31, 2015 (₹46 crore as at March 31, 2015) included under Note 2.15 Short term Loans and advances.	1,476	1,234
Market value of quoted investments	1,530	1,269
Aggregate amount of unquoted investments	9,925	5,629
Aggregate amount of provision made for non-current unquoted investments	6	6
Profit on sale of Investment is less than ₹ 1 crore for quarter and nine months ended December 31, 2015 (Less than ₹1 crore each for quarter and nine months ended December 31, 2014).		

2.10.1 Investment in Infosys Consulting Holding AG (Formerly Lodestone Holding AG)

On October 22, 2012, Infosys acquired 100% of the outstanding share capital of Infosys Consulting Holding AG, a global management consultancy firm headquartered in Zurich, Switzerland. The acquisition was executed through a share purchase agreement for an upfront cash consideration of ₹1,187 crore and a deferred consideration of upto ₹608 crore.

The deferred consideration is payable to the selling shareholders of Lodestone on the third anniversary of the acquisition date and is contingent upon their continued employment for a period of three years. The investment in Lodestone has been recorded at the acquisition cost and the deferred consideration is being recognised on a proportionate basis over a period of three years from the date of acquisition. An amount of ₹18 crore and ₹ 55 crore, representing the proportionate charge of the deferred consideration has been recognised as an expense during the quarter ended December 31, 2015 and December 31, 2014 respectively and ₹110 and ₹ 168 crore during nine months ended December 31, 2015 and December 31, 2014 respectively.

2.10.2 Investment in EdgeVerve Systems Limited

On February 14, 2014, a wholly owned subsidiary EdgeVerve Systems Limited (EdgeVerve) was incorporated. EdgeVerve was created to focus on developing and selling products and platforms. The Company has undertaken an enterprise valuation by an independent valuer and accordingly the business has been transferred for a consideration of ₹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 equity shares in EdgeVerve.

On April 24, 2015, the Board of Directors of Infosys has authorized the Company to execute a Business Transfer Agreement and related documents with EdgeVerve, to transfer the business of Finacle and Edge Services. Post the requisite approval from shareholders through postal ballot on June 4, 2015, a Business Transfer Agreement and other related documents were executed with EdgeVerve to transfer the business with effect from August 1, 2015. The Company has undertaken an enterprise valuation by an independent valuer and accordingly the business were transferred for a consideration of ₹3,222 crore and ₹177 crore for Finacle and Edge Services, respectively. Net assets amounting to ₹363 crore, (including working capital amounting to ₹337 crore) have been transferred and accordingly a gain of ₹3,036 crore has been recorded as an exceptional item. The consideration was settled through issue of 85,00,00,000 equity shares amounting to ₹850 crore and 25,49,00,000 non-convertible redeemable debentures amounting to ₹2,549 crore in EdgeVerve, post the requisite approval from shareholders on December 11, 2015.

2.10.3 Investment in Panaya Inc.

On March 5, 2015, Infosys acquired 100% of the voting interests in Panaya Inc. (Panaya), a Delaware Corporation in the United States. Panaya is a leading provider of automation technology for large scale enterprise and software management. The business acquisition was conducted by entering into a share purchase agreement for cash consideration of ₹1,398 crore.

2.10.4 Investment in DWA Nova LLC

During the year ended March 31, 2015, Infosys Nova Holdings LLC acquired 20% of the equity interests in DWA Nova LLC for a cash consideration of ₹94 crore. The Company has made this investment to form a new company along with Dream Works Animation (DWA). The new company, DWA Nova LLC, will develop and commercialize image generation technology in order to provide end-to-end digital manufacturing capabilities for companies involved in the design, manufacturing, marketing or distribution of physical consumer products.

As of December 31, 2015, Infosys Nova Holdings holds 16% of the equity interest in DWA Nova LLC.

2.10.5 Investment in Kallidus Inc. & Skava Systems Pvt. Ltd.

On June 2, 2015, Infosys acquired 100% of the voting interests in Kallidus Inc., (d.b.a Skava) (Kallidus), a leading provider of digital experience solutions, including mobile commerce and in-store shopping experiences to large retail clients and 100% of the voting interests of Skava Systems Private Limited, India, an affiliate of Kallidus. The business acquisition was conducted by entering into a share purchase agreement for cash consideration of ₹578 crore and a contingent consideration of upto \$20 million (approximately ₹128 crore on acquisition date), the payment of which is dependent upon the achievement of certain financial targets by Kallidus over a period of 3 years ending on December 31, 2017.

2.10.6 Investment in Noah Consulting LLC

On November 16, 2015, Infosys has acquired 100% membership interest in Noah Consulting, LLC, a leading provider of advanced information management consulting services for the oil and gas industry. The business acquisition was conducted by entering into a share purchase agreement for cash consideration of \$33 million (approximately ₹216 crore), contingent consideration up to \$5 million (approximately ₹33 crore on acquisition date) and retention bonus up to \$32 million (approximately ₹212 crore on acquisition date).

2.10.7 Details of Investments

The details of non-current other investments in preferred stock and equity instruments as at December 31, 2015 and March 31, 2015 are as follows:

Particulars	As at	
	December 31, 2015	March 31, 2015
<i>Preferred Stock</i>		
Airviz Inc.		
2,82,279 (Nil) Series A Preferred Stock, fully paid up, par value USD 0.001 each	13	-
ANSR Consulting		
52,631 (Nil) Series A Preferred Stock, fully paid up, par value USD 0.001 each	9	-
Whoop Inc		
16,48,352 (Nil) Series B Preferred Stock, fully paid up, par value USD 0.0001 each	20	-
CloudEndure Ltd.		
12,79,645 (Nil) Preferred Series B Shares, fully paid up, par value ILS 0.01 each	13	-
Nivetti Systems Private Limited		
2,28,501 (Nil) Preferred Stock, fully paid up, par value ₹1 each	10	-
<i>Equity Instrument</i>		
OnMobile Systems Inc., USA		
21,54,100 (21,54,100) common stock, fully paid up, par value USD 0.001 each	4	4
Merasport Technologies Private Limited		
2,420 (2,420) equity shares, fully paid up, par value ₹10/- each	2	2
Global Innovation and Technology Alliance		
15,000 (10,000) equity shares, fully paid up, par value ₹1,000/- each	1	1
	72	7
Less: Provision for investment	6	6
	66	1

2.10.8 Details of Investments in tax free bonds

The balances held in tax free bonds as at December 31, 2015 and March 31, 2015 is as follows:

in ₹ crore

Particulars	As at December 31, 2015			As at March 31, 2015	
	Face Value ₹	Units	Amount	Units	Amount
7.18% Indian Railway Finance Corporation Limited Bonds 19FEB2023	1,000/-	20,00,000	201	20,00,000	201
7.34% Indian Railway Finance Corporation Limited Bonds 19FEB2028	1,000/-	21,00,000	211	21,00,000	211
7.93% Rural Electrification Corporation Limited Bonds 27MAR2022	1,000/-	2,00,000	21	2,00,000	21
8.26% India Infrastructure Finance Company Limited Bonds 23AUG28	10,00,000/-	1,000	100	1,000	100
8.30% National Highways Authority of India Bonds 25JAN2027	1,000/-	5,00,000	53	5,00,000	53
8.35% National Highways Authority of India Bonds 22NOV2023	10,00,000/-	1,500	150	1,500	150
8.46% India Infrastructure Finance Company Limited Bonds 30AUG2028	10,00,000/-	2,000	200	2,000	200
8.46% Power Finance Corporation Limited Bonds 30AUG2028	10,00,000/-	1,500	150	1,500	150
8.48% India Infrastructure Finance Company Limited Bonds 05SEP2028	10,00,000/-	450	45	450	45
8.54% Power Finance Corporation Limited Bonds 16NOV2028	1,000/-	5,00,000	50	5,00,000	50
7.28% National Highways Authority of India Bonds 18SEP30	10,00,000/-	2,000	200	-	-
8.10% Indian Railway Finance Corporation Limited Bonds 23FEB2027	1,000/-	5,00,000	53	5,00,000	53
7.28% Indian Railway Finance Corporation Limited 21DEC30	4,22,800	1,000	42	-	-
		58,09,450	1,476	58,06,450	1,234

The balances held in government bonds as at December 31, 2015 and March 31, 2015 is as follows:

in ₹ crore

Particulars	As at December 31, 2015			As at March 31, 2015	
	Face Value ₹	Units	Amount	Units	Amount
Fixed Rate Treasury Notes 7.00 PCT PIBD0716A488 MAT Date 27 Jan 2016	140	10,000	-	10,000	-
		10,000	-	10,000	-

2.10.9 Details of Investments in liquid mutual fund units

The balances held in liquid mutual fund units as at December 31, 2015 is as follows:

in ₹ crore

Particulars	Units	Amount
IDFC Cash Fund –Daily Divided Direct Plan	16,75,743	168
Reliance Liquid Fund- Treasury Plan - Direct Daily Dividend Option Reinvestment	6,54,428	100
Birla Sun life Cash Plus – Daily Dividend Direct Plan Reinvestment	1,00,10,320	100
	12,340,491	368

The balances held in liquid mutual fund units as at March 31, 2015 is as follows:

in ₹ crore

Particulars	Units	Amount
IDFC Cash Fund - Direct Plan Daily Dividend	29,30,197	293
Reliance Liquid Fund - Treasury Plan - Direct Plan Daily Dividend Option	9,81,551	150
SBI Premier Liquid Fund - Direct Plan Daily Dividend	9,97,094	100
ICICI Liquid Plan - Direct Plan Daily Dividend	2,05,44,807	206
	2,54,53,649	749

2.11 LONG-TERM LOANS AND ADVANCES

in ₹ crore

Particulars	As at	
	December 31, 2015	March 31, 2015
Unsecured, considered good		
Capital advances	317	316
Security deposits	73	65
Rental deposits ⁽¹⁾	77	45
Interest accrued on debentures of subsidiary (Refer note 2.10 and note 2.26)	4	-
Other loans and advances		
Advance income taxes (net of provisions)	4,604	3,941
Prepaid expenses	61	7
Deferred Contract Cost	355	-
Loans and advances to employees	4	4
	5,495	4,378
Unsecured, considered doubtful		
Loans and advances to employees	12	10
	5,507	4,388
Less: Provision for doubtful loans and advances to employees	12	10
	5,495	4,378
	21	21

⁽¹⁾ Includes deposits with subsidiaries (refer note 2.26)

2.12 OTHER NON-CURRENT ASSETS

in ₹ crore

Particulars	As at	
	December 31, 2015	March 31, 2015
Others		
Advance to gratuity trust (refer note 2.29)	5	26
	5	26

2.13 TRADE RECEIVABLES ⁽¹⁾

in ₹ crore

Particulars	As at	
	December 31, 2015	March 31, 2015
Debts outstanding for a period exceeding six months		
Unsecured		
Considered doubtful	204	162
Less: Provision for doubtful debts	204	162
	-	-
Other debts		
Unsecured		
Considered good ⁽²⁾	9,498	8,627
Considered doubtful	81	160
	9,579	8,787
Less: Provision for doubtful debts	81	160
	9,498	8,627
	9,498	8,627
⁽¹⁾ Includes dues from companies where directors are interested	22	6
⁽²⁾ Includes dues from subsidiaries (refer note 2.26)	290	309

2.14 CASH AND CASH EQUIVALENTS

in ₹ crore

Particulars	As at	
	December 31, 2015	March 31, 2015
Cash on hand	-	-
Balances with banks		
In current and deposit accounts	21,338	23,722
Others		
Deposits with financial institution	4,900	4,000
	26,238	27,722
Balances with banks in unpaid dividend accounts	3	3
Deposit accounts with more than 12 months maturity	253	182
Balances with banks held as margin money deposits against guarantees	266	185

Cash and cash equivalents as of December 31, 2015 and March 31, 2015 include restricted cash and bank balances of ₹269 crore and ₹188 crore, respectively. The restrictions are primarily on account of cash and bank balances held as margin money deposits against guarantees and unpaid 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:

Particulars	in ₹ crore	
	As at	
	December 31, 2015	March 31, 2015
In current accounts		
ANZ Bank, Taiwan	9	4
Bank of America, USA	696	498
BNP Paribas Bank, Norway	1	-
Citibank N.A., Australia	22	10
Citibank N.A., India	2	6
Citibank N.A., Dubai	1	1
Citibank N.A., EEFC (U.S. Dollar account)	-	2
Citibank N.A., Japan	45	20
Citibank N.A., New Zealand	-	3
Citibank N.A., South Africa	3	2
Deutsche Bank, Philippines	10	2
Deutsche Bank, India	9	4
Deutsche Bank, EEFC (Euro account)	5	2
Deutsche Bank, EEFC (GBP account)	2	5
Deutsche Bank, EEFC (AUD account)	1	-
Deutsche Bank, EEFC (U.S. Dollar account)	26	7
Deutsche Bank, EEFC (CHF account)	-	4
Deutsche Bank, Belgium	-	13
Deutsche Bank, France	6	2
Deutsche Bank, Germany	10	8
Deutsche Bank, Netherlands	2	1
Deutsche Bank, Russia (U.S. Dollar account)	1	-
Deutsche Bank, Russia (Russian Ruble account)	1	-
Deutsche Bank, Singapore	3	5
Deutsche Bank, Spain	1	1
Deutsche Bank, Switzerland	2	-
Deutsche Bank, UK	10	24
HSBC, Hong Kong	6	44
ICICI Bank, India	249	18
ICICI Bank, EEFC (U.S. Dollar account)	7	9
Nordbanken, Sweden	15	1
Punjab National Bank, India	11	7
Royal Bank of Canada, Canada	11	11
State Bank of India	1	1
	1,168	715
In deposit accounts		
Allahabad Bank	200	200
Andhra Bank	808	97
Axis Bank	1,438	1,415
Bank of Baroda	2,314	2,314
Bank of India	1,772	2,691
Canara Bank	2,074	2,841
Central Bank of India	702	1,303
Corporation Bank	1,185	1,197
Development Bank of Singapore	-	35
HDFC Bank	2,500	2,017
ICICI Bank	3,863	3,059
IDBI Bank	-	706
Indusind Bank	250	75
ING Vysya Bank	-	100
Indian Overseas Bank	-	573
Jammu & Kashmir Bank	25	-
Kotak Mahindra Bank Limited	492	-
Oriental Bank of Commerce	100	1,500
Punjab National Bank	-	512
Syndicate Bank	500	327
Union Bank of India	978	971
Vijaya Bank	-	386
Yes Bank	700	500
	19,901	22,819

In unpaid dividend accounts

HDFC Bank - Unpaid dividend account	1	1
ICICI bank - Unpaid dividend account	2	2
	3	3

In margin money deposits against guarantees

Canara Bank	141	128
ICICI Bank	69	-
State Bank of India	56	57
	266	185

Deposits with financial institution

HDFC Limited	4,900	4,000
	4,900	4,000

Total cash and cash equivalents as per Balance Sheet	26,238	27,722
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2.15 SHORT-TERM LOANS AND ADVANCES*in ₹ crore*

Particulars	As at	
	December 31, 2015	March 31, 2015
Unsecured, considered good		
Loans to subsidiaries (refer note 2.26)	23	24
Others		
Advances		
Prepaid expenses ⁽³⁾	218	71
Deferred Contract Cost	35	-
For supply of goods and rendering of services	111	60
Withholding and other taxes receivable	1,520	1,253
Others ⁽¹⁾	201	49
	2,108	1,457
Restricted deposits (refer note 2.33)	1,078	1,039
Unbilled revenues ⁽²⁾	2,583	2,423
Interest accrued but not due	1,305	433
Loans and advances to employees		
Housing and other loans	52	53
Salary advances	182	148
Security deposits	1	1
Mark-to-market forward and options contracts	49	94
Rental deposits	2	6
	7,360	5,654
⁽¹⁾ Includes dues from subsidiaries (refer note 2.26)	174	43
⁽²⁾ Includes dues from subsidiaries (refer note 2.26)	-	6
⁽³⁾ Includes dues from subsidiaries (refer note 2.26)	43	-

2.16 INCOME FROM SOFTWARE SERVICES AND PRODUCTS

in ₹ crore

Particulars	Quarter ended December 31,		Nine months ended December 31,	
	2015	2014	2015	2014
Income from software services	13,556	11,787	39,182	34,186
Income from software products	6	405	643	1,188
	13,562	12,192	39,825	35,374

2.17 OTHER INCOME

in ₹ crore

Particulars	Quarter ended December 31,		Nine months ended December 31,	
	2015	2014	2015	2014
Interest received on deposits with banks and others	617	668	1,862	1,912
Dividend received on investment in mutual fund units	9	32	50	121
Miscellaneous income, net	48	25	209	49
Gains / (losses) on foreign currency, net	63	98	109	364
	737	823	2,230	2,446

2.18 EXPENSES

in ₹ crore

Particulars	Quarter ended December 31,		Nine months ended December 31,	
	2015	2014	2015	2014
<i>Employee benefit expenses</i>				
Salaries and bonus including overseas staff expenses	6,950	6,192	20,423	18,489
Contribution to provident and other funds	125	132	407	379
Employee stock compensation expense (Refer note 2.1)	2	-	6	1
Staff welfare	26	34	69	63
	7,103	6,358	20,905	18,932
<i>Cost of technical sub-contractors</i>				
Technical sub-contractors - subsidiaries	489	344	1,252	1,002
Technical sub-contractors - others	737	433	1,973	1,071
	1,226	777	3,225	2,073
<i>Travel expenses</i>				
Overseas travel expenses	326	296	1,110	945
Travelling and conveyance	34	33	107	90
	360	329	1,217	1,035
<i>Cost of software packages and others</i>				
For own use	145	253	492	632
Third party items bought for service delivery to clients	55	37	334	124
	200	290	826	756
<i>Communication expenses</i>				
Telephone charges	51	64	159	191
Communication expenses	22	52	73	103
	73	116	232	294

Particulars	in ₹ crore			
	Quarter ended December 31,		Nine months ended December 31,	
	2015	2014	2015	2014
<i>Other expenses</i>				
Office maintenance	133	94	357	263
Power and fuel	43	48	138	145
Brand building	42	26	136	70
Rent	44	41	128	123
Rates and taxes, excluding taxes on income	25	38	75	86
Repairs to building	47	34	118	59
Repairs to plant and machinery	19	25	56	47
Computer maintenance	28	19	78	69
Consumables	7	9	22	22
Insurance charges	11	11	33	32
Provision for post-sales client support and warranties	32	12	-	28
Commission to non-whole time directors	2	2	6	6
Provision for bad and doubtful debts and advances	(9)	(42)	(22)	116
Auditor's remuneration				
Statutory audit fees	-	-	1	1
Other services	-	-	-	-
Reimbursement of expenses	-	-	-	-
Bank charges and commission	2	3	3	4
Contributions towards Corporate Social Responsibility	61	59	162	179
Others	28	116	97	176
	515	495	1,388	1,426

2.19 TAX EXPENSE

	in ₹ crore			
	Quarter ended December 31,		Nine months ended December 31,	
	2015	2014	2015	2014
Current tax				
Income tax	1,207	1,172	3,590	3,491
Deferred tax	(14)	25	4	(3)
	1,193	1,197	3,594	3,488

During the quarter ended December 31, 2015 and December 31, 2014, the Company had reversal (net of provisions) of ₹ 148 crore and ₹ 64 crore, respectively, pertaining to tax relating to prior years.

During the nine month ended December 31, 2015 and December 31, 2014, the Company had reversal (net of provisions) of ₹ 264 crore and ₹ 113 crore, respectively, pertaining to tax relating to prior years.

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 as per Indian Income Tax Act, 1961. Infosys' operations are conducted through Software Technology Parks (STPs) and Special Economic Zones (SEZs). Income from STPs were tax exempt for the first 10 years from the fiscal year in which the unit commences software development, or March 31, 2011 which ever is earlier. Income from SEZs Unit 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)

Particulars	in ₹ crore	
	As at	
	December 31, 2015	March 31, 2015
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	29	22
Claims against the Company, not acknowledged as debts ⁽¹⁾	190	167
[Net of amount paid to statutory authorities ₹ 3,454 crore (₹3,572 crore)]		
Commitments :		
Estimated amount of unexecuted capital contracts (net of advances and deposits)	1,319	1,272

⁽¹⁾ Claims against the Company not acknowledged as debts include demand from the Indian Income tax authorities for payment of additional tax of ₹ 3,221 crore (₹ 3,337 crore), including interest of ₹ 951 crore (₹ 964 crore) upon completion of their tax review for fiscal 2007, fiscal 2008, fiscal 2009 and fiscal 2010.

These income tax demands are mainly on account of disallowance of portion of the deduction claimed by the company under Section 10A of the Income Tax Act as 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, disallowance of portion of profit earned outside India from the STP units and disallowance of profits earned from SEZ units under section 10AA of the Income Tax Act. The matter for fiscal 2007, fiscal 2008 and fiscal 2009 are pending before the Commissioner of Income tax (Appeals) Bangalore. The matter for fiscal 2010 is pending before Hon'ble Income Tax Appellate Tribunal (ITAT) 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. The management believes that the ultimate outcome of these proceedings will not have a material adverse effect on the Company's financial position and results of operations.

The company is subject to legal proceedings and claims, which have arisen in the ordinary course of business. The company's management does not reasonably expect that these legal actions, when ultimately concluded and determined, will have a material and adverse effect on the company's results of operations or financial condition. □

2.21 DERIVATIVE INSTRUMENTS

The following table gives details in respect of outstanding foreign exchange forward and option contracts:

	As at			
	December 31, 2015		March 31, 2015	
	in million	in ₹ crore	in million	in ₹ crore
<i>Forward contracts outstanding</i>				
In USD	462	3,057	664	4,150
In Euro	84	606	59	396
In GBP	60	588	68	632
In AUD	60	290	95	452
In CAD	-	-	12	59
In SGD	10	47	25	114
In CHF	20	134	-	-
<i>Options Outstanding</i>				
In USD	125	827	-	-
In Euro	50	361	-	-
		5,910		5,803

As of December 31, 2015 and March 31, 2015, there were no net foreign currency exposures that are not hedged by a derivative instrument or otherwise.

The foreign exchange forward & option contracts mature within 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:

Particulars	in ₹ crore	
	As at	
	December 31, 2015	March 31, 2015
Not later than one month	1,556	1,382
Later than one month and not later than three months	3,130	3,608
Later than three months and not later than one year	1,224	813
	5,910	5,803

The Company recognized a gain of ₹ 57 crore and ₹ 53 crore on derivative instruments during the quarter ended December 31, 2015 and December 31, 2014, respectively, which is included in other income.

The Company recognized a loss of ₹ 28 crore and gain of ₹ 210 crore on derivative instruments during the nine months ended December 31, 2015 and December 31, 2014, respectively, which is included in other income.

2.22 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 Schedule III to the Companies Act, 2013.

2.23 IMPORTS (VALUED ON THE COST, INSURANCE AND FREIGHT BASIS)*in ₹ crore*

Particulars	Quarter ended December 31,		Nine months ended December 31,	
	2015	2014	2015	2014
Capital goods	77	123	254	302
	77	123	254	302

2.24 ACTIVITY IN FOREIGN CURRENCY*in ₹ crore*

Particulars	Quarter ended December 31,		Nine months ended December 31,	
	2015	2014	2015	2014
Earnings in foreign currency				
Income from software services and products	13,290	11,880	39,024	34,529
Interest received from banks and others	3	2	4	4
	13,293	11,882	39,028	34,533
Expenditure in foreign currency				
Overseas travel expenses (including visa charges)	291	238	963	765
Professional charges	123	61	319	132
Technical sub-contractors - subsidiaries	402	290	1,051	849
Overseas salaries and incentives	4,866	4,067	13,932	11,877
Other expenditure incurred overseas for software development	981	937	3,420	2,304
	6,663	5,593	19,685	15,927
Net earnings in foreign currency	6,630	6,289	19,343	18,606

2.25 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 depository bank purchases the foreign currencies and remits dividends to the ADS holders.

The particulars of dividends remitted are as follows:

in ₹ crore

Particulars	Number of Non-resident share holders	Number of shares to which the dividends relate	Nine months ended December 31,	
			2015	2014
Interim dividend for fiscal 2016	2	38,53,33,537	385	-
Final dividend for fiscal 2015	2	19,22,58,436	567	-
Interim dividend for fiscal 2015	2	8,23,17,281	-	247
Final dividend for fiscal 2014	2	9,30,32,691	-	400

2.26 RELATED PARTY TRANSACTIONS

List of related parties:

Name of subsidiaries	Country	Holding as at	
		December 31, 2015	March 31, 2015
Infosys BPO Limited (Infosys BPO)	India	99.98%	99.98%
Infosys Technologies (China) Co. Limited (Infosys China)	China	100%	100%
Infosys Technologies S. de R. L. de C. V. (Infosys Mexico)	Mexico	100%	100%
Infosys Technologies (Sweden) AB. (Infosys Sweden)	Sweden	100%	100%
Infosys Technologies (Shanghai) Company Limited (Infosys Shanghai)	China	100%	100%
Infosys Tecnologia DO Brasil LTDA. (Infosys Brasil)	Brazil	100%	100%
Infosys Public Services, Inc. USA (Infosys Public Services)	U.S.	100%	100%
Infosys Americas Inc., (Infosys Americas)	U.S.	100%	100%
Infosys (Czech Republic) Limited s.r.o. (formerly Infosys BPO s. r. o.) ⁽¹⁾	Czech Republic	99.98%	99.98%
Infosys BPO (Poland) Sp Z.o.o. ⁽¹⁾	Poland	99.98%	99.98%
Infosys BPO S.DE R.L. DE.C.V. ⁽¹⁾⁽²⁾	Mexico	-	-
Infosys McCamish Systems LLC ⁽¹⁾	U.S.	99.98%	99.98%
Portland Group Pty Ltd ⁽¹⁾	Australia	99.98%	99.98%
Portland Procurement Services Pty Ltd ⁽⁵⁾	Australia	-	-
Infosys BPO Americas LLC. ⁽¹⁾⁽¹⁶⁾	U.S.	-	-
Infosys Technologies (Australia) Pty. Limited (Infosys Australia) ⁽²⁾	Australia	100%	100%
EdgeVerve Systems Limited (EdgeVerve) ⁽⁷⁾	India	100%	100%
Infosys Consulting Holding AG (Infosys Lodestone) (formerly Lodestone Holding AG)	Switzerland	100%	100%
Lodestone Management Consultants Inc. ⁽³⁾	U.S.	100%	100%
Lodestone Management Consultants Pty Limited ⁽³⁾	Australia	100%	100%
Infosys Consulting AG (formerly Lodestone Management Consultants AG) ⁽³⁾	Switzerland	100%	100%
Lodestone Augmentis AG ⁽²⁾⁽⁶⁾	Switzerland	100%	100%
Hafner Bauer & Ödman GmbH ⁽²⁾⁽³⁾	Switzerland	100%	100%
Lodestone Management Consultants (Belgium) S.A. ⁽⁴⁾	Belgium	99.90%	99.90%
Infosys Consulting GmbH (formerly Lodestone Management Consultants GmbH) ⁽³⁾	Germany	100%	100%
Infosys Consulting Pte Ltd. (formerly Lodestone Management Consultants Pte Ltd) ⁽³⁾	Singapore	100%	100%
Infosys Consulting SAS (formerly Lodestone Management Consultants SAS) ⁽³⁾	France	100%	100%
Infosys Consulting s.r.o.(formerly Lodestone Management Consultants s.r.o.) ⁽³⁾	Czech Republic	100%	100%
Lodestone Management Consultants GmbH ⁽³⁾	Austria	100%	100%
Lodestone Management Consultants Co., Ltd. ⁽³⁾	China	100%	100%
Infosys Consulting Ltd. (formerly Lodestone Management Consultants Ltd.) ⁽³⁾	UK	100%	100%
Lodestone Management Consultants B.V. ⁽³⁾	Netherlands	100%	100%
Lodestone Management Consultants Ltda. ⁽⁴⁾	Brazil	99.99%	99.99%
Lodestone Management Consultants Sp. z o.o. ⁽³⁾	Poland	100%	100%
Lodestone Management Consultants Portugal, Unipessoal, Lda. ⁽³⁾	Portugal	100%	100%
S.C. Infosys Consulting S.R.L.(formerly S.C. Lodestone Management Consultants S.R.L.) ⁽³⁾	Romania	100%	100%
Infosys Consulting S.R.L. (formerly Lodestone Management Consultants S.R.L.) ⁽³⁾	Argentina	100%	100%
Infosys Canada Public Services Ltd. ⁽⁸⁾	Canada	-	-
Infosys Nova Holdings LLC. (Infosys Nova) ⁽⁹⁾	U.S.	100%	100%
Panaya Inc. (Panaya) ⁽¹⁰⁾	U.S.	100%	100%
Panaya Ltd. ⁽¹¹⁾	Israel	100%	100%
Panaya GmbH ⁽¹¹⁾	Germany	100%	100%
Panaya Pty Ltd. ⁽¹¹⁾	Australia	-	-
Panaya Japan Co. Ltd. ⁽¹¹⁾	Japan	100%	100%
Skava Systems Pvt. Ltd. (Skava Systems) ⁽¹²⁾	India	100%	-
Kallidus Inc. (Kallidus) ⁽¹³⁾	U.S.	100%	-
Noah Consulting LLC (Noah) ⁽¹⁴⁾	U.S.	100%	-
Noah Information Management Consulting Inc (Noah Canada) ⁽¹⁵⁾	Canada	100%	-

⁽¹⁾ Wholly owned subsidiaries of Infosys BPO.

⁽²⁾ Under liquidation

⁽³⁾ Wholly owned subsidiaries of Infosys Consulting Holding AG (formerly Lodestone Holding AG)

⁽⁴⁾ Majority owned and controlled subsidiaries of Infosys Consulting Holding AG (formerly Lodestone Holding AG)

⁽⁵⁾ Wholly owned subsidiary of Portland Group Pty Ltd. Liquidated effective May 14, 2014.

⁽⁶⁾ Wholly owned subsidiary of Infosys Consulting AG (formerly Lodestone Management Consultants AG)

⁽⁷⁾ Incorporated effective February 14, 2014 (Refer note 2.10.2)

⁽⁸⁾ Wholly owned subsidiary of Infosys Public Services, Inc. Incorporated effective December 19, 2014

⁽⁹⁾ Incorporated effective January 23, 2015

⁽¹⁰⁾ On March 5, 2015, Infosys acquired 100% of the voting interest in Panaya Inc. (Refer note 2.10.3)

⁽¹¹⁾ Wholly owned subsidiary of Panaya Inc.

⁽¹²⁾ On June 2, 2015, Infosys acquired 100% of the voting interest in Skava Systems (Refer note 2.10.5)

⁽¹³⁾ On June 2, 2015, Infosys acquired 100% of the voting interest in Kallidus Inc. (Refer note 2.10.5)

⁽¹⁴⁾ On November 16, 2015, Infosys acquired 100% of the membership interests in Noah (Refer Note 2.10.6)

⁽¹⁵⁾ Wholly owned subsidiary of Noah

⁽¹⁶⁾ Incorporated effective November 20, 2015

Infosys has provided guarantee for performance of certain contracts entered into by its subsidiaries.

Name of Associates	Country	Holding as at	
		December 31, 2015	March 31, 2015
DWA Nova LLC ⁽¹⁾	U.S.	16%	20%

⁽¹⁾ Associate of Infosys Nova Holdings LLC.

List of other related parties

Particulars	Country	Nature of relationship
Infosys Limited Employees' Gratuity Fund Trust	India	Post-employment benefit plan of Infosys
Infosys Limited Employees' Provident Fund Trust	India	Post-employment benefit plan of Infosys
Infosys Limited Employees' Superannuation Fund Trust	India	Post-employment benefit plan of Infosys
Infosys Science Foundation	India	Controlled trust
Infosys Limited Employees' Welfare Trust	India	Controlled trust
Infosys Employee Welfare Trust	India	Controlled trust

Refer Notes 2.29 and 2.30 for information on transactions with post-employment benefit plans mentioned above.

List of key management personnel

Whole time directors

S. D. Shibulal (resigned effective July 31, 2014)
Srinath Batni (resigned effective July 31, 2014)
B. G. Srinivas (resigned effective June 10, 2014)
U B Pravin Rao
Dr. Vishal Sikka (appointed effective June 14, 2014)

Non-whole-time directors

N. R. Narayana Murthy (resigned effective October 10, 2014)
S. Gopalakrishnan (resigned effective October 10, 2014)
K.V.Kamath (resigned effective June 5, 2015)
Dr. Omkar Goswami (retired effective December 31, 2014)
Prof. Jeffrey S. Lehman
R. Seshasayee
Ann M. Fudge (retired effective June 14, 2014)
Ravi Venkatesan
Kiran Mazumdar Shaw
Carol M. Browner (resigned effective November 23, 2015)
Prof. John W. Etchemendy (appointed effective December 4, 2014)
Roopa Kudva (appointed effective February 4, 2015)

Executive Officers

Rajiv Bansal, Chief Financial Officer (till October 12, 2015)
M. D. Ranganath, Chief Financial Officer and Executive Vice President (effective October 12, 2015)
Srikantan Moorthy, Group Head of Human Resource Development (till March 31, 2015)
Parvatheesam K, Company Secretary (resigned effective January 10, 2015)
David D. Kennedy, Executive Vice President, General Counsel and Chief Compliance Officer (effective November 1, 2014)

Company Secretary

A.G.S. Manikantha, (appointed effective June 22, 2015)

The details of amounts due to or due from related parties as at December 31, 2015 and March 31, 2015 are as follows:

in ₹ crore

Particulars	As at	
	December 31, 2015	March 31, 2015
Investment in Debentures		
EdgeVerve	2,549	-
Trade Receivables		
Infosys China	26	16
Infosys Mexico	14	1
Infosys Brasil	1	5
Infosys BPO	6	1
Infosys Consulting Ltd.	30	26
EdgeVerve	5	14
Infosys Public Services	181	246
Infosys Sweden	22	-
Panaya Ltd	5	-
	<u>290</u>	<u>309</u>
Loans		
Infosys Consulting Ltd.	-	6
Infosys Sweden	23	-
EdgeVerve	-	18
	<u>23</u>	<u>24</u>
Other receivables		
Infosys BPO	4	1
Infosys Public Services	-	4
EdgeVerve	147	14
Panaya	43	-
Infosys Consulting SAS	5	3
Infosys Consulting GmbH	1	1
Infosys Consulting Ltd.	21	20
	<u>221</u>	<u>43</u>
Unbilled revenues		
Infosys Consulting SAS	-	1
McCamish Systems LLC	-	5
	<u>-</u>	<u>6</u>
Trade payables		
Infosys China	11	10
Infosys BPO	4	-
Infosys BPO s.r.o	2	-
Portland Group Pty Ltd	-	1
Infosys Mexico	1	1
Infosys Sweden	7	5
Lodestone Management Consultants Pty Limited	18	10
Infosys Consulting Pte Ltd.	13	8
Infosys Consulting Ltd.	126	65
Infosys Brasil	2	2
EdgeVerve	180	-
Infosys Public Services	2	-
	<u>366</u>	<u>102</u>
Other payables		
Infosys BPO	27	16
McCamish Systems LLC	-	2
Infosys Consulting AG	1	1
Infosys Consulting Ltd.	1	1
EdgeVerve	56	9
Panaya Ltd.	11	-
Infosys Public Services	-	4
Infosys Sweden	6	-
Infosys Mexico	2	-
	<u>104</u>	<u>33</u>
Provision for expenses		
Infosys BPO	-	(1)
EdgeVerve	-	37
	<u>-</u>	<u>36</u>
Rental Deposit given for shared services		
Infosys BPO	21	21
Rental Deposit taken for shared services		
Infosys BPO	27	27

The details of the related parties 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, 2015 and December 31, 2014 are as follows:

Particulars	Quarter ended December 31,		Nine months ended December 31,	
	2015	2014	2015	2014
in ₹ crore				
Capital transactions:				
Financing transactions				
Debtures				
EdgeVerve	2,549	-	2,549	461
Equity				
EdgeVerve	850	-	850	-
Infosys Shanghai	67	92	258	92
	3,466	92	3,657	553
Loans (net of repayment)				
Infosys Consulting Holding AG ⁽¹⁾	-	55	-	55
Infosys Consulting Ltd.	-	-	(6)	-
Infosys Sweden	10	-	23	-
Kallidus	(10)	-	-	-
EdgeVerve ⁽²⁾	-	-	(18)	-
	-	55	(1)	55
Revenue transactions:				
Purchase of services				
Infosys China	31	34	95	108
Lodestone Management Consultants Pty Limited	38	34	92	94
Infosys Consulting Ltd.	264	143	627	485
Infosys Consulting Pte Ltd.	26	11	85	28
Portland Group Pty Ltd	-	0	2	2
Infosys (Czech Republic) Limited s.r.o.	-	2	-	7
Infosys BPO s.r.o	5	-	11	-
Infosys BPO Ltd.	90	54	248	153
Infosys Sweden	21	10	57	32
Infosys Mexico	2	3	8	8
EdgeVerve	-	51	-	80
Infosys Public Services	3	-	8	-
Panaya Ltd.	6	-	11	-
Infosys Brasil	3	2	8	5
	489	344	1,252	1,002
Purchase of shared services including facilities and personnel				
Infosys BPO	2	22	7	59
	2	22	7	59
Interest income				
EdgeVerve	5	-	7	-
Infosys Sweden	-	-	1	-
Infosys Consulting Ltd.	-	1	-	1
Infosys Brasil	-	1	-	2
	5	2	8	3
Sale of services				
Infosys China	3	3	8	7
Infosys Mexico	11	3	28	8
Infosys Consulting Ltd.	8	7	19	18
Infosys Brasil	1	3	5	6
Infosys BPO	17	20	52	63
McCamish Systems LLC	1	2	2	4
Infosys Sweden	7	-	21	-
EdgeVerve	-	15	-	31
Infosys Public Services	232	191	666	554
	280	244	801	691
Sale of shared services including facilities and personnel				
EdgeVerve	21	7	40	16
Panaya Ltd.	3	-	5	-
Infosys BPO	5	10	15	29
	29	17	60	45
Profit on transfer of business				
EdgeVerve	-	-	3,036	412
	-	-	3,036	412
Cash paid under business transfer				
EdgeVerve	36	-	286	-
	36	-	286	-

⁽¹⁾ During quarter ended December 31, 2014, loan of ₹ 10 crore was given and repaid.

⁽²⁾ During nine months ended December 31, 2014, loan of ₹ 12 crore was given and repaid.

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

Particulars	Quarter ended December 31,		Nine months ended December 31,	
	2015	2014	2015	2014
in ₹ crore				
Salaries and other employee benefits to whole-time directors and executive officers ⁽¹⁾⁽²⁾	32	7	60	21
Commission and other benefits to non-executive/independent directors	2	3	7	7
Total	34	10	67	28

⁽¹⁾ Includes stock compensation expense of ₹2 crore and ₹1 crore, and ₹6 crore and ₹1 crore for the three months and nine months ended December 31, 2015 and December 31, 2014, respectively to CEO in line with the compensation plan approved by the shareholders

⁽²⁾ Includes payables to CFO who stepped down w.e.f October 12, 2015

2.27 RESEARCH AND DEVELOPMENT EXPENDITURE

in ₹ crore

Particulars	Quarter ended December 31,		Nine months ended December 31,	
	2015	2014	2015	2014
Expenditure at Department of Scientific and Industrial Research (DSIR) approved R&D centers (eligible for weighted deduction) ⁽¹⁾				
Capital Expenditure	-	-	-	-
Revenue Expenditure	-	39	54	124
Other R&D Expenditure				
Capital Expenditure	15	13	16	13
Revenue Expenditure	70	121	239	329
Total R&D Expenditure				
Capital Expenditure	15	13	16	13
Revenue Expenditure	70	160	293	453

⁽¹⁾ During nine months ended December 31, 2015 the Company has claimed weighted tax deduction on eligible research and development till 31st July 2015 based on the approval received from Department of Scientific and Industrial Research (DSIR) on November 23, 2011 which has been renewed effective April 2014. With effect from 1st August 2015 the business of Finacle, including the R&D activities, is transferred to its wholly owned subsidiary Edgeverve Systems Limited, hence with effect from that date, Edgeverve Systems Limited will be claiming the weighted tax deduction on eligible research and development expenditures u/s 35(2AB) of the Income Tax Act 1961. The weighted tax deduction is equal to 200% of such expenditure incurred.

The eligible R&D revenue and capital expenditure are Nil for the quarter ended December 31, 2015 and ₹39 crore and Nil for the quarter ended December 31, 2014. The eligible R&D revenue and capital expenditure are ₹ 54 crore and Nil for the nine months ended December 31, 2015 and ₹ 124 crore and Nil towards revenue and capital expenditure for the nine months ended December 31, 2014

2.28 SEGMENT REPORTING

The Company's operations predominantly relate to providing end-to-end business solutions to enable clients to enhance business performance. Effective April 1, 2015, the Company reorganized its segments to support its objective of delivery innovation. This structure will help deliver services that will reflect the way technology is consumed in layers by the client's enterprise. However the reorganization did not have any impact in the reportable segments as per AS 17 'Segment reporting'. 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 enterprises in Financial Services and Insurance (FSI), enterprises in Manufacturing (MFG), enterprises in the Energy & utilities, Communication and Services (ECS), enterprises in Retail, Consumer packaged goods and Logistics (RCL) and enterprises in Life Sciences and Healthcare (LSH). Geographic segmentation is based on business sourced from that geographic region and delivered from both on-site and off-shore locations. 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.

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, 2015 and December 31, 2014 :

in ₹ crore

Particulars	FSI	MFG	ECS	RCL	LSH	Total
Income from software services and products	4,468	2,990	2,803	2,379	922	13,562
	4,161	2,620	2,556	2,113	742	12,192
Identifiable operating expenses	2,299	1,505	1,380	1,175	501	6,860
	1,989	1,330	1,199	979	364	5,861
Allocated expenses	918	615	576	489	190	2,788
	887	582	568	470	166	2,673
Segmental operating income	1,251	870	847	715	231	3,914
	1,285	708	789	664	212	3,658
Unallocable expenses						275
						229
Other income, net						737
						823
Profit before exceptional item and tax						4,376
						4,252
Exceptional item						-
						-
Profit before tax						4,376
						4,252
Tax expense						1,193
						1,197
Profit after taxes and exceptional item						3,183
						3,055

Nine months ended December 31, 2015 and December 31, 2014 :

in ₹ crore

Particulars	FSI	MFG	ECS	RCL	LSH	Total
Income from software services and products	13,239	8,961	7,967	6,975	2,683	39,825
	12,049	7,596	7,379	6,272	2,078	35,374
Identifiable operating expenses	6,696	4,576	3,880	3,436	1,397	19,985
	5,905	3,853	3,601	2,954	1,078	17,391
Allocated expenses	2,740	1,883	1,673	1,466	564	8,326
	2,507	1,640	1,591	1,354	449	7,541
Segmental operating income	3,803	2,502	2,414	2,073	722	11,514
	3,637	2,103	2,187	1,964	551	10,442
Unallocable expenses						799
						672
Other income, net						2,230
						2,446
Profit before exceptional item and tax						12,945
						12,216
Exceptional item						3,036
						412
Profit before tax						15,981
						12,628
Tax expense						3,594
						3,488
Profit after taxes and exceptional item						12,387
						9,140

Geographic Segments

Quarter ended December 31, 2015 and December 31, 2014 :

in ₹ crore

Particulars	North America	Europe	India	Rest of the World	Total
Income from software services and products	9,013	3,015	306	1,228	13,562
	7,829	2,625	358	1,380	12,192
Identifiable operating expenses	4,616	1,499	131	614	6,860
	3,793	1,277	143	648	5,861
Allocated expenses	1,853	620	63	252	2,788
	1,740	580	69	284	2,673
Segmental operating income	2,544	896	112	362	3,914
	2,296	768	146	448	3,658
Unallocable expenses					275
					229
Other income, net					737
					823
Profit before exceptional items and tax					4,376
					4,252
Exceptional item					-
					-
Profit before tax					4,376
					4,252
Tax expense					1,193
					1,197
Profit after taxes and exceptional items					3,183
					3,055

Nine months ended December 31, 2015 and December 31, 2014 :

in ₹ crore

Particulars	North America	Europe	India	Rest of the World	Total
Income from software services and products	26,380	8,559	914	3,972	39,825
	22,540	7,774	966	4,094	35,374
Identifiable operating expenses	13,433	4,269	445	1,838	19,985
	11,057	3,875	538	1,921	17,391
Allocated expenses	5,541	1,794	180	811	8,326
	4,863	1,669	184	825	7,541
Segmental operating income	7,406	2,496	289	1,323	11,514
	6,620	2,230	244	1,348	10,442
Unallocable expenses					799
					672
Other income, net					2,230
					2,446
Profit before exceptional items and tax					12,945
					12,216
Exceptional item					3,036
					412
Profit before tax					15,981
					12,628
Tax expense					3,594
					3,488
Profit after taxes and exceptional items					12,387
					9,140

2.29 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 :

Particulars	in ₹ crore	
	As at	
	December 31, 2015	March 31, 2015
Obligations at year/ period beginning	755	668
Service cost	80	89
Interest cost	41	56
Transfer of obligation*	(31)	(5)
Actuarial (gain)/loss	4	58
Benefits paid	(51)	(111)
Obligations at year/ period end	798	755

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

Change in plan assets		
Plan assets at year/ period beginning, at fair value	781	677
Expected return on plan assets	54	65
Transfer of assets*	(41)	-
Actuarial gain/(loss)	(5)	5
Contributions	65	145
Benefits paid	(51)	(111)
Plan assets at year/ period end, at fair value	803	781

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	803	781
Present value of the defined benefit obligations at the end of the year/ period	798	755
Re-imbursement (obligation)/asset*	-	(6)
Asset recognized in the balance sheet	5	20

Assumptions

Interest rate	7.90%	7.80%
Estimated rate of return on plan assets	9.50%	9.50%
Weighted expected rate of salary increase	8.00%	8.00%

* from/to between group companies

Particulars	in ₹ crore				
	As at				
	December 31, 2015	March 31, 2015	March 31, 2014	March 31, 2013	March 31, 2012
Obligations at year/ period end	798	755	668	612	569
Plan assets at year/ period end, at fair value	803	781	677	643	582
Funded Status	5	26	9	31	13
Experience adjustments:					
(Gain)/loss:					
Experience adjustments on plan liabilities	8	4	14	(49)	13
Experience adjustments on plan assets	5	(5)	3	-	-

Net gratuity cost for the quarter ended and nine months ended December 31, 2015 and December 31, 2014 comprises of the following components:

Particulars	in ₹ crore			
	Quarter ended December 31,		Nine months ended December 31,	
	2015	2014	2015	2014
Gratuity cost for the period				
Service cost	26	22	80	67
Interest cost	13	14	41	43
Expected return on plan assets	(18)	(16)	(54)	(48)
Actuarial (gain)/loss	(7)	12	9	36
Plan amendment amortization	(1)	(1)	(3)	(3)
Net gratuity cost	13	31	73	95
Actual return on plan assets	17	15	49	49

As at December 31, 2015 and March 31, 2015, the plan assets have been primarily invested in insurer managed funds. 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 ₹35 crore to the gratuity trust during the remainder of fiscal 2016.

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 amortized 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, 2015 and March 31, 2015 amounts to ₹5 crore and ₹7 crore, respectively and disclosed under 'Other long-term liabilities' and 'other current liabilities'.

2.30 PROVIDENT FUND

The Company contributed ₹ 87 crore and ₹ 258 crore during the quarter and nine months ended December 31, 2015 (₹75 crore and ₹ 214 crore during the quarter and nine months ended December 31, 2014).

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 actuary has provided a valuation for provident fund liabilities on the basis of guidance issued by Actuarial Society of India during the quarter ended December 31, 2011 and based on the below provided assumptions there is no shortfall as at December 31, 2015, March 31, 2015, 2014, 2013 and 2012, respectively.

The details of fund and plan asset position are given below:

Particulars	As at				
	in ₹ crore				
	December 31, 2015	March 31, 2015	March 31, 2014	March 31, 2013	March 31, 2012
Plan assets at period end, at fair value	3,411	2,912	2,817	2,399	1,816
Present value of benefit obligation at period end	3,411	2,912	2,817	2,399	1,816
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	
	in ₹ crore	
	December 31, 2015	March 31, 2015
Government of India (GOI) bond yield	7.90%	7.80%
Remaining term of maturity of portfolio	7 years	7 years
Expected guaranteed interest rate - First year	8.75%	8.75%
- Thereafter	8.60%	8.60%

2.31 SUPERANNUATION

The Company contributed ₹ 57 crore and ₹ 169 crore to the Superannuation trust during the quarter and nine months ended December 31, 2015 (₹55 crore and ₹160 crore during the quarter and nine months ended December 31, 2014).

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

Particulars	Quarter ended December 31,		Nine months ended December 31,	
	2015	2014	2015	2014
Number of shares considered as basic weighted average shares outstanding*#	229,69,44,664	228,56,10,264	229,69,44,664	228,56,10,264
Effect of dilutive common equivalent shares	-	40,836	-	18,752
Number of shares considered as weighted average shares and potential shares	229,69,44,664	228,56,51,100	229,69,44,664	228,56,29,016

* adjusted for bonus issue. (refer Note 2.1)

balance during the quarter and nine months ended December 31, 2014 was net of treasury shares

2.33 RESTRICTED DEPOSITS

Restricted deposits as at December 31, 2015 comprises ₹ 1,078 crore (₹1,039 crore as at March 31, 2015) deposited with financial institutions to settle employee-related obligations as and when they arise during the normal course of business.

2.34 FUNCTION WISE CLASSIFICATION OF STATEMENT OF PROFIT AND LOSS

In ₹ crore

Particulars	Quarter ended December 31,		Nine months ended December 31,	
	2015	2014	2015	2014
Income from software services and products	13,562	12,192	39,825	35,374
Software development expenses	8,157	7,149	23,901	20,895
GROSS PROFIT	5,405	5,043	15,924	14,479
Selling and marketing expenses	659	674	2,006	1,916
General and administration expenses	832	711	2,404	2,121
	1,491	1,385	4,410	4,037
OPERATING PROFIT BEFORE DEPRECIATION	3,914	3,658	11,514	10,442
Depreciation and amortization	275	229	799	672
OPERATING PROFIT	3,639	3,429	10,715	9,770
Other income	737	823	2,230	2,446
PROFIT BEFORE EXCEPTIONAL ITEM AND TAX	4,376	4,252	12,945	12,216
Profit on transfer on business (refer to note 2.10.2)	-	-	3,036	412
PROFIT BEFORE TAX	4,376	4,252	15,981	12,628
Tax expense:				
Current tax	1,207	1,172	3,590	3,491
Deferred tax	(14)	25	4	(3)
PROFIT FOR THE PERIOD	3,183	3,055	12,387	9,140

As per our report of even date attached

for B S R & Co. LLP

Chartered Accountants

Firm's Registration Number: 101248W/W-100022

for and on behalf of the Board of Directors of Infosys Limited

Supreet Sachdev
Partner
Membership No. 205385

R.Seshasayee
Chairman

Dr. Vishal Sikka
Chief Executive Officer and
Managing Director

Roopa Kudva
Director

Bangalore
January 14, 2016

M. D. Ranganath
Chief Financial Officer
and Executive Vice President

A.G.S Manikantha
Company Secretary