

TO ALL STOCK EXCHANGES

**BSE LIMITED
NATIONAL STOCK EXCHANGE OF INDIA LIMITED
NEW YORK STOCK EXCHANGE
EURONEXT LONDON
EURONEXT PARIS**

April 13, 2017

Dear Sir, Madam,

Sub: Outcome of Board meeting

This has reference to our letter dated March 14, 2017, regarding the captioned subject. The Board, at their meeting held over April 12-13, 2017, transacted the following items of business:

Co-Chairman of the Board

1. Appointed Ravi Venkatesan, Independent Director as the Co-Chairman of the Board.

Financial Results and Dividend

2. Took on record the audited standalone financial statements of the Company as per Indian Accounting Standards (INDAS) for the quarter and year ending March 31, 2017;
3. Took on record the audited consolidated financial statements of the Company and its subsidiaries as per INDAS for the quarter and year ending March 31, 2017;
4. Took on record the audited consolidated financial statements of the Company and its subsidiaries as per IFRS in INR for the quarter and year ending March 31, 2017; and
5. Recommended a final dividend of Rs. 14.75 per equity share for the financial year ended March 31, 2017.

Annual General Meeting and Book Closure

6. The 36th Annual General Meeting of the Members of the Company will be held on Saturday, June 24, 2017 at the Christ University Auditorium, Hosur Road, Bengaluru 560 029, Karnataka.
7. The book closure date for the purposes of the Annual General Meeting and payment of final dividend is June 3, 2017. The dividend will be paid on June 27, 2017.
8. The register of members and share transfer books will remain closed on June 3, 2017.

Others

9. The Board considered and approved the following policies:

a. Capital allocation policy:

The Board reviewed and approved a revised Capital Allocation Policy of the Company after taking into consideration the strategic and operational cash requirements of the Company in the medium term.

The key aspects of the Capital Allocation Policy are:

1. The Company's current policy is to pay dividends of up to 50% of post-tax profits of the Financial Year. Effective from Financial Year 2018, the Company expects to payout up to 70% of the free cash flow* of the corresponding Financial Year in such manner (including by way of dividend and/or share buyback) as may be decided by the Board from time to time, subject to applicable laws and requisite approvals, if any.

2. In addition to the above, the Board has identified an amount of upto Rs. 13,000 crore (\$2 billion)** to be paid out to shareholders during Financial Year 2018, in such manner (including by way of dividend and/ or share buyback), to be decided by the Board, subject to applicable laws and requisite approvals, if any.

Further announcements in this regard will be made, as appropriate, in due course.

* Free cash flow is defined as net cash provided by operating activities less capital expenditure as per the consolidated statement of cash flows prepared under IFRS

** USD/INR exchange rate as on March 31, 2017

Dividend payout includes Dividend Distribution Tax

This announcement contains insider information.

b. Dividend distribution policy- The policy is enclosed below and also made available on the Company's website- www.infosys.com.

10. Recommendations of the Nomination and Remuneration Committee ("Committee"), -

a. Pursuant to the approval from the shareholders through postal ballot on March 31, 2016, Dr. Vishal Sikka, Managing Director and CEO is eligible to receive under the 2015 Employee Stock Compensation Plan ("2015 Plan"), an annual grant of RSUs of fair value \$2 Million which will vest over time, subject to continued service. He is also eligible for an annual grant of performance based equity and stock options of \$5 Million, subject to achievement of performance targets set by the Board or its Committee, which will vest over time. The Board based on the recommendations of the Committee approved on April 13, 2017, RSUs amounting to \$1.9 Million and ESOPs amounting to \$0.96 Million

INFOSYS LIMITED

CIN: L85110KA1981PLC013115

44, Infosys Avenue

Electronics City, Hosur Road

Bengaluru 560 100, India

T 91 80 2852 0261

F 91 80 2852 0362

investors@infosys.com

www.infosys.com

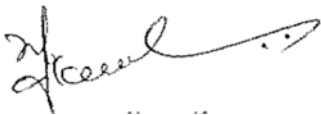
representing the performance based equity and stock options for the financial year 2017. Further, the Board also approved the annual time based vesting grant for financial year 2018 of RSUs of fair value amounting to \$2 Million.

- b. The Committee of the Board of Directors of Infosys Limited at its meeting held on April 13, 2017, based on fiscal 2017 performance, approved the grant of 37,100 RSU and 73,600 stock options with effect from May 2, 2017, to few eligible and identified employees of the Company and its subsidiaries under the 2015 Stock Incentive Compensation Plan (2015 plan). These RSUs and stock options shall vest over a period of 4 years from the date of grant and shall be exercisable within the period as approved by the committee. The exercise price of the RSUs will be equal to the par value of the shares and the exercise price of the stock options would be the market price as on the date of grant.
- c. The Committee in its meeting held on October 14, 2016 recommended a grant of 27,250 RSU's and 43,000 ESOP's to U.B. Pravin Rao, Chief Operating Officer (COO), under the 2015 Plan and the same was approved by the shareholders through postal ballot on March 31, 2017. These RSUs and ESOPs will be granted w.e.f May 2, 2017. These RSUs and stock options would vest over a period of 4 years and shall be exercisable within the period as approved by the Committee. The exercise price of the RSU's will be equal to the par value of the shares and the exercise price of the stock options would be the market price as on the date of grant, as approved by the shareholders.

We are enclosing herewith the financial results, press release and dividend distribution policy for your information and record. The same will be made available on the Company's website www.infosys.com.

Yours sincerely,

For **Infosys Limited**



A G S Manikantha
Company Secretary

**Audited financial results of Infosys Limited for the quarter and year ended March 31, 2017
prepared in compliance with the Indian Accounting Standard (Ind-AS)**

(in ₹ crore, except per equity share data)

Particulars	Quarter ended March 31,		Quarter ended December 31,		Quarter ended March 31,		Year ended March 31,	
	2017		2016		2016		2017	
	Audited		Audited		Audited		Audited	
Revenue from operations	14,920		14,949		14,158		59,289	
Other income, net	733		805		773		3,062	
Total income	15,653		15,754		14,931		62,351	
Expenses								
Employee benefit expenses	7,667		7,733		7,297		30,944	
Deferred consideration pertaining to acquisition	-		-		-		-	
Cost of technical sub-contractors	1,263		1,228		1,191		4,809	
Travel expenses	342		356		438		1,638	
Cost of software packages and others	341		358		223		1,235	
Communication expenses	104		96		79		372	
Consultancy and professional charges	176		124		155		538	
Depreciation and amortisation expense	336		339		315		1,331	
Other expenses	641		637		528		2,546	
Total expenses	10,870		10,871		10,226		43,413	
Profit before tax	4,783		4,883		4,705		18,938	
Tax expense:								
Current tax	1,141		1,287		1,309		5,068	
Deferred tax	80		(3)		5		52	
Profit for the period	3,562		3,599		3,391		13,818	
Other comprehensive income								
<i>Items that will not be reclassified subsequently to profit or loss</i>								
Remeasurement of the net defined benefit liability / asset	16		(6)		(3)		(42)	
Equity instruments through other comprehensive income	(5)		-		-		(5)	
<i>Items that will be reclassified subsequently to profit or loss</i>								
Fair value changes on cash flow hedges, net	11		26		-		39	
Fair value changes on investments, net	(10)		-		-		(10)	
Total other comprehensive income, net of tax	12		20		(3)		(18)	
Total comprehensive income, for the period	3,574		3,619		3,388		13,800	
Paid-up share capital (par value ₹5/- each fully paid)	1,148		1,148		1,148		1,148	
Other Equity	66,869		59,934		59,934		66,869	
Earnings per equity share (par value ₹5 /- each)								
Basic (₹)	15.51		15.67		14.76		60.16	
Diluted (₹)	15.51		15.67		14.76		60.15	

Notes:

1. The audited financial statements for the quarter and year ended March 31, 2017 have been taken on record by the Board of Directors at its meeting held on April 13, 2017. The statutory auditors have expressed an unqualified audit opinion. The information presented above is extracted from the audited standalone financial statements. The financial statements are prepared in accordance with the Indian Accounting Standards (Ind-AS) as prescribed under Section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

2. The Company has adopted all the Ind-AS standards on April 1, 2016 with the transition date as April 1, 2015, and the adoption was carried out in accordance with Ind-AS 101-First time adoption of Indian Accounting Standards. The transition was carried out from Indian Accounting Principles generally accepted in India as prescribed under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 (IGAAP), which was the previous GAAP.

3. Capital Allocation Policy

The Board reviewed and approved a revised Capital Allocation Policy of the Company after taking into consideration the strategic and operational cash requirements of the Company in the medium term.

The key aspects of the Capital Allocation Policy are:

1. The Company's current policy is to pay dividends of up to 50% of post-tax profits of the Financial Year. Effective from Financial Year 2018, the Company expects to payout up to 70% of the free cash flow* of the corresponding Financial Year in such manner (including by way of dividend and/or share buyback) as may be decided by the Board from time to time, subject to applicable laws and requisite approvals, if any.

2. In addition to the above, the Board has identified an amount of upto ₹13,000 crore (\$2 billion)** to be paid out to shareholders during Financial Year 2018, in such manner (including by way of dividend and/ or share buyback), to be decided by the Board, subject to applicable laws and requisite approvals, if any.

Further announcements in this regard will be made, as appropriate, in due course

* Free cash flow is defined as net cash provided by operating activities less capital expenditure as per the consolidated statement of cash flows prepared under IFRS

** USD/INR exchange rate as on March 31, 2017

Dividend payout includes Dividend Distribution Tax

This announcement contains insider information

4. The Board, at its meeting held on April 13, 2017, appointed Ravi Venkatesan, Independent Director as the Co- Chairman of the Board. Ravi Venkatesan, who has been on the Board of Infosys since April 2011 has made valuable contribution to the development of the strategic direction of the Company during his tenure.

5. Pursuant to the approval from the shareholders through postal ballot on March 31, 2016, Dr. Vishal Sikka, Managing Director and CEO is eligible to receive under the 2015 Plan, an annual grant of RSUs of fair value \$2 Mn which will vest over time, subject to continued service . He is also eligible for an annual grant of performance based equity and stock options of \$5 Mn subject to achievement of performance targets set by the Board or its committee, which vest over time. The Board based on the recommendations of the Nominations and Remuneration Committee approved on April 13, 2017, RSU's amounting to \$1.9 Mn and ESOP's amounting to \$0.96 Mn representing the performance based equity and stock options for the financial year 2017. Further, the Board also approved the annual time based vesting grant for financial year 2018 of RSU's of fair value amounting to \$ 2Mn

The Nomination and Remuneration Committee in its meeting held on October 14, 2016 recommended a grant of 27,250 RSU's and 43,000 ESOP's to U.B.Pravin Rao, Chief Operating Officer (COO), under the 2015 Plan and the same was approved by the shareholders through postal ballot on March 31, 2017. These RSUs and ESOPs will be granted w.e.f May 2, 2017. These RSUs and stock options would vest over a period of 4 years and shall be exercisable within the period as approved by the Committee. The exercise price of the RSU's will be equal to the par value of the shares and the exercise price of the stock options would be the market price as on the date of grant, as approved by the shareholders.

The Nomination and Remuneration Committee of the Board of Directors of Infosys Limited at its meeting held on April 13, 2017, based on fiscal 2017 performance, approved the grant of 37,100 RSU and 73,600 stock options with effect from May 2, 2017, to few eligible and identified employees of the Company and its subsidiaries under the 2015 Stock Incentive Compensation Plan (2015 plan). These RSUs and stock options shall vest over a period of 4 years from the date of grant and shall be exercisable within the period as approved by the committee. The exercise price of the RSUs will be equal to the par value of the shares and the exercise price of the stock options would be the market price as on the date of grant.

6. Information on dividends for the quarter and year ended March 31, 2017

An interim dividend of ₹11/- per equity share was declared on October 14, 2016 and paid on October 26, 2016. The interim dividend declared in the previous year was ₹30/- (not adjusted for bonus issues) per equity share. The Board of Directors recommended a final dividend of ₹14.75/- per equity share for the financial year ended March 31, 2017. The payment is subject to the approval of the shareholders in the ensuing Annual General Meeting of the Company, to be held on June 24, 2017. The book closure date for the purpose of the Annual General Meeting and payment of final dividend is June 3, 2017. The final dividend declared in the previous year was ₹14.25/- per equity share.

Particulars		(in ₹)		
		Quarter ended March 31, 2017	Quarter ended December 31, 2016	Quarter ended March 31, 2016
Dividend per share (par value ₹5/- each)				
Interim dividend	-		-	11.00
Final dividend	14.75		-	14.75

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

Particulars	As at	
	March 31, 2017	March 31, 2016
ASSETS		
Non-current assets		
Property, plant and equipment	8,605	8,248
Capital work-in-progress	1,247	934
Intangible assets	-	-
Financial assets		
Investments	15,334	11,076
Loans	5	5
Other financial assets	216	192
Deferred tax assets (net)	346	405
Other non-current assets	996	755
Income tax assets (net)	5,454	5,020
Total non - current assets	32,203	26,635
Current assets		
Financial assets		
Investments	9,643	2
Trade receivables	10,960	9,798
Cash and cash equivalents	19,153	29,176
Loans	310	355
Other financial assets	5,403	4,801
Other current assets	2,213	1,965
Total current assets	47,682	46,097
Total assets	79,885	72,732
EQUITY AND LIABILITIES		
Equity		
Equity share capital	1,148	1,148
Other equity	66,869	59,934
Total equity	68,017	61,082
LIABILITIES		
Non-current liabilities		
Financial liabilities		
Other financial liabilities	40	62
Other non-current liabilities	42	-
Deferred tax liabilities (net)	-	-
Total non - current liabilities	82	62
Current liabilities		
Financial liabilities		
Trade payables	269	623
Other financial liabilities	5,056	5,132
Other current liabilities	2,349	2,093
Provisions	350	436
Income tax liabilities (net)	3,762	3,304
Total current liabilities	11,786	11,588
Total equity and liabilities	79,885	72,732

The disclosure is an extract of the audited Balance Sheet as at March 31, 2017 and March 31, 2016 prepared in compliance with the Indian Accounting Standards (Ind-AS).

8. Reconciliation of Statement of Profit and Loss as previously reported under IGAAP to Ind-AS

(in ₹ crore)

Particulars	Note	Quarter ended March 31, 2016		
		IGAAP	Effects of transition to Ind-AS	Ind-AS
Revenue from operations	1.2	14,158	-	14,158
Other income, net		778	(5)	773
Total income		14,936	(5)	14,931
Expenses	1.1			
Employee benefit expenses		7,300	(3)	7,297
Cost of technical sub-contractors		1,191	-	1,191
Travel expenses		438	-	438
Cost of software packages and others		223	-	223
Communication expenses		79	-	79
Consultancy and professional charges		155	-	155
Depreciation and amortization expenses		315	-	315
Other expenses	1.2	523	5	528
Total expenses		10,224	2	10,226
Profit before exceptional items and tax		4,712	(7)	4,705
Profit on transfer of business	1.1	-	-	-
Profit before tax		4,712	(7)	4,705
Tax expense:				
Current tax		1,308	1	1,309
Deferred tax		5	-	5
Profit for the period		3,399	(8)	3,391
Other comprehensive income	1.1			
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Remeasurement of the net defined benefit liability/asset		-	(3)	(3)
<i>Items that will be reclassified subsequently to profit or loss</i>		-	(3)	(3)
		-	-	-
Total other comprehensive income, net of tax		-	(3)	(3)
Total comprehensive income for the period		3,399	(11)	3,388

This reconciliation statement has been provided in accordance with circular CIR/CFD/FAC/62/2016 issued by SEBI dated July 05, 2016 on account of implementation of Ind-AS by listed companies.

Explanations for reconciliation of profit and loss as previously reported under IGAAP to Ind-AS

- 1.1 a) As per Ind-AS 19 - Employee Benefits, actuarial gains and losses are recognized in other comprehensive income and not reclassified to profit and loss in a subsequent period.
- b) Adjustments reflect unamortized negative past service cost arising on modification of the gratuity plan in an earlier period. Ind-AS 19 requires such gains and losses to be adjusted to retained earnings.
- 1.2. Adjustments reflect impact of discounting pertaining to contingent consideration payable for business combinations.
- 1.3. Tax component on actuarial gains and losses which is transferred to other comprehensive income under Ind AS.

9. Reconciliation of equity as previously reported under IGAAP to Ind-AS

(in ₹ crore)

Particulars		Balance Sheet as at March 31, 2016		
	Note	IGAAP	Effects of transition to Ind-AS	Ind-AS
ASSETS				
Non-current assets				
Property, plant and equipment		8,248	-	8,248
Capital work-in-progress		934	-	934
Intangible assets		-	-	-
Financial assets				
Investments	1.1	11,111	(35)	11,076
Loans		5	-	5
Other financial assets		192	-	192
Deferred tax assets (net)		405	-	405
Other non-current assets		755	-	755
Income tax assets (net)		5,020	-	5,020
Total non-current assets		26,670	(35)	26,635
Current assets				
Financial assets:				
Investments	1.1	2	-	2
Trade receivables		9,798	-	9,798
Cash and cash equivalents		29,176	-	29,176
Loans		355	-	355
Other financial assets		4,801	-	4,801
Other current assets		1,965	-	1,965
Total current assets		46,097	-	46,097
Total assets		72,767	(35)	72,732
EQUITY AND LIABILITIES				
Equity				
Equity share capital		1,148	-	1,148
Other equity	1.5	56,009	3,925	59,934
Total equity		57,157	3,925	61,082
Non-current liabilities				
Financial liabilities				
Other financial liabilities	1.2	73	(11)	62
Deferred tax liabilities (net)		-	-	-
Other non-current liabilities		-	-	-
Total non-current liabilities		73	(11)	62
Current liabilities				
Financial liabilities				
Trade payables	1.2	623	-	623
Other financial liabilities	1.3	5,138	(6)	5,132
Other current liabilities	1.4	2,097	(4)	2,093
Provisions		4,375	(3,939)	436
Income tax liabilities (Net)		3,304	-	3,304
Total current liabilities		15,537	(3,949)	11,588
Total liabilities and equity		72,767	(35)	72,732

This reconciliation statement has been provided in accordance with circular CIR/CFD/FAC/62/2016 issued by SEBI dated July 05, 2016 on account of implementation of Ind-AS by listed companies.

Explanations for reconciliation of balance sheet as previously reported under IGAAP to IND-AS

1.1. Investment

- Tax free bonds are carried at amortized cost both under Ind-AS and IGAAP. Investment in equity instruments are carried at fair value through OCI in Ind-AS compared to being carried at cost under IGAAP.
- Investments include discounted value of contingent consideration payable on acquisition of business under Ind-AS as compared to undiscounted value of contingent consideration under IGAAP.

1.2. Other financial liabilities

Adjustments includes impact of discounting the deferred and contingent consideration payable for acquisitions under Ind-AS.

1.3. Other current liabilities

Adjustments that reflect unamortised negative past service cost arising on modification of the gratuity plan in an earlier period. Ind-AS 19 requires such gains and losses to be adjusted to retained earnings.

1.4. Provisions

Adjustments reflect final dividend (including corporate dividend tax), declared and approved post reporting period.

1.5. Other equity

- Adjustments to retained earnings and other comprehensive income has been made in accordance with Ind-AS, for the above mentioned line items.
- In addition, as per Ind-AS 19, actuarial gain and losses are recognized in other comprehensive income as compared to being recognized in the statement of profit and loss under IGAAP.
- Profit on transfer of business between entities under common control which were earlier recognized in statement of profit and loss under IGAAP are adjusted to reserves on transition to Ind-AS.

10. Segment reporting (Standalone-Audited)

(in ₹ crore)

Particulars	Quarter ended March 31,		Quarter ended December 31,		Quarter ended March 31,		Year ended March 31,	
	2017		2016		2016		2017	
Revenue by business segment								
Financial services (FS)	3,924	3,939		3,805		15,735		14,846
Manufacturing (MFG)	1,566	1,541		1,395		6,086		5,434
Energy & utilities, communication and services (ECS)	3,630	3,519		3,256		13,999		12,124
Retail, consumer packaged goods and logistics (RCL)	2,503	2,596		2,502		10,280		9,411
Life sciences, healthcare and insurance (HILIFE)	1,860	1,842		1,626		7,065		6,392
Hi-Tech	1,157	1,199		1,265		4,901		4,736
All Other Segments	280	313		309		1,223		1,040
Total	14,920	14,949		14,158		59,289		53,983
Less: Inter-segment revenue	-	-		-		-		-
Net revenue from operations	14,920	14,949		14,158		59,289		53,983
Segment profit before tax								
Financial services (FS)	1,115	1,085		1,029		4,291		4,185
Manufacturing (MFG)	458	452		386		1,770		1,436
Energy & utilities, communication and services (ECS)	1,126	1,093		1,081		4,355		3,829
Retail, consumer packaged goods and logistics (RCL)	757	816		757		3,159		2,817
Life sciences, healthcare and insurance (HILIFE)	573	566		514		2,089		1,844
Hi-Tech	308	341		381		1,354		1,373
All other segments	52	66		104		199		239
Total	4,389	4,419		4,252		17,217		15,723
Less: Other unallocable expenditure	339	341		320		1,341		1,129
Add: Unallocable other income	733	805		773		3,062		3,006
Profit before tax	4,783	4,883		4,705		18,938		17,600

Notes on segment information:

Business segments

Based on the "management approach" as defined in Ind-AS 108 - Operating Segments, the Chief Operating Decision Maker evaluates the Company's performance and allocates resources based on an analysis of various performance indicators by business segments. Accordingly, information has been presented along these business segments. The accounting principles used in the preparation of the financial statements are consistently applied to record revenue and expenditure in individual segments

Segment Assets / Liabilities

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


By order of the Board
for Infosys Limited

Bengaluru, India
April 13, 2017

Dr. Vishal Sikka
Chief Executive Officer and Managing Director

Certain statements in these results concerning our future growth prospects are forward-looking statements regarding our future business expectations intended to qualify for the 'safe harbor' under the Private Securities Litigation Reform Act of 1995, which involve a number of risks and uncertainties that could cause actual results to differ materially from those in such forward-looking statements. The risks and uncertainties relating to these statements include, but are not limited to, risks and uncertainties regarding fluctuations in earnings, fluctuations in foreign exchange rates, our ability to manage growth, intense competition in IT services including those factors which may affect our cost advantage, wage increases in India, our ability to attract and retain highly skilled professionals, time and cost overruns on fixed-price, fixed-time frame contracts, client concentration, restrictions on immigration, industry segment concentration, our ability to manage our international operations, reduced demand for technology in our key focus areas, disruptions in telecommunication networks or system failures, our ability to successfully complete and integrate potential acquisitions, liability for damages on our service contracts, the success of the companies in which Infosys has made strategic investments, withdrawal or expiration of governmental fiscal incentives, political instability and regional conflicts, an inability to accurately predict economic or industry trends, legal restrictions on raising capital or acquiring companies outside India, and unauthorized use of our intellectual property and general economic conditions affecting our industry. Additional risks that could affect our future operating results are more fully described in our United States Securities and Exchange Commission filings including our Annual Report on Form 20-F for the fiscal year ended March 31, 2016. These filings are available at www.sec.gov. Infosys may, from time to time, make additional written and oral forward-looking statements, including statements contained in the company's filings with the Securities and Exchange Commission and our reports to shareholders. In addition, please note that the date of this release is April 13, 2017, and any forward-looking statements contained herein are based on assumptions that we believe to be reasonable as of this date. The company does not undertake to update any forward-looking statements that may be made from time to time by or on behalf of the company unless it is required by law.

INFOSYS LIMITED
(In ₹ crore)

Balance Sheet as at	Note	March 31, 2017	March 31, 2016	April 1, 2015
ASSETS				
Non-current assets				
Property, plant and equipment	2.3	8,605	8,248	7,347
Capital work-in-progress		1,247	934	769
Intangible assets	2.4	-	-	-
Financial assets				
Investments	2.5	15,334	11,076	6,108
Loans	2.6	5	5	4
Other financial assets	2.7	216	192	110
Deferred tax assets (net)	2.17	346	405	433
Income tax assets (net)	2.17	5,454	5,020	3,941
Other non-current assets	2.10	996	755	349
Total non - current Assets		32,203	26,635	19,061
Current assets				
Financial assets				
Investments	2.5	9,643	2	749
Trade receivables	2.8	10,960	9,798	8,627
Cash and cash equivalents	2.9	19,153	29,176	27,722
Loans	2.6	310	355	225
Other financial assets	2.7	5,403	4,801	4,045
Other current assets	2.10	2,213	1,965	1,384
Total current assets		47,682	46,097	42,752
Total Assets		79,885	72,732	61,813
EQUITY AND LIABILITIES				
Equity				
Equity share capital	2.12	1,148	1,148	574
Other equity		66,869	59,934	51,617
Total equity		68,017	61,082	52,191
LIABILITIES				
Non-current liabilities				
Financial liabilities				
Other financial liabilities	2.13	40	62	27
Other non-current liabilities	2.15	42	-	-
Deferred tax liabilities (net)	2.17	-	-	-
Total non - current liabilities		82	62	27
Current liabilities				
Financial liabilities				
Trade payables	2.14	269	623	124
Other financial liabilities	2.13	5,056	5,132	4,847
Other current liabilities	2.15	2,349	2,093	1,564
Provisions	2.16	350	436	382
Income tax liabilities (net)	2.17	3,762	3,304	2,678
Total current liabilities		11,786	11,588	9,595
Total equity and liabilities		79,885	72,732	61,813

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

U. B. Pravin Rao

Chief Operating Officer and
Whole-time Director

Bengaluru

April 13, 2017

Roopa Kudva

Director

M. D. Ranganath

Chief Financial Officer

A.G.S Manikantha

Company Secretary

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

Statement of Profit and Loss for the	Note	Three months ended		Year ended March 31,	
		March 31,			
		2017	2016	2017	2016
Revenue from operations	2.18	14,920	14,158	59,289	53,983
Other income, net	2.19	733	773	3,062	3,006
Total income		15,653	14,931	62,351	56,989
Expenses					
Employee benefit expenses	2.20	7,667	7,297	30,944	28,207
Deferred consideration pertaining to acquisition		-	-	-	149
Cost of technical sub-contractors		1,263	1,191	4,809	4,417
Travel expenses		342	438	1,638	1,655
Cost of software packages and others	2.20	341	223	1,235	1,049
Communication expenses		104	79	372	311
Consultancy and professional charges		176	155	538	563
Depreciation and amortisation expense	2.3 & 2.4	336	315	1,331	1,115
Other expenses	2.20	641	528	2,546	1,923
Total expenses		10,870	10,226	43,413	39,389
Profit before tax		4,783	4,705	18,938	17,600
Tax expense:					
Current tax	2.17	1,141	1,309	5,068	4,898
Deferred tax	2.17	80	5	52	9
Profit for the period		3,562	3,391	13,818	12,693
Other comprehensive income					
<i>Items that will not be reclassified subsequently to profit or loss</i>					
Remeasurement of the net defined benefit liability/asset		16	(3)	(42)	(2)
Equity instruments through other comprehensive income, net	2.5 & 2.17	(5)	-	(5)	-
<i>Items that will be reclassified subsequently to profit or loss</i>					
Fair value changes on cash flow hedges, net		11	-	39	-
Fair value changes on investments, net	2.5	(10)	-	(10)	-
Total other comprehensive income, net of tax		12	(3)	(18)	(2)
Total comprehensive income for the period		3,574	3,388	13,800	12,691
Earnings per equity share					
Equity shares of par value ₹5/- each					
Basic (₹)		15.51	14.76	60.16	55.26
Diluted (₹)		15.51	14.76	60.15	55.26
Weighted average equity shares used in computing earnings per equity share					
Basic	2.23	2,296,944,664	2,296,944,664	2,296,944,664	2,296,944,664
Diluted	2.23	2,297,289,436	2,296,944,664	2,297,159,670	2,296,944,664

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

U. B. Pravin Rao

Chief Operating Officer and
Whole-time Director

Bengaluru

April 13, 2017

Roopa Kudva

Director

M. D. Ranganath

Chief Financial Officer

A.G.S Manikantha

Company Secretary

INFOSYS LIMITED
Statement of changes in Equity

In ₹ crore												Total equity attributable to equity holders of the Company
Particulars	Equity Share Capital	Other Equity										
		Reserves & Surplus					Other comprehensive income					
		Securities premium reserve	Retained earnings	Capital reserve	General reserve	Share Options Outstanding Account	Special Economic Zone Re-investment reserve ⁽¹⁾	Business transfer adjustment reserve ⁽²⁾	Equity Instruments through other comprehensive income	Cash flow hedge reserve	Other items of other comprehensive income	
Balance as of April 1, 2015	574	2,778	40,065	54	8,291	2	-	412	-	-	15	52,191
Changes in equity for the year ended March 31, 2016												
Increase in share capital on account of bonus issue (refer to note 2.12)	574	-	-	-	-	-	-	-	-	-	-	574
Transfer to general reserve	-	-	(1,217)	-	1,217	-	-	-	-	-	-	-
Amounts utilized for bonus issue (refer note 2.12)	-	(574)	-	-	-	-	-	-	-	-	-	(574)
Transferred to Special Economic Zone Re-investment reserve	-	-	(591)	-	-	-	591	-	-	-	-	-
Transferred from Special Economic Zone Re-investment reserve on utilization	-	-	591	-	-	-	(591)	-	-	-	-	-
Share based payment to employees (refer to note 2.12)	-	-	-	-	-	7	-	-	-	-	-	7
Transfer to securities premium on exercise	-	-	-	-	-	-	-	-	-	-	-	-
Remeasurement of the net defined benefit liability/asset, net of tax effect (refer note 2.22 and 2.17)	-	-	-	-	-	-	-	-	-	-	(2)	(2)
Equity instruments through other comprehensive income	-	-	-	-	-	-	-	-	-	-	-	-
Dividends (including corporate dividend tax)	-	-	(6,843)	-	-	-	-	-	-	-	-	(6,843)
Profit on transfer of business ⁽²⁾	-	-	-	-	-	-	-	3,036	-	-	-	3,036
Profit for the period	-	-	12,693	-	-	-	-	-	-	-	-	12,693
Balance as of March 31, 2016	1,148	2,204	44,698	54	9,508	9	-	3,448	-	-	13	61,082

INFOSYS LIMITED
Statement of changes in Equity

Particulars	Equity Share Capital	Other Equity									Total equity attributable to equity holders of the Company	
		Reserves & Surplus					Other comprehensive income					
		Securities premium reserve	Retained earnings	Capital reserve	General reserve	Share Options Outstanding Account	Special Economic Zone Re- investment reserve ⁽¹⁾	Business transfer adjustment reserve ⁽²⁾	Equity Instruments through other comprehensive income	Cash flow hedge reserve		Other items of other comprehensive income
Balance as of April 1, 2016	1,148	2,204	44,698	54	9,508	9	-	3,448	-	-	13	61,082
Changes in equity for the year ended March 31, 2017												
Transfer to general reserve	-	-	(1,579)	-	1,579	-	-	-	-	-	-	-
Transferred to Special Economic Zone Re-investment reserve	-	-	(953)	-	-	-	953	-	-	-	-	-
Transferred from Special Economic Zone Re-investment reserve on utilization	-	-	953	-	-	-	(953)	-	-	-	-	-
Exercise of stock options (refer to note 2.12)	-	3	-	-	-	(3)	-	-	-	-	-	-
Income tax benefit arising on exercise of stock options	-	1	-	-	-	-	-	-	-	-	-	1
Share based payment to employees of the group (refer to note 2.12 and note 2.25)	-	-	-	-	-	114	-	-	-	-	-	114
Remeasurement of the net defined benefit liability/asset, net of tax effect (refer note 2.22 and 2.17)	-	-	-	-	-	-	-	-	-	-	(42)	(42)
Equity instruments through other comprehensive income	-	-	-	-	-	-	-	-	-	-	-	-
Fair value changes on cash flow hedge, net of tax (Refer note 2.11)	-	-	-	-	-	-	-	-	-	39	-	39
Fair valuation of investments, net of tax effect (Refer note 2.5)	-	-	-	-	-	-	-	-	-	-	(10)	(10)
Equity instruments through other comprehensive income, net of tax effect (Refer note 2.5)	-	-	-	-	-	-	-	-	(5)	-	-	(5)
Dividends (including corporate dividend tax)	-	-	(6,980)	-	-	-	-	-	-	-	-	(6,980)
Profit for the period	-	-	13,818	-	-	-	-	-	-	-	-	13,818
Balance as of March 31, 2017	1,148	2,208	49,957	54	11,087	120	-	3,448	(5)	39	(39)	68,017

⁽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⁾ Profit on transfer of business between entities under common control taken to reserve on account of transition to Indian Accounting Standards (Ind AS)

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

U. B. Pravin Rao
Chief Operating Officer and
Whole-time Director

Bengaluru
April 13, 2017

Roopa Kudva
Director

M. D. Ranganath
Chief Financial Officer

A.G.S Manikantha
Company Secretary

(In ₹ crore)

Statements of Cash Flows	Year ended March 31,	
	2017	2016
Cash flow from operating activities:		
Profit for the period	13,818	12,693
Adjustments to reconcile net profit to net cash provided by operating activities:		
Depreciation and amortization	1,331	1,115
Income tax expense	5,120	4,907
Allowance for credit losses on financial assets	135	(48)
Deferred consideration pertaining to acquisition	-	149
Interest and dividend income	(2,553)	(2,563)
Other adjustments	48	141
Exchange differences on translation of assets and liabilities	39	31
Changes in assets and liabilities		
Trade receivables and unbilled revenue	(1,825)	(1,373)
Loans and other financial assets and other assets	(427)	(1,188)
Trade payables	(354)	499
Other financial liabilities, other liabilities and provisions	179	565
Cash generated from operations	15,511	14,928
Income taxes paid	(5,033)	(5,350)
Net cash generated by operating activities	10,478	9,578
Cash flow from investing activities:		
Expenditure on property, plant and equipment net of sale proceeds, including changes in retention money and capital creditors	(2,292)	(2,308)
Deposits with corporations	(155)	(115)
Loans to employees	23	(64)
Repayment of debentures	420	-
Investment in subsidiaries	(369)	(258)
Payment towards contingent consideration pertaining to acquisition	(36)	-
Payment towards acquisition	-	(794)
Payment arising out of business transfer	-	(335)
Payments to acquire financial assets		
Preference securities	(43)	(82)
Liquid mutual fund and fixed maturity plan securities	(49,648)	(22,797)
Tax free bonds	(312)	(299)
Non-convertible debentures	(3,664)	-
Certificate of Deposits	(7,555)	-
Government Bond	-	(2)
Proceeds on sale of financial assets		
Liquid mutual fund and fixed maturity plan securities	47,495	23,545
Tax free bonds	2	-
Interest and dividend received on investments	2,640	2,302
Net cash used in investing activities	(13,494)	(1,207)
Cash flow from financing activities:		
Loan given to subsidiaries	-	(193)
Loan repaid by subsidiary	-	126
Payment of dividends	(6,968)	(6,841)
Net cash used in financing activities	(6,968)	(6,908)
Effect of exchange differences on translation of foreign currency cash and cash equivalents	(39)	(9)
Net decrease in cash and cash equivalents	(9,984)	1,463
Cash and cash equivalents at the beginning of the period	29,176	27,722
Cash and cash equivalents at the end of the period	19,153	29,176
Supplementary information:		
Restricted cash balance	411	341

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

U. B. Pravin Rao

Chief Operating Officer and
Whole-time Director

Bengaluru

April 13, 2017

Roopa Kudva

Director

M. D. Ranganath

Chief Financial Officer

A.G.S Manikantha

Company Secretary

INFOSYS LIMITED

Notes to the Financial Statements

1. Company Overview and Significant Accounting Policies

1.1 Company overview

Infosys (the Company) is a leading provider 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, its 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 Bengaluru, Karnataka, India. The company has its primary listings on the BSE Limited and National Stock Exchange of India Limited. The Company's American Depositary Shares representing equity shares are also listed on the New York Stock Exchange (NYSE), Euronext London and Euronext Paris.

The interim financial statements are approved for issue by the Company's Board of Directors on April 13, 2017.

1.2 Basis of preparation of financial statements

These financial statements are prepared in accordance with Indian Accounting Standards (Ind AS) under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values, the provisions of the Companies Act, 2013 ('Act') (to the extent notified) and guidelines issued by the Securities and Exchange Board of India (SEBI). The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

The Company has adopted all the Ind AS standards and the adoption was carried out in accordance with Ind AS 101 *First time adoption of Indian Accounting Standards*. The transition was carried out from Indian Accounting Principles generally accepted in India as prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (IGAAP), which was the previous GAAP. Reconciliations and descriptions of the effect of the transition has been summarized in note 2.1.

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 these financial statements added up to the figures reported for the previous quarters might not always add up to the year-to-date figures reported in these financial statements.

1.3 Use of estimates

The preparation of the financial statements in conformity with Ind AS requires management to make estimates, judgments and assumptions. These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the period. Application of accounting policies that require critical accounting estimates involving complex and subjective judgments and the use of assumptions in these financial statements have been disclosed in note 1.4. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

1.4 Critical accounting estimates

a. Revenue recognition

The Company uses the percentage-of-completion method in accounting for its fixed-price contracts. Use of the percentage-of-completion method requires the Company to estimate the efforts or costs expended to date as a proportion of the total efforts or costs to be expended. Efforts or costs expended have been used to measure progress towards completion as there is a direct relationship between input and productivity. Provisions for estimated losses, if any, on uncompleted contracts are recorded in the period in which such losses become probable based on the expected contract estimates at the reporting date.

b. Income taxes

The Company's two major tax jurisdictions are India and the U.S., though the company also files tax returns in other overseas jurisdictions. Significant judgements are involved in determining the provision for income taxes, including amount expected to be paid/recovered for uncertain tax positions. Also refer to Note 2.17 and Note 2.24.

c. Property, plant and equipment

Property, plant and equipment represent a significant proportion of the asset base of the Company. The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of company's assets are determined by management at the time the asset is acquired and reviewed periodically, including at each financial year end. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology.

1.5 Revenue recognition

The Company derives revenues primarily from software development and related services and from the licensing of software products. Arrangements with customers for software 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, fixed-timeframe contracts, where there is no uncertainty as to measurement or collectability of consideration, is recognized as per the percentage-of-completion method. When there is uncertainty as to measurement or ultimate collectability, revenue recognition is postponed until such uncertainty is resolved. Efforts or costs expended have been used to measure progress towards completion as there is a direct relationship between input and productivity. Provisions for estimated losses, if any, on uncompleted contracts are recorded in the period in which such losses become probable based on the current contract estimates. Costs and earnings in excess of billings are classified as unbilled revenue while billings in excess of costs and earnings are classified as unearned revenue. Deferred contract costs are amortized over the term of the contract. Maintenance revenue is recognized ratably over the term of the underlying maintenance arrangement.

In arrangements for software development and related services and maintenance services, the Company has applied the guidance in Ind AS 18, Revenue, by applying the revenue recognition criteria for each separately identifiable component of a single transaction. The arrangements generally meet the criteria for considering software development and related services as separately identifiable components. For allocating the consideration, the Company has measured the revenue in respect of each separable component of a transaction at its fair value, in accordance with principles given in Ind AS 18. The price that is regularly charged for an item when sold separately is the best evidence of its fair value. In cases where the Company is unable to establish objective and reliable evidence of fair value for the software development and related services, the Company has used a residual method to allocate the arrangement consideration. In these cases the balance of the consideration, after allocating the fair values of undelivered components of a transaction has been allocated to the delivered components for which specific fair values do not exist.

License fee revenues are recognized when the general revenue recognition criteria given in Ind AS 18 are met. Arrangements to deliver software products generally have three elements: license, implementation and Annual Technical Services (ATS). The Company has applied the principles given in Ind AS 18 to account for revenues from these multiple element arrangements. Objective and reliable evidence of fair value has been established for ATS. Objective and reliable evidence of fair value is the price charged when the element is sold separately. When other services are provided in conjunction with the licensing arrangement and objective and reliable evidence of their fair values have been established, the revenue from such contracts are allocated to each component of the contract in a manner, whereby revenue is deferred for the undelivered services and the residual amounts are recognized as revenue for delivered elements. In the absence of objective and reliable evidence of fair value for implementation, the entire arrangement fee for license and implementation is recognized using the percentage-of-completion method as the implementation is performed. Revenue from client training, support and other services arising due to the sale of software products is recognized as the services are performed. ATS revenue is recognized ratably over the period in which the services are rendered.

Advances received for services and products are reported as client deposits until all conditions for revenue recognition are met.

The Company accounts for volume discounts and pricing incentives to customers as a reduction of revenue based on the ratable allocation of the discounts/ incentives amount to each of the underlying revenue transaction that results 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 in the period in which the change occurs. The discounts are passed on to the customer either as direct payments or as a reduction of payments due from the customer.

The company presents revenues net of value-added taxes in its Statement of Profit and Loss.

1.6 Property, plant and equipment

Property, plant and equipment are stated at cost, less accumulated depreciation and impairment, if any. Costs directly attributable to acquisition are capitalized until the property, plant and equipment are ready for use, as intended by management. The company depreciates property, plant and equipment over their estimated useful lives using the straight-line method. The estimated useful lives of assets are as follows:

Building ⁽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

Depreciation methods, useful lives and residual values are reviewed periodically, including at each financial year end.

⁽¹⁾ Based on technical evaluation, 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.

Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as capital advances under other non-current assets and the cost of assets not put to use before such date are disclosed under 'Capital work-in-progress'. Subsequent expenditures relating to property, plant and equipment is capitalized only when it is probable that future economic benefits associated with these will flow to the company and the cost of the item can be measured reliably. Repairs and maintenance costs are recognized in net profit in the Statement of Profit and Loss when incurred. The cost and related accumulated depreciation are eliminated from the financial statements upon sale or retirement of the asset and the resultant gains or losses are recognized in the Statement of Profit and Loss. Assets to be disposed off are reported at the lower of the carrying value or the fair value less cost to sell.

1.7 Intangible assets

Intangible assets are stated at cost less accumulated amortization and impairment. Intangible assets are amortized over their respective individual estimated useful lives on a straight-line basis, from the date that they are available for use. The estimated useful life of an identifiable intangible asset is based on a number of factors including the effects of obsolescence, demand, competition, and other economic factors (such as the stability of the industry, and known technological advances), and the level of maintenance expenditures required to obtain the expected future cash flows from the asset. Amortization methods and useful lives are reviewed periodically including at each financial year end.

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. The costs which can be capitalized include the cost of material, direct labour, overhead costs that are directly attributable to preparing the asset for its intended use. Research and development costs and software development costs incurred under contractual arrangements with customers are accounted as expenses in the Statement of Profit and Loss.

1.8 Financial instruments

1.8.1 Initial recognition

The Company recognizes financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are recognized at fair value on initial recognition, except for trade receivables which are initially measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities, that are not at fair value through profit or loss, are added to the fair value on initial recognition. Regular way purchase and sale of financial assets are accounted for at trade date.

1.8.2 Subsequent measurement

a. Non-derivative financial instruments

(i) Financial assets carried at amortised cost

A financial asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

(ii) Financial assets at fair value through other comprehensive income

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. The Company has made an irrevocable election for its investments which are classified as equity instruments to present the subsequent changes in fair value in other comprehensive income based on its business model. Further, in cases where the Company has made an irrevocable election based on its business model, for its investments which are classified as equity instruments, the subsequent changes in fair value are recognized in other comprehensive income.

(iii) Financial assets at fair value through profit or loss

A financial asset which is not classified in any of the above categories are subsequently fair valued through profit or loss.

(iv) Financial liabilities

Financial liabilities are subsequently carried at amortized cost using the effective interest method, except for contingent consideration recognized in a business combination which is subsequently measured at fair value through profit and loss. For trade and other payables maturing within one year from the Balance Sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

(v) Investment in subsidiaries

Investment in subsidiaries is carried at cost in the separate financial statements.

b. Derivative financial instruments

The Company holds derivative financial instruments such as foreign exchange forward and option contracts to mitigate the risk of changes in exchange rates on foreign currency exposures. The counterparty for these contracts is generally a bank.

(i) Financial assets or financial liabilities, at fair value through profit or loss.

This category has derivative financial assets or liabilities which are not designated as hedges.

Although the company believes that these derivatives constitute hedges from an economic perspective, they may not qualify for hedge accounting under Ind AS 109, Financial Instruments. Any derivative that is either not designated a hedge, or is so designated but is ineffective as per Ind AS 109, is categorized as a financial asset or financial liability, at fair value through profit or loss.

Derivatives not designated as hedges are recognized initially at fair value and attributable transaction costs are recognized in net profit in the Statement of Profit and Loss, when incurred. Subsequent to initial recognition, these derivatives are measured at fair value through profit or loss and the resulting exchange gains or losses are included in other income. Assets/ liabilities in this category are presented as current assets/current liabilities if they are either held for trading or are expected to be realized within 12 months after the balance sheet date.

(ii) Cash flow hedge

The company designates certain foreign exchange forward and options contracts as cash flow hedges to mitigate the risk of foreign exchange exposure on highly probable forecast cash transactions.

When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative is recognized in other comprehensive income and accumulated in the cash flow hedging reserve. Any ineffective portion of changes in the fair value of the derivative is recognized immediately in the net profit in the statement of profit and loss. If the hedging instrument no longer meets the criteria for hedge accounting, then hedge accounting is discontinued prospectively. If the hedging instrument expires or is sold, terminated or exercised, the cumulative gain or loss on the hedging instrument recognized in cash flow hedging reserve till the period the hedge was effective remains in cash flow hedging reserve until the forecasted transaction occurs. The cumulative gain or loss previously recognized in the cash flow hedging reserve is transferred to the net profit in the Statement of Profit and Loss upon the occurrence of the related forecasted transaction. If the forecasted transaction is no longer expected to occur, then the amount accumulated in cash flow hedging reserve is reclassified to net profit in the Statement of Profit and Loss.

c. Share capital

Ordinary Shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of new ordinary shares and share options are recognized as a deduction from equity, net of any tax effects.

1.8.3 Derecognition of financial instruments

The company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition under Ind AS 109. A financial liability (or a part of a financial liability) is derecognized from the Company's Balance Sheet when the obligation specified in the contract is discharged or cancelled or expires.

1.9 Fair value of financial instruments

In determining the fair value of its financial instruments, the Company uses a variety of methods and assumptions that are based on market conditions and risks existing at each reporting date. The methods used to determine fair value include discounted cash flow analysis, available quoted market prices and dealer quotes. All methods of assessing fair value result in general approximation of value, and such value may never actually be realized.

1.10 Impairment

a. Financial assets

The Company recognizes loss allowances using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit or loss. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised is recognized as an impairment gain or loss in profit or loss.

b. Non-financial assets

(i) Intangible assets and property, plant and equipment

Intangible assets and property, plant and equipment are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the CGU to which the asset belongs.

If such assets are considered to be impaired, the impairment to be recognized in the Statement of Profit and Loss is measured by the amount by which the carrying value of the assets exceeds the estimated recoverable amount of the asset. An impairment loss is reversed in the statement of profit and loss if there has been a change in the estimates used to determine the recoverable amount. The carrying amount of the 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 Provisions

A provision is recognized if, as a result of a past event, the company has a present legal or constructive 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 discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

a. Post sales client support

The Company provides its clients with a fixed-period post sales support 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 related revenues are recorded in the Statement of Profit and Loss. The company estimates such costs based on historical experience and estimates are reviewed on a periodic basis for any material changes in assumptions and likelihood of occurrence.

b. 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 the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established the company recognizes any impairment loss on the assets associated with that contract.

1.12 Foreign currency

Functional currency

The functional currency of the company is the Indian rupee. These financial statements are presented in Indian rupees (rounded off to crore; one crore equals ten million).

Transactions and translations

Foreign-currency denominated monetary assets and liabilities are translated into the relevant functional currency at exchange rates in effect at the balance sheet date. The gains or losses resulting from such translations are included in net profit 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 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. Revenue, expense and cash-flow items denominated in foreign currencies are translated into the relevant functional currencies using the exchange rate in effect on the date of the transaction.

1.13 Earnings per equity share

Basic earnings per equity share is computed by dividing the net profit attributable to the equity holders of the company by the weighted average number of equity shares outstanding during the period. Diluted earnings per equity share is computed by dividing the net profit attributable to the equity holders of the company by the weighted average number of equity shares considered for deriving basic earnings per equity share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. The dilutive potential equity shares are adjusted for the proceeds receivable had the equity shares been actually issued at fair value (i.e. the average market value of the outstanding equity 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 equity 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.

1.14 Income taxes

Income tax expense comprises current and deferred income tax. Income tax expense is recognized in net profit in the statement of profit and loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in other comprehensive income. Current income tax for current and prior periods is recognized at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. Deferred income tax assets and liabilities are recognized for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Deferred income tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect of changes in tax rates on deferred income tax assets and liabilities is recognized as income or expense in the period that includes the enactment or the substantive enactment date. A deferred income tax asset is recognized to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilized. Deferred income taxes are not provided on the undistributed earnings of subsidiaries and branches where it is expected that the earnings of the subsidiary or branch will not be distributed in the foreseeable future. The company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously. 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 income are credited to share premium.

1.15 Employee benefits

1.15.1 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 Trusts and contributions are invested in a scheme with Life Insurance Corporation of India as permitted by laws of India.

The Company recognizes the net obligation of a defined benefit plan in its balance sheet as an asset or liability. Gains and losses through re-measurements of the net defined benefit liability/(asset) are recognized in other comprehensive income. The actual return of the portfolio of plan assets, in excess of the yields computed by applying the discount rate used to measure the defined benefit obligation is recognized in other comprehensive income. The effect of any plan amendments are recognized in net profit in the Statement of Profit and Loss.

1.15.2 Superannuation

Certain employees of Infosys are participants in a defined contribution plan. The Company has no further 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.

1.15.3 Provident fund

Eligible employees of Infosys 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.

1.15.4 Compensated absences

The Company has a policy on compensated absences which are both accumulating and non-accumulating in nature. The expected cost of accumulating compensated absences is determined by actuarial valuation performed by an independent actuary at each balance sheet date 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.

1.16 Share-based compensation

The Company recognizes compensation expense relating to share-based payments in net profit using fair-value in accordance with Ind AS 102, Share-Based Payment. The estimated fair value of awards is charged to income on a straight-line basis over the requisite service period for each separately vesting portion of the award as if the award was in-substance, multiple awards with a corresponding increase to share options outstanding account.

1.17 Cash Flow Statement

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

1.18 Dividends

Final dividends on shares are recorded as a liability on the date of approval by the shareholders and interim dividends are recorded as a liability on the date of declaration by the Company's Board of Directors.

1.19 Other income

Other income is comprised primarily of interest income, dividend income and exchange gain/loss on forward and options contracts and on translation of other assets and liabilities. Interest income is recognized using the effective interest method. Dividend income is recognized when the right to receive payment is established.

1.20 Leases

Leases under which the company assumes substantially all the risks and rewards of ownership are classified as finance leases. When acquired, such assets are capitalized at fair value 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 net profit in the Statement of Profit and Loss over the lease term.

1.21 Recent accounting pronouncements

1.21.1 Standards issued but not yet effective

In March 2017, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2017, notifying amendments to Ind AS 7, 'Statement of cash flows' and Ind AS 102, 'Share-based payment.' These amendments are in accordance with the recent amendments made by International Accounting Standards Board (IASB) to IAS 7, 'Statement of cash flows' and IFRS 2, 'Share-based payment,' respectively. The amendments are applicable to the Company from April 1, 2017.

Amendment to Ind AS 7:

The amendment to Ind AS 7 requires the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities, to meet the disclosure requirement.

The Company is evaluating the requirements of the amendment and the effect on the financial statements is being evaluated.

Amendment to Ind AS 102:

The amendment to Ind AS 102 provides specific guidance to measurement of cash-settled awards, modification of cash-settled awards and awards that include a net settlement feature in respect of withholding taxes.

It clarifies that the fair value of cash-settled awards is determined on a basis consistent with that used for equity-settled awards. Market-based performance conditions and non-vesting conditions are reflected in the 'fair values', but non-market performance conditions and service vesting conditions are reflected in the estimate of the number of awards expected to vest. Also, the amendment clarifies that if the terms and conditions of a cash-settled share-based payment transaction are modified with the result that it becomes an equity-settled share-based payment transaction, the transaction is accounted for as such from the date of the modification. Further, the amendment requires the award that include a net settlement feature in respect of withholding taxes to be treated as equity-settled in its entirety. The cash payment to the tax authority is treated as if it was part of an equity settlement.

The Company is evaluating the requirements of the amendment and the impact on the financial statements is being evaluated.

2 Notes to the standalone financial statements for the three months and year ended March 31, 2017

2.1 First-time adoption of Ind-AS

These standalone interim financial statements of Infosys Limited for the three months and year ended March 31, 2017 have been prepared in accordance with Ind AS. For the purposes of transition to Ind AS, the Company has followed the guidance prescribed in Ind AS 101 - *First Time adoption of Indian Accounting Standard*, with April 1, 2015 as the transition date and IGAAP as the previous GAAP.

The transition to Ind AS has resulted in changes in the presentation of the financial statements, disclosures in the notes thereto and accounting policies and principles. The accounting policies set out in Note 1 have been applied in preparing the standalone financial statements for the three months and year ended March 31, 2017 and the comparative information. An explanation of how the transition from previous GAAP to Ind AS has affected the Company's Balance Sheet, Statement of Profit and Loss, is set out in note 2.2 and 2.2.2. Exemptions on first time adoption of Ind AS availed in accordance with Ind AS 101 have been set out in note 2.1.1.

2.1.1 Exemptions availed on first time adoption of Ind-AS 101

Ind-AS 101 allows first-time adopters certain exemptions from the retrospective application of certain requirements under Ind AS. The Company has accordingly applied the following exemptions.

(a) Share-based payment

The Company is allowed to apply Ind AS 102 Share-based payment to equity instruments that remain unvested as of transition date. The Company has elected to avail this exemption and apply the requirements of Ind AS 102 to all such grants under the 2015 plan (formerly 2011 plan). Accordingly, these options have been measured at fair value as against intrinsic value previously under IGAAP.

The excess of stock compensation expense measured using fair value over the cost recognized under IGAAP using intrinsic value has been adjusted in 'Share Option Outstanding Account', with the corresponding impact taken to the retained earnings as on the transition date.

(b) Designation of previously recognized financial instruments

Under Ind AS 109, at initial recognition of a financial asset, an entity may make an irrevocable election to present subsequent changes in the fair value of an investment in an equity instrument in other comprehensive income. Ind AS 101 allows such designation of previously recognized financial assets, as 'fair value through other comprehensive income' on the basis of the facts and circumstances that existed at the date of transition to Ind AS.

Accordingly, the Company has designated its investments in certain equity instruments at fair value through other comprehensive income on the basis of the facts and circumstances that existed at the date of transition to Ind AS.

2.2 Reconciliations

The following reconciliations provides the effect of transition to Ind AS from IGAAP in accordance with Ind AS 101

- Equity as at April 1, 2015 and March 31, 2016
- Net profit for the three months and year ended March 31, 2016

2.2.1 Reconciliation of equity as previously reported under IGAAP to Ind AS

(In ₹ crore)

Particulars	Note	Opening Balance Sheet as at April 1, 2015			Balance Sheet as at March 31, 2016		
		IGAAP	Effects of transition to Ind-AS	Ind AS	IGAAP	Effects of transition to Ind-AS	Ind AS
ASSETS							
Non-current assets							
Property, plant and equipment		7,347	-	7,347	8,248	-	8,248
Capital work-in-progress		769	-	769	934	-	934
Intangible assets		-	-	-	-	-	-
Financial assets:							
Investments	A	6,108	-	6,108	11,111	(35)	11,076
Loans		4	-	4	5	-	5
Other financial assets		110	-	110	192	-	192
Deferred tax assets (net)		433	-	433	405	-	405
Income tax assets (net)		3,941	-	3,941	5,020	-	5,020
Other non-current assets		349	-	349	755	-	755
Total non-current assets		19,061	-	19,061	26,670	(35)	26,635
Current assets							
Financial assets:							
Investments	A	749	-	749	2	-	2
Trade receivables		8,627	-	8,627	9,798	-	9,798
Cash and cash equivalents		27,722	-	27,722	29,176	-	29,176
Loans		225	-	225	355	-	355
Other financial assets		4,045	-	4,045	4,801	-	4,801
Other current assets		1,384	-	1,384	1,965	-	1,965
Total current assets		42,752	-	42,752	46,097	-	46,097
Total assets		61,813	-	61,813	72,767	(35)	72,732
EQUITY AND LIABILITIES							
Equity							
Equity share capital		574	-	574	1,148	-	1,148
Other equity	E	47,494	4,123	51,617	56,009	3,925	59,934
Total equity		48,068	4,123	52,191	57,157	3,925	61,082
Non-current liabilities							
Financial liabilities							
Other financial liabilities	B	27	-	27	73	(11)	62
Deferred tax liabilities (net)		-	-	-	-	-	-
Other non-current liabilities	C	3	(3)	-	-	-	-
Total non-current liabilities		30	(3)	27	73	(11)	62
Current liabilities							
Financial liabilities							
Trade payables		124	-	124	623	-	623
Other financial liabilities	B	4,885	(38)	4,847	5,138	(6)	5,132
Other current liabilities	C	1,568	(4)	1,564	2,097	(4)	2,093
Provisions	D	4,460	(4,078)	382	4,375	(3,939)	436
Income tax liabilities (Net)		2,678	-	2,678	3,304	-	3,304
Total current liabilities		13,715	(4,120)	9,595	15,537	(3,949)	11,588
Total liabilities and equity		61,813	-	61,813	72,767	(35)	72,732

Explanations for reconciliation of Balance Sheet as previously reported under IGAAP to INDAS

A. Investment

- Tax free bonds are carried at amortized cost under Ind AS and IGAAP. Investment in equity instruments are carried at fair value through OCI in Ind AS compared to being carried at cost under IGAAP.
- Investments include discounted value of contingent consideration payable on acquisition of business under IndAS as compared to undiscounted value of contingent consideration under IGAAP

B. Other financial liabilities

Adjustments includes impact of discounting the deferred and contingent consideration payable for acquisitions under Ind AS

C. Other liabilities -

Adjustments that reflect unamortised negative past service cost arising on modification of the gratuity plan in an earlier period. Ind AS 19 requires such gains and losses to be adjusted to retained earnings.

D. Provisions

Adjustments reflect dividend (including corporate dividend tax), declared and approved post reporting period.

E. Other equity

- Adjustments to retained earnings and other comprehensive income has been made in accordance with Ind AS, for the above mentioned line items.
- In addition, as per Ind-AS 19, actuarial gains and losses are recognized in other comprehensive income as compared to being recognized in the statement of profit and loss under IGAAP.
- Profit on transfer of business between entities under common control which were earlier recognized in statement of profit and loss under IGAAP are adjusted to reserves on transition to Ind AS.

2.2.2 Reconciliation Statement of Profit and Loss as previously reported under IGAAP to Ind AS

(In ₹ crore)

Particulars	Note	Three months ended March 31, 2016			Year ended March 31 2016		
		IGAAP	Effects of transition to Ind-AS	Ind AS	IGAAP	Effects of transition to Ind-AS	Ind AS
Revenue from operations		14,158	-	14,158	53,983	-	53,983
Other income, net	G	778	(5)	773	3,009	(3)	3,006
Total Income		14,936	(5)	14,931	56,992	(3)	56,989
Expenses							
Employee benefit expenses	F	7,300	(3)	7,297	28,206	1	28,207
Deferred consideration pertaining to acquisition	G	-	-	-	110	39	149
Cost of technical sub-contractors		1,191	-	1,191	4,417	-	4,417
Travel expenses		438	-	438	1,655	-	1,655
Cost of software packages and others		223	-	223	1,049	-	1,049
Communication expenses		79	-	79	311	-	311
Consultancy and professional charges		155	-	155	563	-	563
Depreciation and amortisation expenses		315	-	315	1,115	-	1,115
Other expenses	G	523	5	528	1,909	14	1,923
Total expenses		10,224	2	10,226	39,335	54	39,389
Profit before exceptional items and tax		4,712	(7)	4,705	17,657	(57)	17,600
Profit on transfer of business	H	-	-	-	3,036	(3,036)	-
Profit before tax		4,712	(7)	4,705	20,693	(3,093)	17,600
Tax expense:							
Current tax	I	1,308	1	1,309	4,898	-	4,898
Deferred tax		5	-	5	9	-	9
Profit for the period		3,399	(8)	3,391	15,786	(3,093)	12,693
Other comprehensive income							
Items that will not be reclassified subsequently to profit or loss							
Remeasurement of the net defined benefit liability/asset	F	-	(3)	(3)	-	(2)	(2)
		-	(3)	(3)	-	(2)	(2)
Items that will be reclassified subsequently to profit or loss							
		-	-	-	-	-	-
Total other comprehensive income, net of tax		-	(3)	(3)	-	(2)	(2)
Total comprehensive income, for the period		3,399	(11)	3,388	15,786	(3,095)	12,691

Explanations for reconciliation of Statement of Profit and loss as previously reported under IGAAP to Ind AS

F. Employee benefit expenses

- a) As per Ind-AS 19- Employee Benefits, actuarial gains and losses are recognized in other comprehensive income and not reclassified to profit and loss in a subsequent period.
- b) Adjustments reflect unamortised negative past service cost arising on modification of the gratuity plan in an earlier period. Ind AS 19 requires such gains and losses to be adjusted to retained earnings.

G. Deferred and contingent consideration pertaining to acquisition

Adjustments reflect impact of discounting pertaining to deferred consideration and contingent consideration payable for business combinations

H. Reversal of exceptional item

Profit on transfer of business between entities under common control has been reversed and taken to business transfer reserve on account of transition to Ind AS

I. Current tax

Tax component on actuarial gains and losses which is transferred to other comprehensive income under Ind AS

2.2.3 Cash flow statement

There were no significant reconciliation items between cash flows prepared under Indian GAAP and those prepared under Ind AS.

2.3 PROPERTY, PLANT AND EQUIPMENT

Following are the changes in the carrying value of property, plant and equipment for the three months ended March 31, 2017:

(In ₹ crore)

Particulars	Land- Freehold	Land- Leasehold	Buildings ⁽¹⁾⁽²⁾	Plant and machinery ⁽²⁾	Office Equipment ⁽²⁾	Computer equipment ⁽²⁾	Furniture and fixtures ⁽²⁾	Vehicles	Total
Gross carrying value as of January 1, 2017	1,011	659	6,335	1,948	750	3,788	1,225	23	15,739
Additions	82	-	148	74	20	117	56	1	498
Deletions	-	-	-	(3)	(1)	(19)	(4)	-	(27)
Gross carrying value as of March 31, 2017	1,093	659	6,483	2,019	769	3,886	1,277	24	16,210
Accumulated depreciation as of January 1, 2017	-	(25)	(2,321)	(1,226)	(445)	(2,483)	(784)	(12)	(7,296)
Depreciation	-	(1)	(56)	(67)	(28)	(139)	(43)	(2)	(336)
Accumulated depreciation on deletions	-	-	-	3	1	19	4	-	27
Accumulated depreciation as of March 31, 2017	-	(26)	(2,377)	(1,290)	(472)	(2,603)	(823)	(14)	(7,605)
Carrying value as of March 31, 2017	1,093	633	4,106	729	297	1,283	454	10	8,605

Following are the changes in the carrying value of property, plant and equipment for the three months ended March 31, 2016:

(In ₹ crore)

Particulars	Land- Freehold	Land- Leasehold	Buildings ⁽¹⁾⁽²⁾	Plant and machinery ⁽²⁾	Office Equipment ⁽²⁾	Computer equipment ⁽²⁾	Furniture and fixtures ⁽²⁾	Vehicles	Total
Gross carrying value as of January 1, 2016	958	638	6,090	1,613	630	3,226	962	17	14,134
Additions	12	-	83	66	50	287	108	2	608
Deletions	-	-	-	-	(1)	(32)	-	-	(33)
Gross carrying value as of March 31, 2016	970	638	6,173	1,679	679	3,481	1,070	19	14,709
Accumulated depreciation as of January 1, 2016	-	(20)	(2,095)	(986)	(345)	(2,088)	(635)	(10)	(6,179)
Depreciation	-	(1)	(55)	(58)	(25)	(139)	(36)	(1)	(315)
Accumulated depreciation on deletions	-	-	-	-	1	32	-	-	33
Accumulated depreciation as of March 31, 2016	-	(21)	(2,150)	(1,044)	(369)	(2,195)	(671)	(11)	(6,461)
Carrying value as of March 31, 2016	970	617	4,023	635	310	1,286	399	8	8,248

Following are the changes in the carrying value of property, plant and equipment for the year ended March 31, 2017:

(In ₹ crore)

Particulars	Land- Freehold	Land- Leasehold	Buildings ⁽¹⁾⁽²⁾	Plant and machinery ⁽²⁾	Office Equipment ⁽²⁾	Computer equipment ⁽²⁾	Furniture and fixtures ⁽²⁾	Vehicles	Total
Gross carrying value as of April 1, 2016	970	638	6,173	1,679	679	3,481	1,070	19	14,709
Additions	123	21	310	344	122	654	237	6	1,817
Deletions	-	-	-	(4)	(32)	(249)	(30)	(1)	(316)
Gross carrying value as of March 31, 2017	1,093	659	6,483	2,019	769	3,886	1,277	24	16,210
Accumulated depreciation as of April 1, 2016	-	(21)	(2,150)	(1,044)	(369)	(2,195)	(671)	(11)	(6,461)
Depreciation	-	(5)	(227)	(250)	(111)	(572)	(162)	(4)	(1,331)
Accumulated depreciation on deletions	-	-	-	4	8	164	10	1	187
Accumulated depreciation as of March 31, 2017	-	(26)	(2,377)	(1,290)	(472)	(2,603)	(823)	(14)	(7,605)
Carrying value as of March 31, 2017	1,093	633	4,106	729	297	1,283	454	10	8,605

Following are the changes in the carrying value of property, plant and equipment for the year ended March 31, 2016:

(In ₹ crore)

Particulars	Land- Freehold	Land- Leasehold	Buildings ⁽¹⁾⁽²⁾	Plant and machinery ⁽²⁾	Office Equipment ⁽²⁾	Computer equipment ⁽²⁾	Furniture and fixtures ⁽²⁾	Vehicles	Total
Gross carrying value as of April 1, 2015	929	621	5,733	1,361	525	2,812	832	14	12,827
Additions	41	17	440	319	155	945	241	5	2,163
Deletions	-	-	-	(1)	(1)	(276)	(3)	-	(281)
Gross carrying value as of March 31, 2016	970	638	6,173	1,679	679	3,481	1,070	19	14,709
Accumulated depreciation as of April 1, 2015	-	(16)	(1,937)	(838)	(280)	(1,852)	(549)	(8)	(5,480)
For the period	-	(5)	(213)	(207)	(90)	(472)	(125)	(3)	(1,115)
Deduction / Adjustments during the period	-	-	-	1	1	129	3	-	134
Accumulated depreciation as of March 31, 2016	-	(21)	(2,150)	(1,044)	(369)	(2,195)	(671)	(11)	(6,461)
Carrying value as of March 31, 2016	970	617	4,023	635	310	1,286	399	8	8,248
Carrying value as of April 1, 2015	929	605	3,796	523	245	960	283	6	7,347

⁽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, 2016, computer equipment having net book value of ₹20 crore was transferred to EdgeVerve (Refer note 2.5.3)

Gross carrying of leasehold land represents amounts paid under certain lease-cum-sale agreements to acquire land including agreements where the Company has an option to purchase or renew the properties on expiry of the lease period.

The aggregate depreciation has been included under depreciation and amortisation expense in the Statement of Profit and Loss.

Tangible assets provided on operating lease to subsidiaries as at March 31, 2017 and March 31, 2016 are as follows:

(In ₹ crore)			
Particulars	Cost	Accumulated depreciation	Net book value
Buildings	197	82	115
	197	75	122
Plant and machinery	33	19	14
	33	14	19
Furniture and fixtures	25	16	9
	25	12	13
Computer Equipment	3	2	1
	3	2	1
Office equipment	18	10	8
	18	7	11

The aggregate depreciation charged on the above assets during the three months ended March 31, 2017 and March 31, 2016 amounted to ₹4 crore and ₹6 crore respectively, and ₹19 crore each for the year ended March 31, 2017 and March 31, 2016.

The rental income from subsidiaries for the three months ended March 31, 2017 and March 31, 2016 amounted to ₹16 crore each, and ₹65 crore and ₹51 crore for the year ended March 31, 2017 and March 31, 2016 respectively.

2.4 Intangible assets

Following are the changes in the carrying value of acquired intangible assets for the three months ended March 31, 2017:

(In ₹ crore)			
Particulars	Sub-contracting rights related	Others	Total
Gross carrying value as of January 1, 2017	21	9	30
Additions	-	-	-
Deletion	-	-	-
Gross carrying value as of March 31, 2017	21	9	30
Accumulated amortization as of January 1, 2017	(21)	(9)	(30)
Amortization expense	-	-	-
Deletion	-	-	-
Accumulated amortization as of March 31, 2017	(21)	(9)	(30)
Carrying value as of March 31, 2017	-	-	-

Following are the changes in the carrying value of acquired intangible assets for the three months ended March 31, 2016:

(In ₹ crore)			
Particulars	Intellectual property rights related	Sub-contracting rights related	Others
Gross carrying value as of January 1, 2016	-	21	9
Additions	-	-	-
Deletion	-	-	-
Gross carrying value as of March 31, 2016	-	21	9
Accumulated amortization as of January 1, 2016	-	(21)	(9)
Amortization expense	-	-	-
Deletion	-	-	-
Accumulated amortization as of March 31, 2016	-	(21)	(9)
Carrying value as of March 31, 2016	-	-	-

Following are the changes in the carrying value of acquired intangible assets for the year ended March 31, 2017:

(In ₹ crore)			
Particulars	Sub-contracting rights related	Others	Total
Gross carrying value as of April 1, 2016	21	9	30
Additions	-	-	-
Deletion	-	-	-
Gross carrying value as of March 31, 2017	21	9	30
Accumulated amortization as of April 1, 2016	(21)	(9)	(30)
Amortization expense	-	-	-
Deletion	-	-	-
Accumulated amortization as of March 31, 2017	(21)	(9)	(30)
Carrying value as of March 31, 2017	-	-	-

Following are the changes in the carrying value of acquired intangible assets for the year ended March 31, 2016:

(In ₹ crore)			
Particulars	Intellectual property rights related	Sub-contracting rights related	Others
Gross carrying value as of April 1, 2015	12	21	9
Additions	-	-	-
Deletion/Retirement	(12)	-	-
Gross carrying value as of March 31, 2016	-	21	9
Accumulated amortization as of April 1, 2015	(12)	(21)	(9)
Amortization expense	-	-	-
Deletion/Retirement	12	-	-
Accumulated amortization as of March 31, 2016	-	(21)	(9)
Carrying value as of March 31, 2016	-	-	-
Carrying value as of April 1, 2015	-	-	-

Research and development expense recognized in net profit in the statement of profit and loss for the three months ended March 31, 2017 and March 31, 2016 is ₹72 crore and ₹92 crore, respectively and ₹351 crore and ₹384 crore for the year ended March 31, 2017 and March 31, 2016.

2.5 INVESTMENTS

(In ₹ crore)

Particulars	As at		
	March 31, 2017	March 31, 2016	April 1, 2015
Non-current investments			
Equity instruments of subsidiaries	7,305	6,901	4,873
Debentures of subsidiary	2,129	2,549	-
Preference securities and equity investments	132	93	1
Others	3	-	-
Tax free bonds	1,833	1,533	1,234
Fixed maturity plans	357	-	-
Non convertible debentures	3,575	-	-
	15,334	11,076	6,108
Current investments			
Liquid mutual fund units	1,755	-	749
Fixed maturity plans	151	-	-
Certificate of deposits	7,635	-	-
Government bonds	-	2	-
Non convertible debentures	102	-	-
	9,643	2	749
Total carrying value	24,977	11,078	6,857

in ₹ crore, except as otherwise stated

Particulars	As at	
	March 31, 2017	March 31, 2016
Non-current investments		
Unquoted		
Investment carried at cost		
Investments in equity instruments of subsidiaries		
Infosys BPO Limited	659	659
3,38,22,319 (3,38,22,319) equity shares of ₹10/- each, fully paid		
Infosys Technologies (China) Co. Limited	236	169
Infosys Technologies (Australia) Pty Limited	66	66
1,01,08,869 (1,01,08,869) equity shares of AUD 0.11 par value, fully paid		
Infosys Technologies, S. de R.L. de C.V., Mexico	65	65
17,49,99,990 (17,49,99,990) equity shares of MXN 1 par value, fully paid up		
Infosys Technologies (Sweden) AB	76	-
1,000 (1,000) equity shares of SEK 100 par value, fully paid		
Infosys Tecnologia do Brasil Ltda	149	149
5,91,24,348 (5,91,24,348) shares of BRL 1.00 par value, fully paid		
Infosys Technologies (Shanghai) Company Limited	826	646
Infosys Public Services, Inc.	99	99
3,50,00,000 (3,50,00,000) shares of USD 0.50 par value, fully paid		
Infosys Consulting Holding AG (formerly Lodestone Holding AG)	1,323	1,323
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		
Infosys Americas Inc.	1	1
10,000 (10,000) shares of USD 10 per share, fully paid up		
EdgeVerve Systems Limited (refer note 2.5.3)	1,312	1,312
131,18,40,000 (131,18,40,000) equity shares of ₹10/- each, fully paid		
Panaya Inc.	1,398	1,398
2 (2) shares of USD 0.01 per share, fully paid up		
Infosys Nova Holdings LLC	94	94
Kallidus Inc. (refer note 2.5.2)	619	619
10,21,35,416 (10,21,35,416) shares		
Skava Systems Private Limited (refer note 2.5.2)	59	59
25,000 (25,000) shares of ₹10 per share, fully paid up		
Noah Consulting LLC (refer note 2.5.1)	313	242
Infosys Consulting Pte Ltd (formerly Lodestone Management Consultants Pte Ltd)	10	-
10,990,000 (Nil) shares of SGD 1.00 par value, fully paid		
	7,305	6,901
Investment carried at amortised cost		
Investment in debentures of subsidiary		
EdgeVerve Systems Limited (refer note 2.5.3)		
21,29,00,000 (25,49,00,000) Unsecured redeemable, non-convertible debentures of ₹ 100 each fully paid up	2,129	2,549
	2,129	2,549
	9,434	9,450
Investments carried at fair value through profit or loss		
Others	3	-
	3	-
Investment carried at fair value through other comprehensive income (FVOCI) (refer note 2.5.5)		
Preference securities	131	92
Equity instruments	1	1
	132	93
Quoted		
Investments carried at amortized cost		
Tax free bonds (refer note 2.5.6)	1,833	1,533
	1,833	1,533
Investments carried at fair value through profit or loss		
Fixed Maturity Plans (refer note 2.5.7)	357	-
	357	-
Investments carried at fair value through other comprehensive income (refer note 2.5.8)		
Non convertible debentures	3,575	-
	3,575	-
Total non-current investments	15,334	11,076

Current investments

Unquoted

Investments carried at fair value through profit or loss (refer note 2.5.7)

Liquid mutual fund units	1,755	-
Fixed Maturity Plans	151	-
	1,906	-

Investments carried at fair value through other comprehensive income

Certificate of Deposits (refer note 2.5.8)	7,635	-
	7,635	-

Quoted

Investments carried at amortized cost

Government bonds (refer note 2.5.6)	-	2
	-	2

Investments carried at fair value through other comprehensive income (refer note 2.5.8)

Non convertible debentures	102	-
	102	-

Total current investments	9,643	2
Total investments	24,977	11,078
Aggregate amount of quoted investments	5,867	1,535
Market value of quoted investments (including interest accrued)	6,327	1,627
Aggregate amount of unquoted investments	19,110	9,543
Aggregate amount of impairment in value of investments	-	6
Investments carried at cost	7,305	6,901
Investments carried at amortised cost	3,962	4,084
Investments carried at fair value through other comprehensive income	11,444	93
Investments carried at fair value through profit or loss	2,266	-

2.5.1 Investment in Noah Consulting LLC

On November 16, 2015, Infosys has acquired 100% membership interest in Noah Consulting , LLC (Noah), 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). The payment of contingent consideration to the sellers of Noah was dependent upon the achievement of certain financial targets by Noah for the year ended December 31, 2015 and December 31, 2016. During the three months ended March 31, 2016 based on the assessment of Noah achieving the targets for the respective periods, the entire contingent consideration was reversed.

2.5.2 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 \$91 million (approximately ₹ 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. During the year ended March 31, 2017 contingent consideration of ₹40 crore was paid to the sellers of Kallidus on the achievement of certain financial targets.

2.5.3 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 were transferred and accordingly a gain of ₹412 crore had been recorded as an exceptional item under previous GAAP. On adoption of Ind AS, the same has been reversed from retained earnings and transferred to 'Business Transfer Adjustment Reserve', in accordance with Ind AS 103 which requires common control transactions to be recorded at book values. 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 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) were transferred and accordingly a gain of ₹3,036 crore had been recorded as an exceptional item under previous GAAP. On adoption of Ind AS, the same has been reversed from retained earnings and transferred to 'Business Transfer Adjustment Reserve' under retained earnings, in accordance with Ind AS 103 which requires common control transactions to be recorded at book values.

The consideration was settled through issue of 850,000,000 equity shares amounting to ₹850 crore and 254,900,000 non-convertible redeemable debentures amounting to ₹2,549 crore in EdgeVerve, post the requisite approval from shareholders on December 11, 2015. During the year ended March 31, 2017 EdgeVerve had repaid ₹420 crore by redeeming proportionate number of debentures.

2.5.4 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 was payable to the selling shareholders of Lodestone on the third anniversary of the acquisition date and was contingent upon their continued employment for a period of three years. The investment in Lodestone was recorded at the acquisition cost and the deferred consideration was being recognized on a proportionate basis over a period of three years from the date of acquisition. During the year ended March 31, 2016, the liability towards deferred consideration was settled.

2.5.5 Details of Investments

The details of investments in preference, equity securities and others as at March 31, 2017 and March 31, 2016 are as follows:

Particulars	As at	
	March 31, 2017	March 31, 2016
<i>(In ₹ crore)</i>		
<u>Preference Securities</u>		
Airviz Inc.		
2,82,279 (2,82,279) Series A Preferred Stock, fully paid up, par value USD 0.001 each	9	13
ANSR Consulting		
52,631 (52,631) Series A Preferred Stock, fully paid up, par value USD 0.001 each	10	9
Whoop Inc.		
16,48,352 (16,48,352) Series B Preferred Stock, fully paid up, par value USD 0.0001 each	15	20
CloudEndure Ltd.		
25,59,290 (12,79,645) Preferred Series B Shares, fully paid up, par value ILS 0.01 each	37	13
Nivetti Systems Private Limited		
2,28,501 (2,28,501) Preferred Stock, fully paid up, par value ₹1 each	10	10
Waterline Data Science, Inc		
39,33,910 (39,33,910) Preferred Series B Shares, fully paid up, par value USD 0.00001 each	24	27
Trifacta Inc.		
11,80,358 (Nil) Preferred Stock	26	-
<u>Equity Instrument</u>		
OnMobile Systems Inc., USA		
21,54,100 (21,54,100) common stock at USD 0.4348 each, fully paid up, par value USD 0.001 each	-	-
Merasport Technologies Private Limited		
2,420 (2,420) equity shares at ₹ 8,052/- each, fully paid up, par value ₹10/- each	-	-
Global Innovation and Technology Alliance		
15,000 (15,000) equity shares at ₹1,000/- each, fully paid up, par value ₹1,000/- each	1	1
<u>Others</u>		
Stellaris Venture Partners India I	3	-
	135	93

2.5.6 Details of Investments in tax free bonds and government bonds

The balances held in tax free bonds as at March 31, 2017 and March 31, 2016 is as follows:

in ₹ crore, except as otherwise stated

Particulars	Face Value ₹	As at March 31, 2017		As at March 31, 2016	
		Units	Amount	Units	Amount
7.04% Indian Railway Finance Corporation Limited Bonds 03MAR2026	10,00,000/-	470	50	-	-
7.16% Power Finance Corporation Ltd. Bonds 17JUL2025	10,00,000/-	1,000	107	-	-
7.18% Indian Railway Finance Corporation Limited Bonds 19FEB2023	1,000/-	2,000,000	201	2,000,000	201
7.28% Indian Railway Finance Corporation Limited Bonds 21DEC2030	1,000/-	422,800	42	422,800	42
7.28% National Highways Authority of India Bonds 18SEP2030	10,00,000/-	3,300	343	2,000	200
7.34% Indian Railway Finance Corporation Limited Bonds 19FEB2028	1,000/-	2,100,000	211	2,100,000	211
7.35% National Highways Authority of India Bonds 11JAN2031	1,000/-	571,396	57	571,396	57
7.93% Rural Electrification Corporation Limited Bonds 27MAR2022	1,000/-	200,000	21	200,000	21
8.10% Indian Railway Finance Corporation Limited Bonds 23FEB2027	1,000/-	500,000	53	500,000	53
8.26% India Infrastructure Finance Company Limited Bonds 23AUG2028	10,00,000/-	1,000	100	1,000	100
8.30% National Highways Authority of India Bonds 25JAN2027	1,000/-	500,000	53	500,000	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/-	500,000	50	500,000	50
		6,805,416	1,833	6,802,646	1,533

The balances held in government bonds as at March 31, 2017 and March 31, 2016 is as follows:

(In ₹ crore)

Particulars	Face Value PHP	As at March 31, 2017		As at March 31, 2016	
		Units	Amount	Units	Amount
Treasury Notes PHY6972FW G18 MAT Date 22 Feb 2017	100	-	-	150,000	2
		-	-	1,50,000	2

2.5.7 Details of investments in liquid mutual fund units and Fixed Maturity Plans

The balances held in liquid mutual fund as at March 31, 2017 is as follows:

in ₹ crore

Particulars	As at March 31, 2017	
	Units	Amount
Birla Sun Life Cash Plus Growth Direct Plan	13,397,873	350
ICICI Prudential Liquid Direct Plan Growth	10,388,743	250
IDFC Cash Fund Growth (Direct Plan)	1,265,679	250
Kotak Low Duration Fund Direct Growth (Ultra Short Term)	1,502,564	305
L&T Liquid Fund Direct Plan Growth	672,806	150
Reliance Liquid Fund- Treasury Plan- Direct Growth Plan- Growth Option	882,465	350
SBI Premier Liquid Fund Direct Plan Growth	391,909	100
	2,85,02,039	1,755

The balances held in Fixed Maturity Plans as at March 31, 2017 is as follows:

Particulars	in ₹ crore	
	As at March 31, 2017	
	Units	Amount
Birla Sun Life Fixed Term Plan -Series OD 1145 Days -GR direct	50,000,000	51
Birla Sun Life Fixed Term Plan -Series OE 1153 Days -GR direct	25,000,000	25
HDFC FMP 1155D Feb 2017-Direct Growth Series 37	28,000,000	28
HDFC FMP 1169D Feb 2017 -Direct-Quarterly Dividend -Series 37	45,000,000	45
ICICI FMP Series 80-1194 D Plan F Div	40,000,000	40
ICICI Prudential Fixed maturity Plan Series 80-1187 Days Plan G direct Plan	42,000,000	42
ICICI Prudential Fixed Maturity Plan series 80-1253 Days Plan J Direct Plan	30,000,000	30
IDFC Fixed Term Plan Series 129 direct Plan-Growth 1147 Days	10,000,000	10
IDFC Fixed Term Plan Series 131 direct Plan-Growth 1139 Days	15,000,000	15
Kotak FMP Series 199 Direct -Growth	35,000,000	36
Reliance Fixed Horizon Fund-XXXII Series 8-Dividend Plan	35,000,000	35
Reliance Yearly Interval Fund Series -1-Direct Plan-Growth Plan	106,906,898	151
	46,19,06,898	508

2.5.8 Details of investments in Non convertible debentures and Certificate of Deposits

The balances held in non convertible debenture as at March 31, 2017 is as follows:

in ₹ crore, except as otherwise stated

Particulars	As at March 31, 2017		
	Face Value ₹	Units	Amount
7.48% Housing Development Finance Corporation Ltd 18NOV2019	10,000,000/-	50	52
7.58% LIC Housing Finance Ltd 28FEB2020	1,000,000/-	1,000	100
7.58% LIC Housing Finance Ltd 11JUN2020	1,000,000/-	500	51
7.59% LIC Housing Finance Ltd 14OCT2021	1,000,000/-	3,000	309
7.75% LIC Housing Finance Ltd 27AUG2021	1,000,000/-	1,250	129
7.79% LIC Housing Finance Ltd 19JUN2020	1,000,000/-	500	52
7.80% Housing Development Finance Corporation Ltd 11NOV2019	10,000,000/-	150	155
7.81% LIC Housing Finance Ltd 27APR2020	1,000,000/-	2,000	208
7.95% Housing Development Finance Corporation Ltd 23SEP2019	10,000,000/-	50	53
8.02% LIC Housing Finance Ltd 18FEB2020	1,000,000/-	500	51
8.26% Housing Development Finance Corporation Ltd 12AUG2019	10,000,000/-	100	106
8.34% Housing Development Finance Corporation Ltd 06MAR2019	10,000,000/-	200	217
8.37% LIC Housing Finance Ltd 03OCT2019	1,000,000/-	2,000	218
8.37% LIC Housing Finance Ltd 10MAY2021	1,000,000/-	500	55
8.43% IDFC Bank Limited 30JAN2018	1,000,000/-	1,000	102
8.46% Housing Development Finance Corporation Ltd 11MAR2019	10,000,000/-	50	54
8.47% LIC Housing Finance Ltd 21JAN2020	1,000,000/-	500	52
8.50% Housing Development Finance Corporation Ltd 31AUG2020	10,000,000/-	50	54
8.54% IDFC Bank Limited 30MAY2018	1,000,000/-	1,500	182
8.59% Housing Development Finance Corporation Ltd 14JUN2019	10,000,000/-	50	51
8.60% LIC Housing Finance Ltd 29JUL2020	1,000,000/-	1,400	152
8.61% LIC Housing Finance Ltd 11DEC2019	1,000,000/-	1,000	104
8.66% IDFC Bank Limited 25JUN2018	1,000,000/-	1,520	184
8.72% Housing Development Finance Corporation Ltd 15APR2019	10,000,000/-	75	77
8.75% Housing Development Finance Corporation Ltd 13JAN2020	500,000/-	5,000	260
8.75% LIC Housing Finance Ltd 14JAN2020	1,000,000/-	1,070	112
8.75% LIC Housing Finance Ltd 21DEC2020	1,000,000/-	1,000	104
8.97% LIC Housing Finance Ltd 29OCT2019	1,000,000/-	500	53
9.45% Housing Development Finance Corporation Ltd 21AUG2019	1,000,000/-	3,000	327
9.65% Housing Development Finance Corporation Ltd 19JAN2019	1,000,000/-	500	53
	30,015	3,677	

The balances held in Certificate of Deposits as at March 31, 2017 is as follows:

in ₹ crore, except as otherwise stated

Particulars	As at March 31, 2017		
	Face Value ₹	Units	Amount
Andhra Bank	100,000/-	35,000	344
Axis Bank	100,000/-	293,600	2,800
Corporation Bank	100,000/-	33,500	327
DBS Bank	100,000/-	5,000	49
ICICI Bank Limited	100,000/-	42,500	413
IDFC Bank	100,000/-	135,000	1,281
IndusInd Bank	100,000/-	106,400	1,011
Kotak Bank	100,000/-	74,000	704
Vijaya Bank	100,000/-	14,000	137
Yes Bank	100,000/-	60,000	569
	799,000	7,635	

2.6 LOANS

(In ₹ crore)

Particulars	As at		
	March 31, 2017	March 31, 2016	April 1, 2015
Non- Current			
Unsecured, considered good			
Other Loans			
Loans to employees	5	5	4
	<u>5</u>	<u>5</u>	<u>4</u>
Unsecured, considered doubtful			
Loans to employees	17	13	10
	<u>22</u>	<u>18</u>	<u>14</u>
Less: Allowance for doubtful loans to employees	17	13	10
	<u>5</u>	<u>5</u>	<u>4</u>
Current			
Unsecured, considered good			
Loans to subsidiaries (Refer note 2.25)	69	91	24
Other Loans			
Loans to employees	241	264	201
	<u>310</u>	<u>355</u>	<u>225</u>
Total Loans	<u>315</u>	<u>360</u>	<u>229</u>

2.7 OTHER FINANCIAL ASSETS

(In ₹ crore)

Particulars	As at		
	March 31, 2017	March 31, 2016	April 1, 2015
Non-current			
Security deposits ⁽¹⁾	81	73	65
Rental deposits ⁽¹⁾⁽⁴⁾	135	119	45
	<u>216</u>	<u>192</u>	<u>110</u>
Current			
Security deposits ⁽¹⁾	2	1	1
Rental deposits ⁽¹⁾	2	2	6
Restricted deposits ⁽¹⁾	1,309	1,154	1,039
Unbilled revenues ⁽¹⁾⁽⁵⁾	3,200	2,673	2,423
Interest accrued but not due ⁽¹⁾	514	696	433
Foreign currency forward and options contracts ⁽²⁾⁽³⁾	268	109	94
Others ⁽¹⁾⁽⁶⁾	108	166	49
	<u>5,403</u>	<u>4,801</u>	<u>4,045</u>
Total	<u>5,619</u>	<u>4,993</u>	<u>4,155</u>
⁽¹⁾ Financial assets carried at amortized cost	5,351	4,884	4,061
⁽²⁾ Financial assets carried at fair value through other comprehensive income	52	-	-
⁽³⁾ Financial assets carried at fair value through Profit or Loss	216	109	94
⁽⁴⁾ Includes dues from subsidiaries (Refer note 2.25)	-	21	21
⁽⁵⁾ Includes dues from subsidiaries (Refer note 2.25)	47	20	6
⁽⁶⁾ Includes dues from subsidiaries (Refer note 2.25)	18	24	43

Restricted deposits represent deposit with financial institutions to settle employee related obligations as and when they arise during the normal course of business.

2.8 TRADE RECEIVABLES ⁽¹⁾

(In ₹ crore)

Particulars	As at		
	March 31, 2017	March 31, 2016	April 1, 2015
Current			
Unsecured			
Considered good ⁽²⁾	10,960	9,798	8,627
Considered doubtful	289	249	322
	<u>11,249</u>	<u>10,047</u>	<u>8,949</u>
Less: Allowances for credit losses	289	249	322
	<u>10,960</u>	<u>9,798</u>	<u>8,627</u>
⁽¹⁾ Includes dues from companies where directors are interested	1	1	6
⁽²⁾ Includes dues from subsidiaries (refer note 2.25)	235	244	309

2.9 CASH AND CASH EQUIVALENTS

(In ₹ crore)

Particulars	As at		
	March 31, 2017	March 31, 2016	April 1, 2015
Balances with banks			
In current and deposit accounts	12,222	24,276	23,722
Cash on hand	-	-	-
Others			
Deposits with financial institution	6,931	4,900	4,000
	19,153	29,176	27,722
<i>Balances with banks in unpaid dividend accounts</i>	17	5	3
<i>Deposit with more than 12 months maturity</i>	6,765	237	182
<i>Balances with banks held as margin money deposits against guarantees</i>	394	336	185

Cash and cash equivalents as of March 31, 2017, March 31, 2016 and April 1, 2015 include restricted cash and bank balances of ₹ 411 crore, ₹341 crore, ₹188 crore, respectively. The restrictions are primarily on account of bank balances held as margin money deposits against guarantees and balances held in unpaid dividends bank accounts.

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

The details of balances as on balance sheet dates with banks are as follows:

(In ₹ crore)

Particulars	As at	
	March 31, 2017	March 31, 2016
In current accounts		
ANZ Bank, Taiwan	3	13
Bank of America, USA	769	563
BNP Paribas Bank, Norway	7	-
Citibank N.A., Australia	8	24
Citibank N.A., India	2	1
Citibank N.A., Dubai	1	1
Citibank N.A., EEFC (U.S. Dollar account)	1	-
Citibank N.A., Hungary	3	-
Citibank N.A., Japan	12	15
Citibank N.A., New Zealand	6	2
Citibank N.A., South Africa	9	4
Citibank N.A., South Korea	1	-
Deutsche Bank, Philippines	4	11
Deutsche Bank, India	9	4
Deutsche Bank, EEFC (Euro account)	11	17
Deutsche Bank, EEFC (United Kingdom Pound Sterling account)	8	8
Deutsche Bank, EEFC (Australian Dollar account)	38	2
Deutsche Bank, EEFC (U.S. Dollar account)	73	95
Deutsche Bank, EEFC (Swiss Franc account)	2	2
Deutsche Bank, Belgium	10	59
Deutsche Bank, France	8	10
Deutsche Bank, Germany	48	17
Deutsche Bank, Netherlands	2	4
Deutsche Bank, Russia (U.S. Dollar account)	1	1
Deutsche Bank, Russia	3	2
Deutsche Bank, Singapore	6	4
Deutsche Bank, Switzerland	5	1
Deutsche Bank, Switzerland (U.S. Dollar Account)	1	-
Deutsche Bank, United Kingdom	25	170
Deutsche Bank, Malaysia	7	9
HSBC Bank, Hong Kong	1	1
ICICI Bank, India	40	57
ICICI Bank, EEFC (U.S. Dollar account)	3	10
Nordbanken, Sweden	22	5
Punjab National Bank, India	6	4
Royal Bank of Canada, Canada	5	24
State Bank of India	6	7
	1,166	1,147

(In ₹ crore)

Particulars	As at	
	March 31, 2017	March 31, 2016
In deposit accounts		
Andhra Bank	-	848
Axis Bank	945	1,170
Barclays Bank	825	-
Canara Bank	-	1,861
Central Bank of India	-	1,518
Corporation Bank	-	1,185
HDFC Bank	349	2,500
HSBC Bank	500	-
ICICI Bank	4,351	3,755
IDBI Bank	1,750	1,750
Indusind Bank	191	250
Indian Overseas Bank	-	1,000
Jammu & Kashmir Bank	-	25
Kotak Mahindra Bank	500	492
Oriental Bank of Commerce	-	1,967
South Indian Bank	200	-
Standard Chartered Bank	500	-
State Bank of India	-	2,310
Syndicate Bank	49	1,250
Union Bank of India	-	7
Vijaya Bank	-	200
Yes Bank	485	700
	10,645	22,788
In unpaid dividend accounts		
Axis Bank - Unpaid dividend account	2	2
HDFC Bank - Unpaid dividend account	2	1
ICICI Bank - Unpaid dividend account	13	2
	17	5
In margin money deposits against guarantees		
Canara Bank	177	132
ICICI Bank	217	147
State Bank of India	-	57
	394	336
Deposits with financial institution		
HDFC Limited	6,231	4,900
LIC Housing Finance Limited	700	-
	6,931	4,900
Total cash and cash equivalents as per Balance Sheet	19,153	29,176

2.10 OTHER ASSETS

(In ₹ crore)

Particulars	As at		
	March 31, 2017	March 31, 2016	April 1, 2015
Non-current			
Capital advances	562	333	316
Advances other than capital advance			
Prepaid gratuity (Refer note 2.22)	56	2	26
Others			
Prepaid expenses	95	87	7
Deferred contract cost	283	333	-
	996	755	349
Current			
Advances other than capital advance			
Payment to vendors for supply of goods	87	58	60
Others			
Prepaid expenses ⁽¹⁾	387	209	71
Deferred contract cost	74	48	-
Withholding taxes and others	1,665	1,650	1,253
	2,213	1,965	1,384
Total other assets	3,209	2,720	1,733
⁽¹⁾ Includes dues from subsidiaries (Refer note 2.25)	56	43	-

Deferred contract costs are upfront costs incurred for the contract and are amortized over the term of the contract. Withholding taxes and others primarily consist of input tax credits.

2.11 FINANCIAL INSTRUMENTS

Financial instruments by category

The carrying value and fair value of financial instruments by categories as of March 31, 2017 were as follows:

(In ₹ crore)							
Particulars	Amortised cost	Financial assets/ liabilities at fair value through profit or loss		Financial assets/liabilities at fair value through OCI		Total carrying value	Total fair value
		Designated upon initial recognition	Mandatory	Equity instruments designated upon initial recognition	Mandatory		
Assets:							
Cash and cash equivalents (Refer Note 2.9)	19,153	-	-	-	-	19,153	19,153
Investments (Refer note 2.5)							
Equity and preference securities and others	-	-	3	132	-	135	135
Tax free bonds and government bonds	1,833	-	-	-	-	1,833	2,142 *
Liquid mutual fund units	-	-	1,755	-	-	1,755	1,755
Redeemable, non-convertible debentures ⁽¹⁾	2,129	-	-	-	-	2,129	2,129
Fixed maturity plans	-	-	508	-	-	508	508
Certificate of deposits	-	-	-	-	7,635	7,635	7,635
Non convertible debentures	-	-	-	-	3,677	3,677	3,677
Trade receivables (Refer Note 2.8)	10,960	-	-	-	-	10,960	10,960
Loans (Refer note 2.6)	315	-	-	-	-	315	315
Other financial assets (Refer Note 2.7)	5,351	-	216	-	52	5,619	5,619
Total	39,741	-	2,482	132	11,364	53,719	
Liabilities:							
Trade payables (Refer Note 2.14)	269	-	-	-	-	269	269
Other financial liabilities (Refer Note 2.13)	3,867	-	87	-	-	3,954	3,954
Total	4,136	-	87	-	-	4,223	

The carrying value and fair value of financial instruments by categories as of March 31, 2016 were as follows:

Particulars	Amortised cost	Financial assets/ liabilities at fair value through profit or loss		Financial assets/liabilities at fair value through OCI		Total carrying value	Total fair value
		Designated upon initial recognition	Mandatory	Equity instruments designated upon initial recognition	Mandatory		
(In ₹ crore)							
Assets:							
Cash and cash equivalents (Refer Note 2.9)	29,176	-	-	-	-	29,176	29,176
Investments (Refer Note 2.5)							
Equity and preference securities	-	-	-	93	-	93	93
Tax free bonds and government bonds	1,535	-	-	-	-	1,535	1,627 *
Redeemable, non-convertible debentures ⁽¹⁾	2,549	-	-	-	-	2,549	2,549
Trade receivables (Refer Note 2.8)	9,798	-	-	-	-	9,798	9,798
Loans (Refer note 2.6)	360	-	-	-	-	360	360
Other financial assets (Refer Note 2.7)	4,884	-	109	-	-	4,993	4,993
Total	48,302	-	109	93	-	48,504	
Liabilities:							
Trade payables (Refer note 2.14)	623	-	-	-	-	623	623
Other financial liabilities (Refer Note 2.13)	3,947	-	117	-	-	4,064	4,064
Total	4,570	-	117	-	-	4,687	

⁽¹⁾ The carrying value of debentures approximates fair value as the instruments are at prevailing market rates

The carrying value and fair value of financial instruments by categories as of April 1, 2015 were as follows:

(In ₹ crore)							
Particulars	Amortised cost	Financial assets/ liabilities at fair value through profit or loss		Financial assets/liabilities at fair value through OCI		Total carrying value	Total fair value
		Designated upon initial recognition	Mandatory	Equity instruments designated upon initial recognition	Mandatory		
Assets:							
Cash and cash equivalents (Refer Note 2.9)	27,722	-	-	-	-	27,722	27,722
Investments (Refer Note 2.5)							
Equity and preference securities	-	-	-	1	-	1	1
Bonds and government bonds	1,234	-	-	-	-	1,234	1,269
Liquid mutual fund units	-	-	749	-	-	749	749
Trade receivables (Refer Note 2.8)	8,627	-	-	-	-	8,627	8,627
Loans (Refer note 2.6)	229	-	-	-	-	229	229
Other financial assets (Refer Note 2.7)	4,061	-	94	-	-	4,155	4,155
Total	41,873	-	843	1	-	42,717	
Liabilities:							
Trade payables (Refer note 2.14)	124	-	-	-	-	124	124
Other financial liabilities (Refer Note 2.13)	3,967	-	-	-	-	3,967	3,967
Total	4,091	-	-	-	-	4,091	

* On account of fair value changes including interest accrued

Fair value hierarchy

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

The following table presents fair value hierarchy of assets and liabilities measured at fair value on a recurring basis as of March 31, 2017:

Particulars	As of March 31, 2017	(In ₹ crore)		
		Fair value measurement at end of the reporting period/year using		
		Level 1	Level 2	Level 3
Assets				
Investments in liquid mutual fund units (Refer Note 2.5)	1,755	1,755	-	-
Investments in tax free bonds (Refer Note 2.5)	2,142	206	1,936	-
Investments in government bonds (Refer Note 2.5)	-	-	-	-
Investments in equity instruments (Refer Note 2.5)	1	-	-	1
Investments in preference securities (Refer Note 2.5)	131	-	-	131
Investments in fixed maturity plans (Refer Note 2.5)	508	-	508	-
Investments in certificate of deposits (Refer Note 2.5)	7,635	-	7,635	-
Investments in non convertible debentures (Refer Note 2.5)	3,677	3,160	517	-
Others (Refer Note 2.5)	3	-	-	3
Derivative financial instruments - foreign currency forward and option contracts (Refer Note 2.7)	268	-	268	-
Liabilities				
Derivative financial instruments - foreign currency forward and option contracts (Refer Note 2.13)	2	-	2	-
Liability towards contingent consideration (Refer note 2.13)*	85	-	-	85

*Discounted \$14 million (approximately ₹91 crore) at 14.2%

During the year ended March 31, 2017, tax free bonds of ₹115 crore were transferred from Level 1 to Level 2 of fair value hierarchy, since these were valued based on market observable inputs

The following table presents fair value hierarchy of assets and liabilities measured at fair value on a recurring basis as of March 31, 2016:

Particulars	As of March 31, 2016	(In ₹ crore)		
		Fair value measurement at end of the reporting period/year using		
		Level 1	Level 2	Level 3
Assets				
Investments in tax free bonds (Refer Note 2.5)	1,625	298	1,327	-
Investments in government bonds (Refer Note 2.5)	2	2	-	-
Investments in equity instruments (Refer Note 2.5)	1	-	-	1
Investments in preference securities (Refer Note 2.5)	92	-	-	92
Derivative financial instruments - foreign currency forward and option contracts (Refer note 2.7)	109	-	109	-
Liabilities				
Derivative financial instruments - foreign currency forward and option contracts (Refer note 2.13)	2	-	2	-
Liability towards contingent consideration (Refer note 2.13)*	115	-	-	115

*Discounted \$20 million (approximately ₹132 crore) at 13.7%

The following table presents fair value hierarchy of assets and liabilities measured at fair value on a recurring basis as of April 1, 2015:

Particulars	As of April 1, 2015	(In ₹ crore)		
		Fair value measurement at end of the reporting period/year using		
		Level 1	Level 2	Level 3
Assets				
Investments in liquid mutual fund units (Refer Note 2.5)	749	749	-	-
Investments in tax free bonds (Refer Note 2.5)	1,269	533	736	-
Investments in equity instruments (Refer Note 2.5)	1	-	-	1
Derivative financial instruments - foreign currency forward and option contracts (Refer note 2.7)	94	-	94	-
Liabilities				
Derivative financial instruments - foreign currency forward and option contracts (Refer note 2.13)	-	-	-	-

A one percentage point change in the unobservable inputs used in fair valuation of the contingent consideration does not have a significant impact in its value.

The movement in contingent consideration as of March 31, 2017 from March 31, 2016 is on account of settlement of contingent consideration of ₹40 crore and change in discount rates and passage of time.

The fair value of liquid mutual funds is based on quoted price. The fair value of tax free bonds and government bonds is based on quoted prices and market observable inputs. The fair value of non-convertible debentures is based on quoted prices and market observable inputs. The fair value of fixed maturity plan securities and certificates of deposit is based on market observable inputs. Derivative financial instruments are valued based on quoted prices for similar assets and liabilities in active markets or inputs that are directly or indirectly observable in the marketplace.

The amount invested and fair value of unquoted equity and preference securities of March 31, 2017 is ₹134 crore and ₹132 crore, respectively. The fair value is determined using Level 3 inputs like Discounted cash flows, Market multiple method, Option pricing model, etc.

Financial risk management

Financial risk factors

The Company's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk. The Company's focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance. The primary market risk to the Company is foreign exchange risk. The Company uses derivative financial instruments to mitigate foreign exchange related risk exposures. The Company's exposure to credit risk is influenced mainly by the individual characteristic of each customer and the concentration of risk from the top few customers.

Market risk

The Company operates internationally and a major portion of the business is transacted in several currencies and consequently the Company is exposed to foreign exchange risk through its sales and services in the United States and elsewhere, and purchases from overseas suppliers in various foreign currencies. The Company holds derivative financial instruments such as foreign exchange forward and option contracts to mitigate the risk of changes in exchange rates on foreign currency exposures. The exchange rate between the rupee and foreign currencies has changed substantially in recent years and may fluctuate substantially in the future. Consequently, the results of the Company's operations are adversely affected as the rupee appreciates/ depreciates against these currencies.

The following table analyzes foreign currency risk from financial instruments as of March 31, 2017:

Particulars	U.S. dollars	Euro	United Kingdom Pound Sterling	Australian dollars	Other currencies	(In ₹ crore)
						Total
Cash and cash equivalents	849	79	33	45	97	1,103
Trade receivables	7,611	1,005	793	533	361	10,303
Other financials assets (including loans)	2,686	436	365	148	136	3,771
Trade payables	(145)	(5)	(11)	(12)	(22)	(195)
Other financial liabilities	(1,847)	(227)	(169)	(186)	(137)	(2,566)
Net assets / (liabilities)	9,154	1,288	1,011	528	435	12,416

The following table analyzes foreign currency risk from financial instruments as of March 31, 2016:

Particulars	U.S. dollars	Euro	United Kingdom Pound Sterling	Australian dollars	Other currencies	(In ₹ crore)
						Total
Cash and cash equivalents	670	107	178	26	93	1,074
Trade Receivables	6,875	973	664	539	296	9,347
Other financials assets (including loans)	2,005	370	210	108	125	2,818
Trade payables	(199)	(42)	(133)	(32)	(39)	(445)
Other financial liabilities	(2,241)	(232)	(139)	(200)	(146)	(2,958)
Net assets / (liabilities)	7,110	1,176	780	441	329	9,836

For the three months ended March 31, 2017 and March 31, 2016, every percentage point depreciation / appreciation in the exchange rate between the Indian rupee and U.S. dollar, has affected the Company's incremental operating margins by approximately 0.52% and 0.51%, respectively.

For the year ended March 31, 2017 and March 31, 2016, every percentage point depreciation / appreciation in the exchange rate between the Indian rupee and U.S. dollar, has affected the Company's incremental operating margins by approximately 0.52% each.

Sensitivity analysis is computed based on the changes in the income and expenses in foreign currency upon conversion into functional currency, due to exchange rate fluctuations between the previous reporting period and the current reporting period.

Derivative financial instruments

The Company holds derivative financial instruments such as foreign currency forward and option contracts to mitigate the risk of changes in exchange rates on foreign currency exposures. The counterparty for these contracts is generally a bank or a financial institution. These derivative financial instruments are valued based on quoted prices for similar assets and liabilities in active markets or inputs that are directly or indirectly observable in the marketplace.

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

Particulars	As of		As of	
	March 31, 2017		March 31, 2016	
	In million	In ₹ crore	In million	In ₹ crore
Derivatives designated as cash flow hedges				
Forward contracts				
In Euro	95	658	-	-
In United Kingdom Pound Sterling	40	324	-	-
In Australian dollars	130	644	-	-
Option Contracts				
In Euro	40	277	-	-
Other derivatives				
Forward contracts				
In U.S. dollars	480	3,113	467	3,094
In Euro	106	735	84	633
In United Kingdom Pound Sterling	70	566	60	573
In Australian dollars	30	149	50	255
In Swiss Franc	10	65	25	173
In Singapore dollars	5	23	-	-
In Swedish Krona	50	36	-	-
Option Contracts				
In U.S. dollars	195	1,265	125	828
In Euro	25	173	-	-
In United Kingdom Pound Sterling	30	243	-	-
In Canadian dollars	13	65	-	-
Total forwards and options		8,336		5,556

The foreign exchange forward and option contracts mature within twelve 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 of	
	March 31, 2017	March 31, 2016
Not later than one month	2,215	1,468
Later than one month and not later than three months	4,103	3,260
Later than three months and not later than one year	2,018	828
	8,336	5,556

During the year ended March 31, 2017, the group has designated certain foreign exchange forward contracts as cash flow hedges to mitigate the risk of foreign exchange exposure on highly probable forecast cash transactions. The related hedge transactions for balance in cash flow hedging reserve are expected to occur and reclassified to revenue in the statement of profit or loss within 3 months.

Hedge effectiveness is determined at the inception of the hedge relationship, and through periodic prospective effectiveness assessments to ensure that an economic relationship exists between the hedged item and hedging instrument, including whether the hedging instrument is expected to offset changes in cash flows of hedged items.

If the hedge ratio for risk management purposes is no longer optimal but the risk management objective remains unchanged and the hedge continues to qualify for hedge accounting, the hedge relationship will be rebalanced by adjusting either the volume of the hedging instrument or the volume of the hedged item so that the hedge ratio aligns with the ratio used for risk management purposes. Any hedge ineffectiveness is calculated and accounted for in profit or loss at the time of the hedge relationship rebalancing.

The following table provides the reconciliation of cash flow hedge reserve for the three months and year ended March 31, 2017:

	(In ₹ crore)	
	Three months ended March 31, 2017	Year ended March 31, 2017
Balance at the beginning of the period	28	-
Gain / (Loss) recognised in other comprehensive income during the period	73	121
Amount reclassified to revenue during the period	(59)	(69)
Tax impact on above	(3)	(13)
Balance at the end of the period	39	39

The company offsets a financial asset and a financial liability when it currently has a legally enforceable right to set off the recognized amounts and the company intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

The following table provides quantitative information about offsetting of derivative financial assets and derivative financial liabilities:

Particulars	(In ₹ crore)			
	As of		As of	
	March 31, 2017		March 31, 2016	
	Derivative financial asset	Derivative financial liability	Derivative financial asset	Derivative financial liability
Gross amount of recognized financial asset/liability	269	(3)	117	(10)
Amount set off	(1)	1	(8)	8
Net amount presented in balance sheet	268	(2)	109	(2)

Credit risk

Credit risk refers to the risk of default on its obligation by the counterparty resulting in a financial loss. The maximum exposure to the credit risk at the reporting date is primarily from trade receivables amounting to ₹10,960 crore and ₹9,798 crore as of March 31, 2017 and March 31, 2016, respectively and unbilled revenue amounting to ₹3,200 crore and ₹2,673 crore as of March 31, 2017 and March 31, 2016, respectively. Trade receivables and unbilled revenue are typically unsecured and are derived from revenue earned from customers primarily located in the United States. Credit risk has always been managed by the group through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Group grants credit terms in the normal course of business. On account of adoption of Ind AS 109, the group uses expected credit loss model to assess the impairment loss or gain. The group uses a provision matrix to compute the expected credit loss allowance for trade receivables and unbilled revenues. The provision matrix takes into account available external and internal credit risk factors such as credit default swap quotes, credit ratings from international credit rating agencies and the Group's historical experience for customers.

The following table gives details in respect of percentage of revenues generated from top customer and top five customers:

Particulars	Three months ended March 31,		Year ended March 31,	
	2017	2016	2017	2016
	(In %)			
Revenue from top customer	3.8%	4.2%	3.9%	4.2%
Revenue from top five customers	13.3%	15.6%	14.1%	15.7%

Credit risk exposure

The allowance for lifetime expected credit loss on customer balances for the three months and year ended March 31, 2017 was ₹61 crore and ₹135 crore. The reversal for lifetime expected credit loss on customer balances for the three months and year ended March 31, 2016 was ₹25 crore and ₹48 crore respectively.

Particulars	Three months ended March 31,		Year ended March 31,	
	2017	2016	2017	2016
	(In ₹ crore)			
Balance at the beginning	323	285	249	322
Impairment loss recognised/ reversed	61	(25)	135	(48)
Amounts written off	-	-	(1)	-
Translation differences	(5)	(11)	(4)	(25)
Balance at the end	379	249	379	249

Credit risk on cash and cash equivalents is limited as we generally invest in deposits with banks and financial institutions with high credit ratings assigned by international and domestic credit rating agencies. Investments primarily include investment in liquid mutual fund units, quoted bonds issued by government and quasi government organizations, non convertible debentures issued by government aided institutions and certificates of deposit which are funds deposited at a bank for a specified time period.

Liquidity risk

The company's principal sources of liquidity are cash and cash equivalents and the cash flow that is generated from operations. The company has no outstanding bank borrowings. The company believes that the working capital is sufficient to meet its current requirements. Accordingly, no liquidity risk is perceived.

As of March 31, 2017, the Company had a working capital of ₹35,896 crore including cash and cash equivalents of ₹19,153 crore and current investments of ₹9,643 crore. As of March 31, 2016, the Company had a working capital of ₹34,509 crore including cash and cash equivalents of ₹29,176 crore and current investments of ₹2 crore.

As of March 31, 2017 and March 31, 2016, the outstanding compensated absences were ₹1,142 crore and ₹1,130 crore, respectively, which have been substantially funded. Accordingly, no liquidity risk is perceived.

The table below provides details regarding the contractual maturities of significant financial liabilities as of March 31, 2017:

Particulars	Less than 1 year				Total
	1-2 years	2-4 years	4-7 years		
Trade payables	269	-	-	-	269
Other financial liabilities (excluding liability towards acquisition) (Refer Note 2.13)	3,867	-	-	-	3,867
Liability towards acquisitions on an undiscounted basis (including contingent consideration)	45	46	-	-	91

The table below provides details regarding the contractual maturities of significant financial liabilities as of March 31, 2016:

Particulars	Less than 1 year				Total
	1-2 years	2-4 years	4-7 years		
Trade payables	623	-	-	-	623
Other liabilities (excluding liability towards acquisition) (Refer Note 2.13)	3,922	27	-	-	3,949
Liability towards acquisitions on an undiscounted basis (including contingent consideration)	86	46	-	-	132

2.12 EQUITY

EQUITY SHARE CAPITAL

Particulars	in ₹ crore, except as otherwise stated		
	As at		
	March 31, 2017	March 31, 2016	April 1, 2015
Authorized			
Equity shares, ₹5/- par value			
240,00,00,000 (240,00,00,000 ⁽²⁾) equity shares	1,200	1,200	600
Issued, Subscribed and Paid-Up			
Equity shares, ₹5/- par value ⁽¹⁾	1,148	1,148	574
229,69,44,664 (229,69,44,664 ⁽²⁾) equity shares fully paid-up	1,148	1,148	574

⁽¹⁾ Refer note 2.23 for details of basic and diluted shares

⁽²⁾ Represents number of shares as of March 31, 2016

The authorised equity shares were 120,00,00,000 and the issued, subscribed and paid-up shares were 114,84,72,332 as of April 1, 2015.

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

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 equity shares represented by American Depositary Shares (ADS) carry similar rights to voting and dividends as the other equity shares. Each ADS represents one underlying equity share.

In the period of five years immediately preceding March 31, 2017:

The Company has allotted 114,84,72,332 and 57,42,36,166 fully paid-up shares of face value ₹5/- each during the quarter ended June 30, 2015 and December 31, 2014, pursuant to bonus issue approved by the shareholders through postal ballot. 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.

The Board of Directors, in its meeting on April 15, 2016, proposed a final dividend of ₹14.25/- per equity share and the same was approved by the shareholders at the Annual General Meeting held on June 18, 2016, this resulted in a cash outflow of ₹3,939 crore including corporate dividend tax. (Refer note 2.2.1 for impact on transition to Ind AS)

The Board of Directors, in their meeting on October 14, 2016, declared an interim dividend of ₹11/- per equity share, which resulted in a cash outflow of ₹3,041 crore, inclusive of corporate dividend tax.

The amount of per share dividend recognized as distributions to equity shareholders for the year ended March 31, 2015 includes final dividend of ₹29.50/- per equity share (not adjusted for June 17, 2015 bonus issue) and an interim dividend of ₹10/- per equity share.

The Board of Directors, in its meeting on April 13, 2017, have proposed a final dividend of ₹14.75/- per equity share for the financial year ended March 31, 2017. The proposal is subject to the approval of shareholders at the Annual General Meeting to be held on June 24, 2017 and if approved would result in a cash outflow of approximately ₹4,078 crore, including corporate dividend tax.

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 March 31, 2017 and March 31, 2016 are set out below :

Name of the shareholder	in ₹ crore, except as stated otherwise			
	As at March 31, 2017		As at March 31, 2016	
	Number of shares	% held	Number of shares	% held
Deutsche Bank Trust Company Americas (Depository of ADR's - legal ownership)	38,33,17,937	16.69	38,53,17,937	16.78
Life Insurance Corporation of India	16,14,36,123	7.03	13,22,74,300	5.76

The reconciliation of the number of shares outstanding and the amount of share capital as at March 31, 2017 and March 31, 2016 is set out below:

Particulars	in ₹ crore, except as stated otherwise			
	As at March 31, 2017		As at March 31, 2016	
	Number of shares	Amount	Number of shares	Amount
Number of shares at the beginning of the period	2,296,944,664	1,148	1,148,472,332	574
Add: Bonus shares issued (including bonus on treasury shares)	-	-	1,148,472,332	574
Number of shares at the end of the period	2,296,944,664	1,148	2,296,944,664	1,148

Employee Stock Option Plan (ESOP):

2015 Stock Incentive Compensation Plan (the 2015 Plan): SEBI issued the Securities and Exchange Board of India (Share based Employee Benefits) Regulations, 2014 ('SEBI Regulations') which replaced the SEBI ESOP Guidelines, 1999. The 2011 Plan (as explained below) was required to be amended and restated in accordance with the SEBI Regulations. Consequently, to effect this change and to further introduce stock options/ADR's and other stock incentives, the Company put forth the 2015 Stock Incentive Compensation Plan (the 2015 Plan) for approval to the shareholders of the Company. Pursuant to the approval by the shareholders through postal ballot which ended on March 31, 2016, the Board of Directors have been authorised to introduce, offer, issue and allot share-based incentives to eligible employees of the Company and its subsidiaries under the 2015 Plan. The maximum number of shares under the 2015 plan shall not exceed 2,40,38,883 equity shares (this includes 1,12,23,576 equity shares which were held by the Trust towards the 2011 Plan as at March 31, 2016). 1,70,38,883 equity shares will be issued as RSUs at par value and 70,00,000 equity shares will be issued as stock options at market price. These instruments will vest over a period of 4 years and the Company expects to grant the instruments under the 2015 Plan over the period of 4 to 7 years.

On August 1, 2016, the company granted 17,83,615 RSUs (includes equity shares and equity shares represented by ADS) at par value, to employees upto mid management (excluding grants made to Dr. Vishal Sikka). Further, the company granted 73,020 Incentive Units (cash-settled) to eligible employees. These instruments will vest equally over a period of 4 years and are subject to continued service.

Further on November 1, 2016, the company granted 9,70,375 RSUs (includes equity shares and equity shares represented by ADS) at par value, 12,05,850 employee stock options (ESOPs) (including equity shares and equity shares represented by ADS) to be exercised at market price at the time of grant, to certain employees at the senior management level. Further the company granted 20,640 incentive units (cash-settled) to certain employees at the senior management level. These instruments will vest equally over a period of 4 years and are subject to continued service.

On February 1, 2017, the company granted 18,550 incentive units (cash-settled) to certain employees at the senior management level. These instruments will vest equally over a period of 4 years and are subject to continued service.

As of March 31, 2017, 1,12,89,514 shares are held by the trust towards 2015 Plan. As of March 31, 2017, 106,845 incentive units were outstanding (net of forfeitures) and the carrying value of the cash liability is ₹3 crore.

Pursuant to the approval from the shareholders through postal ballot on March 31, 2016, Dr. Vishal Sikka is eligible to receive under the 2015 Plan, an annual grant of RSU's of fair value \$2 million which vest over time, subject to continued service, and an annual grant of performance based equity and stock options of \$5 million subject to achievement of performance targets set by the Board or its committee, which vest over time. \$2 million of fair value in RSUs for financial year 2017 was granted on August 1, 2016 amounting to 120,700 RSUs in equity shares represented by ADS.

The Nomination and Remuneration Committee in its meeting held on October 14, 2016 recommended a grant of 27,250 RSUs and 43,000 ESOPs to U.B.Pravin Rao, Chief Operating Officer (COO), under the 2015 Plan and the same was approved by the shareholders through postal ballot on March 31, 2017. These RSUs and ESOPs will be granted w.e.f May 2, 2017. These RSUs and stock options would vest over a period of 4 years and shall be exercisable within the period as approved by the Committee. The exercise price of the RSU's will be equal to the par value of the shares and the exercise price of the stock options would be the market price as on the date of grant, as approved by the shareholders. Though these RSUs and ESOPs have not been granted as of March 31, 2017, in accordance with Ind AS 102 Share-based Payment, the company has recorded employee stock based compensation expense for the same.

2011 RSU Plan (the 2011 Plan) now called 2015 Stock Incentive Compensation Plan (the 2015 Plan): The Company had a 2011 RSU Plan which provided for the grant of restricted stock units (RSUs) to eligible employees of the Company. The Board of Directors recommended the 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 was 1,13,34,400 as on date of approval of plan adjusted for bonus shares and the plan was expected to continue in effect for a term of 10 years from the date of initial grant under the plan. Awards have been granted to Dr Vishal Sikka under the 2011 RSU plan as detailed below. Further the Company has earmarked 1,00,000 equity shares for welfare activities of the employees, approved by the shareholders vide postal ballot which ended on March 31, 2016. The equity shares as of March 31, 2016 held under this plan, i.e. 1,12,23,576 equity shares (this includes the aggregate number of equity shares that may be awarded under the 2011 Plan as reduced by 10,824 equity shares already exercised by Dr. Vishal Sikka and 1,00,000 equity shares which have been earmarked for welfare activities of the employees) have been subsumed under the 2015 Plan.

During the year ended March 31, 2015, the company made a grant of 1,08,268 restricted stock units (adjusted for bonus issues) to Dr. Vishal Sikka, Chief Executive Officer and Managing Director. The Board in its meeting held on June 22, 2015, on recommendation of Nomination and Remuneration Committee, further granted 1,24,061 RSUs to Dr. Vishal Sikka. These RSUs are vesting 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.

The award granted to Dr. Vishal Sikka on June 22, 2015 was modified by the Nomination and Remuneration Committee on April 14, 2016. There is no modification or change in the total number of RSUs granted or the vesting period (which is four years). The modifications relate to the criteria of vesting for each of the years. Based on the modification, the first tranche of the RSUs will vest subject to achievement of certain key performance indicators for the year ended March 31, 2016. Subsequent vesting of RSU's for each of the remaining years would be subject to continued employment.

The activity in the 2015 Plan (formerly 2011 RSU Plan) for equity-settled share based payment transactions during the three months and year ended March 31, 2017 is set out below:

Particulars	Three months ended March 31, 2017		Year ended March 31, 2017	
	Shares arising out of options	Weighted average exercise price (₹)	Shares arising out of options	Weighted average exercise price (₹)
2015 Plan (Formerly 2011 Plan): Indian equity shares (RSU - IES)				
Outstanding at the beginning*	2,030,758	5	221,505	5
Granted	-	-	1,878,025	5
Forfeited and expired	23,410	5	61,540	5
Exercised	3,420	5	34,062	5
Outstanding at the end	2,003,928	5	2,003,928	5
Exercisable at the end	-	-	-	-
2015 Plan (Formerly 2011 Plan): Employee Stock Options (ESOPs- IES)				
Outstanding at the beginning	309,650	998	-	-
Granted	-	-	309,650	998
Forfeited and expired	-	-	-	-
Exercised	-	-	-	-
Outstanding at the end	309,650	998	309,650	998
Exercisable at the end	-	-	-	-

*adjusted for bonus issues (Refer above note 2.12)

Particulars	Three months ended March 31, 2017		Year ended March 31, 2017	
	Shares arising out of options	Weighted average exercise price (\$)	Shares arising out of options	Weighted average exercise price (\$)
2015 Plan (Formerly 2011 Plan): American Depository Shares (RSU - ADS)				
Outstanding at the beginning	975,130	0.07	-	-
Granted	-	-	996,665	0.07
Forfeited and expired	17,685	0.07	39,220	0.07
Exercised	-	-	-	-
Outstanding at the end	957,445	0.07	957,445	0.07
Exercisable at the end	-	-	-	-
2015 Plan (Formerly 2011 Plan): Employee Stock Options (ESOPs- ADS)				
Outstanding at the beginning	896,200	15.26	-	-
Granted	-	-	896,200	15.26
Forfeited and expired	8,200	15.26	8,200	15.26
Exercised	-	-	-	-
Outstanding at the end	888,000	15.26	888,000	15.26
Exercisable at the end	-	-	-	-

The activity in the 2015 Plan (formerly 2011 RSU Plan) for equity-settled share based payment transactions during the three months and year ended March 31, 2016 is set out below:

Particulars	Three months ended March 31, 2016		Year ended March 31, 2016	
	Shares arising out of options	Weighted average exercise price (₹)	Shares arising out of options	Weighted average exercise price (₹)
2015 Plan (Formerly 2011 Plan): Indian equity shares (IES)				
Outstanding at the beginning*	223,213	5	108,268	5
Granted	-	-	124,061	5
Forfeited and expired	-	-	-	-
Exercised*	1,708	5	10,824	5
Outstanding at the end	221,505	5	221,505	5
Exercisable at the end	-	-	-	-

*adjusted for bonus issues (Refer above note 2.12)

During the three months ended March 31, 2017, the weighted average share price of options exercised under the 2015 Plan on the date of exercise was ₹972/-

During the year ended March 31, 2017 and March 31, 2016, the weighted average share price of options exercised under the 2015 Plan on the date of exercise was ₹1,084/- and ₹1,088/-

The following table summarizes information about equity settled RSUs and ESOPs outstanding as of March 31, 2017:

Range of exercise prices per share (₹)	Options outstanding		
	No. of shares arising out of options	Weighted average remaining contractual life	Weighted average exercise price (₹)
2015 Plan: ADS and IES			
0 - 5 (RSU)	2,961,373	1.88	5.00
900 - 1100 (ESOP)	1,197,650	7.09	1,026.50
	4,159,023	3.38	299.16

The weighted average remaining contractual life of RSUs outstanding as of March 31, 2016 under the 2015 Plan was 1.98 years.

The fair value of each equity settled RSU is estimated on the date of grant using the Black-Scholes-Merton model with the following assumptions:

Particulars	For options granted in			
	Fiscal 2017- Equity Shares-RSU	Fiscal 2017- Equity shares ESOP	Fiscal 2017- ADS-RSU	Fiscal 2017- ADS- ESOP
Grant date	1-Nov-16	1-Nov-16	1-Nov-16	1-Nov-16
Weighted average share price (₹) / (\$- ADS)	989	989	15.26	15.26
Exercise price (₹)/ (\$- ADS)	5.00	998	0.07	15.26
Expected volatility (%)	24-29	27-29	26-29	27-31
Expected life of the option (years)	1 - 4	3 - 7	1 - 4	3 - 7
Expected dividends (%)	2.37	2.37	2.29	2.29
Risk-free interest rate (%)	6- 7	6- 7	1 - 2	1 - 2
Weighted average fair value as on grant date (₹) / (\$- ADS)	929	285	14.35	3.46

Particulars	For options granted in			
	Fiscal 2017- Equity Shares - RSU	Fiscal 2017- ADS - RSU	Fiscal 2016- Equity Shares - RSU	Fiscal 2015- Equity Shares - RSU
Grant date	1-Aug-16	1-Aug-16	22-Jun-15	21-Aug-14
Weighted average share price (₹) / (\$- ADS)*	1,085	16.57	1,024	3,549
Exercise price (₹)/ (\$- ADS)*	5.00	0.07	5.00	5.00
Expected volatility (%)	25-29	26-30	28-36	30-37
Expected life of the option (years)	1 - 4	1 - 4	1 - 4	1 - 4
Expected dividends (%)	2.37	2.29	2.43	1.84
Risk-free interest rate (%)	6- 7	0.5 - 1	7- 8	8- 9
Weighted average fair value as on grant date (₹) / (\$- ADS)*	1,019	15.59	948	3,355

* Data for Fiscal 2015 is not adjusted for bonus issues

The expected term of the RSU / ESOP is estimated based on the vesting term and contractual term of the RSU / ESOP, as well as expected exercise behaviour of the employee who receives the RSU / ESOP. Expected volatility during the expected term of the RSU / ESOP 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 / ESOP.

During the three months ended March 31, 2017 and March 31, 2016, the company recorded an employee stock compensation expense of ₹40 crore and ₹2 crore, respectively in the statement of profit and loss. During the year ended March 31, 2017 and March 31, 2016, the company recorded an employee stock compensation expense of ₹107 crore and ₹7 crore, respectively in the statement of profit and loss. The cash settled stock compensation expense during the three months and year ended March 31, 2017 was less than ₹1 crore and ₹1 crore.

2.13 OTHER FINANCIAL LIABILITIES

(In ₹ crore)

Particulars	As at		
	March 31, 2017	March 31, 2016	April 1, 2015
Non-current			
Rental deposits ⁽¹⁾	-	27	27
Payable for acquisition of business (refer Note 2.5.1 and 2.5.2)	40	35	-
	40	62	27
Current			
Unpaid dividends	17	5	3
Others			
Accrued compensation to employees	1,404	1,764	1,719
Accrued expenses ⁽²⁾	2,013	1,707	1,582
Retention monies	153	58	50
Payable for acquisition of business (refer Note 2.5.1 and Note 2.5.2)			
- Deferred consideration	-	-	487
- Contingent consideration	45	80	-
Client deposits	25	16	20
Capital creditors	36	66	37
Compensated absences	1,142	1,130	907
Other payables ⁽³⁾	219	304	42
Foreign currency forward and options contracts	2	2	-
	5,056	5,132	4,847
Total financial liabilities	5,096	5,194	4,874
Financial liability carried at amortized cost	3,867	3,947	3,967
Financial liability carried at fair value through profit or loss	87	117	-
Liability towards acquisition of business on undiscounted basis	91	132	-
⁽¹⁾ Includes dues to subsidiaries (Refer note 2.25)	-	27	27
⁽²⁾ Includes dues to subsidiaries (Refer note 2.25)	3	29	36
⁽³⁾ Includes dues to subsidiaries (Refer note 2.25)	14	38	33

2.14 TRADE PAYABLES

(In ₹ crore)

Particulars	As at		
	March 31, 2017	March 31, 2016	April 1, 2015
Trade payables *	269	623	124
	269	623	124
*Includes dues to subsidiaries (refer note 2.25)	135	145	102

2.15 OTHER LIABILITIES

(In ₹ crore)

Particulars	As at		
	March 31, 2017	March 31, 2016	April 1, 2015
Non current			
Deferred income	42	-	-
	42	-	-
Current			
Unearned revenue	1,320	1,025	831
Others			
Withholding taxes and others	1,027	1,068	733
Deferred rent	2	-	-
	2,349	2,093	1,564
	2,391	2,093	1,564

2.16 PROVISIONS

(In ₹ crore)

Particulars	As at		
	March 31, 2017	March 31, 2016	April 1, 2015
Current			
Others			
Post-sales client support and warranties and others	350	436	382
	350	436	382

Provision for post-sales client support and warranties and others

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

(In ₹ crore)

Particulars	Three months ended March 31, 2017	Year ended March 31, 2017
Balance at the beginning	354	436
Provision recognized/(reversed)	18	86
Provision utilized	(6)	(167)
Exchange difference	(16)	(5)
Balance at the end	350	350

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

2.17 INCOME TAXES

Income tax expense in the statement of profit and loss comprises:

Particulars	Three months ended March 31,		Year ended March 31,	
	2017	2016	2017	2016
Current taxes	1,141	1,309	5,068	4,898
Deferred taxes	80	5	52	9
Income tax expense	1,221	1,314	5,120	4,907

Current tax expense for the three months ended March 31, 2017 and March 31, 2016 includes reversals (net of provisions) amounting to ₹95 crore and ₹67 crore respectively pertaining to prior periods.

Current tax expense for the year ended March 31, 2017 and March 31, 2016 includes reversals (net of provisions) amounting to ₹218 crore and ₹331 crore respectively pertaining to prior periods

Entire deferred income tax for the three months and year ended March 31, 2017 and March 31, 2016 relates to origination and reversal of temporary differences.

A reconciliation of the income tax provision to the amount computed by applying the statutory income tax rate to the income before income taxes is summarized below:

Particulars	Three months ended March 31,		Year ended March 31,	
	2017	2016	2017	2016
Profit before income taxes	4,783	4,705	18,938	17,600
Enacted tax rates in India	34.61%	34.61%	34.61%	34.61%
Computed expected tax expense	1,655	1,628	6,554	6,091
Tax effect due to non-taxable income for Indian tax purposes	(410)	(453)	(1,915)	(1,659)
Overseas taxes	132	207	735	709
Tax reversals, overseas and domestic	(95)	(66)	(218)	(330)
Effect of exempt non-operating income	(12)	(24)	(51)	(69)
Effect of non-deductible expenses	(49)	22	16	185
Additional deduction on research and development expense	-	-	-	(19)
Others	-	-	(1)	(1)
Income tax expense	1,221	1,314	5,120	4,907

The applicable Indian statutory tax rate for fiscal 2017 and fiscal 2016 is 34.61%.

The foreign tax expense is due to income taxes payable overseas, principally in the United States. In India, the company has benefited from certain tax incentives that the Government of India has provided to the export of software for the units registered under the Special Economic Zones Act, 2005 (SEZ). SEZ units which began the provision of services on or after April 1, 2005 are eligible for a deduction of 100 percent of profits or gains derived from the export of services for the first five years from the financial year in which the unit commenced the provision of services and 50 percent of such profits or gains for further five years. Up to 50% of such profits or gains is also available for a further five years subject to creation of a Special Economic Zone re-Investment Reserve out of the profit of the eligible SEZ units and utilization of such reserve by the Company for acquiring new plant and machinery for the purpose of its business as per the provisions of the Income Tax Act, 1961.

Infosys is subject to a 15% Branch Profit Tax (BPT) in the U.S. to the extent its U.S. branch's net profit during the year is greater than the increase in the net assets of the U.S. branch during the year, computed in accordance with the Internal Revenue Code. As of March 31, 2017, Infosys' U.S. branch net assets amounted to approximately ₹5,995 crore. As of March 31, 2017, the Company has provided for branch profit tax of ₹327 crore for its U.S branch, as the Company estimates that these branch profits are expected to be distributed in the foreseeable future. The change in provision for branch profit tax includes ₹7 crore movement on account of exchange rate during the year ended March 31, 2017.

Deferred income tax liabilities have not been recognized on temporary differences amounting to ₹5,309 crore and ₹4,195 crore as of March 31, 2017 and March 31, 2016, respectively, associated with investments in subsidiaries and branches as it is probable that the temporary differences will not reverse in the foreseeable future.

The following table provides the details of income tax assets and income tax liabilities as of March 31, 2017, March 31, 2016 and April 1, 2015

	As at		
	March 31, 2017	March 31, 2016	April 1, 2015
Income tax assets	5,454	5,020	3,941
Current income tax liabilities	3,762	3,304	2,678
Net current income tax assets/ (liability) at the end	1,692	1,716	1,263

The gross movement in the current income tax asset/ (liability) for the three months and year ended March 31, 2017 and March 31, 2016 is as follows:

	Three months ended March 31,		Year ended March 31,	
	2017	2016	2017	2016
Net current income tax asset/ (liability) at the beginning	1,346	1,719	1,716	1,263
Income tax paid	1,496	1,304	5,033	5,350
Current income tax expense (Refer Note 2.17)	(1,141)	(1,309)	(5,068)	(4,898)
Income tax on other comprehensive income	(2)	-	8	-
Tax benefit on exercise of share based payments	-	-	1	-
Translation difference	(7)	2	2	1
Net current income tax asset/ (liability) at the end	1,692	1,716	1,692	1,716

The tax effects of significant temporary differences that resulted in deferred income tax assets and liabilities are as follows:

(In ₹ crore)

Particulars	As at		
	March 31, 2017	March 31, 2016	April 1, 2015
Deferred income tax assets			
Property, plant and equipment	107	146	210
Computer software	40	50	51
Accrued compensation to employees	35	46	29
Trade receivables	123	79	100
Compensated absences	336	359	280
Post sales client support	93	76	72
Others	32	21	7
Total deferred income tax assets	766	777	749
Deferred income tax liabilities			
Branch profit tax	327	334	316
Others	93	38	-
Total deferred income tax liabilities	420	372	316
Deferred income tax assets after set off	346	405	433
Deferred income 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.

In assessing the realizability of deferred income tax assets, management considers whether some portion or all of the deferred income tax assets will not be realized. The ultimate realization of deferred income tax assets is dependent upon the generation of future taxable income during the periods in which the temporary differences become deductible. Management considers the scheduled reversals of deferred income tax liabilities, projected future taxable income, and tax planning strategies in making this assessment. Based on the level of historical taxable income and projections for future taxable income over the periods in which the deferred income tax assets are deductible, management believes that the Group will realize the benefits of those deductible differences. The amount of the deferred income tax assets considered realizable, however, could be reduced in the near term if estimates of future taxable income during the carry forward period are reduced.

The gross movement in the deferred income tax account for the three months and year ended March 31, 2017 and March 31, 2016, are as follows:

(In ₹ crore)

Particulars	Three months ended March 31,		Year ended March 31,	
	2017	2016	2017	2016
Net deferred income tax asset at the beginning	414	411	405	433
Translation differences	15	(1)	6	(19)
Credits / (charge) relating to temporary differences (Refer Note 2.17)	(80)	(5)	(52)	(9)
Temporary differences on other comprehensive income	(3)	-	(13)	-
Net deferred income tax asset at the end	346	405	346	405

The charge relating to temporary differences during the year ended March 31, 2017 are primarily on account of property plant and equipment, accrued compensation and compensated absences partially offset by trade receivable. The credits relating to temporary differences during the year ended March 31, 2016 are primarily on account of accrued compensation to employees and compensated absences partially offset by reversal of credits pertaining to property plant and equipment and trade receivables

2.18 REVENUE FROM OPERATIONS

(In ₹ crore)

Particulars	Three months ended March 31,		Year ended March 31,	
	2017	2016	2017	2016
Income from software services	14,910	14,152	59,257	53,334
Income from software products	10	6	32	649
	14,920	14,158	59,289	53,983

2.19 OTHER INCOME

(In ₹ crore)

Particulars	Three months ended March 31,		Year ended March 31,	
	2017	2016	2017	2016
Interest received on financial assets- Carried at amortised cost				
Tax free bonds, government bonds and debentures	80	85	320	168
Deposit with Bank and others	363	559	2,028	2,338
Interest received on financial assets fair valued through other comprehensive income				
Non convertible debentures and certificates of deposits	152	-	182	-
Dividend received on investments carried at fair value through profit or loss				
Mutual fund units	-	7	23	57
Gain / (loss) on investments carried at fair value through profit or loss	61	-	111	-
Exchange gains/(losses) on foreign currency forward and options contracts	268	54	551	26
Exchange gains/(losses) on translation of other assets and liabilities	(234)	1	(324)	141
Miscellaneous income, net	43	67	171	276
	733	773	3,062	3,006

2.20 EXPENSES

(In ₹ crore)

Particulars	Three months ended March 31,		Year ended March 31,	
	2017	2016	2017	2016
<i>Employee benefit expenses</i>				
Salaries including bonus	7,441	7,127	30,111	27,551
Contribution to provident and other funds	160	137	640	548
Share based payments to employees (Refer note 2.12)	40	2	108	7
Staff welfare	26	31	85	101
	7,667	7,297	30,944	28,207
<i>Cost of software packages and others</i>				
For own use	199	171	729	663
Third party items bought for service delivery to clients	142	52	506	386
	341	223	1,235	1,049

(In ₹ crore)

Particulars	Three months ended March 31,		Year ended March 31,	
	2017	2016	2017	2016
<i>Other expenses</i>				
Power and fuel	35	42	180	179
Brand and Marketing	63	57	276	229
Operating lease payments	87	48	284	175
Rates and taxes	24	24	118	99
Repairs and Maintenance	291	263	1,073	873
Consumables	7	6	31	28
Insurance	14	15	45	48
Provision for post-sales client support and warranties	15	18	84	18
Commission to non-whole time directors	2	2	9	8
Allowances for credit losses on financial assets	62	(23)	140	(45)
Auditor's remuneration				
Statutory audit fees	1	-	2	2
Other services	-	-	-	-
Reimbursement of expenses	-	-	-	-
Contributions towards Corporate Social Responsibility	38	40	215	202
Others	2	36	89	107
	641	528	2,546	1,923

2.21 LEASES

Obligations on long-term, non-cancellable operating leases

The lease rentals charged during the period is as under:

(In ₹ crore)

Particulars	Three months ended March 31,		Year ended March 31,	
	2017	2016	2017	2016
Lease rentals	87	48	284	175

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

(In ₹ crore)

Future minimum lease payable	As at		
	March 31, 2017	March 31, 2016	April 1, 2015
Not later than 1 year	277	170	101
Later than 1 year and not later than 5 years	789	417	284
Later than 5 years	835	315	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.

2.22 EMPLOYEE BENEFITS

a. Gratuity

The following tables set out the funded status of the gratuity plans and the amounts recognized in the Company's financial statements as at March 31, 2017 and March 31, 2016:

Particulars	(In ₹ crore)	
	As at	
	March 31, 2017	March 31, 2016
Change in benefit obligations		
Benefit obligations at the beginning	826	755
Service cost	111	106
Interest expense	61	55
Curtailment gain	(3)	-
Transfer of obligation	(1)	(34)
Remeasurements - Actuarial (gains)/ losses	61	10
Benefits paid	(76)	(66)
Benefit obligations at the end	979	826
Change in plan assets		
Fair value of plan assets at the beginning	828	781
Interest income	69	59
Transfer of assets	-	(43)
Remeasurements- Return on plan assets excluding amounts included in interest income	11	7
Contributions	203	90
Benefits paid	(76)	(66)
Fair value of plan assets at the end	1,035	828
Funded status	56	2

Amount for the three months and year ended March 31, 2017 and March 31, 2016 recognized in the Statement of Profit and Loss under employee benefit expenses.

Particulars	(In ₹ crore)			
	Three months ended March 31,		Year ended March 31,	
	2017	2016	2017	2016
Service cost	27	26	111	106
Net interest on the net defined benefit liability/asset	(4)	(1)	(8)	(4)
Curtailment gain	-	-	(3)	-
Net gratuity cost	23	25	100	102

Amount for the three months and year ended March 31, 2017 and March 31, 2016 recognized in statement of other comprehensive income:

Particulars	(In ₹ crore)			
	Three months ended March 31,		Year ended March 31,	
	2017	2016	2017	2016
Remeasurements of the net defined benefit liability/ (asset)				
Actuarial (gains) / losses	(11)	6	61	10
(Return) / loss on plan assets excluding amounts included in the net interest on the net defined benefit liability/(asset)	(7)	(2)	(11)	(7)
	(18)	4	50	3

(In ₹ crore)

Particulars	Three months ended March 31,		Year ended March 31,	
	2017	2016	2017	2016
(Gain)/loss from change in demographic assumptions	-	-	-	-
(Gain)/loss from change in financial assumptions	(15)	4	49	-
	(15)	4	49	-

The weighted-average assumptions used to determine benefit obligations as at March 31, 2017, March 31, 2016 and April 1, 2015 are set out below:

Particulars	As of		
	March 31, 2017	March 31, 2016	April 1, 2015
Discount rate	6.9%	7.8%	7.8%
Weighted average rate of increase in compensation levels	8.0%	8.0%	8.0%

The weighted-average assumptions used to determine net periodic benefit cost for the three months and year ended March 31, 2017 and March 31, 2016 are set out below:

Particulars	Three months ended March 31,		Year ended March 31,	
	2017	2016	2017	2016
Discount rate	7.8%	7.8%	7.8%	7.8%
Weighted average rate of increase in compensation levels	8.0%	8.0%	8.0%	8.0%
Weighted average duration of defined benefit obligation	6.1 years	6.4 years	6.1 years	6.4 years

Assumptions regarding future mortality experience are set in accordance with the published statistics by the Life Insurance Corporation of India.

The Company assesses these assumptions with its projected long-term plans of growth and prevalent industry standards. The discount rate is based on the government securities yield.

As of March 31, 2017, every percentage point increase / decrease in discount rate will affect our gratuity benefit obligation by approximately ₹57 crore.

As of March 31, 2017, every percentage point increase / decrease in weighted average rate of increase in compensation levels will affect our gratuity benefit obligation by approximately ₹49 crore.

Sensitivity for significant actuarial assumptions is computed by varying one actuarial assumption used for the valuation of the defined benefit obligation by one percentage, keeping all other actuarial assumptions constant.

Gratuity is applicable only to employees drawing a salary in Indian rupees and there are no other foreign defined benefit gratuity plans.

The Company contributes all ascertained liabilities towards gratuity to the Infosys Limited Employees' Gratuity Fund Trust. Trustees administer contributions made to the trust. As of March 31, 2017 and March 31, 2016, the plan assets have been primarily invested in insurer managed funds.

Actual return on assets for the three months and year ended March 31, 2017 and March 31, 2016 were ₹26 crore and ₹17 crore and ₹80 crore and ₹66 crore respectively.

The Company expects to contribute ₹85 crore to the gratuity trusts during the fiscal 2018.

Maturity profile of defined benefit obligation:

	(In ₹ crore)
Within 1 year	133
1-2 year	141
2-3 year	149
3-4 year	163
4-5 year	174
5-10 years	863

b. Superannuation

The Company contributed ₹39 crore and ₹58 crore to the Superannuation trust during the three months ended March 31, 2017 and March 31, 2016 respectively, and ₹151 crore and ₹227 crore during the year ended March 31, 2017 and March 31, 2016.

c. Provident fund

Infosys has an obligation to fund any shortfall on the yield of the trust's investments over the administered interest rates on an annual basis. These administered rates are determined annually predominantly considering the social rather than economic factors and in most cases the actual return earned by the Company has been higher in the past years. The actuary has provided a valuation for provident fund liabilities on the basis of guidance issued by Actuarial Society of India and based on the below provided assumptions there is no shortfall as at March 31, 2017 and March 31, 2016 and April 1, 2015, respectively.

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

Particulars	As of		
	March 31, 2017	March 31, 2016	April 1, 2015
Plan assets at period end, at fair value	4,459	3,808	2,912
Present value of benefit obligation at period end	4,459	3,808	2,912
Asset recognized in balance sheet	-	-	-

The plan assets have been primarily invested in government securities.

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

Particulars	As at		
	March 31, 2017	March 31, 2016	April 1, 2015
Government of India (GOI) bond yield	6.90%	7.80%	7.80%
Remaining term to maturity of portfolio	6 years	7 years	7 years
Expected guaranteed interest rate- First year:	8.60%	8.75%	8.75%
- Thereafter:	8.60%	8.60%	8.60%

The Company contributed ₹96 crore and ₹88 crore during the three months ended March 31, 2017 and March 31, 2016 respectively, and ₹378 crore and ₹345 crore during the year ended March 31, 2017 and March 31, 2016.

The provident plans are applicable only to employees drawing a salary in Indian rupees and there are no other significant foreign defined benefit plans.

Employee benefits cost include:

Particulars	Three months ended March 31,		Year ended March 31,	
	2017	2016	2017	2016
Salaries and bonus*	7,509	7,126	30,315	27,534
Defined contribution plans	39	58	151	227
Defined benefit plans	119	113	478	446
	7,667	7,297	30,944	28,207

* Includes stock compensation expense of ₹40 crore and ₹2 crore for the three months ended March 31, 2017 and March 31, 2016, respectively, and ₹107 crore and ₹7 crore for the year ended March 31, 2017 and March 31, 2016 (Refer note 2.12).

2.23 RECONCILIATION OF BASIC AND DILUTED SHARES USED IN COMPUTING EARNING PER SHARE

The following is a reconciliation of the equity shares used in the computation of basic and diluted earnings per equity share:

	Three months ended March 31,		Year ended March 31,	
	2017	2016	2017	2016
Basic earnings per equity share - weighted average number of equity shares outstanding	2,296,944,664	2,296,944,664	2,296,944,664	2,296,944,664
Effect of dilutive common equivalent shares - share options outstanding	344,772	-	215,006	-
Diluted earnings per equity share - weighted average number of equity shares and common equivalent shares outstanding	229,72,89,436	229,69,44,664	229,71,59,670	229,69,44,664

For the three months and year ended March 31, 2017, 179,926 and 77,942 number of options to purchase equity shares had an anti-dilutive effect. For the three months and year ended March 31, 2016, no outstanding option to purchase equity shares had an anti-dilutive effect.

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

Particulars	As at		
	March 31, 2017	March 31, 2016	April 1, 2015
Contingent liabilities :			
Claims against the Company, not acknowledged as debts ⁽¹⁾	1,902	188	167
[Net of amount paid to statutory authorities ₹ 4,694 crore (₹4,386 crore)]			
Commitments :			
Estimated amount of contracts remaining to be executed on capital contracts and not provided for (net of advances and deposits)	1,094	1,295	1,272
Other Commitment*	37	-	-

*Uncalled capital pertaining to investments

⁽¹⁾ Claims against the company not acknowledged as debts as on March 31, 2017 include demand from the Indian Income tax authorities for payment of tax of ₹ 6,122 crore (₹ 4,135 crore), including interest of ₹ 1,885 crore (₹ 1,224 crore) upon completion of their tax assessment for fiscal 2007, fiscal 2008, fiscal 2009, fiscal 2010, fiscal 2011, fiscal 2012 and fiscal 2013. Demands were paid to statutory tax authorities in full except for fiscal year 2009, 2011, 2012 and 2013.

Demand for fiscal 2007, fiscal 2008 and fiscal 2009 includes disallowance of a 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. Demand for fiscal 2007, fiscal 2008, fiscal 2009, fiscal 2010, fiscal 2011, fiscal 2012 and fiscal 2013 also includes disallowance of portion of profit earned outside India from the STP units under section 10A of the Income Tax Act and disallowance of profits earned from SEZ units under section 10AA of the Income Tax Act. Demand for fiscal 2012 & fiscal 2013 includes disallowance of certain expenses incurred in foreign currency being reduced from export turnover but not reduced from total turnover and disallowance of profits earned from SEZ units which commenced operations before 1st April 2009 under section 10AA of the Income Tax Act and also others. The matters for fiscal 2007, fiscal 2008, fiscal 2009 and fiscal 2013 are pending before the Commissioner of Income Tax (Appeals) Bangalore. The matter for fiscal 2010, fiscal 2011 and fiscal 2012 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.

2.25 RELATED PARTY TRANSACTIONS

List of related parties:

Name of subsidiaries	Country	Holding as at		
		March 31, 2017	March 31, 2016	April 1, 2015
Infosys BPO Limited (Infosys BPO)	India	99.98%	99.98%	99.98%
Infosys Technologies (China) Co. Limited (Infosys China)	China	100%	100%	100%
Infosys Technologies S. de R. L. de C. V. (Infosys Mexico)	Mexico	100%	100%	100%
Infosys Technologies (Sweden) AB. (Infosys Sweden)	Sweden	100%	100%	100%
Infosys Technologies (Shanghai) Company Limited (Infosys Shanghai)	China	100%	100%	100%
Infosys Tecnologia DO Brasil LTDA. (Infosys Brasil)	Brazil	100%	100%	100%
Infosys Public Services, Inc. USA (Infosys Public Services)	U.S.	100%	100%	100%
Infosys Americas Inc., (Infosys Americas)	U.S.	100%	100%	100%
Infosys (Czech Republic) Limited s.r.o. (formerly Infosys BPO s. r. o) ⁽¹⁾	Czech Republic	99.98%	99.98%	99.98%
Infosys Poland Sp Z.o.o (formerly Infosys BPO (Poland) Sp Z.o.o) ⁽¹⁾	Poland	99.98%	99.98%	99.98%
Infosys BPO S.DE R.L. DE.C.V ⁽¹⁾⁽¹⁷⁾	Mexico	-	-	-
Infosys McCamish Systems LLC ⁽¹⁾	U.S.	99.98%	99.98%	99.98%
Portland Group Pty Ltd ⁽¹⁾	Australia	99.98%	99.98%	99.98%
Portland Procurement Services Pty Ltd ⁽⁵⁾	Australia	-	-	-
Infosys BPO Americas LLC. ⁽¹⁾⁽¹⁶⁾	U.S.	99.98%	-	-
Infosys Technologies (Australia) Pty. Limited (Infosys Australia) ⁽²⁾	Australia	100%	100%	100%
EdgeVerve Systems Limited (EdgeVerve) ⁽⁷⁾	India	100%	100%	100%
Infosys Consulting Holding AG (Infosys Lodestone) (formerly Lodestone Holding AG)	Switzerland	100%	100%	100%
Lodestone Management Consultants Inc. ⁽³⁾	U.S.	100%	100%	100%
Infosys Management Consulting Pty Limited (formerly Lodestone Management Consultants Pty Limited) ⁽³⁾	Australia	100%	100%	100%
Infosys Consulting AG (formerly Lodestone Management Consultants AG) ⁽³⁾	Switzerland	100%	100%	100%
Lodestone Augmentis AG ⁽⁶⁾⁽¹⁸⁾	Switzerland	-	100%	100%
Lodestone GmbH (formerly Hafner Bauer & Ödman GmbH) ⁽³⁾⁽²⁰⁾	Switzerland	-	100%	100%
Infosys Consulting (Belgium) NV (formerly Lodestone Management Consultants (Belgium) S.A.) ⁽⁴⁾	Belgium	99.90%	99.90%	99.90%
Infosys Consulting GmbH (formerly Lodestone Management Consultants GmbH) ⁽³⁾	Germany	100%	100%	100%
Infosys Consulting Pte Ltd. (formerly Lodestone Management Consultants Pte Ltd) ⁽²¹⁾	Singapore	100%	100%	100%
Infosys Consulting SAS (formerly Lodestone Management Consultants SAS) ⁽³⁾	France	100%	100%	100%
Infosys Consulting s.r.o.(formerly Lodestone Management Consultants s.r.o.) ⁽³⁾	Czech Republic	100%	100%	100%
Lodestone Management Consultants GmbH ⁽³⁾	Austria	100%	100%	100%
Lodestone Management Consultants Co., Ltd. ⁽³⁾	China	100%	100%	100%
Infy Consulting Company Limited (formerly Lodestone Management Consultants Ltd.) ⁽³⁾	U.K.	100%	100%	100%
Infy Consulting B.V. (Lodestone Management Consultants B.V.) ⁽³⁾	Netherlands	100%	100%	100%
Infosys Consulting Ltda. (formerly Lodestone Management Consultants Ltda.) ⁽⁴⁾	Brazil	99.99%	99.99%	99.99%
Infosys Consulting Sp. Z.o.o. (formerly Lodestone Management Consultants Sp. z o.o.) ⁽³⁾	Poland	100%	100%	100%

Lodestone Management Consultants Portugal, Unipessoal, Lda. ⁽³⁾	Portugal	100%	100%	100%
S.C. Infosys Consulting S.R.L.(formerly S.C. Lodestone Management Consultants S.R.L.) ⁽³⁾	Romania	100%	100%	100%
Infosys Consulting S.R.L. (formerly Lodestone Management Consultants S.R.L.) ⁽³⁾	Argentina	100%	100%	100%
Infosys Canada Public Services Ltd. ⁽⁶⁾	Canada	-	-	-
Infosys Nova Holdings LLC. (Infosys Nova) ⁽⁶⁾	U.S.	100%	100%	100%
Panaya Inc. (Panaya) ⁽¹⁰⁾	U.S.	100%	100%	100%
Panaya Ltd. ⁽¹¹⁾	Israel	100%	100%	100%
Panaya GmbH ⁽¹¹⁾	Germany	100%	100%	100%
Panaya Pty Ltd ⁽¹¹⁾⁽¹⁹⁾	Australia	-	-	-
Panaya Japan Co. Ltd. ⁽¹¹⁾	Japan	100%	100%	100%
Skava Systems Pvt. Ltd. (Skava Systems) ⁽¹²⁾	India	100%	100%	-
Kallidus Inc. (Kallidus) ⁽¹³⁾	U.S.	100%	100%	-
Noah Consulting LLC (Noah) ⁽¹⁴⁾	U.S.	100%	100%	-
Noah Information Management Consulting Inc. (Noah Canada) ⁽¹⁵⁾	Canada	100%	100%	-

⁽¹⁾ Wholly owned subsidiary 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 2.5.3)

⁽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.

⁽¹¹⁾ Wholly owned subsidiary of Panaya Inc.

⁽¹²⁾ On June 2, 2015, Infosys acquired 100% of the voting interest in Skava Systems (Refer note 2.5.2)

⁽¹³⁾ On June 2, 2015, Infosys acquired 100% of the voting interest in Kallidus Inc. (Refer note 2.5.2)

⁽¹⁴⁾ On November 16, 2015, Infosys acquired 100% of the membership interests in Noah (Refer note 2.5.1)

⁽¹⁵⁾ Wholly owned subsidiary of Noah

⁽¹⁶⁾ Incorporated effective November 20, 2015

⁽¹⁷⁾ Liquidated effective March 15, 2016

⁽¹⁸⁾ Liquidated effective October 5, 2016

⁽¹⁹⁾ Liquidated effective November 16, 2016

⁽²⁰⁾ Liquidated effective December 21, 2016

⁽²¹⁾ Wholly owned subsidiary of Infosys

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

Name of Associates	Country	Holding as at		
		March 31, 2017	March 31, 2016	April 1, 2015
DWA Nova LLC ⁽¹⁾	U.S.	16%	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 Benefits Trust	India	Controlled trust

Refer notes 2.22 for information on transactions with post-employment benefit plans mentioned above.

List of key management personnel

Whole time directors

U.B. Pravin Rao

Dr. Vishal Sikka

Non-whole-time directors

K.V.Kamath (resigned effective June 5, 2015)

Prof. Jeffrey S. Lehman

R. Seshasayee

Ravi Venkatesan

Kiran Mazumdar Shaw

Carol M. Browner (resigned effective November 23, 2015)

Prof. John W. Etchemendy

Roopa Kudva

Dr. Punita Kumar-Sinha (appointed effective January 14, 2016)

D. N. Prahlad (appointed effective October 14, 2016)

Executive Officers

M. D. Ranganath, Chief Financial Officer (effective October 12, 2015)

David D. Kennedy, General Counsel and Chief Compliance Officer (till December 31, 2016)

Rajiv Bansal, Chief Financial Officer (till October 12, 2015)

Mohit Joshi , President (effective October 13, 2016)

Rajesh K. Murthy, President (effective October 13, 2016)

Ravi Kumar S, President and Deputy Chief Operating Officer (effective October 13, 2016)

Sandeep Dadlani, President (effective October 13, 2016)

Krishnamurthy Shankar, Group Head - Human Resources (effective October 13, 2016)

Gopi Krishnan Radhakrishnan - Acting General Counsel (effective December 31, 2016)

Company Secretary

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

The details of amounts due to or due from related parties as at March 31, 2017, March 31, 2016 and April 1, 2015 are as follows:

(In ₹ crore)

Particulars	As at		
	March 31, 2017	March 31, 2016	April 1, 2015
Investment in debentures			
EdgeVerve ⁽²⁾	2,129	2,549	-
	2,129	2,549	-
Trade receivables			
Infosys China	41	29	16
Infosys Mexico	2	6	1
Infosys Brasil	1	1	5
Infosys BPO	5	5	1
Infy Consulting Company Ltd.	73	8	26
EdgeVerve	-	-	14
Infosys Public Services	61	153	246
Infosys Sweden	1	28	-
Kallidus	6	-	-
Infosys McCamish Systems LLC	1	-	-
Panaya Ltd	44	14	-
	235	244	309
Loans⁽¹⁾			
Infy Consulting Company Ltd.	-	-	6
Infosys Sweden	-	24	-
Infosys Technologies China	69	67	-
EdgeVerve	-	-	18
	69	91	24
Prepaid and other financial assets			
Infosys BPO	5	5	1
Infosys Public Services	-	8	4
EdgeVerve	-	3	14
Panaya	56	43	-
Infosys Consulting SAS	3	6	3
Infosys Consulting GmbH	1	1	1
Infosys China	1	-	-
Infy Consulting Company Ltd.	4	1	20
Infosys Consulting AG	1	-	-
Infy Consulting B.V.	1	-	-
Infosys Consulting Pte Ltd.	1	-	-
	73	67	43
Unbilled revenues			
Infosys Consulting SAS	-	-	1
EdgeVerve	45	20	-
Kallidus	2	-	-
Infosys McCamish Systems LLC	-	-	5
	47	20	6
Trade payables			
Infosys China	10	10	10
Infosys BPO	33	6	-
Infosys (Czech Republic) Limited s.r.o.	3	2	-
Portland Group Pty Ltd	-	-	1
Infosys Mexico	2	2	1
Infosys Sweden	5	8	5
Infosys Management Consulting Pty Limited	8	16	10
Infosys Consulting Pte Ltd.	4	7	8
Infy Consulting Company Ltd.	9	83	65
Infosys Brasil	1	-	2
Noah Consulting LLC	17	-	-
Panaya Ltd.	1	9	-
Infosys Public Services	3	2	-
Kallidus	35	-	-
Noah Information Management Consulting Inc.	3	-	-
Infosys Poland Sp Z.o.o	1	-	-
	135	145	102
Other financial liabilities			
Infosys BPO	2	27	16
Infosys McCamish Systems LLC	-	-	2
Infosys Consulting AG	-	1	1
Infy Consulting Company Ltd.	-	1	1
EdgeVerve	-	-	9
Panaya Ltd.	-	1	-
Infosys Public Services	-	7	4
Infosys Mexico	1	1	-
Infosys Consulting Holding AG	10	-	-
Infosys Consulting GmbH	1	-	-
	14	38	33
Accrued expenses			
Infosys BPO	-	1	(1)
Kallidus Inc	-	18	-
Noah Consulting, LLC	-	10	-
Panaya Ltd	3	-	-
EdgeVerve	-	-	37
	3	29	36
Rental Deposit given for shared services			
Infosys BPO	-	21	21
Rental Deposit taken for shared services			
Infosys BPO	-	27	27

⁽¹⁾ The above loans were given in accordance with the terms and conditions of the loan agreement and carries an interest rate of 6% per annum, each and is repayable within a period of one year and at anytime within four years from the date of grant for Infosys China and Infosys Sweden respectively.

⁽²⁾ At an interest rate of 8.5% per annum.

The details of the related parties transactions entered into by the Company, in addition to the lease commitments described in note 2.21, for the three months and year ended March 31, 2017 and March 31, 2016 are as follows:

Particulars	(In ₹ crore)			
	Three months ended March 31,		Year ended March 31,	
	2017	2016	2017	2016
Capital transactions:				
Financing transactions				
Equity				
EdgeVerve	-	-	-	850
Infosys China	-	-	67	-
Infosys Sweden	19	-	76	-
Infosys Shanghai	-	-	180	258
Infosys Consulting Pte Ltd	10	-	10	-
Noah Consulting LLC	-	-	71	-
	29	-	404	1,108
Debtenture given/ (repaid)				
EdgeVerve	(50)	-	(420)	2,549
	(50)	-	(420)	2,549
Loans (net of repayment)⁽¹⁾				
Kallidus	-	-	-	-
Infosys Sweden	-	-	(1)	23
Infosys China	-	68	3	68
EdgeVerve	-	-	-	(18)
Infy Consulting Company Limited	-	-	-	(6)
	-	68	2	67
Cash paid under business transfer				
EdgeVerve	-	49	-	335
	-	49	-	335
Revenue transactions:				
Purchase of services				
Infosys China	30	31	120	126
Infosys Management Consulting Pty Limited	30	37	125	130
Infy Consulting Company Limited	153	254	697	882
Infosys Consulting Pte Ltd.	13	19	36	104
Portland Group Pty Ltd	1	-	3	2
Infosys (Czech Republic) Limited s.r.o.	8	6	31	17
Infosys BPO	104	93	391	341
Infosys Sweden	16	22	72	79
Infosys Mexico	5	3	22	11
Infosys Public Services	7	4	22	11
Panaya Ltd.	15	9	50	20
Infosys Brasil	3	2	8	10
Infosys Poland Sp Z.o.o	1	-	4	-
Kallidus	43	18	75	18
Noah Consulting, LLC	46	10	135	10
Noah Information Management Consulting Inc.	1	-	4	-
	476	508	1,795	1,761
Purchase of shared services including facilities and personnel				
Panaya Ltd.	-	-	2	-
Infosys BPO	2	6	19	18
	2	6	21	18
Interest income				
Infosys China	1	-	4	-
Infosys Sweden	-	-	1	1
EdgeVerve	45	56	197	62
	46	56	202	63
Sale of services				
Infosys China	4	3	15	11
Infosys Mexico	8	10	31	37
Infy Consulting Company Limited	10	11	75	30
Infosys Brasil	4	3	12	7
Infosys BPO	16	16	58	69
McCamish Systems LLC	1	1	1	3
Infosys Sweden	5	6	17	27
EdgeVerve	97	-	303	-
Kallidus	6	-	6	-
Infosys Public Services	178	234	893	900
	329	284	1,411	1,084
Sale of shared services including facilities and personnel				
EdgeVerve	10	58	40	143
Panaya Ltd.	10	10	32	15
Infy Consulting Company Limited	2	1	3	5
Infosys Public Services	-	-	1	-
Infosys BPO	8	11	46	42
Infy Consulting B.V	1	-	1	-
Infosys Consulting SAS	2	-	2	1
	33	80	125	206

⁽¹⁾ Loan outstanding (including accrued interest) given to Infosys Sweden is converted to equity during the year ended March 31, 2017.

Transactions with key management personnel

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

Particulars	(In ₹ crore)			
	Three months ended March 31,		Year ended March 31,	
	2017	2016	2017	2016
Salaries and other employee benefits to whole-time directors and executive officers ⁽¹⁾⁽²⁾⁽³⁾⁽⁴⁾⁽⁵⁾	18	40	84	101
Commission and other benefits to non-executive/independent directors	3	2	10	9
Total	21	42	94	110

⁽¹⁾ Includes stock compensation expense of ₹12 crore and ₹36 crore for the three months and year ended March 31, 2017, respectively (₹2 crore and ₹7 crore for the three months and year ended March 31, 2016, respectively) towards key managerial personnel. Refer note 2.12

⁽²⁾ Year ended March 31, 2017 includes ₹6 crore payable under severance agreement to David D. Kennedy, who stepped down as General counsel and Chief compliance officer w.e.f December 31, 2016

⁽³⁾ Year ended March 31, 2016 includes ₹17.38 crore payable under severance agreement to Rajiv Bansal who stepped down as Chief Financial officer w.e.f October 12, 2015

⁽⁴⁾ (4) The Board based on the recommendations of the Nominations committee approved on April 13, 2017, \$0.82 million as variable pay to CEO for the year ended March 31, 2017. The shareholders vide postal ballot had approved a variable pay of \$3 million at target.

Pursuant to the approval from the shareholders through postal ballot on March 31, 2016, Dr. Vishal Sikka is eligible to receive under the 2015 Plan, an annual grant of RSUs of fair value \$2 million which vest over time, subject to continued service and an annual grant of performance based equity and stock options of \$5 million subject to achievement of performance targets set by the Board or its committee, which vest over time. The Board based on the recommendations of the nominations committee approved on April 13, 2017, RSUs amounting to \$1.9 Mn and ESOPs amounting to \$ 0.96 Mn representing the performance based equity and stock options for the financial year 2017. Further, the Board also approved the annual time based vesting grant for financial year 2018 amounting to RSUs of \$2 million.

The year ended March 31, 2016 includes provision for variable pay amounting to \$4.33 million (approximately ₹29 crore) to CEO. The shareholders in the EGM dated July 30, 2014 had approved a variable pay of \$4.18 million (approximately ₹28 crore at current exchange rate) at a target level and also authorized the Board to alter and vary the terms of remuneration. Accordingly, the Board based on the recommendations of the Nominations committee approved on April 15, 2016, \$4.33 million (approximately ₹29 crore) as variable pay for the year ended March 31, 2016.

⁽⁵⁾ On March 31, 2017, the shareholders vide postal ballot approved a revision in the salary of U.B. Pravin Rao, whole-time director and COO.

2.26 SEGMENT REPORTING

Ind AS 108 establishes standards for the way that public business enterprises report information about operating segments and related disclosures about products and services, geographic areas, and major customers. The Company's operations predominantly relate to providing end-to-end business solutions to enable clients to enhance business performance. Based on the "management approach" as defined in Ind AS 108, the Chief Operating Decision Maker (CODM) evaluates the Company's performance and allocates resources based on an analysis of various performance indicators by business segments and geographic segments. Accordingly, information has been presented both along business segments and geographic segments. 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.

Business segments of the Company are primarily enterprises in Financial Services (FS), enterprises in Manufacturing (MFG), enterprises in Retail, Consumer packaged goods and Logistics (RCL), enterprises in the Energy & utilities, Communication and Services (ECS), enterprises in Hi-tech (Hi-tech), enterprises in Life Sciences, Healthcare and Insurance (HILIFE) and all other segments. All other segments represents the operating segments of businesses in India, Japan and China. 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. Revenue for "all other segments" represents revenue generated from customers located in India, Japan and China. Allocated expenses of segments include expenses incurred for rendering services from the Company's offshore software development centres 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.

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

Geographical information on revenue and business segment revenue information is collated based on individual customers invoiced or in relation to which the revenue is otherwise recognized.

Business segments

Three months ended March 31, 2017 and March 31, 2016

(In ₹ crore)

Particulars	FS	MFG	ECS	RCL	HILIFE	Hi-tech	All other segments	Total
Revenue from operations	3,924	1,566	3,630	2,503	1,860	1,157	280	14,920
	3,805	1,395	3,256	2,502	1,626	1,265	309	14,158
Identifiable operating expenses	2,068	810	1,813	1,270	933	629	175	7,698
	1,986	719	1,499	1,225	774	621	141	6,965
Allocated expenses	741	298	691	476	354	220	53	2,833
	790	290	676	520	338	263	64	2,941
Segment operating income	1,115	458	1,126	757	573	308	52	4,389
	1,029	386	1,081	757	514	381	104	4,252
Unallocable expenses								339
								320
Operating profit								4,050
								3,932
Other income, net								733
								773
Profit before income taxes								4,783
								4,705
Income tax expense								1,221
								1,314
Net profit								3,562
								3,391
Depreciation and amortization								336
								315
Non-cash expenses other than depreciation and amortization								3
								5

Year ended March 31, 2017 and March 31, 2016

(In ₹ crore)

Particulars	FS	MFG	ECS	RCL	HILIFE	Hi-tech	All other segments	Total
Revenue from operations	15,735	6,086	13,999	10,280	7,065	4,901	1,223	59,289
	14,846	5,434	12,124	9,411	6,392	4,736	1,040	53,983
Identifiable operating expenses	8,408	3,136	6,931	5,127	3,607	2,595	788	30,592
	7,582	2,855	5,745	4,615	3,204	2,367	583	26,951
Allocated expenses	3,036	1,180	2,713	1,994	1,369	952	236	11,480
	3,079	1,143	2,550	1,979	1,344	996	218	11,309
Segment operating income	4,291	1,770	4,355	3,159	2,089	1,354	199	17,217
	4,185	1,436	3,829	2,817	1,844	1,373	239	15,723
Unallocable expenses								1,341
								1,129
Operating profit								15,876
								14,594
Other income, net								3,062
								3,006
Profit before income taxes								18,938
								17,600
Income tax expense								5,120
								4,907
Net profit								13,818
								12,693
Depreciation and amortization								1,331
								1,115
Non-cash expenses other than depreciation and amortization								10
								14

Geographic segments

Three months ended March 31, 2017 and March 31, 2016

(In ₹ crore)

Particulars	North America	Europe	India	Rest of the World	Total
Revenue from operations	9,753	3,207	455	1,505	14,920
	9,258	3,216	360	1,324	14,158
Identifiable operating expenses	5,158	1,663	184	693	7,698
	4,619	1,598	123	625	6,965
Allocated expenses	1,855	610	85	283	2,833
	1,923	668	75	275	2,941
Segment operating income	2,740	934	186	529	4,389
	2,716	950	162	424	4,252
Unallocable expenses					339
					320
Operating profit					4,050
					3,932
Other income, net					733
					773
Profit before income taxes					4,783
					4,705
Income tax expense					1,221
					1,314
Net profit					3,562
					3,391
Depreciation and amortization					336
					315
Non-cash expenses other than depreciation and amortization					3
					5

Year ended March 31, 2017 and March 31, 2016

(In ₹ crore)

Particulars	North America	Europe	India	Rest of the World	Total
Revenue from operations	38,578	13,019	1,798	5,894	59,289
Identifiable operating expenses	35,638	11,775	1,274	5,296	53,983
Allocated expenses	18,052	5,868	568	2,463	26,951
	7,479	2,523	345	1,133	11,480
	7,493	2,471	255	1,090	11,309
Segment operating income	10,762	3,832	667	1,956	17,217
	10,093	3,436	451	1,743	15,723
Unallocable expenses					1,341
					1,129
Operating profit					15,876
					14,594
Other income, net					3,062
					3,006
Profit before income taxes					18,938
					17,600
Income tax expense					5,120
					4,907
Net profit					13,818
					12,693
Depreciation and amortization					1,331
					1,115
Non-cash expenses other than depreciation and amortization					10
					14
Significant clients					

No client individually accounted for more than 10% of the revenues in the three months and year ended March 31, 2017 and March 31, 2016.

2.27 FUNCTION WISE CLASSIFICATION OF STATEMENT OF PROFIT AND LOSS

(In ₹ crore)

Particulars	Three months ended March 31,		Year ended March 31,	
	2017	2016	2017	2016
Revenue from operations	14,920	14,158	59,289	53,983
Cost of sales	9,232	8,350	37,057	32,294
Gross Profit	5,688	5,808	22,232	21,689
Operating expenses				
Selling and marketing expenses	682	688	2,728	2,695
General and administration expenses	956	1,188	3,628	4,400
Total operating expenses	1,638	1,876	6,356	7,095
Operating profit	4,050	3,932	15,876	14,594
Other income, net	733	773	3,062	3,006
Profit before tax	4,783	4,705	18,938	17,600
Tax expense:				
Current tax	1,141	1,309	5,068	4,898
Deferred tax	80	5	52	9
Profit for the period	3,562	3,391	13,818	12,693
Other comprehensive income				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Remeasurement of the net defined benefit liability/asset	16	(3)	(42)	(2)
Equity instruments through other comprehensive income	(5)	-	(5)	-
<i>Items that will be reclassified subsequently to profit or loss</i>				
Fair value changes on cash flow hedges, net	11	-	39	-
Fair value changes on investments, net	(10)	-	(10)	-
Total other comprehensive income, net of tax	12	(3)	(18)	(2)
Total comprehensive income for the period	3,574	3,388	13,800	12,691

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

U. B. Pravin Rao
Chief Operating Officer and
Whole-time Director

Bengaluru
April 13, 2017

Roopa Kudva
Director

M. D. Ranganath
Chief Financial Officer

A.G.S Manikantha
Company Secretary

INFOSYS LIMITED
In ₹ crore

Balance Sheet as at	Note	March 31, 2017	March 31, 2016	April 1, 2015
ASSETS				
Non-current assets				
Property, plant and equipment	2.3	8,605	8,248	7,347
Capital work-in-progress		1,247	934	769
Intangible assets	2.4	-	-	-
Financial assets				
Investments	2.5	15,334	11,076	6,108
Loans	2.6	5	5	4
Other financial assets	2.7	216	192	110
Deferred tax assets (net)	2.17	346	405	433
Other non-current assets	2.10	996	755	349
Income tax assets (net)	2.17	5,454	5,020	3,941
Total non - current Assets		32,203	26,635	19,061
Current assets				
Financial assets				
Investments	2.5	9,643	2	749
Trade receivables	2.8	10,960	9,798	8,627
Cash and cash equivalents	2.9	19,153	29,176	27,722
Loans	2.6	310	355	225
Other financial assets	2.7	5,403	4,801	4,045
Other current assets	2.10	2,213	1,965	1,384
Total current assets		47,682	46,097	42,752
Total Assets		79,885	72,732	61,813
EQUITY AND LIABILITIES				
Equity				
Equity share capital	2.12	1,148	1,148	574
Other equity		66,869	59,934	51,617
Total equity		68,017	61,082	52,191
Liabilities				
Non-current liabilities				
Financial liabilities				
Other financial liabilities	2.13	40	62	27
Other non-current liabilities	2.15	42	-	-
Deferred tax liabilities (net)	2.17	-	-	-
Total non - current liabilities		82	62	27
Current liabilities				
Financial liabilities				
Trade payables	2.14	269	623	124
Other financial liabilities	2.13	5,056	5,132	4,847
Other current liabilities	2.15	2,349	2,093	1,564
Provisions	2.16	350	436	382
Income tax liabilities (net)	2.17	3,762	3,304	2,678
Total current liabilities		11,786	11,588	9,595
Total equity and liabilities		79,885	72,732	61,813

The accompanying notes form an integral part of the standalone 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

U. B. Pravin Rao
Chief Operating Officer
and Whole-time Director

Bengaluru
April 13, 2017

Roopa Kudva
Director

M. D. Ranganath
Chief Financial Officer

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	Year ended March 31,	
		2017	2016
Revenue from operations	2.18	59,289	53,983
Other income, net	2.19	3,062	3,006
Total income		62,351	56,989
Expenses			
Employee benefit expenses	2.20	30,944	28,207
Deferred consideration pertaining to acquisition		-	149
Cost of technical sub-contractors		4,809	4,417
Travel expenses		1,638	1,655
Cost of software packages and others	2.20	1,235	1,049
Communication expenses		372	311
Consultancy and professional charges		538	563
Depreciation and amortisation expense	2.3 & 2.4	1,331	1,115
Other expenses	2.20	2,546	1,923
Total expenses		43,413	39,389
Profit before tax		18,938	17,600
Tax expense:			
Current tax	2.17	5,068	4,898
Deferred tax	2.17	52	9
Profit for the period		13,818	12,693
Other comprehensive income			
<i>Items that will not be reclassified subsequently to profit or loss</i>			
Remeasurement of the net defined benefit liability/asset		(42)	(2)
Equity instruments through other comprehensive income	2.5 & 2.17	(5)	-
<i>Items that will be reclassified subsequently to profit or loss</i>			
Fair value changes on cash flow hedges, net		39	-
Fair value changes on investments, net	2.5	(10)	-
Total other comprehensive income, net of tax		(18)	(2)
Total comprehensive income for the period		13,800	12,691
Earnings per equity share			
Equity shares of par value ₹5/- each			
Basic (₹)		60.16	55.26
Diluted (₹)		60.15	55.26
Weighted average equity shares used in computing earnings per equity share			
Basic	2.23	2,296,944,664	2,296,944,664
Diluted	2.23	2,297,159,670	2,296,944,664

The accompanying notes form an integral part of the standalone 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

U. B. Pravin Rao
Chief Operating Officer
and Whole-time Director

Bengaluru
April 13, 2017

Roopa Kudva
Director

M. D. Ranganath
Chief Financial Officer

A.G.S Manikantha
Company Secretary

INFOSYS LIMITED
Statement of changes in Equity

Statement of changes in Equity												In ₹ crore
Particulars	Equity Share Capital	Other Equity										Total equity attributable to equity holders of the Company
		Reserves & Surplus					Other comprehensive income					
		Securities premium reserve	Retained earnings	Capital reserve	General reserve	Share Options Outstanding Account	Special Economic Zone Re- investment reserve ⁽¹⁾	Business transfer adjustment reserve ⁽²⁾	Equity Instruments through other comprehensive income	Cash flow hedge reserve	Other items of other comprehensive income	
Balance as of April 1, 2015	574	2,778	40,065	54	8,291	2	-	412	-	-	15	52,191
Changes in equity for the year ended March 31, 2016												
Increase in share capital on account of bonus issue (refer to note 2.12)	574	-	-	-	-	-	-	-	-	-	-	574
Transfer to general reserve	-	-	(1,217)	-	1,217	-	-	-	-	-	-	-
Amounts utilized for bonus issue (refer note 2.12)	-	(574)	-	-	-	-	-	-	-	-	-	(574)
Transferred to Special Economic Zone Re-investment reserve	-	-	(591)	-	-	-	591	-	-	-	-	-
Transferred from Special Economic Zone Re-investment reserve on utilization	-	-	591	-	-	-	(591)	-	-	-	-	-
Share based payment to employees (refer to note 2.12)	-	-	-	-	-	7	-	-	-	-	-	7
Transfer to securities premium on exercise	-	-	-	-	-	-	-	-	-	-	-	-
Remeasurement of the net defined benefit liability/asset, net of tax effect (refer note 2.22 and 2.17)	-	-	-	-	-	-	-	-	-	-	(2)	(2)
Equity instruments through other comprehensive income	-	-	-	-	-	-	-	-	-	-	-	-
Dividends (including corporate dividend tax)	-	-	(6,843)	-	-	-	-	-	-	-	-	(6,843)
Profit on transfer of business ⁽²⁾	-	-	-	-	-	-	-	3,036	-	-	-	3,036
Profit for the period	-	-	12,693	-	-	-	-	-	-	-	-	12,693
Balance as of March 31, 2016	1,148	2,204	44,698	54	9,508	9	-	3,448	-	-	13	61,082

INFOSYS LIMITED
Statement of changes in Equity

In ₹ crore												Total equity attributable to equity holders of the Company
Particulars	Equity Share Capital	Other Equity										
		Reserves & Surplus					Other comprehensive income					
		Securities premium reserve	Retained earnings	Capital reserve	General reserve	Share Options Outstanding Account	Special Economic Zone Re-investment reserve ⁽¹⁾	Business transfer adjustment reserve ⁽²⁾	Equity Instruments through other comprehensive income	Cash flow hedge reserve	Other items of other comprehensive income	
Balance as of April 1, 2016	1,148	2,204	44,698	54	9,508	9	-	3,448	-	-	13	61,082
Changes in equity for the year ended March 31, 2017												
Transfer to general reserve	-	-	(1,579)	-	1,579	-	-	-	-	-	-	-
Transferred to Special Economic Zone Re-investment reserve	-	-	(953)	-	-	-	953	-	-	-	-	-
Transferred from Special Economic Zone Re-investment reserve on utilization	-	-	953	-	-	-	(953)	-	-	-	-	-
Exercise of stock options (refer to note 2.12)	-	3	-	-	-	(3)	-	-	-	-	-	-
Income tax benefit arising on exercise of stock options	-	1	-	-	-	-	-	-	-	-	-	1
Share based payment to employees of the group (refer to note 2.12 and note 2.25)	-	-	-	-	-	114	-	-	-	-	-	114
Remeasurement of the net defined benefit liability/asset, net of tax effect (refer note 2.22 and 2.17)	-	-	-	-	-	-	-	-	-	-	(42)	(42)
Equity instruments through other comprehensive income	-	-	-	-	-	-	-	-	-	-	-	-
Fair value changes on cash flow hedge, net of tax (Refer note 2.11)	-	-	-	-	-	-	-	-	-	39	-	39
Fair valuation of investments, net of tax effect (Refer note 2.5)	-	-	-	-	-	-	-	-	-	-	(10)	(10)
Equity instruments through other comprehensive income, net of tax effect (Refer note 2.5)	-	-	-	-	-	-	-	-	(5)	-	-	(5)
Dividends (including corporate dividend tax)	-	-	(6,980)	-	-	-	-	-	-	-	-	(6,980)
Profit for the period	-	-	13,818	-	-	-	-	-	-	-	-	13,818
Balance as of March 31, 2017	1,148	2,208	49,957	54	11,087	120	-	3,448	(5)	39	(39)	68,017

⁽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⁾ Profit on transfer of business between entities under common control taken to reserve on account of transition to Indian Accounting Standards (Ind AS)

The accompanying notes form an integral part of the standalone 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

U. B. Pravin Rao
Chief Operating Officer
and Whole-time Director

Bengaluru
April 13, 2017

Roopa Kudva
Director

M. D. Ranganath
Chief Financial Officer

A.G.S Manikantha
Company Secretary

(In ₹ crore)

Statements of Cash Flows	Year ended March 31,	
	2017	2016
Cash flow from operating activities:		
Profit for the period	13,818	12,693
Adjustments to reconcile net profit to net cash provided by operating activities:		
Depreciation and amortization	1,331	1,115
Income tax expense	5,120	4,907
Allowance for credit losses on financial assets	135	(48)
Deferred consideration pertaining to acquisition	-	149
Interest and dividend income	(2,553)	(2,563)
Other adjustments	48	141
Exchange differences on translation of assets and liabilities	39	31
Changes in assets and liabilities		
Trade receivables and unbilled revenue	(1,825)	(1,373)
Loans and other financial assets and other assets	(427)	(1,188)
Trade payables	(354)	499
Other financial liabilities, other liabilities and provisions	179	565
Cash generated from operations	15,511	14,928
Income taxes paid	(5,033)	(5,350)
Net cash generated by operating activities	10,478	9,578
Cash flow from investing activities:		
Expenditure on property, plant and equipment net of sale proceeds, including changes in retention money and capital creditors	(2,292)	(2,308)
Deposits with corporations	(155)	(115)
Loans to employees	23	(64)
Repayment of debentures	420	-
Investment in subsidiaries	(369)	(258)
Payment towards contingent consideration pertaining to acquisition	(36)	-
Payment towards acquisition	-	(794)
Payment arising out of business transfer	-	(335)
Payments to acquire financial assets		
Preference securities	(43)	(82)
Liquid mutual fund and fixed maturity plan securities	(49,648)	(22,797)
Tax free bonds	(312)	(299)
Non-convertible debentures	(3,664)	-
Certificate of Deposits	(7,555)	-
Government Bond	-	(2)
Proceeds on sale of financial assets		
Liquid mutual fund and fixed maturity plan securities	47,495	23,545
Tax free bonds	2	-
Interest and dividend received on investments	2,640	2,302
Net cash used in investing activities	(13,494)	(1,207)
Cash flow from financing activities:		
Loan given to subsidiaries	-	(193)
Loan repaid by subsidiary	-	126
Payment of dividends	(6,968)	(6,841)
Net cash used in financing activities	(6,968)	(6,908)
Effect of exchange differences on translation of foreign currency cash and cash equivalents	(39)	(9)
Net decrease in cash and cash equivalents	(9,984)	1,463
Cash and cash equivalents at the beginning of the period	29,176	27,722
Cash and cash equivalents at the end of the period	19,153	29,176
Supplementary information:		
Restricted cash balance	411	341

The accompanying notes form an integral part of the standalone 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

U. B. Pravin Rao
Chief Operating Officer
and Whole-time Director

Bengaluru
April 13, 2017

Roopa Kudva
Director
M. D. Ranganath
Chief Financial Officer

A.G.S Manikantha
Company Secretary

INFOSYS LIMITED

Notes to the Financial Statements

1. Company Overview and Significant Accounting Policies

1.1 Company overview

Infosys ('the Company') is a leading provider 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, its 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 Bengaluru, Karnataka, India. The company has its primary listings on the BSE Limited and National Stock Exchange of India Limited. The Company's American Depositary Shares representing equity shares are also listed on the New York Stock Exchange (NYSE), Euronext London and Euronext Paris.

The financial statements are approved for issue by the Company's Board of Directors on April 13, 2017.

1.2 Basis of preparation of financial statements

These financial statements are prepared in accordance with Indian Accounting Standards (Ind AS) under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values, the provisions of the Companies Act, 2013 ('Act') (to the extent notified) and guidelines issued by the Securities and Exchange Board of India (SEBI). The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

The Company has adopted all the Ind AS standards and the adoption was carried out in accordance with Ind AS 101 *First time adoption of Indian Accounting Standards*. The transition was carried out from Indian Accounting Principles generally accepted in India as prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (IGAAP), which was the previous GAAP. Reconciliations and descriptions of the effect of the transition has been summarized in note 2.1.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

1.3 Use of estimates

The preparation of the financial statements in conformity with Ind AS requires management to make estimates, judgments and assumptions. These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the period. Application of accounting policies that require critical accounting estimates involving complex and subjective judgments and the use of assumptions in these financial statements have been disclosed in note 1.4. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

1.4 Critical accounting estimates

a. Revenue recognition

The Company uses the percentage-of-completion method in accounting for its fixed-price contracts. Use of the percentage-of-completion method requires the Company to estimate the efforts or costs expended to date as a proportion of the total efforts or costs to be expended. Efforts or costs expended have been used to measure progress towards completion as there is a direct relationship between input and productivity. Provisions for estimated losses, if any, on uncompleted contracts are recorded in the period in which such losses become probable based on the expected contract estimates at the reporting date.

b. Income taxes

The Company's two major tax jurisdictions are India and the U.S., though the company also files tax returns in other overseas jurisdictions. Significant judgements are involved in determining the provision for income taxes, including amount expected to be paid/recovered for uncertain tax positions. Also refer to Note 2.17 and Note 2.24.

c. Property, plant and equipment

Property, plant and equipment represent a significant proportion of the asset base of the Company. The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of company's assets are determined by management at the time the asset is acquired and reviewed periodically, including at each financial year end. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology.

1.5 Revenue recognition

The Company derives revenues primarily from software development and related services and from the licensing of software products. Arrangements with customers for software 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, fixed-timeframe contracts, where there is no uncertainty as to measurement or collectability of consideration, is recognized as per the percentage-of-completion method. When there is uncertainty as to measurement or ultimate collectability, revenue recognition is postponed until such uncertainty is resolved. Efforts or costs expended have been used to measure progress towards completion as there is a direct relationship between input and productivity. Provisions for estimated losses, if any, on uncompleted contracts are recorded in the period in which such losses become probable based on the current contract estimates. Costs and earnings in excess of billings are classified as unbilled revenue while billings in excess of costs and earnings are classified as unearned revenue. Deferred contract costs are amortized over the term of the contract. Maintenance revenue is recognized ratably over the term of the underlying maintenance arrangement.

In arrangements for software development and related services and maintenance services, the Company has applied the guidance in Ind AS 18, Revenue, by applying the revenue recognition criteria for each separately identifiable component of a single transaction. The arrangements generally meet the criteria for considering software development and related services as separately identifiable components. For allocating the consideration, the Company has measured the revenue in respect of each separable component of a transaction at its fair value, in accordance with principles given in Ind AS 18. The price that is regularly charged for an item when sold separately is the best evidence of its fair value. In cases where the Company is unable to establish objective and reliable evidence of fair value for the software development and related services, the Company has used a residual method to allocate the arrangement consideration. In these cases the balance of the consideration, after allocating the fair values of undelivered components of a transaction has been allocated to the delivered components for which specific fair values do not exist.

License fee revenues are recognized when the general revenue recognition criteria given in Ind AS 18 are met. Arrangements to deliver software products generally have three elements: license, implementation and Annual Technical Services (ATS). The Company has applied the principles given in Ind AS 18 to account for revenues from these multiple element arrangements. Objective and reliable evidence of fair value has been established for ATS. Objective and reliable evidence of fair value is the price charged when the element is sold separately. When other services are provided in conjunction with the licensing arrangement and objective and reliable evidence of their fair values have been established, the revenue from such contracts are allocated to each component of the contract in a manner, whereby revenue is deferred for the undelivered services and the residual amounts are recognized as revenue for delivered elements. In the absence of objective and reliable evidence of fair value for implementation, the entire arrangement fee for license and implementation is recognized using the percentage-of-completion method as the implementation is performed. Revenue from client training, support and other services arising due to the sale of software products is recognized as the services are performed. ATS revenue is recognized ratably over the period in which the services are rendered.

Advances received for services and products are reported as client deposits until all conditions for revenue recognition are met.

The Company accounts for volume discounts and pricing incentives to customers as a reduction of revenue based on the ratable allocation of the discounts/ incentives amount to each of the underlying revenue transaction that results 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 in the period in which the change occurs. The discounts are passed on to the customer either as direct payments or as a reduction of payments due from the customer.

The company presents revenues net of value-added taxes in its Statement of Profit and Loss.

1.6 Property, plant and equipment

Property, plant and equipment are stated at cost, less accumulated depreciation and impairment, if any. Costs directly attributable to acquisition are capitalized until the property, plant and equipment are ready for use, as intended by management. The company depreciates property, plant and equipment over their estimated useful lives using the straight-line method. The estimated useful lives of assets are as follows:

Building ⁽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

Depreciation methods, useful lives and residual values are reviewed periodically, including at each financial year end.

⁽¹⁾ Based on technical evaluation, 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.

Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as capital advances under other non-current assets and the cost of assets not put to use before such date are disclosed under 'Capital work-in-progress'. Subsequent expenditures relating to property, plant and equipment is capitalized only when it is probable that future economic benefits associated with these will flow to the company and the cost of the item can be measured reliably. Repairs and maintenance costs are recognized in net profit in the Statement of Profit and Loss when incurred. The cost and related accumulated depreciation are eliminated from the financial statements upon sale or retirement of the asset and the resultant gains or losses are recognized in the Statement of Profit and Loss. Assets to be disposed off are reported at the lower of the carrying value or the fair value less cost to sell.

1.7 Intangible assets

Intangible assets are stated at cost less accumulated amortization and impairment. Intangible assets are amortized over their respective individual estimated useful lives on a straight-line basis, from the date that they are available for use. The estimated useful life of an identifiable intangible asset is based on a number of factors including the effects of obsolescence, demand, competition, and other economic factors (such as the stability of the industry, and known technological advances), and the level of maintenance expenditures required to obtain the expected future cash flows from the asset. Amortization methods and useful lives are reviewed periodically including at each financial year end.

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. The costs which can be capitalized include the cost of material, direct labour, overhead costs that are directly attributable to preparing the asset for its intended use. Research and development costs and software development costs incurred under contractual arrangements with customers are accounted as expenses in the Statement of Profit and Loss.

1.8 Financial instruments

1.8.1 Initial recognition

The Company recognizes financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are recognized at fair value on initial recognition, except for trade receivables which are initially measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities, that are not at fair value through profit or loss, are added to the fair value on initial recognition. Regular way purchase and sale of financial assets are accounted for at trade date.

1.8.2 Subsequent measurement

a. Non-derivative financial instruments

(i) Financial assets carried at amortised cost

A financial asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

(ii) Financial assets at fair value through other comprehensive income

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. The Company has made an irrevocable election for its investments which are classified as equity instruments to present the subsequent changes in fair value in other comprehensive income based on its business model. Further, in cases where the Company has made an irrevocable election based on its business model, for its investments which are classified as equity instruments, the subsequent changes in fair value are recognized in other comprehensive income.

(iii) Financial assets at fair value through profit or loss

A financial asset which is not classified in any of the above categories are subsequently fair valued through profit or loss.

(iv) Financial liabilities

Financial liabilities are subsequently carried at amortized cost using the effective interest method, except for contingent consideration recognized in a business combination which is subsequently measured at fair value through profit and loss. For trade and other payables maturing within one year from the Balance Sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

(v) Investment in subsidiaries

Investment in subsidiaries is carried at cost in the separate financial statements.

b. Derivative financial instruments

The Company holds derivative financial instruments such as foreign exchange forward and option contracts to mitigate the risk of changes in exchange rates on foreign currency exposures. The counterparty for these contracts is generally a bank.

(i) Financial assets or financial liabilities, at fair value through profit or loss.

This category has derivative financial assets or liabilities which are not designated as hedges.

Although the company believes that these derivatives constitute hedges from an economic perspective, they may not qualify for hedge accounting under Ind AS 109, Financial Instruments. Any derivative that is either not designated a hedge, or is so designated but is ineffective as per Ind AS 109, is categorized as a financial asset or financial liability, at fair value through profit or loss.

Derivatives not designated as hedges are recognized initially at fair value and attributable transaction costs are recognized in net profit in the Statement of Profit and Loss, when incurred. Subsequent to initial recognition, these derivatives are measured at fair value through profit or loss and the resulting exchange gains or losses are included in other income. Assets/ liabilities in this category are presented as current assets/current liabilities if they are either held for trading or are expected to be realized within 12 months after the balance sheet date.

(ii) Cash flow hedge

The company designates certain foreign exchange forward and options contracts as cash flow hedges to mitigate the risk of foreign exchange exposure on highly probable forecast cash transactions.

When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative is recognized in other comprehensive income and accumulated in the cash flow hedging reserve. Any ineffective portion of changes in the fair value of the derivative is recognized immediately in the net profit in the statement of profit and loss. If the hedging instrument no longer meets the criteria for hedge accounting, then hedge accounting is discontinued prospectively. If the hedging instrument expires or is sold, terminated or exercised, the cumulative gain or loss on the hedging instrument recognized in cash flow hedging reserve till the period the hedge was effective remains in cash flow hedging reserve until the forecasted transaction occurs. The cumulative gain or loss previously recognized in the cash flow hedging reserve is transferred to the net profit in the Statement of Profit and Loss upon the occurrence of the related forecasted transaction. If the forecasted transaction is no longer expected to occur, then the amount accumulated in cash flow hedging reserve is reclassified to net profit in the Statement of Profit and Loss.

c. Share capital

Ordinary Shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of new ordinary shares and share options are recognized as a deduction from equity, net of any tax effects.

1.8.3 Derecognition of financial instruments

The company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition under Ind AS 109. A financial liability (or a part of a financial liability) is derecognized from the Company's Balance Sheet when the obligation specified in the contract is discharged or cancelled or expires.

1.9 Fair value of financial instruments

In determining the fair value of its financial instruments, the Company uses a variety of methods and assumptions that are based on market conditions and risks existing at each reporting date. The methods used to determine fair value include discounted cash flow analysis, available quoted market prices and dealer quotes. All methods of assessing fair value result in general approximation of value, and such value may never actually be realized.

1.10 Impairment

a. Financial assets

The Company recognizes loss allowances using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit or loss. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised is recognized as an impairment gain or loss in profit or loss.

b. Non-financial assets

(i) Intangible assets and property, plant and equipment

Intangible assets and property, plant and equipment are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the CGU to which the asset belongs.

If such assets are considered to be impaired, the impairment to be recognized in the Statement of Profit and Loss is measured by the amount by which the carrying value of the assets exceeds the estimated recoverable amount of the asset. An impairment loss is reversed in the statement of profit and loss if there has been a change in the estimates used to determine the recoverable amount. The carrying amount of the 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 Provisions

A provision is recognized if, as a result of a past event, the company has a present legal or constructive 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 discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

a. Post sales client support

The Company provides its clients with a fixed-period post sales support 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 related revenues are recorded in the Statement of Profit and Loss. The company estimates such costs based on historical experience and estimates are reviewed on a periodic basis for any material changes in assumptions and likelihood of occurrence.

b. 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 the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established the company recognizes any impairment loss on the assets associated with that contract.

1.12 Foreign currency

Functional currency

The functional currency of the company is the Indian rupee. These financial statements are presented in Indian rupees (rounded off to crore; one crore equals ten million).

Transactions and translations

Foreign-currency denominated monetary assets and liabilities are translated into the relevant functional currency at exchange rates in effect at the balance sheet date. The gains or losses resulting from such translations are included in net profit 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 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. Revenue, expense and cash-flow items denominated in foreign currencies are translated into the relevant functional currencies using the exchange rate in effect on the date of the transaction.

1.13 Earnings per equity share

Basic earnings per equity share is computed by dividing the net profit attributable to the equity holders of the company by the weighted average number of equity shares outstanding during the period. Diluted earnings per equity share is computed by dividing the net profit attributable to the equity holders of the company by the weighted average number of equity shares considered for deriving basic earnings per equity share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. The dilutive potential equity shares are adjusted for the proceeds receivable had the equity shares been actually issued at fair value (i.e. the average market value of the outstanding equity 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 equity 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.

1.14 Income taxes

Income tax expense comprises current and deferred income tax. Income tax expense is recognized in net profit in the statement of profit and loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in other comprehensive income. Current income tax for current and prior periods is recognized at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. Deferred income tax assets and liabilities are recognized for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Deferred income tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect of changes in tax rates on deferred income tax assets and liabilities is recognized as income or expense in the period that includes the enactment or the substantive enactment date. A deferred income tax asset is recognized to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilized. Deferred income taxes are not provided on the undistributed earnings of subsidiaries and branches where it is expected that the earnings of the subsidiary or branch will not be distributed in the foreseeable future. The company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously. 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 income are credited to share premium.

1.15 Employee benefits

1.15.1 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 Trusts and contributions are invested in a scheme with Life Insurance Corporation of India as permitted by laws of India.

The Company recognizes the net obligation of a defined benefit plan in its balance sheet as an asset or liability. Gains and losses through re-measurements of the net defined benefit liability/(asset) are recognized in other comprehensive income. The actual return of the portfolio of plan assets, in excess of the yields computed by applying the discount rate used to measure the defined benefit obligation is recognized in other comprehensive income. The effect of any plan amendments are recognized in net profit in the Statement of Profit and Loss.

1.15.2 Superannuation

Certain employees of Infosys are participants in a defined contribution plan. The Company has no further 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.

1.15.3 Provident fund

Eligible employees of Infosys 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.

1.15.4 Compensated absences

The Company has a policy on compensated absences which are both accumulating and non-accumulating in nature. The expected cost of accumulating compensated absences is determined by actuarial valuation performed by an independent actuary at each balance sheet date 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.

1.16 Share-based compensation

The Company recognizes compensation expense relating to share-based payments in net profit using fair-value in accordance with Ind AS 102, Share-Based Payment. The estimated fair value of awards is charged to income on a straight-line basis over the requisite service period for each separately vesting portion of the award as if the award was in-substance, multiple awards with a corresponding increase to share options outstanding account.

1.17 Cash Flow Statement

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

1.18 Dividends

Final dividends on shares are recorded as a liability on the date of approval by the shareholders and interim dividends are recorded as a liability on the date of declaration by the Company's Board of Directors.

1.19 Other income

Other income is comprised primarily of interest income, dividend income and exchange gain/loss on forward and options contracts and on translation of other assets and liabilities. Interest income is recognized using the effective interest method. Dividend income is recognized when the right to receive payment is established.

1.20 Leases

Leases under which the company assumes substantially all the risks and rewards of ownership are classified as finance leases. When acquired, such assets are capitalized at fair value 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 net profit in the Statement of Profit and Loss over the lease term.

1.21 Recent accounting pronouncements

1.21.1 Standards issued but not yet effective

In March 2017, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2017, notifying amendments to Ind AS 7, 'Statement of cash flows' and Ind AS 102, 'Share-based payment.' These amendments are in accordance with the recent amendments made by International Accounting Standards Board (IASB) to IAS 7, 'Statement of cash flows' and IFRS 2, 'Share-based payment,' respectively. The amendments are applicable to the company from April 1, 2017.

Amendment to Ind AS 7:

The amendment to Ind AS 7 requires the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities, to meet the disclosure requirement.

The company is evaluating the requirements of the amendment and the effect on the financial statements is being evaluated.

Amendment to Ind AS 102:

The amendment to Ind AS 102 provides specific guidance to measurement of cash-settled awards, modification of cash-settled awards and awards that include a net settlement feature in respect of withholding taxes.

It clarifies that the fair value of cash-settled awards is determined on a basis consistent with that used for equity-settled awards. Market-based performance conditions and non-vesting conditions are reflected in the 'fair values', but non-market performance conditions and service vesting conditions are reflected in the estimate of the number of awards expected to vest. Also, the amendment clarifies that if the terms and conditions of a cash-settled share-based payment transaction are modified with the result that it becomes an equity-settled share-based payment transaction, the transaction is accounted for as such from the date of the modification. Further, the amendment requires the award that include a net settlement feature in respect of withholding taxes to be treated as equity-settled in its entirety. The cash payment to the tax authority is treated as if it was part of an equity settlement.

The company is evaluating the requirements of the amendment and the impact on the financial statements is being evaluated.

2 Notes to the standalone financial statements for the year ended March 31, 2017

2.1 First-time adoption of Ind-AS

These standalone interim financial statements of Infosys Limited for the year ended March 31, 2017 have been prepared in accordance with Ind AS. For the purposes of transition to Ind AS, the Company has followed the guidance prescribed in Ind AS 101 - *First Time adoption of Indian Accounting Standard*, with April 1, 2015 as the transition date and IGAAP as the previous GAAP.

The transition to Ind AS has resulted in changes in the presentation of the financial statements, disclosures in the notes thereto and accounting policies and principles. The accounting policies set out in Note 1 have been applied in preparing the standalone financial statements for the year ended March 31, 2017 and the comparative information. An explanation of how the transition from previous GAAP to Ind AS has affected the Company's Balance Sheet, Statement of Profit and Loss, is set out in note 2.2 and 2.2.2. Exemptions on first time adoption of Ind AS availed in accordance with Ind AS 101 have been set out in note 2.1.1.

2.1.1 Exemptions availed on first time adoption of Ind-AS 101

Ind-AS 101 allows first-time adopters certain exemptions from the retrospective application of certain requirements under Ind AS. The Company has accordingly applied the following exemptions.

(a) Share-based payment

The Company is allowed to apply Ind AS 102 Share-based payment to equity instruments that remain unvested as of transition date. The Company has elected to avail this exemption and apply the requirements of Ind AS 102 to all such grants under the 2015 plan (formerly 2011 plan). Accordingly, these options have been measured at fair value as against intrinsic value previously under IGAAP.

The excess of stock compensation expense measured using fair value over the cost recognized under IGAAP using intrinsic value has been adjusted in 'Share Option Outstanding Account', with the corresponding impact taken to the retained earnings as on the transition date.

(b) Designation of previously recognized financial instruments

Under Ind AS 109, at initial recognition of a financial asset, an entity may make an irrevocable election to present subsequent changes in the fair value of an investment in an equity instrument in other comprehensive income. Ind AS 101 allows such designation of previously recognized financial assets, as 'fair value through other comprehensive income' on the basis of the facts and circumstances that existed at the date of transition to Ind AS.

Accordingly, the Company has designated its investments in certain equity instruments at fair value through other comprehensive income on the basis of the facts and circumstances that existed at the date of transition to Ind AS.

2.2 Reconciliations

The following reconciliations provides the effect of transition to Ind AS from IGAAP in accordance with Ind AS 101

1. Equity as at April 1, 2015 and March 31, 2016
2. Net profit for the year ended March 31, 2016

2.2.1 Reconciliation of equity as previously reported under IGAAP to Ind AS

(In ₹ crore)

Particulars	Note	Opening Balance Sheet as at April 1, 2015			Balance Sheet as at March 31, 2016		
		IGAAP	Effects of transition to Ind-AS	Ind AS	IGAAP	Effects of transition to Ind-AS	Ind AS
ASSETS							
Non-current assets							
Property, plant and equipment		7,347	-	7,347	8,248	-	8,248
Capital work-in-progress		769	-	769	934	-	934
Intangible assets		-	-	-	-	-	-
Financial assets:							
Investments	A	6,108	-	6,108	11,111	(35)	11,076
Loans		4	-	4	5	-	5
Other financial assets		110	-	110	192	-	192
Deferred tax assets (net)		433	-	433	405	-	405
Other non-current assets		349	-	349	755	-	755
Income tax assets (net)		3,941	-	3,941	5,020	-	5,020
Total non-current assets		19,061	-	19,061	26,670	(35)	26,635
Current assets							
Financial assets:							
Investments	A	749	-	749	2	-	2
Trade receivables		8,627	-	8,627	9,798	-	9,798
Cash and cash equivalents		27,722	-	27,722	29,176	-	29,176
Loans		225	-	225	355	-	355
Other financial assets		4,045	-	4,045	4,801	-	4,801
Other current assets		1,384	-	1,384	1,965	-	1,965
Total current assets		42,752	-	42,752	46,097	-	46,097
Total assets		61,813	-	61,813	72,767	(35)	72,732
EQUITY AND LIABILITIES							
Equity							
Equity share capital		574	-	574	1,148	-	1,148
Other equity	E	47,494	4,123	51,617	56,009	3,925	59,934
Total equity		48,068	4,123	52,191	57,157	3,925	61,082
Non-current liabilities							
Financial liabilities							
Other financial liabilities	B	27	-	27	73	(11)	62
Deferred tax liabilities (net)		-	-	-	-	-	-
Other non-current liabilities	C	3	(3)	-	-	-	-
Total non-current liabilities		30	(3)	27	73	(11)	62
Current liabilities							
Financial liabilities							
Trade payables		124	-	124	623	-	623
Other financial liabilities	B	4,885	(38)	4,847	5,138	(6)	5,132
Other current liabilities	C	1,568	(4)	1,564	2,097	(4)	2,093
Provisions	D	4,460	(4,078)	382	4,375	(3,939)	436
Income tax liabilities (Net)		2,678	-	2,678	3,304	-	3,304
Total current liabilities		13,715	(4,120)	9,595	15,537	(3,949)	11,588
Total liabilities and equity		61,813	-	61,813	72,767	(35)	72,732

Explanations for reconciliation of Balance Sheet as previously reported under IGAAP to INDAS

A. Investment

- a) Tax free bonds are carried at amortized cost under Ind AS and IGAAP. Investment in equity instruments are carried at fair value through OCI in Ind AS compared to being carried at cost under IGAAP.
- b) Investments include discounted value of contingent consideration payable on acquisition of business under IndAS as compared to undiscounted value of contingent consideration under IGAAP

B. Other financial liabilities

Adjustments includes impact of discounting the deferred and contingent consideration payable for acquisitions under Ind AS

C. Other liabilities -

Adjustments that reflect unamortised negative past service cost arising on modification of the gratuity plan in an earlier period. Ind AS 19 requires such gains and losses to be adjusted to retained ear

D. Provisions

Adjustments reflect dividend (including corporate dividend tax), declared and approved post reporting period.

E. Other equity

- a) Adjustments to retained earnings and other comprehensive income has been made in accordance with Ind AS, for the above mentioned line items.
- b) In addition, as per Ind-AS 19, actuarial gains and losses are recognized in other comprehensive income as compared to being recognized in the statement of profit and loss under IGAAP.
- c) Profit on transfer of business between entities under common control which were earlier recognized in statement of profit and loss under IGAAP are adjusted to reserves on transition to Ind AS.

2.2.2 Reconciliation Statement of Profit and Loss as previously reported under IGAAP to Ind AS

(In ₹ crore)

Particulars	Note	Year ended March 31 2016		
		IGAAP	Effects of transition to Ind-AS	Ind AS
Revenue from operations		53,983	-	53,983
Other income, net	G	3,009	(3)	3,006
Total Income		56,992	(3)	56,989
Expenses				
Employee benefit expenses	F	28,206	1	28,207
Deferred consideration pertaining to acquisition	G	110	39	149
Cost of technical sub-contractors		4,417	-	4,417
Travel expenses		1,655	-	1,655
Cost of software packages and others		1,049	-	1,049
Communication expenses		311	-	311
Consultancy and professional charges		563	-	563
Depreciation and amortisation expenses		1,115	-	1,115
Other expenses	G	1,909	14	1,923
Total expenses		39,335	54	39,389
Profit before exceptional items and tax		17,657	(57)	17,600
Profit on transfer of business	H	3,036	(3,036)	-
Profit before tax		20,693	(3,093)	17,600
Tax expense:				
Current tax	I	4,898	-	4,898
Deferred tax		9	-	9
Profit for the period		15,786	(3,093)	12,693
Other comprehensive income				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Remeasurement of the net defined benefit liability/asset	F	-	(2)	(2)
		-	(2)	(2)
<i>Items that will be reclassified subsequently to profit or loss</i>				
		-	-	-
Total other comprehensive income, net of tax		-	(2)	(2)
Total comprehensive income, for the period		15,786	(3,095)	12,691

Explanations for reconciliation of Statement of Profit and loss as previously reported under IGAAP to Ind AS

F. Employee benefit expenses

- As per Ind-AS 19- Employee Benefits, actuarial gains and losses are recognized in other comprehensive income and not reclassified to profit and loss in a subsequent period.
- Adjustments reflect unamortised negative past service cost arising on modification of the gratuity plan in an earlier period. Ind AS 19 requires such gains and losses to be adjusted to retained earnings.

G. Deferred and contingent consideration pertaining to acquisition

Adjustments reflect impact of discounting pertaining to deferred consideration and contingent consideration payable for business combinations

H. Reversal of exceptional item

Profit on transfer of business between entities under common control has been reversed and taken to business transfer reserve on account of transition to Ind AS

I. Current tax

Tax component on actuarial gains and losses which is transferred to other comprehensive income under Ind AS

2.2.3 Cash flow statement

There were no significant reconciliation items between cash flows prepared under Indian GAAP and those prepared under Ind AS.

2.3 PROPERTY, PLANT AND EQUIPMENT

Following are the changes in the carrying value of property, plant and equipment for the year ended March 31, 2017:

(In ₹ crore)

Particulars	Land-Freehold	Land-Leasehold	Buildings ⁽¹⁾⁽²⁾	Plant and machinery ⁽²⁾⁽⁴⁾	Office Equipment ⁽²⁾	Computer equipment ⁽²⁾	Furniture and fixtures ⁽²⁾	Vehicles	Total
Gross carrying value as of April 1, 2016	970	638	6,173	1,679	679	3,481	1,070	19	14,709
Additions	123	21	310	344	122	654	237	6	1,817
Deletions	-	-	-	(4)	(32)	(249)	(30)	(1)	(316)
Gross carrying value as of March 31, 2017	1,093	659	6,483	2,019	769	3,886	1,277	24	16,210
Accumulated depreciation as of April 1, 2016	-	(21)	(2,150)	(1,044)	(369)	(2,195)	(671)	(11)	(6,461)
Depreciation	-	(5)	(227)	(250)	(111)	(572)	(162)	(4)	(1,331)
Accumulated depreciation on deletions	-	-	-	4	8	164	10	1	187
Accumulated depreciation as of March 31, 2017	-	(26)	(2,377)	(1,290)	(472)	(2,603)	(823)	(14)	(7,605)
Carrying value as of March 31, 2017	1,093	633	4,106	729	297	1,283	454	10	8,605

Following are the changes in the carrying value of property, plant and equipment for the year ended March 31, 2016:

(In ₹ crore)

Particulars	Land-Freehold	Land-Leasehold	Buildings ⁽¹⁾⁽²⁾	Plant and machinery ⁽²⁾	Office Equipment ⁽²⁾	Computer equipment ⁽²⁾⁽³⁾	Furniture and fixtures ⁽²⁾	Vehicles	Total
Gross carrying value as of April 1, 2015	929	621	5,733	1,361	525	2,812	832	14	12,827
Additions	41	17	440	319	155	945	241	5	2,163
Deletions	-	-	-	(1)	(1)	(276)	(3)	-	(281)
Gross carrying value as of March 31, 2016	970	638	6,173	1,679	679	3,481	1,070	19	14,709
Accumulated depreciation as of April 1, 2015	-	(16)	(1,937)	(838)	(280)	(1,852)	(549)	(8)	(5,480)
For the period	-	(5)	(213)	(207)	(90)	(472)	(125)	(3)	(1,115)
Deduction / Adjustments during the period	-	-	-	1	1	129	3	-	134
Accumulated depreciation as of March 31, 2016	-	(21)	(2,150)	(1,044)	(369)	(2,195)	(671)	(11)	(6,461)
Carrying value as of March 31, 2016	970	617	4,023	635	310	1,286	399	8	8,248
Carrying value as of April 1, 2015	929	605	3,796	523	245	960	283	6	7,347

⁽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, 2016, computer equipment having net book value of ₹20 crore was transferred to EdgeVerve (Refer note 2.5.3)

⁽⁴⁾ Includes ₹ 25 crore spent on CSR activities

Gross carrying of leasehold land represents amounts paid under certain lease-cum-sale agreements to acquire land including agreements where the Company has an option to purchase or renew the properties on expiry of the lease period.

The aggregate depreciation has been included under depreciation and amortisation expense in the Statement of Profit and Loss.

Tangible assets provided on operating lease to subsidiaries as at March 31, 2017 and March 31, 2016 are as follows:

(In ₹ crore)

Particulars	Cost	Accumulated depreciation	Net book value
Buildings	197	82	115
Plant and machinery	197	75	122
	33	19	14
	33	14	19
Furniture and fixtures	25	16	9
	25	12	13
Computer Equipment	3	2	1
	3	2	1
Office equipment	18	10	8
	18	7	11

The aggregate depreciation charged on the above assets during the year ended March 31, 2017 and March 31, 2016 amounted to ₹19 crore each.

The rental income from subsidiaries for the year ended March 31, 2017 and March 31, 2016 amounted to ₹65 crore and ₹51 crore respectively.

2.4 Intangible assets

Following are the changes in the carrying value of acquired intangible assets for the year ended March 31, 2017:

Particulars	(In ₹ crore)		
	Sub-contracting rights related	Others	Total
Gross carrying value as of April 1, 2016	21	9	30
Additions	-	-	-
Deletion	-	-	-
Gross carrying value as of March 31, 2017	21	9	30
Accumulated amortization as of April 1, 2016	(21)	(9)	(30)
Amortization expense	-	-	-
Deletion	-	-	-
Accumulated amortization as of March 31, 2017	(21)	(9)	(30)
Carrying value as of March 31, 2017	-	-	-

Following are the changes in the carrying value of acquired intangible assets for the year ended March 31, 2016:

(In ₹ crore)				
Particulars	Intellectual property rights related	Sub-contracting rights related	Others	Total
Gross carrying value as of April 1, 2015	12	21	9	42
Additions	-	-	-	-
Deletion/Retirement	(12)	-	-	(12)
Gross carrying value as of March 31, 2016	-	21	9	30
Accumulated amortization as of April 1, 2015	(12)	(21)	(9)	(42)
Amortization expense	-	-	-	-
Deletion/Retirement	12	-	-	12
Accumulated amortization as of March 31, 2016	-	(21)	(9)	(30)
Carrying value as of March 31, 2016	-	-	-	-
Carrying value as of April 1, 2015	-	-	-	-

Research and development expense recognized in net profit in the statement of profit and loss for the year ended March 31, 2017 and March 31, 2016 is ₹351crore and ₹384 crore respectively.

2.5 INVESTMENTS

(In ₹ crore)

Particulars	As at		
	March 31, 2017	March 31, 2016	April 1, 2015
Non-current investments			
Equity instruments of subsidiaries	7,305	6,901	4,873
Debentures of subsidiary	2,129	2,549	-
Preference securities, Equity investments and Others	132	93	1
Others	3	-	-
Tax free bonds	1,833	1,533	1,234
Fixed maturity plans	357	-	-
Non convertible debentures	3,575	-	-
	15,334	11,076	6,108
Current investments			
Liquid mutual fund units	1,755	-	749
Fixed maturity plans	151	-	-
Certificate of deposits	7,635	-	-
Government bonds	-	2	-
Non convertible debentures	102	-	-
	9,643	2	749
Total carrying value	24,977	11,078	6,857

in ₹ crore, except as otherwise stated

Particulars	As at	
	March 31, 2017	March 31, 2016
Non-current investments		
Unquoted		
Investment carried at cost		
Investments in equity instruments of subsidiaries		
Infosys BPO Limited	659	659
3,38,22,319 (3,38,22,319) equity shares of ₹10/- each, fully paid		
Infosys Technologies (China) Co. Limited	236	169
Infosys Technologies (Australia) Pty Limited	66	66
1,01,08,869 (1,01,08,869) equity shares of AUD 0.11 par value, fully paid		
Infosys Technologies, S. de R.L. de C.V., Mexico	65	65
17,49,99,990 (17,49,99,990) equity shares of MXN 1 par value, fully paid up		
Infosys Technologies (Sweden) AB	76	-
1,000 (1,000) equity shares of SEK 100 par value, fully paid		
Infosys Tecnologia do Brasil Ltda	149	149
5,91,24,348 (5,91,24,348) shares of BRL 1.00 par value, fully paid		
Infosys Technologies (Shanghai) Company Limited	826	646
Infosys Public Services, Inc.	99	99
3,50,00,000 (3,50,00,000) shares of USD 0.50 par value, fully paid		
Infosys Consulting Holding AG (formerly Lodestone Holding AG)	1,323	1,323
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		
Infosys Americas Inc.	1	1
10,000 (10,000) shares of USD 10 per share, fully paid up		
EdgeVerve Systems Limited (refer note 2.5.3)	1,312	1,312
131,18,40,000 (131,18,40,000) equity shares of ₹10/- each, fully paid		
Panaya Inc.	1,398	1,398
2 (2) shares of USD 0.01 per share, fully paid up		
Infosys Nova Holdings LLC	94	94
Kallidus Inc. (refer note 2.5.2)	619	619
10,21,35,416 (10,21,35,416) shares		
Skava Systems Private Limited (refer note 2.5.2)	59	59
25,000 (25,000) shares of ₹10 per share, fully paid up		
Noah Consulting LLC (refer note 2.5.1)	313	242
Infosys Consulting Pte Ltd (formerly Lodestone Management Consultants Pte Ltd)	10	-
10,990,000 (Nil) shares of SGD 1.00 par value, fully paid		
	7,305	6,901
Investment carried at amortised cost		
Investment in debentures of subsidiary		
EdgeVerve Systems Limited (refer note 2.5.3)		
21,29,00,000 (25,49,00,000) Unsecured redeemable, non-convertible debentures of ₹ 100 each fully paid up	2,129	2,549
	2,129	2,549
	9,434	9,450
Investments carried at fair value through profit or loss		
Others	3	-
	3	-
Investment carried at fair value through other comprehensive income (refer note 2.5.5)		
Preference securities	131	92
Equity instruments	1	1
	132	93
Quoted		
Investments carried at amortized cost		
Tax free bonds (refer note 2.5.6)	1,833	1,533
	1,833	1,533
Investments carried at fair value through profit or loss		
Fixed Maturity Plans (refer note 2.5.7)	357	-
	357	-
Investments carried at fair value through other comprehensive income		
Non convertible debentures (refer note 2.5.8)	3,575	-
	3,575	-
Total non-current investments	15,334	11,076

Current investments

Unquoted

Investments carried at fair value through profit or loss (refer note 2.5.7)

Liquid mutual fund units	1,755	-
Fixed Maturity Plans	151	-
	1,906	-

Investments carried at fair value through other comprehensive income

Certificate of Deposits (refer note 2.5.8)	7,635	-
	7,635	-

Quoted

Investments carried at amortized cost

Government bonds (refer note 2.5.6)	-	2
	-	2

Investments carried at fair value through other comprehensive income (refer note 2.5.8)

Non convertible debentures	102	-
	102	-

Total current investments

9,643	2

Total investments

24,977	11,078

Aggregate amount of quoted investments	5,867	1,535
Market value of quoted investments (including interest accrued)	6,327	1,627
Aggregate amount of unquoted investments	19,110	9,543
Aggregate amount of impairment in value of investments	-	6
Investments carried at cost	7,305	6,901
Investments carried at amortised cost	3,962	4,084
Investments carried at fair value through other comprehensive income	11,444	93
Investments carried at fair value through profit or loss	2,266	-

2.5.1 Investment in Noah Consulting LLC

On November 16, 2015, Infosys has acquired 100% membership interest in Noah Consulting , LLC (Noah), 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). The payment of contingent consideration to the sellers of Noah was dependent upon the achievement of certain financial targets by Noah for the year ended December 31, 2015 and December 31, 2016. During the year ended March 31, 2016 based on the assessment of Noah achieving the targets for the respective periods, the entire contingent consideration was reversed.

2.5.2 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 \$91 million (approximately ₹ 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. During the year ended March 31, 2017 contingent consideration of ₹40 crore was paid to the sellers of Kallidus on the achievement of certain financial targets.

2.5.3 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 were transferred and accordingly a gain of ₹412 crore had been recorded as an exceptional item under previous GAAP. On adoption of Ind AS, the same has been reversed from retained earnings and transferred to 'Business Transfer Adjustment Reserve', in accordance with Ind AS 103 which requires common control transactions to be recorded at book values. 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 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) were transferred and accordingly a gain of ₹3,036 crore had been recorded as an exceptional item under previous GAAP. On adoption of Ind AS, the same has been reversed from retained earnings and transferred to 'Business Transfer Adjustment Reserve' under retained earnings, in accordance with Ind AS 103 which requires common control transactions to be recorded at book values.

The consideration was settled through issue of 850,000,000 equity shares amounting to ₹850 crore and 254,900,000 non-convertible redeemable debentures amounting to ₹2,549 crore in EdgeVerve, post the requisite approval from shareholders on December 11, 2015. During the year ended March 31, 2017 EdgeVerve had repaid ₹420 crore by redeeming proportionate number of debentures.

2.5.4 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 was payable to the selling shareholders of Lodestone on the third anniversary of the acquisition date and was contingent upon their continued employment for a period of three years. The investment in Lodestone was recorded at the acquisition cost and the deferred consideration was being recognized on a proportionate basis over a period of three years from the date of acquisition. During the year ended March 31, 2016, the liability towards deferred consideration was settled.

2.5.5 Details of Investments

The details of investments in preference and equity instruments as at March 31, 2017 and March 31, 2016 are as follows:

(In ₹ crore)

Particulars	As at	
	March 31, 2017	March 31, 2016
<u>Preference Securities</u>		
Airviz Inc.		
2,82,279 (2,82,279) Series A Preferred Stock, fully paid up, par value USD 0.001 each	9	13
ANSR Consulting		
52,631 (52,631) Series A Preferred Stock, fully paid up, par value USD 0.001 each	10	9
Whoop Inc		
16,48,352 (16,48,352) Series B Preferred Stock, fully paid up, par value USD 0.0001 each	15	20
CloudEndure Ltd.		
25,59,290 (12,79,645) Preferred Series B Shares, fully paid up, par value ILS 0.01 each	37	13
Nivetti Systems Private Limited		
2,28,501 (2,28,501) Preferred Stock, fully paid up, par value ₹1 each	10	10
Waterline Data Science, Inc		
39,33,910 (39,33,910) Preferred Series B Shares, fully paid up, par value USD 0.00001 each	24	27
Trifacta Inc.		
11,80,358 (Nil) Preferred Stock	26	-
<u>Equity Instrument</u>		
OnMobile Systems Inc., USA		
21,54,100 (21,54,100) common stock at USD 0.4348 each, fully paid up, par value USD 0.001 each	-	-
Merasport Technologies Private Limited		
2,420 (2,420) equity shares at ₹ 8,052/- each, fully paid up, par value ₹10/- each	-	-
Global Innovation and Technology Alliance		
15,000 (15,000) equity shares at ₹1,000/- each, fully paid up, par value ₹1,000/- each	1	1
<u>Others</u>		
Stellaris Venture Partners India I	3	-
	135	93

2.5.6 Details of Investments in tax free bonds and government bonds

The balances held in tax free bonds as at March 31, 2017 and March 31, 2016 is as follows:

(In ₹ crore)

Particulars	Face Value ₹	As at March 31, 2017		As at March 31, 2016	
		Units	Amount	Units	Amount
7.04% Indian Railway Finance Corporation Limited Bonds 03MAR2026	10,00,000/-	470	50	-	-
7.16% Power Finance Corporation Ltd. Bonds 17JUL2025	10,00,000/-	1,000	107	-	-
7.18% Indian Railway Finance Corporation Limited Bonds 19FEB2023	1,000/-	2,000,000	201	2,000,000	201
7.28% Indian Railway Finance Corporation Limited 21DEC2030	1,000/-	422,800	42	422,800	42
7.28% National Highways Authority of India Bonds 18SEP2030	10,00,000/-	3,300	343	2,000	200
7.34% Indian Railway Finance Corporation Limited Bonds 19FEB2028	1,000/-	2,100,000	211	2,100,000	211
7.35% National Highways Authority of India Bonds 11JAN2031	1,000/-	571,396	57	571,396	57
7.93% Rural Electrification Corporation Limited Bonds 27MAR2022	1,000/-	200,000	21	200,000	21
8.10% Indian Railway Finance Corporation Limited Bonds 23FEB2027	1,000/-	500,000	53	500,000	53
8.26% India Infrastructure Finance Company Limited Bonds 23AUG2028	10,00,000/-	1,000	100	1,000	100
8.30% National Highways Authority of India Bonds 25JAN2027	1,000/-	500,000	53	500,000	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/-	500,000	50	500,000	50
		6,805,416	1,833	6,802,646	1,533

The balances held in government bonds as at March 31, 2017 and March 31, 2016 is as follows:

(In ₹ crore)

Particulars	Face Value PHP	As at March 31, 2017		As at March 31, 2016	
		Units	Amount	Units	Amount
Treasury Notes PHY6972FW G18 MAT Date 22 Feb 2017	100	-	-	150,000	2
		-	-	1,50,000	2

2.5.7 Details of investments in liquid mutual fund units and Fixed Maturity Plans

The balances held in liquid mutual fund as at March 31, 2017 is as follows:

in ₹ crore

Particulars	As at March 31, 2017	
	Units	Amount
Birla Sun Life Cash Plus Growth Direct Plan	13,397,873	350
ICICI Prudential Liquid Direct Plan Growth	10,388,743	250
IDFC Cash Fund Growth (Direct Plan)	1,265,679	250
Kotak Low Duration Fund Direct Growth (Ultra Short Term)	1,502,564	305
L&T Liquid Fund Direct Plan Growth	672,806	150
Reliance Liquid Fund- Treasury Plan- Direct Growth Plan- Growth Option	882,465	350
SBI Premier Liquid Fund Direct Plan Growth	391,909	100
	2,85,02,039	1,755

The balances held in Fixed Maturity Plans as at March 31, 2017 is as follows:

in ₹ crore

Particulars	As at March 31, 2017	
	Units	Amount
Birla Sun Life Fixed Term Plan -series OD 1145 Days -GR -direct	50,000,000	51
Birla Sun Life Fixed Term Plan -series OE 1153 days -GR direct	25,000,000	25
HDFC FMP 1155D Direct-Growth	28,000,000	28
HDFC FMP 1169D Feb 2017 -Direct-Quarterly Dividend -Series 37	45,000,000	45
ICICI FMP Series 80-1194 D Plan F Div	40,000,000	40
ICICI Prudential Fixed maturity Plan Series 80-1187 Days Plan G direct Plan	42,000,000	42
ICICI Prudential Fixed Maturity Plan series 80-1253 Days Plan J Direct Plan	30,000,000	30
IDFC Fixed Term Plan Series 129 direct Plan-Growth 1147 Days	10,000,000	10
IDFC Fixed Term Plan Series 131 direct Plan-Growth 1139 Days	15,000,000	15
Kotak FMP Series 199 Direct -Growth	35,000,000	36
Reliance Fixed Horizon Fund-XXXII Series 8-Dividend Plan	35,000,000	35
Reliance Yearly Interval Fund Series -1-Direct Plan-Growth Plan	106,906,898	151
	46,19,06,898	508

2.5.8 Details of investments in Non convertible debentures and Certificate of Deposits

The balances held in non convertible debenture as at March 31, 2017 is as follows:

in ₹ crore, except as otherwise stated

Particulars	As at March 31, 2017		
	Face Value ₹	Units	Amount
7.48% Housing Development Finance Corporation Ltd 18NOV2019	10,000,000/-	50	52
7.58% LIC Housing Finance Ltd 28FEB2020	1,000,000/-	1,000	100
7.58% LIC Housing Finance Ltd 11JUN2020	1,000,000/-	500	51
7.59% LIC Housing Finance Ltd 14OCT2021	1,000,000/-	3,000	309
7.75% LIC Housing Finance Ltd 27AUG2021	1,000,000/-	1,250	129
7.79% LIC Housing Finance Ltd 19JUN2020	1,000,000/-	500	52
7.80% Housing Development Finance Corporation Ltd 11NOV2019	10,000,000/-	150	155
7.81% LIC Housing Finance Ltd 27APR2020	1,000,000/-	2,000	208
7.95% Housing Development Finance Corporation Ltd 23SEP2019	10,000,000/-	50	53
8.02% LIC Housing Finance Ltd 18FEB2020	1,000,000/-	500	51
8.26% Housing Development Finance Corporation Ltd 12AUG2019	10,000,000/-	100	106
8.34% Housing Development Finance Corporation Ltd 06MAR2019	10,000,000/-	200	217
8.37% LIC Housing Finance Ltd 03OCT2019	1,000,000/-	2,000	218
8.37% LIC Housing Finance Ltd 10MAY2021	1,000,000/-	500	55
8.43% IDFC Bank Limited 30JAN2018	1,000,000/-	1,000	102
8.46% Housing Development Finance Corporation Ltd 11MAR2019	10,000,000/-	50	54
8.47% LIC Housing Finance Ltd 21JAN2020	1,000,000/-	500	52
8.50% Housing Development Finance Corporation Ltd 31AUG2020	10,000,000/-	50	54
8.54% IDFC Bank Limited 30MAY2018	1,000,000/-	1,500	182
8.59% Housing Development Finance Corporation Ltd 14JUN2019	10,000,000/-	50	51
8.60% LIC Housing Finance Ltd 29JUL2020	1,000,000/-	1,400	152
8.61% LIC Housing Finance Ltd 11DEC2019	1,000,000/-	1,000	104
8.66% IDFC Bank Limited 25JUN2018	1,000,000/-	1,520	184
8.72% Housing Development Finance Corporation Ltd 15APR2019	10,000,000/-	75	77
8.75% Housing Development Finance Corporation Ltd 13JAN2020	500,000/-	5,000	260
8.75% LIC Housing Finance Ltd 14JAN2020	1,000,000/-	1,070	112
8.75% LIC Housing Finance Ltd 21DEC2020	1,000,000/-	1,000	104
8.97% LIC Housing Finance Ltd 29OCT2019	1,000,000/-	500	53
9.45% Housing Development Finance Corporation Ltd 21AUG2019	1,000,000/-	3,000	327
9.65% Housing Development Finance Corporation Ltd 19JAN2019	1,000,000/-	500	53
	30,015	3,677	

The balances held in Certificate of Deposits as at March 31, 2017 is as follows:

in ₹ crore, except as otherwise stated

Particulars	As at March 31, 2017		
	Face Value ₹	Units	Amount
Andhra Bank	100,000/-	35,000	344
Axis Bank	100,000/-	293,600	2,800
Corporation Bank	100,000/-	33,500	327
DBS Bank	100,000/-	5,000	49
ICICI Bank Limited	100,000/-	42,500	413
IDFC Bank	100,000/-	135,000	1,281
IndusInd Bank	100,000/-	106,400	1,011
Kotak Bank	100,000/-	74,000	704
Vijaya Bank	100,000/-	14,000	137
Yes Bank	100,000/-	60,000	569
	799,000	7,635	

2.6 LOANS

(In ₹ crore)

Particulars	As at		
	March 31, 2017	March 31, 2016	April 1, 2015
Non- Current			
Unsecured, considered good			
Other Loans			
Loans to employees	5	5	4
	5	5	4
Unsecured, considered doubtful			
Loans to employees	17	13	10
	22	18	14
Less: Allowance for doubtful loans to employees	17	13	10
	5	5	4
Current			
Unsecured, considered good			
Loans to subsidiaries (Refer note 2.25)	69	91	24
Other Loans			
Loans to employees	241	264	201
	310	355	225
Total Loans	315	360	229

2.7 OTHER FINANCIAL ASSETS

(In ₹ crore)

Particulars	As at		
	March 31, 2017	March 31, 2016	April 1, 2015
Non-current			
Security deposits ⁽¹⁾	81	73	65
Rental deposits ⁽¹⁾⁽⁴⁾	135	119	45
	216	192	110
Current			
Security deposits ⁽¹⁾	2	1	1
Rental deposits ⁽¹⁾	2	2	6
Restricted deposits ⁽¹⁾	1,309	1,154	1,039
Unbilled revenues ⁽¹⁾⁽⁵⁾	3,200	2,673	2,423
Interest accrued but not due ⁽¹⁾	514	696	433
Foreign currency forward and options contracts ⁽²⁾⁽³⁾	268	109	94
Others ⁽¹⁾⁽⁶⁾	108	166	49
	5,403	4,801	4,045
Total	5,619	4,993	4,155
⁽¹⁾ Financial assets carried at amortized cost	5,351	4,884	4,061
⁽²⁾ Financial assets carried at fair value through other comprehensive income	52	-	-
⁽³⁾ Financial assets carried at fair value through Profit or Loss	216	109	94
⁽⁴⁾ Includes dues from subsidiaries (Refer note 2.25)	-	21	21
⁽⁵⁾ Includes dues from subsidiaries (Refer note 2.25)	47	20	6
⁽⁶⁾ Includes dues from subsidiaries (Refer note 2.25)	18	24	43

Restricted deposits represent deposit with financial institutions to settle employee related obligations as and when they arise during the normal course of business.

2.8 TRADE RECEIVABLES ⁽¹⁾

(In ₹ crore)

Particulars	As at		
	March 31, 2017	March 31, 2016	April 1, 2015
Current			
Unsecured			
Considered good ⁽²⁾	10,960	9,798	8,627
Considered doubtful	289	249	322
	11,249	10,047	8,949
Less: Allowances for credit losses	289	249	322
	10,960	9,798	8,627
⁽¹⁾ Includes dues from companies where directors are interested	1	1	6
⁽²⁾ Includes dues from subsidiaries (refer note 2.25)	235	244	309

2.9 CASH AND CASH EQUIVALENTS

(In ₹ crore)

Particulars	As at		
	March 31, 2017	March 31, 2016	April 1, 2015
Balances with banks			
In current and deposit accounts	12,222	24,276	23,722
Cash on hand	-	-	-
Others			
Deposits with financial institution	6,931	4,900	4,000
	19,153	29,176	27,722
<i>Balances with banks in unpaid dividend accounts</i>	17	5	3
<i>Deposit with more than 12 months maturity</i>	6,765	237	182
<i>Balances with banks held as margin money deposits against guarantees</i>	394	336	185

Cash and cash equivalents as of March 31, 2017, March 31, 2016 and April 1, 2015 include restricted cash and bank balances of ₹411 crore, ₹341 crore, ₹188 crore, respectively. The restrictions are primarily on account of bank balances held as margin money deposits against guarantees and balances held in unpaid dividends bank accounts.

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

The details of balances as on balance sheet dates with banks are as follows:

(In ₹ crore)

Particulars	As at	
	March 31, 2017	March 31, 2016
In current accounts		
ANZ Bank, Taiwan	3	13
Bank of America, USA	769	563
BNP Paribas Bank, Norway	7	-
Citibank N.A., Australia	8	24
Citibank N.A., India	2	1
Citibank N.A., Dubai	1	1
Citibank N.A., EEFC (U.S. Dollar account)	1	-
Citibank N.A., Hungary	3	-
Citibank N.A., Japan	12	15
Citibank N.A., New Zealand	6	2
Citibank N.A., South Africa	9	4
Citibank N.A., South Korea	1	-
Deutsche Bank, Philippines	4	11
Deutsche Bank, India	9	4
Deutsche Bank, EEFC (Euro account)	11	17
Deutsche Bank, EEFC (United Kingdom Pound Sterling account)	8	8
Deutsche Bank, EEFC (Australian Dollar account)	38	2
Deutsche Bank, EEFC (U.S. Dollar account)	73	95
Deutsche Bank, EEFC (Swiss Franc account)	2	2
Deutsche Bank, Belgium	10	59
Deutsche Bank, France	8	10
Deutsche Bank, Germany	48	17
Deutsche Bank, Netherlands	2	4
Deutsche Bank, Russia (U.S. Dollar account)	1	1
Deutsche Bank, Russia	3	2
Deutsche Bank, Singapore	6	4
Deutsche Bank, Switzerland	5	1
Deutsche Bank, Switzerland (US Dollar Account)	1	-
Deutsche Bank, United Kingdom	25	170
Deutsche Bank, Malaysia	7	9
HSBC Bank, Hong Kong	1	1
ICICI Bank, India	40	57
ICICI Bank, EEFC (U.S. Dollar account)	3	10
Nordbanken, Sweden	22	5
Punjab National Bank, India	6	4
Royal Bank of Canada, Canada	5	24
State Bank of India	6	7
	1,166	1,147

(In ₹ crore)

Particulars	As at	
	March 31, 2017	March 31, 2016
In deposit accounts		
Andhra Bank	-	848
Axis Bank	945	1,170
Barclays	825	-
Canara Bank	-	1,861
Central Bank of India	-	1,518
Corporation Bank	-	1,185
HDFC Bank	349	2,500
HSBC Bank	500	-
ICICI Bank	4,351	3,755
IDBI Bank	1,750	1,750
Indusind Bank	191	250
Indian Overseas Bank	-	1,000
Jammu & Kashmir Bank	-	25
Kotak Mahindra Bank	500	492
Oriental Bank of Commerce	-	1,967
South Indian Bank	200	-
Standard Chartered	500	-
State Bank of India	-	2,310
Syndicate Bank	49	1,250
Union Bank of India	-	7
Vijaya Bank	-	200
Yes Bank	485	700
	10,645	22,788
In unpaid dividend accounts		
Axis Bank - Unpaid dividend account	2	2
HDFC Bank - Unpaid dividend account	2	1
ICICI Bank - Unpaid dividend account	13	2
	17	5
In margin money deposits against guarantees		
Canara Bank	177	132
ICICI Bank	217	147
State Bank of India	-	57
	394	336
Deposits with financial institution		
HDFC Limited	6,231	4,900
LIC Housing Finance Ltd	700	-
	6,931	4,900
Total cash and cash equivalents as per Balance Sheet	19,153	29,176

2.10 OTHER ASSETS

(In ₹ crore)

Particulars	As at		
	March 31, 2017	March 31, 2016	April 1, 2015
Non-current			
Capital advances	562	333	316
Advances other than capital advance			
Prepaid gratuity (Refer note 2.22)	56	2	26
Others			
Prepaid expenses	95	87	7
Deferred contract cost	283	333	-
	996	755	349
Current			
Advances other than capital advance			
Payment to vendors for supply of goods	87	58	60
Others			
Prepaid expenses ⁽¹⁾	387	209	71
Deferred contract cost	74	48	-
Withholding taxes and others	1,665	1,650	1,253
	2,213	1,965	1,384
Total other assets	3,209	2,720	1,733
⁽¹⁾ Includes dues from subsidiaries (Refer note 2.25)	56	43	-

Deferred contract costs are upfront costs incurred for the contract and are amortized over the term of the contract. Withholding taxes and others primarily consist of input tax credits.

2.11 FINANCIAL INSTRUMENTS

Financial instruments by category

The carrying value and fair value of financial instruments by categories as of March 31, 2017 were as follows:

							(In ₹ crore)
Particulars	Amortised cost	Financial assets/ liabilities at fair value through profit or loss		Financial assets/liabilities at fair value through OCI		Total carrying value	Total fair value
		Designated upon initial recognition	Mandatory	Equity instruments designated upon initial recognition	Mandatory		
Assets:							
Cash and cash equivalents (Refer Note 2.9)	19,153	-	-	-	-	19,153	19,153
Investments (Refer note 2.5)							
Equity, preference securities and others	-	-	3	132	-	135	135
Tax free bonds and government bonds	1,833	-	-	-	-	1,833	2,142 *
Liquid mutual fund units	-	-	1,755	-	-	1,755	1,755
Redeemable, non-convertible debentures ⁽¹⁾	2,129	-	-	-	-	2,129	2,129
Fixed maturity plans	-	-	508	-	-	508	508
Certificate of deposits	-	-	-	-	7,635	7,635	7,635
Non convertible debentures	-	-	-	-	3,677	3,677	3,677
Trade receivables (Refer Note 2.8)	10,960	-	-	-	-	10,960	10,960
Loans (Refer note 2.6)	315	-	-	-	-	315	315
Other financial assets (Refer Note 2.7)	5,351	-	216	-	52	5,619	5,619
Total	39,741	-	2,482	132	11,364	53,719	
Liabilities:							
Trade payables (Refer Note 2.14)	269	-	-	-	-	269	269
Other financial liabilities (Refer Note 2.13)	3,867	-	87	-	-	3,954	3,954
Total	4,136	-	87	-	-	4,223	

The carrying value and fair value of financial instruments by categories as of March 31, 2016 were as follows:

The carrying value and fair value of financial instruments by categories as of March 31, 2019, were as follows:

Particulars	Amortised cost	Financial assets/ liabilities at fair value through profit or loss		Financial assets/liabilities at fair value through OCI		Total carrying value	Total fair value
		Designated upon initial recognition	Mandatory	Equity instruments designated upon initial recognition	Mandatory		
Assets:							
Cash and cash equivalents (Refer Note 2.9)	29,176	-	-	-	-	29,176	29,176
Investments (Refer Note 2.5)							
Equity and preference securities	-	-	-	93	-	93	93
Tax free bonds and government bonds	1,535	-	-	-	-	1,535	1,627 *
Redeemable, non-convertible debentures ⁽¹⁾	2,549	-	-	-	-	2,549	2,549
Trade receivables (Refer Note 2.8)	9,798	-	-	-	-	9,798	9,798
Loans (Refer note 2.6)	360	-	-	-	-	360	360
Other financial assets (Refer Note 2.7)	4,884	-	109	-	-	4,993	4,993
Total	48,302	-	109	93	-	48,504	
Liabilities:							
Trade payables (Refer note 2.14)	623	-	-	-	-	623	623
Other financial liabilities (Refer Note 2.13)	3,947	-	117	-	-	4,064	4,064
Total	4,570	-	117	-	-	4,687	

⁽¹⁾ The carrying value of debentures approximates fair value as the instruments are at prevailing market rates

The carrying value and fair value of financial instruments by categories as of April 1, 2015 were as follows:

The carrying value and fair value of financial instruments are categorized as of April 1, 2025 were as follows:

Particulars	Amortised cost	Financial assets/ liabilities at fair value through profit or loss		Financial assets/liabilities at fair value through OCI		Total carrying value	Total fair value
		Designated upon initial recognition	Mandatory	Equity instruments designated upon initial recognition	Mandatory		
Assets:							
Cash and cash equivalents (Refer Note 2.9)	27,722	-	-	-	-	27,722	27,722
Investments (Refer Note 2.5)							
Equity and preference securities	-	-	-	1	-	1	1
Bonds and government bonds	1,234	-	-	-	-	1,234	1,269
Liquid mutual fund units	-	-	749	-	-	749	749
Trade receivables (Refer Note 2.8)	8,627	-	-	-	-	8,627	8,627
Loans (Refer note 2.6)	229	-	-	-	-	229	229
Other financial assets (Refer Note 2.7)	4,061	-	94	-	-	4,155	4,155
Total	41,873	-	843	1	-	42,717	
Liabilities:							
Trade payables (Refer note 2.14)	124	-	-	-	-	124	124
Other financial liabilities (Refer Note 2.13)	3,967	-	-	-	-	3,967	3,967
Total	4,091	-	-	-	-	4,091	

* On account of fair value changes including interest accrued

Fair value hierarchy

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

The following table presents fair value hierarchy of assets and liabilities measured at fair value on a recurring basis as of March 31, 2017:

Particulars	As of March 31, 2017	(In ₹ crore)		
		Fair value measurement at end of the reporting period/year using		
		Level 1	Level 2	Level 3
Assets				
Investments in liquid mutual fund units (Refer Note 2.5)	1,755	1,755	-	-
Investments in tax free bonds (Refer Note 2.5)	2,142	206	1,936	-
Investments in government bonds (Refer Note 2.5)	-	-	-	-
Investments in equity instruments (Refer Note 2.5)	1	-	-	1
Investments in preference securities (Refer Note 2.5)	131	-	-	131
Investments in fixed maturity plans (Refer Note 2.5)	508	-	508	-
Investments in certificate of deposits (Refer Note 2.5)	7,635	-	7,635	-
Investments in non convertible debentures (Refer Note 2.5)	3,677	3,160	517	-
Others (Refer Note 2.5)	3	-	-	3
Derivative financial instruments - foreign currency forward and option contracts (Refer Note 2.7)	268	-	268	-
Liabilities				
Derivative financial instruments - foreign currency forward and option contracts (Refer Note 2.13)	2	-	2	-
Liability towards contingent consideration (Refer note 2.13)*	85	-	-	85

*Discounted \$14 million (approximately ₹91 crore) at 14.2%

During the year ended March 31, 2017, tax free bonds of ₹115 crore were transferred from Level 1 to Level 2 of fair value hierarchy, since these were valued based on market observable inputs

The following table presents fair value hierarchy of assets and liabilities measured at fair value on a recurring basis as of March 31, 2016:

Particulars	As of March 31, 2016	(In ₹ crore)		
		Fair value measurement at end of the reporting period/year using		
		Level 1	Level 2	Level 3
Assets				
Investments in tax free bonds (Refer Note 2.5)	1,625	298	1,327	-
Investments in government bonds (Refer Note 2.5)	2	2	-	-
Investments in equity instruments (Refer Note 2.5)	1	-	-	1
Investments in preference securities (Refer Note 2.5)	92	-	-	92
Derivative financial instruments - foreign currency forward and option contracts (Refer note 2.7)	109	-	109	-
Liabilities				
Derivative financial instruments - foreign currency forward and option contracts (Refer note 2.13)	2	-	2	-
Liability towards contingent consideration (Refer note 2.13)*	115	-	-	115

*Discounted \$20 million (approximately ₹132 crore) at 13.7%

The following table presents fair value hierarchy of assets and liabilities measured at fair value on a recurring basis as of April 1, 2015:

Particulars	As of April 1, 2015	(In ₹ crore)		
		Fair value measurement at end of the reporting period/year using		
		Level 1	Level 2	Level 3
Assets				
Investments in liquid mutual fund units (Refer Note 2.5)	749	749	-	-
Investments in tax free bonds (Refer Note 2.5)	1,269	533	736	-
Investments in equity instruments (Refer Note 2.5)	1	-	-	1
Derivative financial instruments - foreign currency forward and option contracts (Refer note 2.7)	94	-	94	-
Liabilities				
Derivative financial instruments - foreign currency forward and option contracts (Refer note 2.13)	-	-	-	-

A one percentage point change in the unobservable inputs used in fair valuation of the contingent consideration does not have a significant impact in its value.

The movement in contingent consideration as of March 31, 2017 from March 31, 2016 is on account of settlement of contingent consideration of ₹40 crore and change in discount rates and passage of time.

The fair value of liquid mutual funds is based on quoted price. The fair value of tax free bonds and government bonds is based on quoted prices and market observable inputs. The fair value of non-convertible debentures is based on quoted prices and market observable inputs. The fair value of fixed maturity plan securities and certificates of deposit is based on market observable inputs. Derivative financial instruments are valued based on quoted prices for similar assets and liabilities in active markets or inputs that are directly or indirectly observable in the marketplace.

The amount invested and fair value of unquoted equity and preference securities of March 31, 2017 is ₹134 crore and ₹132 crore, respectively. The fair value is determined using Level 3 inputs like Discounted cash flows, Market multiple method, Option pricing model, etc.

Financial risk management

Financial risk factors

The Company's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk. The Company's focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance. The primary market risk to the Company is foreign exchange risk. The Company uses derivative financial instruments to mitigate foreign exchange related risk exposures. The Company's exposure to credit risk is influenced mainly by the individual characteristic of each customer and the concentration of risk from the top few customers.

Market risk

The Company operates internationally and a major portion of the business is transacted in several currencies and consequently the Company is exposed to foreign exchange risk through its sales and services in the United States and elsewhere, and purchases from overseas suppliers in various foreign currencies. The Company holds derivative financial instruments such as foreign exchange forward and option contracts to mitigate the risk of changes in exchange rates on foreign currency exposures. The exchange rate between the rupee and foreign currencies has changed substantially in recent years and may fluctuate substantially in the future. Consequently, the results of the Company's operations are adversely affected as the rupee appreciates/ depreciates against these currencies.

The following table analyzes foreign currency risk from financial instruments as of March 31, 2017:

Particulars	U.S. dollars	Euro	United Kingdom Pound Sterling	Australian dollars	Other currencies	(In ₹ crore)
						Total
Cash and cash equivalents	849	79	33	45	97	1,103
Trade receivables	7,611	1,005	793	533	361	10,303
Other financials assets (including loans)	2,686	436	365	148	136	3,771
Trade payables	(145)	(5)	(11)	(12)	(22)	(195)
Other financial liabilities	(1,847)	(227)	(169)	(186)	(137)	(2,566)
Net assets / (liabilities)	9,154	1,288	1,011	528	435	12,416

The following table analyzes foreign currency risk from financial instruments as of March 31, 2016:

Particulars	U.S. dollars	Euro	United Kingdom Pound Sterling	Australian dollars	Other currencies	(In ₹ crore)
						Total
Cash and cash equivalents	670	107	178	26	93	1,074
Trade Receivables	6,875	973	664	539	296	9,347
Other financials assets (including loans)	2,005	370	210	108	125	2,818
Trade payables	(199)	(42)	(133)	(32)	(39)	(445)
Other financial liabilities	(2,241)	(232)	(139)	(200)	(146)	(2,958)
Net assets / (liabilities)	7,110	1,176	780	441	329	9,836

For the year ended March 31, 2017 and March 31, 2016, every percentage point depreciation / appreciation in the exchange rate between the Indian rupee and U.S. dollar, has affected the Company's incremental operating margins by approximately 0.52% each.

Sensitivity analysis is computed based on the changes in the income and expenses in foreign currency upon conversion into functional currency, due to exchange rate fluctuations between the previous reporting period and the current reporting period.

Derivative financial instruments

The Company holds derivative financial instruments such as foreign currency forward and option contracts to mitigate the risk of changes in exchange rates on foreign currency exposures. The counterparty for these contracts is generally a bank or a financial institution. These derivative financial instruments are valued based on quoted prices for similar assets and liabilities in active markets or inputs that are directly or indirectly observable in the marketplace.

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

Particulars	As of		As of		(In ₹ crore)
	March 31, 2017		March 31, 2016		
	In million	In ₹ crore	In million	In ₹ crore	
Derivatives designated as cash flow hedges					
Forward contracts					
In Euro	95	658	-	-	
In United Kingdom Pound Sterling	40	324	-	-	
In Australian dollars	130	644	-	-	
Option Contracts					
In Euro	40	277	-	-	
Other derivatives					
Forward contracts					
In U.S. dollars	480	3,113	467	3,094	
In Euro	106	735	84	633	
In United Kingdom Pound Sterling	70	566	60	573	
In Australian dollars	30	149	50	255	
In Swiss Franc	10	65	25	173	
In Singapore dollars	5	23	-	-	
In Swedish Krona	50	36	-	-	
Option Contracts					
In U.S. dollars	195	1,265	125	828	
In Euro	25	173	-	-	
In United Kingdom Pound Sterling	30	243	-	-	
In Canadian dollars	13	65	-	-	
Total forwards and options		8,336		5,556	

The foreign exchange forward and option contracts mature within twelve 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 of	
	March 31, 2017	March 31, 2016
Not later than one month	2,215	1,468
Later than one month and not later than three months	4,103	3,260
Later than three months and not later than one year	2,018	828
	8,336	5,556

During the year ended March 31, 2017, the group has designated certain foreign exchange forward contracts as cash flow hedges to mitigate the risk of foreign exchange exposure on highly probable forecast cash transactions. The related hedge transactions for balance in cash flow hedging reserve are expected to occur and reclassified to revenue in the statement of profit or loss within 3 months.

Hedge effectiveness is determined at the inception of the hedge relationship, and through periodic prospective effectiveness assessments to ensure that an economic relationship exists between the hedged item and hedging instrument, including whether the hedging instrument is expected to offset changes in cash flows of hedged items.

If the hedge ratio for risk management purposes is no longer optimal but the risk management objective remains unchanged and the hedge continues to qualify for hedge accounting, the hedge relationship will be rebalanced by adjusting either the volume of the hedging instrument or the volume of the hedged item so that the hedge ratio aligns with the ratio used for risk management purposes. Any hedge ineffectiveness is calculated and accounted for in profit or loss at the time of the hedge relationship rebalancing.

The following table provides the reconciliation of cash flow hedge reserve for the year ended March 31, 2017: (In ₹ crore)

	Year ended March 31, 2017
Balance at the beginning of the period	-
Gain / (Loss) recognised in other comprehensive income during the period	121
Amount reclassified to revenue during the period	(69)
Tax impact on above	(13)
Balance at the end of the period	39

The company offsets a financial asset and a financial liability when it currently has a legally enforceable right to set off the recognized amounts and the company intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

The following table provides quantitative information about offsetting of derivative financial assets and derivative financial liabilities:

Particulars	(In ₹ crore)	
	As of	
	March 31, 2017	March 31, 2016
	Derivative financial asset	Derivative financial liability
	Derivative financial asset	Derivative financial liability
Gross amount of recognized financial asset/liability	269	(3)
Amount set off	(1)	1
Net amount presented in balance sheet	268	(2)

Credit risk

Credit risk refers to the risk of default on its obligation by the counterparty resulting in a financial loss. The maximum exposure to the credit risk at the reporting date is primarily from trade receivables amounting to ₹10,960 crore and ₹9,798 crore as of March 31, 2017 and March 31, 2016, respectively and unbilled revenue amounting to ₹3,200 crore and ₹2,673 crore as of March 31, 2017 and March 31, 2016, respectively. Trade receivables and unbilled revenue are typically unsecured and are derived from revenue earned from customers primarily located in the United States. Credit risk has always been managed by the group through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Group grants credit terms in the normal course of business. On account of adoption of Ind AS 109, the group uses expected credit loss model to assess the impairment loss or gain. The group uses a provision matrix to compute the expected credit loss allowance for trade receivables and unbilled revenues. The provision matrix takes into account available external and internal credit risk factors such as credit default swap quotes, credit ratings from international credit rating agencies and the Group's historical experience for customers.

The following table gives details in respect of percentage of revenues generated from top customer and top five customers:

Particulars	(In %)	
	Year ended March 31,	
	2017	2016
Revenue from top customer	3.9%	4.2%
Revenue from top five customers	14.1%	15.7%

Credit risk exposure

The allowance for lifetime expected credit loss on customer balances for the year ended March 31, 2017 was ₹135 crore. The reversal for lifetime expected credit loss on customer balances for the year ended March 31, 2016 was ₹48 crore.

Particulars	(In ₹ crore)	
	Year ended March 31,	
	2017	2016
Balance at the beginning	249	322
Impairment loss recognised/ reversed	135	(48)
Amounts written off	(1)	-
Translation differences	(4)	(25)
Balance at the end	379	249

Credit risk on cash and cash equivalents is limited as we generally invest in deposits with banks and financial institutions with high credit ratings assigned by international and domestic credit rating agencies. Investments primarily include investment in liquid mutual fund units, quoted bonds issued by government and quasi government organizations, non convertible debentures issued by government aided institutions and certificates of deposit which are funds deposited at a bank for a specified time period.

Liquidity risk

The company's principal sources of liquidity are cash and cash equivalents and the cash flow that is generated from operations. The company has no outstanding bank borrowings. The company believes that the working capital is sufficient to meet its current requirements. Accordingly, no liquidity risk is perceived.

As of March 31, 2017, the Company had a working capital of ₹35,896 crore including cash and cash equivalents of ₹19,153 crore and current investments of ₹9,643 crore. As of March 31, 2016, the Company had a working capital of ₹34,509 crore including cash and cash equivalents of ₹29,176 crore and current investments of ₹2 crore.

As of March 31, 2017 and March 31, 2016, the outstanding compensated absences were ₹1,142 crore and ₹1,130 crore, respectively, which have been substantially funded. Accordingly, no liquidity risk is perceived.

The table below provides details regarding the contractual maturities of significant financial liabilities as of March 31, 2017:

Particulars	(In ₹ crore)				
	Less than 1 year	1-2 years	2-4 years	4-7 years	Total
Trade payables	269	-	-	-	269
Other financial liabilities (excluding liability towards acquisition) (Refer Note 2.13)	3,867	-	-	-	3,867
Liability towards acquisitions on an undiscounted basis (including contingent consideration)	45	46	-	-	91

The table below provides details regarding the contractual maturities of significant financial liabilities as of March 31, 2016:

Particulars	(In ₹ crore)				
	Less than 1 year	1-2 years	2-4 years	4-7 years	Total
Trade payables	623	-	-	-	623
Other liabilities (excluding liability towards acquisition) (Refer Note 2.13)	3,922	27	-	-	3,949
Liability towards acquisitions on an undiscounted basis (including contingent consideration)	86	46	-	-	132

2.12 EQUITY

EQUITY SHARE CAPITAL

in ₹ crore, except as otherwise stated

Particulars	As at		
	March 31, 2017	March 31, 2016	April 1, 2015
Authorized			
Equity shares, ₹5/- par value			
240,00,00,000 (240,00,00,000 ⁽²⁾) equity shares	1,200	1,200	600
Issued, Subscribed and Paid-Up			
Equity shares, ₹5/- par value ⁽¹⁾	1,148	1,148	574
229,69,44,664 (229,69,44,664 ⁽²⁾) equity shares fully paid-up	1,148	1,148	574

⁽¹⁾ Refer note 2.23 for details of basic and diluted shares

⁽²⁾ Represents number of shares as of March 31, 2016

The authorised equity shares were 120,00,00,000 and the issued, subscribed and paid-up shares were 114,84,72,332 as of April 1, 2015.

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

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 equity shares represented by American Depositary Shares (ADS) carry similar rights to voting and dividends as the other equity shares. Each ADS represents one underlying equity share.

In the period of five years immediately preceding March 31, 2017:

The Company has allotted 114,84,72,332 and 57,42,36,166 fully paid-up shares of face value ₹5/- each during the quarter ended June 30, 2015 and December 31, 2014, pursuant to bonus issue approved by the shareholders through postal ballot. 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.

The Board of Directors, in its meeting on April 15, 2016, proposed a final dividend of ₹14.25/- per equity share and the same was approved by the shareholders at the Annual General Meeting held on June 18, 2016, this resulted in a cash outflow of ₹3,939 crore including corporate dividend tax. (Refer note 2.2.1 for impact on transition to Ind AS)

The Board of Directors, in their meeting on October 14, 2016, declared an interim dividend of ₹11/- per equity share, which resulted in a cash outflow of ₹3,041 crore, inclusive of corporate dividend tax.

The amount of per share dividend recognized as distributions to equity shareholders for the year ended March 31, 2015 includes final dividend of ₹29.50/- per equity share (not adjusted for June 17, 2015 bonus issue) and an interim dividend of ₹10/- per equity share.

The Board of Directors, in its meeting on April 13, 2017, have proposed a final dividend of ₹14.75/- per equity share for the financial year ended March 31, 2017. The proposal is subject to the approval of shareholders at the Annual General Meeting to be held on June 24, 2017 and if approved would result in a cash outflow of approximately ₹4,078 crore including corporate dividend tax.

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 March 31, 2017 and March 31, 2016 are set out below :

in ₹ crore, except as stated otherwise

Name of the shareholder	As at March 31, 2017		As at March 31, 2016	
	Number of shares	% held	Number of shares	% held
Deutsche Bank Trust Company Americas (Depository of ADR's - legal ownership)	38,33,17,937	16.69	38,53,17,937	16.78
Life Insurance Corporation of India	16,14,36,123	7.03	13,22,74,300	5.76

The reconciliation of the number of shares outstanding and the amount of share capital as at March 31, 2017 and March 31, 2016 is set out below:

in ₹ crore, except as stated otherwise

Particulars	As at March 31, 2017		As at March 31, 2016	
	Number of shares	Amount	Number of shares	Amount
Number of shares at the beginning of the period	2,296,944,664	1,148	1,148,472,332	574
Add: Bonus shares issued (including bonus on treasury shares)	-	-	1,148,472,332	574
Number of shares at the end of the period	2,296,944,664	1,148	2,296,944,664	1,148

Employee Stock Option Plan (ESOP):

2015 Stock Incentive Compensation Plan (the 2015 Plan): SEBI issued the Securities and Exchange Board of India (Share based Employee Benefits) Regulations, 2014 ('SEBI Regulations') which replaced the SEBI ESOP Guidelines, 1999. The 2011 Plan (as explained below) was required to be amended and restated in accordance with the SEBI Regulations. Consequently, to effect this change and to further introduce stock options/ADR's and other stock incentives, the Company put forth the 2015 Stock Incentive Compensation Plan (the 2015 Plan) for approval to the shareholders of the Company. Pursuant to the approval by the shareholders through postal ballot which ended on March 31, 2016, the Board of Directors have been authorised to introduce, offer, issue and allot share-based incentives to eligible employees of the Company and its subsidiaries under the 2015 Plan. The maximum number of shares under the 2015 plan shall not exceed 2,40,38,883 equity shares (this includes 1,12,23,576 equity shares which were held by the Trust towards the 2011 Plan as at March 31, 2016). 1,70,38,883 equity shares will be issued as RSUs at par value and 70,00,000 equity shares will be issued as stock options at market price. These instruments will vest over a period of 4 years and the Company expects to grant the instruments under the 2015 Plan over the period of 4 to 7 years.

On August 1, 2016, the company granted 17,83,615 RSUs (includes equity shares and equity shares represented by ADS) at par value, to employees upto mid management (excluding grants made to Dr. Vishal Sikka). Further, the company granted 73,020 Incentive Units (cash-settled) to eligible employees. These instruments will vest equally over a period of 4 years and are subject to continued service.

Further on November 1, 2016, the company granted 9,70,375 RSUs (includes equity shares and equity shares represented by ADS) at par value, 12,05,850 employee stock options (ESOPs) (including equity shares and equity shares represented by ADS) to be exercised at market price at the time of grant, to certain employees at the senior management level. Further the company granted 20,640 incentive units (cash-settled) to certain employees at the senior management level. These instruments will vest equally over a period of 4 years and are subject to continued service.

On February 1, 2017, the company granted 18,550 incentive units (cash-settled) to certain employees at the senior management level. These instruments will vest equally over a period of 4 years and are subject to continued service.

As of March 31, 2017, 11,289,514 shares are held by the trust towards 2015 Plan. As of March 31, 2017, 106,845 incentive units were outstanding (net of forfeitures) and the carrying value of the cash liability is ₹3 crore.

Pursuant to the approval from the shareholders through postal ballot on March 31, 2016, Dr. Vishal Sikka is eligible to receive under the 2015 Plan, an annual grant of RSUs of fair value \$2 million which vest over time, subject to continued service, and an annual grant of performance based equity and stock options of \$5 million subject to achievement of performance targets set by the Board or its committee, which vest over time. \$2 million of fair value in RSUs for financial year 2017 was granted on August 1, 2016 amounting to 120,700 RSUs in equity shares represented by ADS.

The Nomination and Remuneration Committee in its meeting held on October 14, 2016 recommended a grant of 27,250 RSUs and 43,000 ESOPs to U.B.Pravin Rao, Chief Operating Officer (COO), under the 2015 Plan and the same was approved by the shareholders through postal ballot on March 31, 2017. These RSUs and ESOPs will be granted w.e.f May 2, 2017. These RSUs and stock options would vest over a period of 4 years and shall be exercisable within the period as approved by the Committee. The exercise price of the RSU's will be equal to the par value of the shares and the exercise price of the stock options would be the market price as on the date of grant, as approved by the shareholders. Though these RSUs and ESOPs have not been granted as of March 31, 2017, in accordance with Ind AS 102 Share-based Payment, the company has recorded employee stock based compensation expense for the same.

2011 RSU Plan (the 2011 Plan) now called 2015 Stock Incentive Compensation Plan (the 2015 Plan): The Company had a 2011 RSU Plan which provided for the grant of restricted stock units (RSUs) to eligible employees of the Company. The Board of Directors recommended the 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 was 1,13,34,400 as on date of approval of plan adjusted for bonus shares and the plan was expected to continue in effect for a term of 10 years from the date of initial grant under the plan. Awards have been granted to Dr Vishal Sikka under the 2011 RSU plan as detailed below. Further the Company has earmarked 1,00,000 equity shares for welfare activities of the employees, approved by the shareholders vide postal ballot which ended on March 31, 2016. The equity shares as of March 31, 2016 held under this plan, i.e. 1,12,23,576 equity shares (this includes the aggregate number of equity shares that may be awarded under the 2011 Plan as reduced by 10,824 equity shares already exercised by Dr. Vishal Sikka and 1,00,000 equity shares which have been earmarked for welfare activities of the employees) have been subsumed under the 2015 Plan.

During the year ended March 31, 2015, the company made a grant of 1,08,268 restricted stock units (adjusted for bonus issues) to Dr. Vishal Sikka, Chief Executive Officer and Managing Director. The Board in its meeting held on June 22, 2015, on recommendation of Nomination and Remuneration Committee, further granted 1,24,061 RSUs to Dr. Vishal Sikka. These RSUs are vesting 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.

The award granted to Dr. Vishal Sikka on June 22, 2015 was modified by the Nomination and Remuneration Committee on April 14, 2016. There is no modification or change in the total number of RSUs granted or the vesting period (which is four years). The modifications relate to the criteria of vesting for each of the years. Based on the modification, the first tranche of the RSUs will vest subject to achievement of certain key performance indicators for the year ended March 31, 2016. Subsequent vesting of RSU's for each of the remaining years would be subject to continued employment.

The activity in the 2015 Plan (formerly 2011 RSU Plan) for equity-settled share based payment transactions during the year ended March 31, 2017 is set out below:

Particulars	Year ended March 31, 2017	
	Shares arising out of options	Weighted average exercise price (₹)
2015 Plan (Formerly 2011 Plan): Indian equity shares (RSU - IES)		
Outstanding at the beginning*	221,505	5
Granted	1,878,025	5
Forfeited and expired	61,540	5
Exercised	34,062	5
Outstanding at the end	2,003,928	5
Exercisable at the end	-	-
2015 Plan (Formerly 2011 Plan): Employee Stock Options (ESOPs- IES)		
Outstanding at the beginning	-	-
Granted	309,650	998
Forfeited and expired	-	-
Exercised	-	-
Outstanding at the end	309,650	998
Exercisable at the end	-	-

*adjusted for bonus issues (Refer above note 2.12)

Particulars	Year ended March 31, 2017	
	Shares arising out of options	Weighted average exercise price (\$)
2015 Plan (Formerly 2011 Plan): American Depository Shares (RSU - ADS)		
Outstanding at the beginning	-	-
Granted	996,665	0.07
Forfeited and expired	39,220	0.07
Exercised	-	-
Outstanding at the end	957,445	0.07
Exercisable at the end	-	-
2015 Plan (Formerly 2011 Plan): Employee Stock Options (ESOPs- ADS)		
Outstanding at the beginning	-	-
Granted	896,200	15.26
Forfeited and expired	8,200	15.26
Exercised	-	-
Outstanding at the end	888,000	15.26
Exercisable at the end	-	-

The activity in the 2015 Plan (formerly 2011 RSU Plan) for equity-settled share based payment transactions during the year ended March 31, 2016 is set out below:

Particulars	Year ended March 31, 2016	
	Shares arising out of options	Weighted average exercise price (₹)
2015 Plan (Formerly 2011 Plan): Indian equity shares (IES)		
Outstanding at the beginning*	108,268	5
Granted	124,061	5
Forfeited and expired	-	-
Exercised*	10,824	5
Outstanding at the end	221,505	5
Exercisable at the end	-	-

*adjusted for bonus issues (Refer above note 2.12)

During the year ended March 31, 2017, the weighted average share price of options exercised under the 2015 Plan on the date of exercise was ₹1,084/-

During the year ended March 31, 2016, the weighted average share price of options exercised under the 2015 Plan on the date of exercise was ₹1,088/-

The following table summarizes information about equity settled RSUs and ESOPs outstanding as of March 31, 2017:

Range of exercise prices per share (₹)	Options outstanding		
	No. of shares arising out of options	Weighted average remaining contractual life	Weighted average exercise price (₹)
2015 Plan: ADS and IES			
0 - 5 (RSU)	2,961,373	1.88	5.00
900 - 1100 (ESOP)	1,197,650	7.09	1,026.50
	4,159,023	3.38	299.16

The weighted average remaining contractual life of RSUs outstanding as of March 31, 2016 under the 2015 Plan was 1.98 years.

The fair value of each equity settled RSU is estimated on the date of grant using the Black-Scholes-Merton model with the following assumptions:

Particulars	For options granted in			
	Fiscal 2017- Equity Shares-RSU	Fiscal 2017- Equity shares ESOP	Fiscal 2017- ADS-RSU	Fiscal 2017- ADS- ESOP
Grant date	1-Nov-16	1-Nov-16	1-Nov-16	1-Nov-16
Weighted average share price (₹) / (\$- ADS)	989	989	15.26	15.26
Exercise price (₹)/ (\$- ADS)	5.00	998	0.07	15.26
Expected volatility (%)	24-29	27-29	26-29	27-31
Expected life of the option (years)	1 - 4	3 - 7	1 - 4	3 - 7
Expected dividends (%)	2.37	2.37	2.29	2.29
Risk-free interest rate (%)	6- 7	6- 7	1 - 2	1 - 2
Weighted average fair value as on grant date (₹) / (\$- ADS)	929	285	14.35	3.46

Particulars	For options granted in			
	Fiscal 2017- Equity Shares - RSU	Fiscal 2017- ADS - RSU	Fiscal 2016- Equity Shares - RSU	Fiscal 2015- Equity Shares - RSU
Grant date	1-Aug-16	1-Aug-16	22-Jun-15	21-Aug-14
Weighted average share price (₹) / (\$- ADS)*	1,085	16.57	1,024	3,549
Exercise price (₹)/ (\$- ADS)*	5.00	0.07	5.00	5.00
Expected volatility (%)	25-29	26-30	28-36	30-37
Expected life of the option (years)	1 - 4	1 - 4	1 - 4	1 - 4
Expected dividends (%)	2.37	2.29	2.43	1.84
Risk-free interest rate (%)	6- 7	0.5 - 1	7- 8	8- 9
Weighted average fair value as on grant date (₹) / (\$- ADS)*	1,019	15.59	948	3,355

* Data for Fiscal 2015 is not adjusted for bonus issues

The expected term of the RSU / ESOP is estimated based on the vesting term and contractual term of the RSU / ESOP, as well as expected exercise behaviour of the employee who receives the RSU / ESOP.

Expected volatility during the expected term of the RSU / ESOP 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 / ESOP.

During the year ended March 31, 2017 and March 31, 2016, the company recorded an employee stock compensation expense of ₹107 crore and ₹7 crore in the statement of profit and loss. The cash settled stock compensation expense during the year ended March 31, 2017 was ₹1 crore.

2.13 OTHER FINANCIAL LIABILITIES

(In ₹ crore)

Particulars	As at		
	March 31, 2017	March 31, 2016	April 1, 2015
Non-current			
Rental deposits ⁽¹⁾	-	27	27
Payable for acquisition of business (refer Note 2.5.1 and 2.5.2)	40	35	-
	40	62	27
Current			
Unpaid dividends	17	5	3
Others			
Accrued compensation to employees	1,404	1,764	1,719
Accrued expenses ⁽²⁾	2,013	1,707	1,582
Retention monies	153	58	50
Payable for acquisition of business (refer Note 2.5.1 and Note 2.5.2)			
- Deferred consideration	-	-	487
- Contingent consideration	45	80	-
Client deposits	25	16	20
Capital creditors	36	66	37
Compensated absences	1,142	1,130	907
Other payables ⁽³⁾	219	304	42
Foreign currency forward and options contracts	2	2	-
	5,056	5,132	4,847
Total financial liabilities	5,096	5,194	4,874
Financial liability carried at amortized cost	3,867	3,947	3,967
Financial liability carried at fair value through profit or loss	87	117	-
Liability towards acquisition of business on undiscounted basis	91	132	-
⁽¹⁾ Includes dues to subsidiaries (Refer note 2.25)	-	27	27
⁽²⁾ Includes dues to subsidiaries (Refer note 2.25)	3	29	36
⁽³⁾ Includes dues to subsidiaries (Refer note 2.25)	14	38	33

2.14 TRADE PAYABLES

(In ₹ crore)

Particulars	As at		
	March 31, 2017	March 31, 2016	April 1, 2015
Trade payables *	269	623	124
	269	623	124
*Includes dues to subsidiaries (refer note 2.25)	135	145	102

As at March 31, 2017 and March 31, 2016, there are no outstanding dues to micro and small enterprises. There are no interests due or outstanding on the same.

2.15 OTHER LIABILITIES

(In ₹ crore)

Particulars	As at		
	March 31, 2017	March 31, 2016	April 1, 2015
Non current			
Deferred income	42	-	-
	42	-	-
Current			
Unearned revenue	1,320	1,025	831
Others			
Withholding taxes and others	1,027	1,068	733
Deferred rent	2	-	-
	2,349	2,093	1,564
	2,391	2,093	1,564

2.16 PROVISIONS

(In ₹ crore)

Particulars	As at		
	March 31, 2017	March 31, 2016	April 1, 2015
Current			
Others			
Post-sales client support and warranties and others	350	436	382
	350	436	382

Provision for post-sales client support and warranties and others

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

(In ₹ crore)

Particulars	Year ended March 31, 2017
Balance at the beginning	436
Provision recognized/(reversed)	86
Provision utilized	(167)
Exchange difference	(5)
Balance at the end	350

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

2.17 INCOME TAXES

Income tax expense in the statement of profit and loss comprises:

Particulars	(In ₹ crore)	
	Year ended March 31,	
	2017	2016
Current taxes	5,068	4,898
Deferred taxes	52	9
Income tax expense	5,120	4,907

Current tax expense for the year ended March 31, 2017 and March 31, 2016 includes reversals (net of provisions) amounting to ₹218 crore and ₹331 crore respectively pertaining to prior periods.

Entire deferred income tax for the year ended March 31, 2017 and March 31, 2016 relates to origination and reversal of temporary differences.

A reconciliation of the income tax provision to the amount computed by applying the statutory income tax rate to the income before income taxes is summarized below:

Particulars	(In ₹ crore)	
	Year ended March 31,	
	2017	2016
Profit before income taxes	18,938	17,600
Enacted tax rates in India	34.61%	34.61%
Computed expected tax expense	6,554	6,091
Tax effect due to non-taxable income for Indian tax purposes	(1,915)	(1,659)
Overseas taxes	735	709
Tax reversals, overseas and domestic	(218)	(330)
Effect of exempt non-operating income	(51)	(69)
Effect of non-deductible expenses	16	185
Additional deduction on research and development expense	-	(19)
Others	(1)	(1)
Income tax expense	5,120	4,907

The applicable Indian statutory tax rate for fiscal 2017 and fiscal 2016 is 34.61%.

The foreign tax expense is due to income taxes payable overseas, principally in the United States. In India, the company has benefited from certain tax incentives that the Government of India has provided to the export of software for the units registered under the Special Economic Zones Act, 2005 (SEZ). SEZ units which began the provision of services on or after April 1, 2005 are eligible for a deduction of 100 percent of profits or gains derived from the export of services for the first five years from the financial year in which the unit commenced the provision of services and 50 percent of such profits or gains for further five years. Up to 50% of such profits or gains is also available for a further five years subject to creation of a Special Economic Zone re-Investment Reserve out of the profit of the eligible SEZ units and utilization of such reserve by the Company for acquiring new plant and machinery for the purpose of its business as per the provisions of the Income Tax Act, 1961.

Infosys is subject to a 15% Branch Profit Tax (BPT) in the U.S. to the extent its U.S. branch's net profit during the year is greater than the increase in the net assets of the U.S. branch during the year, computed in accordance with the Internal Revenue Code. As of March 31, 2017, Infosys' U.S. branch net assets amounted to approximately ₹5,995 crore. As of March 31, 2017, the Company has provided for branch profit tax of ₹327 crore for its U.S branch, as the Company estimates that these branch profits are expected to be distributed in the foreseeable future. The change in provision for branch profit tax includes ₹7 crore movement on account of exchange rate during the year ended March 31, 2017.

Deferred income tax liabilities have not been recognized on temporary differences amounting to ₹5,309 crore and ₹4,195 crore as of March 31, 2017 and March 31, 2016, respectively, associated with investments in subsidiaries and branches as it is probable that the temporary differences will not reverse in the foreseeable future.

The following table provides the details of income tax assets and income tax liabilities as of March 31, 2017, March 31, 2016 and April 1, 2015

	(In ₹ crore)		
	As at		
	March 31, 2017	March 31, 2016	April 1, 2015
Income tax assets	5,454	5,020	3,941
Current income tax liabilities	3,762	3,304	2,678
Net current income tax assets/ (liability) at the end	1,692	1,716	1,263

The gross movement in the current income tax asset/ (liability) for the year ended March 31, 2017 and March 31, 2016 is as follows:

	(In ₹ crore)	
	Year ended March 31,	
	2017	2016
Net current income tax asset/ (liability) at the beginning	1,716	1,263
Income tax paid	5,033	5,350
Current income tax expense (Refer Note 2.17)	(5,068)	(4,898)
Income tax on other comprehensive income	8	-
Tax benefit on exercise of share based payments	1	-
Translation difference	2	1
Net current income tax asset/ (liability) at the end	1,692	1,716

The tax effects of significant temporary differences that resulted in deferred income tax assets and liabilities are as follows:

(In ₹ crore)

Particulars	As at		
	March 31, 2017	March 31, 2016	April 1, 2015
Deferred income tax assets			
Property, plant and equipment	107	146	210
Computer software	40	50	51
Accrued compensation to employees	35	46	29
Trade receivables	123	79	100
Compensated absences	336	359	280
Post sales client support	93	76	72
Others	32	21	7
Total deferred income tax assets	766	777	749
Deferred income tax liabilities			
Branch profit tax	327	334	316
Others	93	38	-
Total deferred income tax liabilities	420	372	316
Deferred income tax assets after set off	346	405	433
Deferred income 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.

In assessing the realizability of deferred income tax assets, management considers whether some portion or all of the deferred income tax assets will not be realized. The ultimate realization of deferred income tax assets is dependent upon the generation of future taxable income during the periods in which the temporary differences become deductible. Management considers the scheduled reversals of deferred income tax liabilities, projected future taxable income, and tax planning strategies in making this assessment. Based on the level of historical taxable income and projections for future taxable income over the periods in which the deferred income tax assets are deductible, management believes that the Group will realize the benefits of those deductible differences. The amount of the deferred income tax assets considered realizable, however, could be reduced in the near term if estimates of future taxable income during the carry forward period are reduced.

The gross movement in the deferred income tax account for the year ended March 31, 2017 and March 31, 2016, are as follows:

(In ₹ crore)

Particulars	Year ended March 31,	
	2017	2016
Net deferred income tax asset at the beginning	405	433
Translation differences	6	(19)
Credits / (charge) relating to temporary differences (Refer Note 2.17)	(52)	(9)
Temporary differences on other comprehensive income	(13)	-
Net deferred income tax asset at the end	346	405

The charge relating to temporary differences during the year ended March 31, 2017 are primarily on account of property plant and equipment, accrued compensation and compensated absences partially offset by trade receivable. The credits relating to temporary differences during the year ended March 31, 2016 are primarily on account of accrued compensation to employees and compensated absences partially offset by reversal of credits pertaining to property plant and equipment and trade receivables

2.18 REVENUE FROM OPERATIONS*(In ₹ crore)*

Particulars	Year ended March 31,	
	2017	2016
Income from software services	59,257	53,334
Income from software products	32	649
	59,289	53,983

2.19 OTHER INCOME*(In ₹ crore)*

Particulars	Year ended March 31,	
	2017	2016
Interest received on financial assets- Carried at amortised cost		
Tax free bonds, government bonds and debentures	320	168
Deposit with Bank and others	2,028	2,338
Interest received on financial assets- fair valued through other comprehensive income		
Non convertible debentures and certificates of deposit	182	-
Dividend received on investments carried at fair value through profit or loss		
Mutual fund units	23	57
Gain / (loss) on investments carried at fair value through profit or loss	111	-
Exchange gains/(losses) on foreign currency forward and options contracts	551	26
Exchange gains/(losses) on translation of other assets and liabilities	(324)	141
Miscellaneous income, net	171	276
	3,062	3,006

2.20 EXPENSES*(In ₹ crore)*

Particulars	Year ended March 31,	
	2017	2016
<i>Employee benefit expenses</i>		
Salaries including bonus	30,111	27,551
Contribution to provident and other funds	640	548
Share based payments to employees (Refer note 2.12)	108	7
Staff welfare	85	101
	30,944	28,207
<i>Cost of software packages and others</i>		
For own use	729	663
Third party items bought for service delivery to clients	506	386
	1,235	1,049

(In ₹ crore)

Particulars	Year ended March 31,	
	2017	2016
<i>Other expenses</i>		
Power and fuel	180	179
Brand and Marketing	276	229
Operating lease payments	284	175
Rates and taxes	118	99
Repairs and Maintenance	1,073	873
Consumables	31	28
Insurance	45	48
Provision for post-sales client support and warranties	84	18
Commission to non-whole time directors	9	8
Allowances for credit losses on financial assets	140	(45)
Auditor's remuneration		
Statutory audit fees	2	2
Other services	-	-
Reimbursement of expenses	-	-
Contributions towards Corporate Social Responsibility	215	202
Others	89	107
	2,546	1,923

2.21 LEASES

Obligations on long-term, non-cancellable operating leases

The lease rentals charged during the period is as under:

(In ₹ crore)

Particulars	Year ended March 31,	
	2017	2016
Lease rentals	284	175

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

(In ₹ crore)

Future minimum lease payable	As at		
	March 31, 2017	March 31, 2016	April 1, 2015
Not later than 1 year	277	170	101
Later than 1 year and not later than 5 years	789	417	284
Later than 5 years	835	315	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.

2.22 EMPLOYEE BENEFITS

a. Gratuity

The following tables set out the funded status of the gratuity plans and the amounts recognized in the Company's financial statements as at March 31, 2017 and March 31, 2016:

Particulars	(In ₹ crore)	
	As at	
	March 31, 2017	March 31, 2016
Change in benefit obligations		
Benefit obligations at the beginning	826	755
Service cost	111	106
Interest expense	61	55
Curtailment gain	(3)	-
Transfer of obligation	(1)	(34)
Remeasurements - Actuarial (gains)/ losses	61	10
Benefits paid	(76)	(66)
Benefit obligations at the end	979	826
Change in plan assets		
Fair value of plan assets at the beginning	828	781
Interest income	69	59
Transfer of assets	-	(43)
Remeasurements- Return on plan assets excluding amounts included in interest income	11	7
Contributions	203	90
Benefits paid	(76)	(66)
Fair value of plan assets at the end	1,035	828
Funded status	56	2

Amount for the year ended March 31, 2017 and March 31, 2016 recognized in the Statement of Profit and Loss under employee benefit expenses.

Particulars	(In ₹ crore)	
	Year ended March 31,	
	2017	2016
Service cost	111	106
Net interest on the net defined benefit liability/asset	(8)	(4)
Curtailment gain	(3)	-
Net gratuity cost	100	102

Amount for the year ended March 31, 2017 and March 31, 2016 recognized in statement of other comprehensive income:

Particulars	(In ₹ crore)	
	Year ended March 31,	
	2017	2016
Remeasurements of the net defined benefit liability/ (asset)		
Actuarial (gains) / losses	61	10
(Return) / loss on plan assets excluding amounts included in the net interest on the net defined benefit liability/(asset)	(11)	(7)
	50	3

(In ₹ crore)

Particulars	Year ended March 31,	
	2017	2016
(Gain)/loss from change in demographic assumptions	-	-
(Gain)/loss from change in financial assumptions	49	-
	49	0

The weighted-average assumptions used to determine benefit obligations as at March 31, 2017, March 31, 2016 and April 1, 2015 are set out below:

Particulars	As of		
	March 31, 2017	March 31, 2016	April 1, 2015
Discount rate	6.9%	7.8%	7.8%
Weighted average rate of increase in compensation levels	8.0%	8.0%	8.0%

The weighted-average assumptions used to determine net periodic benefit cost for the year ended March 31, 2017 and March 31, 2016 are set out below:

Particulars	Year ended March 31,	
	2017	2016
Discount rate	7.8%	7.8%
Weighted average rate of increase in compensation levels	8.0%	8.0%
Weighted average duration of defined benefit obligation	6.1 years	6.4 years

Assumptions regarding future mortality experience are set in accordance with the published statistics by the Life Insurance Corporation of India.

The Company assesses these assumptions with its projected long-term plans of growth and prevalent industry standards. The discount rate is based on the government securities yield.

As of March 31, 2017, every percentage point increase / decrease in discount rate will affect our gratuity benefit obligation by approximately ₹57 crore.

As of March 31, 2017, every percentage point increase / decrease in weighted average rate of increase in compensation levels will affect our gratuity benefit obligation by approximately ₹49 crore.

Sensitivity for significant actuarial assumptions is computed by varying one actuarial assumption used for the valuation of the defined benefit obligation by one percentage, keeping all other actuarial assumptions constant.

Gratuity is applicable only to employees drawing a salary in Indian rupees and there are no other foreign defined benefit gratuity plans.

The Company contributes all ascertained liabilities towards gratuity to the Infosys Limited Employees' Gratuity Fund Trust. Trustees administer contributions made to the trust. As of March 31, 2017 and March 31, 2016, the plan assets have been primarily invested in insurer managed funds.

Actual return on assets for the year ended March 31, 2017 and March 31, 2016 was ₹80 crore and ₹66 crore respectively.

The Company expects to contribute ₹85 crore to the gratuity trusts during the fiscal 2018.

Maturity profile of defined benefit obligation:

(In ₹ crore)

Within 1 year	133
1-2 year	141
2-3 year	149
3-4 year	163
4-5 year	174
5-10 years	863

b. Superannuation

The Company contributed ₹151 crore and ₹227 crore to the Superannuation trust during the year ended March 31, 2017 and March 31, 2016.

c. Provident fund

Infosys has an obligation to fund any shortfall on the yield of the trust's investments over the administered interest rates on an annual basis. These administered rates are determined annually predominantly considering the social rather than economic factors and in most cases the actual return earned by the Company has been higher in the past years. The actuary has provided a valuation for provident fund liabilities on the basis of guidance issued by Actuarial Society of India and based on the below provided assumptions there is no shortfall as at March 31, 2017 and March 31, 2016 and April 1, 2015, respectively.

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

Particulars	(In ₹ crore)		
	As of		
	March 31, 2017	March 31, 2016	April 1, 2015
Plan assets at period end, at fair value	4,459	3,808	2,912
Present value of benefit obligation at period end	4,459	3,808	2,912
Asset recognized in balance sheet	-	-	-

The plan assets have been primarily invested in government securities.

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

Particulars	As at		
	March 31, 2017	March 31, 2016	April 1, 2015
Government of India (GOI) bond yield	6.90%	7.80%	7.80%
Remaining term to maturity of portfolio	6 years	7 years	7 years
Expected guaranteed interest rate- First year:	8.60%	8.75%	8.75%
- Thereafter:	8.60%	8.60%	8.60%

The Company contributed ₹378 crore and ₹345 crore during the year ended March 31, 2017 and March 31, 2016.

The provident plans are applicable only to employees drawing a salary in Indian rupees and there are no other significant foreign defined benefit plans.

Employee benefits cost include:

Particulars	(In ₹ crore)	
	Year ended March 31,	
	2017	2016
Salaries and bonus*	30,315	27,534
Defined contribution plans	151	227
Defined benefit plans	478	446
	30,944	28,207

* Includes stock compensation expense of ₹107 crore for the year ended March 31, 2017 (₹7 crore for the year ended March 31, 2016.) (Refer note 2.12).

2.23 RECONCILIATION OF BASIC AND DILUTED SHARES USED IN COMPUTING EARNING PER SHARE

The following is a reconciliation of the equity shares used in the computation of basic and diluted earnings per equity share:

	Year ended March 31,	
	2017	2016
Basic earnings per equity share - weighted average number of equity shares outstanding	2,296,944,664	2,296,944,664
Effect of dilutive common equivalent shares - share options outstanding	215,006	-
Diluted earnings per equity share - weighted average number of equity shares and common equivalent shares outstanding	229,71,59,670	229,69,44,664
For the year ended March 31, 2017, 77,942 number of options to purchase equity shares had an anti-dilutive effect. For the year ended March 31, 2016, no outstanding option to purchase equity shares had an anti-dilutive effect.		

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

Particulars	(In ₹ crore)		
	As at		
	March 31, 2017	March 31, 2016	April 1, 2015
Contingent liabilities :			
Claims against the Company, not acknowledged as debts ⁽¹⁾	1,902	188	167
[Net of amount paid to statutory authorities ₹4,694 crore (₹4,386 crore)]			
Commitments :			
Estimated amount of contracts remaining to be executed on capital contracts and not provided for (net of advances and deposits)	1,094	1,295	1,272
Other Commitment*	37	-	-

*Uncalled capital pertaining to investments

⁽¹⁾ Claims against the company not acknowledged as debts as on March 31, 2017 include demand from the Indian Income tax authorities for payment of tax of ₹ 6,122 crores (₹ 4,135 crores), including interest of ₹ 1,885 crore (₹ 1,224 crore) upon completion of their tax assessment for fiscal 2007, fiscal 2008, fiscal 2009, fiscal 2010, fiscal 2011, fiscal 2012 and fiscal 2013. Demands were paid to statutory tax authorities in full except for fiscal year 2009, fiscal 2011, fiscal 2012 and fiscal 2013.

Demand for fiscal 2007, fiscal 2008 and fiscal 2009 includes disallowance of a 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. Demand for fiscal 2007, fiscal 2008, fiscal 2009, fiscal 2010, fiscal 2011, fiscal 2012 and fiscal 2013 also includes disallowance of portion of profit earned outside India from the STP units under section 10A of the Income Tax Act and disallowance of profits earned from SEZ units under section 10AA of the Income Tax Act. Demand for fiscal 2012 & fiscal 2013 includes disallowance of certain expenses incurred in foreign currency being reduced from export turnover but not reduced from total turnover and disallowance of profits earned from SEZ units which commenced operations before 1st April 2009 under section 10AA of the Income Tax Act and also others. The matters for fiscal 2007, fiscal 2008, fiscal 2009 and fiscal 2013 are pending before the Commissioner of Income Tax (Appeals) Bangalore. The matter for fiscal 2010, fiscal 2011 and fiscal 2012 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.

2.25 RELATED PARTY TRANSACTIONS

List of related parties:

Name of subsidiaries	Country	Holding as at		
		March 31, 2017	March 31, 2016	April 1, 2015
Infosys BPO Limited (Infosys BPO)	India	99.98%	99.98%	99.98%
Infosys Technologies (China) Co. Limited (Infosys China)	China	100%	100%	100%
Infosys Technologies S. de R. L. de C. V. (Infosys Mexico)	Mexico	100%	100%	100%
Infosys Technologies (Sweden) AB. (Infosys Sweden)	Sweden	100%	100%	100%
Infosys Technologies (Shanghai) Company Limited (Infosys Shanghai)	China	100%	100%	100%
Infosys Tecnologia DO Brasil LTDA. (Infosys Brasil)	Brazil	100%	100%	100%
Infosys Public Services, Inc. USA (Infosys Public Services)	U.S.	100%	100%	100%
Infosys Americas Inc., (Infosys Americas)	U.S.	100%	100%	100%
Infosys (Czech Republic) Limited s.r.o. (formerly Infosys BPO s. r. o.) ⁽¹⁾	Czech Republic	99.98%	99.98%	99.98%
Infosys Poland Sp Z.o.o (formerly Infosys BPO (Poland) Sp Z.o.o) ⁽¹⁾	Poland	99.98%	99.98%	99.98%
Infosys BPO S.DE R.L. DE.C.V ⁽¹⁾⁽¹⁷⁾	Mexico	-	-	-
Infosys McCamish Systems LLC ⁽¹⁾	U.S.	99.98%	99.98%	99.98%
Portland Group Pty Ltd ⁽¹⁾	Australia	99.98%	99.98%	99.98%
Portland Procurement Services Pty Ltd ⁽⁶⁾	Australia	-	-	-
Infosys BPO Americas LLC. ⁽¹⁾⁽¹⁶⁾	U.S.	99.98%	-	-
Infosys Technologies (Australia) Pty. Limited (Infosys Australia) ⁽²⁾	Australia	100%	100%	100%
EdgeVerve Systems Limited (EdgeVerve) ⁽⁷⁾	India	100%	100%	100%
Infosys Consulting Holding AG (Infosys Lodestone) (formerly Lodestone Holding AG)	Switzerland	100%	100%	100%
Lodestone Management Consultants Inc. ⁽³⁾	U.S.	100%	100%	100%
Infosys Management Consulting Pty Limited (formerly Lodestone Management Consultants Pty Limited) ⁽³⁾	Australia	100%	100%	100%
Infosys Consulting AG (formerly Lodestone Management Consultants AG) ⁽³⁾	Switzerland	100%	100%	100%
Lodestone Augmentis AG ⁽⁶⁾⁽¹⁸⁾	Switzerland	-	100%	100%
Lodestone GmbH (formerly Hafner Bauer & Ödman GmbH) ⁽³⁾⁽²⁰⁾	Switzerland	-	100%	100%
Infosys Consulting (Belgium) NV (formerly Lodestone Management Consultants (Belgium) S.A.) ⁽⁴⁾	Belgium	99.90%	99.90%	99.90%
Infosys Consulting GmbH (formerly Lodestone Management Consultants GmbH) ⁽³⁾	Germany	100%	100%	100%
Infosys Consulting Pte Ltd. (formerly Lodestone Management Consultants Pte Ltd) ⁽²¹⁾	Singapore	100%	100%	100%
Infosys Consulting SAS (formerly Lodestone Management Consultants SAS) ⁽³⁾	France	100%	100%	100%
Infosys Consulting s.r.o.(formerly Lodestone Management Consultants s.r.o.) ⁽³⁾	Czech Republic	100%	100%	100%
Lodestone Management Consultants GmbH ⁽³⁾	Austria	100%	100%	100%
Lodestone Management Consultants Co., Ltd. ⁽³⁾	China	100%	100%	100%
Infy Consulting Company Limited (formerly Lodestone Management Consultants Ltd.) ⁽³⁾	U.K.	100%	100%	100%
Infy Consulting B.V. (Lodestone Management Consultants B.V.) ⁽³⁾	Netherlands	100%	100%	100%
Infosys Consulting Ltda. (formerly Lodestone Management Consultants Ltda.) ⁽⁴⁾	Brazil	99.99%	99.99%	99.99%
Infosys Consulting Sp. Z.o.o. (formerly Lodestone Management Consultants Sp. z o.o.) ⁽³⁾	Poland	100%	100%	100%

Lodestone Management Consultants Portugal, Unipessoal, Lda. ⁽³⁾	Portugal	100%	100%	100%
S.C. Infosys Consulting S.R.L.(formerly S.C. Lodestone Management Consultants S.R.L.) ⁽³⁾	Romania	100%	100%	100%
Infosys Consulting S.R.L. (formerly Lodestone Management Consultants S.R.L.) ⁽³⁾	Argentina	100%	100%	100%
Infosys Canada Public Services Ltd. ⁽⁶⁾	Canada	-	-	-
Infosys Nova Holdings LLC. (Infosys Nova) ⁽⁹⁾	U.S.	100%	100%	100%
Panaya Inc. (Panaya) ⁽¹⁰⁾	U.S.	100%	100%	100%
Panaya Ltd. ⁽¹¹⁾	Israel	100%	100%	100%
Panaya GmbH ⁽¹¹⁾	Germany	100%	100%	100%
Panaya Pty Ltd ⁽¹¹⁾⁽¹⁹⁾	Australia	-	-	-
Panaya Japan Co. Ltd. ⁽¹¹⁾	Japan	100%	100%	100%
Skava Systems Pvt. Ltd. (Skava Systems) ⁽¹²⁾	India	100%	100%	-
Kallidus Inc. (Kallidus) ⁽¹³⁾	U.S.	100%	100%	-
Noah Consulting LLC (Noah) ⁽¹⁴⁾	U.S.	100%	100%	-
Noah Information Management Consulting Inc. (Noah Canada) ⁽¹⁵⁾	Canada	100%	100%	-

⁽¹⁾ Wholly owned subsidiary 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 2.5.3)

⁽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.

⁽¹¹⁾ Wholly owned subsidiary of Panaya Inc.

⁽¹²⁾ On June 2, 2015, Infosys acquired 100% of the voting interest in Skava Systems (Refer note 2.5.2)

⁽¹³⁾ On June 2, 2015, Infosys acquired 100% of the voting interest in Kallidus Inc. (Refer note 2.5.2)

⁽¹⁴⁾ On November 16, 2015, Infosys acquired 100% of the membership interests in Noah (Refer note 2.5.1)

⁽¹⁵⁾ Wholly owned subsidiary of Noah

⁽¹⁶⁾ Incorporated effective November 20, 2015

⁽¹⁷⁾ Liquidated effective March 15, 2016

⁽¹⁸⁾ Liquidated effective October 5, 2016

⁽¹⁹⁾ Liquidated effective November 16, 2016

⁽²⁰⁾ Liquidated effective December 21, 2016

⁽²¹⁾ Wholly owned subsidiary of Infosys

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

Name of Associates	Country	Holding as at		
		March 31, 2017	March 31, 2016	April 1, 2015
DWA Nova LLC ⁽¹⁾	U.S.	16%	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		Controlled trust
Infosys Limited Employees' Welfare Trust	India	Controlled trust
Infosys Employee Benefits Trust	India	Controlled trust

Refer notes 2.22 for information on transactions with post-employment benefit plans mentioned above.

List of key management personnel

Whole time directors

U.B. Pravin Rao

Dr. Vishal Sikka

Non-whole-time directors

K.V.Kamath (resigned effective June 5, 2015)

Prof. Jeffrey S. Lehman

R. Seshasayee

Ravi Venkatesan

Kiran Mazumdar Shaw

Carol M. Browner (resigned effective November 23, 2015)

Prof. John W. Etchemendy

Roopa Kudva

Dr. Punita Kumar-Sinha (appointed effective January 14, 2016)

D. N. Prahlad (appointed effective October 14, 2016)

Executive Officers

M. D. Ranganath, Chief Financial Officer (effective October 12, 2015)

David D. Kennedy, General Counsel and Chief Compliance Officer (till December 31, 2016)

Rajiv Bansal, Chief Financial Officer (till October 12, 2015)

Mohit Joshi , President (effective October 13, 2016)

Rajesh K. Murthy, President (effective October 13, 2016)

Ravi Kumar S, President and Deputy Chief Operating Officer (effective October 13, 2016)

Sandeep Dadlani, President (effective October 13, 2016)

Krishnamurthy Shankar, Group Head - Human Resources (effective October 13, 2016)

Gopi Krishnan Radhakrishnan - Acting General Counsel (effective December 31, 2016)

Company Secretary

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

The details of amounts due to or due from related parties as at March 31, 2017, March 31, 2016 and April 1, 2015 are as follows:

(In ₹ crore)

Particulars	As at		
	March 31, 2017	March 31, 2016	April 1, 2015
Investment in debentures			
EdgeVerve ⁽²⁾	2,129	2,549	-
	<u>2,129</u>	<u>2,549</u>	<u>-</u>
Trade receivables			
Infosys China	41	29	16
Infosys Mexico	2	6	1
Infosys Brasil	1	1	5
Infosys BPO	5	5	1
Infy Consulting Company Ltd.	73	8	26
EdgeVerve	-	-	14
Infosys Public Services	61	153	246
Infosys Sweden	1	28	-
Kallidus	6	-	-
Infosys McCamish Systems LLC	1	-	-
Panaya Ltd	44	14	-
	<u>235</u>	<u>244</u>	<u>309</u>
Loans⁽¹⁾			
Infy Consulting Company Ltd.	-	-	6
Infosys Sweden	-	24	-
Infosys Technologies China	69	67	-
EdgeVerve	-	-	18
	<u>69</u>	<u>91</u>	<u>24</u>
Prepaid and other financial assets			
Infosys BPO	5	5	1
Infosys Public Services	-	8	4
EdgeVerve	-	3	14
Panaya	56	43	-
Infosys Consulting SAS	3	6	3
Infosys Consulting GmbH	1	1	1
Infosys China	1	-	-
Infy Consulting Company Ltd.	4	1	20
Infosys Consulting AG	1	-	-
Infy Consulting B.V.	1	-	-
Infosys Consulting Pte Ltd.	1	-	-
	<u>73</u>	<u>67</u>	<u>43</u>
Unbilled revenues			
Infosys Consulting SAS	-	-	1
EdgeVerve	45	20	-
Kallidus	2	-	-
Infosys McCamish Systems LLC	-	-	5
	<u>47</u>	<u>20</u>	<u>6</u>
Trade payables			
Infosys China	10	10	10
Infosys BPO	33	6	-
Infosys (Czech Republic) Limited s.r.o.	3	2	-
Portland Group Pty Ltd	-	-	1
Infosys Mexico	2	2	1
Infosys Sweden	5	8	5
Infosys Management Consulting Pty Limited	8	16	10
Infosys Consulting Pte Ltd.	4	7	8
Infy Consulting Company Ltd.	9	83	65
Infosys Brasil	1	-	2
Noah Consulting LLC	17	-	-
Panaya Ltd.	1	9	-
Infosys Public Services	3	2	-
Kallidus	35	-	-
Infosys Poland Sp Z.o.o	1	-	-
Noah Information Management Consulting Inc.	3	-	-
	<u>135</u>	<u>145</u>	<u>102</u>
Other financial liabilities			
Infosys BPO	2	27	16
Infosys McCamish Systems LLC	-	-	2
Infosys Consulting AG	-	1	1
Infy Consulting Company Ltd.	-	1	1
EdgeVerve	-	-	9
Panaya Ltd.	-	1	-
Infosys Public Services	-	7	4
Infosys Consulting Holding AG	10	-	-
Infosys Consulting GmbH	1	-	-
Infosys Mexico	1	1	-
	<u>14</u>	<u>38</u>	<u>33</u>
Accrued expenses			
Infosys BPO	-	1	(1)
Kallidus Inc	-	18	-
Panaya Ltd	3	-	-
Noah Consulting, LLC	-	10	-
EdgeVerve	-	-	37
	<u>3</u>	<u>29</u>	<u>36</u>
Rental Deposit given for shared services			
Infosys BPO	-	21	21
Rental Deposit taken for shared services			
Infosys BPO	-	27	27

⁽¹⁾ The above loans were given in accordance with the terms and conditions of the loan agreement and carries an interest rate of 6% per annum, each and is repayable within a period of one year and at anytime within four years from the date of grant for Infosys China and Infosys Sweden respectively.

⁽²⁾ At an interest rate of 8.5% per annum.

Particulars	Maximum amount outstanding during	
	2017	2016
Loans and advances in the nature of loans given to subsidiaries :		
Infosys China	72	68
EdgeVerve	-	110
Kallidus Inc	-	10
Infosys Sweden	25	24
Infosys Consulting Holding AG	-	6

The details of the related parties transactions entered into by the Company, in addition to the lease commitments described in note 2.21, for the year ended March 31, 2017 and March 31, 2016 are as follows:

Particulars	(In ₹ crore)	
	Year ended March 31,	
	2017	2016
Capital transactions:		
Financing transactions		
Equity		
EdgeVerve	-	850
Infosys China	67	-
Infosys Sweden	76	-
Infosys Shanghai	180	258
Infosys Consulting Pte Ltd	10	-
Noah Consulting LLC	71	-
	404	1,108
Debenture given/ (repaid)		
EdgeVerve	(420)	2,549
	(420)	2,549
Loans (net of repayment)⁽¹⁾		
Kallidus	-	-
Infosys Sweden	(1)	23
Infosys China	3	68
EdgeVerve	-	(18)
Infy Consulting Company Limited	-	(6)
	2	67
Cash paid under business transfer		
EdgeVerve	-	335
	-	335
Revenue transactions:		
Purchase of services		
Infosys China	120	126
Infosys Management Consulting Pty Limited	125	130
Infy Consulting Company Limited	697	882
Infosys Consulting Pte Ltd.	36	104
Portland Group Pty Ltd	3	2
Infosys (Czech Republic) Limited s.r.o.	31	17
Infosys BPO	391	341
Infosys Sweden	72	79
Infosys Mexico	22	11
Infosys Public Services	22	11
Panaya Ltd.	50	20
Infosys Brasil	8	10
Infosys Poland Sp Z.o.o	4	-
Kallidus	75	18
Noah Consulting, LLC	135	10
Noah Information Management Consulting Inc.	4	-
	1,795	1,761
Purchase of shared services including facilities and personnel		
Panaya Ltd.	2	-
Infosys BPO	19	18
	21	18
Interest income		
Infosys China	4	-
Infosys Sweden	1	1
EdgeVerve	197	62
	202	63
Sale of services		
Infosys China	15	11
Infosys Mexico	31	37
Infy Consulting Company Limited	75	30
Infosys Brasil	12	7
Infosys BPO	58	69
McCamish Systems LLC	1	3
Infosys Sweden	17	27
EdgeVerve	303	-
Kallidus	6	-
Infosys Public Services	893	900
	1,411	1,084
Sale of shared services including facilities and personnel		
EdgeVerve	40	143
Panaya Ltd.	32	15
Infy Consulting Company Limited	3	5
Infosys Public Services	1	-
Infosys BPO	46	42
Infy Consulting B.V	1	-
Infosys Consulting SAS	2	1
	125	206

⁽¹⁾ Loan outstanding (including accrued interest) given to Infosys Sweden is converted to equity during the year ended March 31, 2017.

Transactions with key management personnel

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

Particulars	(In ₹ crore)	
	Year ended March 31,	
	2017	2016
Salaries and other employee benefits to whole-time directors and executive officers ⁽¹⁾⁽²⁾⁽³⁾⁽⁴⁾⁽⁵⁾	84	101
Commission and other benefits to non-executive/independent directors	10	9
Total	94	110

⁽¹⁾ Includes stock compensation expense of ₹36 crore for the year ended March 31, 2017 (₹7 crore for the year ended March 31, 2016) towards key managerial personnel. Refer note 2.12

⁽²⁾ Year ended March 31, 2017 includes ₹6 crore payable under severance agreement to David D. Kennedy, who stepped down as General counsel and Chief compliance officer w.e.f December 31, 2016

⁽³⁾ Year ended March 31, 2016 includes ₹17.38 crore payable under severance agreement to Rajiv Bansal who stepped down as Chief Financial officer w.e.f October 12, 2015

⁽⁴⁾ The Board based on the recommendations of the Nominations committee approved on April 13, 2017, \$0.82 million as variable pay to CEO for the year ended March 31, 2017. The shareholders vide postal ballot had approved a variable pay of \$3 million at target.

Pursuant to the approval from the shareholders through postal ballot on March 31, 2016, Dr. Vishal Sikka is eligible to receive under the 2015 Plan, an annual grant of RSUs of fair value \$2 million which vest over time, subject to continued service and an annual grant of performance based equity and stock options of \$5 million subject to achievement of performance targets set by the Board or its committee, which vest over time. The Board based on the recommendations of the nominations committee approved on April 13, 2017, RSUs amounting to \$1.9 Mn and ESOP's amounting to \$ 0.96 Mn representing the performance based equity and stock options for the financial year 2017. Further, the Board also approved the annual time based vesting grant for financial year 2018 amounting to RSUs of \$2 million.

The year ended March 31, 2016 includes provision for variable pay amounting to \$4.33 million (approximately ₹29 crore) to CEO. The shareholders in the EGM dated July 30, 2014 had approved a variable pay of \$4.18 million (approximately ₹28 crore at current exchange rate) at a target level and also authorized the Board to alter and vary the terms of remuneration. Accordingly, the Board based on the recommendations of the Nominations committee approved on April 15, 2016, \$4.33 million (approximately ₹29 crore) as variable pay for the year ended March 31, 2016.

⁽⁵⁾ On March 31, 2017, the shareholders vide postal ballot approved a revision in the salary of U.B. Pravin Rao, whole-time director and COO.

2.26 CORPORATE SOCIAL RESPONSIBILITY

As per Section 135 of the Companies Act, 2013, a company, meeting the applicability threshold, needs to spend at least 2% of its average net profit for the immediately preceding three financial years on corporate social responsibility (CSR) activities. The areas for CSR activities are eradication of hunger and malnutrition, promoting education, art and culture, healthcare, destitute care and rehabilitation, environment sustainability, disaster relief and rural development projects. A CSR committee has been formed by the company as per the Act. The funds were primarily allocated to a corpus and utilized through the year on these activities which are specified in Schedule VII of the Companies Act, 2013.

a) Gross amount required to be spent by the company during the year is ₹ 290 crore.

b) Amount spent during the year on:

		in ₹ crore		
Sl. No.	Particulars	In Cash	Yet to be paid in Cash	Total
(i)	Construction / acquisition of any asset	75	-	75
(ii)	On purposes other than (i) above	215	-	215

2.27 DISCLOSURE ON SPECIFIED BANK NOTES (SBNs)

During the year, the Company had specified bank notes or other denomination note as defined in the MCA notification G.S.R. 308(E) dated March 31, 2017 on the details of Specified Bank Notes (SBN) held and transacted during the period from November 8, 2016 to December, 30 2016, the denomination wise SBNs and other notes as per the notification is given below:

Particulars	in ₹		
	SBNs*	Other denomination notes	Total
Closing cash in hand as on November 8, 2016	232,000	352,117	584,117
(+) Permitted receipts	-	561,236	561,236
(-) Permitted payments	(98,000)	(765,438)	(863,438)
(-) Amount deposited in Banks	(134,000)	-	(134,000)
Closing cash in hand as on December 30, 2016	-	147,915	147,915

* For the purposes of this clause, the term 'Specified Bank Notes' shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs number S.O. 3407(E), dated the 8th November, 2016.

[illegible]

Geographic segments

Year ended March 31, 2017 and March 31, 2016

(In ₹ crore)

Particulars	North America	Europe	India	Rest of the World	Total
Revenue from operations	38,578	13,019	1,798	5,894	59,289
	35,638	11,775	1,274	5,296	53,983
Identifiable operating expenses	20,337	6,664	786	2,805	30,592
	18,052	5,868	568	2,463	26,951
Allocated expenses	7,479	2,523	345	1,133	11,480
	7,493	2,471	255	1,090	11,309
Segment operating income	10,762	3,832	667	1,956	17,217
	10,093	3,436	451	1,743	15,723
Unallocable expenses					1,341
					1,129
Operating profit					15,876
					14,594
Other income, net					3,062
					3,006
Profit before income taxes					18,938
					17,600
Income tax expense					5,120
					4,907
Net profit					13,818
					12,693
Depreciation and amortization					1,331
					1,115
Non-cash expenses other than depreciation and amortization					10
					14
Significant clients					

No client individually accounted for more than 10% of the revenues in the year ended March 31, 2017 and March 31, 2016.

2.29 FUNCTION WISE CLASSIFICATION OF STATEMENT OF PROFIT AND LOSS

(In ₹ crore)

Particulars	Year ended March 31,	
	2017	2016
Revenue from operations	59,289	53,983
Cost of sales	37,057	32,294
Gross Profit	22,232	21,689
Operating expenses		
Selling and marketing expenses	2,728	2,695
General and administration expenses	3,628	4,400
Total operating expenses	6,356	7,095
Operating profit	15,876	14,594
Other income, net	3,062	3,006
Profit before tax	18,938	17,600
Tax expense:		
Current tax	5,068	4,898
Deferred tax	52	9
Profit for the period	13,818	12,693
Other comprehensive income		
<i>Items that will not be reclassified subsequently to profit or loss</i>		
Remeasurement of the net defined benefit liability/asset	(42)	(2)
Equity instruments through other comprehensive income	(5)	-
<i>Items that will be reclassified subsequently to profit or loss</i>		
Fair value changes on cash flow hedges, net	39	-
Fair value changes on investments, net	(10)	-
Total other comprehensive income, net of tax	(18)	(2)
Total comprehensive income for the period	13,800	12,691

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

U. B. Pravin Rao
Chief Operating Officer
and Whole-time Director

Bengaluru
April 13, 2017

Roopa Kudva
Director

M. D. Ranganath
Chief Financial Officer

A.G.S Manikantha
Company Secretary

Infosys Limited CIN : L85110KA1981PLC013115 Regd. Office: Electronics City, Hosur Road, Bengaluru 560 100, India. Website: www.infosys.com; Email: investors@infosys.com; Telephone: 91 80 2852 0261; Fax: 91 80 2852 0362						
Audited consolidated financial results of Infosys Limited and its subsidiaries for the quarter and year ended March 31, 2017 prepared in compliance with the Indian Accounting Standard (Ind-AS)						
Particulars	(in ₹ crore, except per equity share data)					
	Quarter ended March 31, 2017	Quarter ended December 31, 2016	Quarter ended March 31, 2016	Year ended March 31, 2017	Year ended March 31, 2016	
	Audited	Audited	Audited	Audited	Audited	Audited
Revenue from operations	17,120	17,273	16,550	68,484	62,441	
Other income, net	746	820	772	3,080	3,123	
Total Income	17,866	18,093	17,322	71,564	65,564	
Expenses						
Employee benefit expenses	9,309	9,420	9,024	37,659	34,406	
Deferred consideration pertaining to acquisition	-	-	-	-	149	
Cost of technical sub-contractors	1,000	975	925	3,833	3,531	
Travel expenses	474	502	595	2,235	2,263	
Cost of software packages and others	478	461	330	1,597	1,274	
Communication expenses	149	145	117	549	449	
Consultancy and professional charges	229	165	213	763	779	
Depreciation and amortisation expenses	446	433	419	1,703	1,459	
Other expenses	823	838	707	3,244	2,511	
Total expenses	12,908	12,939	12,330	51,583	46,821	
Profit before non-controlling interest / share in net profit / (loss) of associate	4,958	5,154	4,992	19,981	18,743	
Share in net profit/(loss) of associate and others	(25)	-	(1)	(30)	(3)	
Profit before tax	4,933	5,154	4,991	19,951	18,740	
Tax expense:						
Current tax	1,249	1,468	1,426	5,653	5,318	
Deferred tax	81	(22)	(32)	(55)	(67)	
Profit for the period	3,603	3,708	3,597	14,353	13,489	
Other comprehensive income						
<i>Items that will not be reclassified subsequently to profit or loss</i>						
Remeasurement of the net defined benefit liability/asset	20	(8)	(3)	(45)	(12)	
Equity instruments through other comprehensive income	(5)	-	-	(5)	-	
	15	(8)	(3)	(50)	(12)	
<i>Items that will be reclassified subsequently to profit or loss</i>						
Fair value changes on derivatives designated as cash flow hedges, net	11	26	-	39	-	
Exchange differences on translation of foreign operations	(197)	(47)	96	(257)	303	
Fair value changes on investments	(10)	-	-	(10)	-	
Total other comprehensive income, net of tax	(196)	(21)	96	(228)	303	
Total comprehensive income for the period	(181)	(29)	93	(278)	291	
Paid up share capital (par value ₹5/- each, fully paid)	3,422	3,679	3,690	14,075	13,780	
Other equity	1,144	1,144	1,144	1,144	1,144	
	67,838	60,600	60,600	67,838	60,600	
Earnings per equity share (par value ₹5/- each)						
Basic (₹)	15.77	16.22	15.74	62.80	59.02	
Diluted (₹)	15.76	16.22	15.74	62.77	59.02	

Notes:

1. The audited consolidated financial statements for the quarter and year ended March 31, 2017 have been taken on record by the Board of Directors at its meeting held on April 13, 2017. The statutory auditors have expressed an unqualified audit opinion. The information presented above is extracted from the audited consolidated financial statements. The consolidated financial statements are prepared in accordance with the Indian Accounting Standards (Ind-AS) as prescribed under Section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

2. The Group has adopted all the Ind-AS on April 1, 2016 with the transition date as April 1, 2015, and the adoption was carried out in accordance with Ind-AS 101-First time adoption of Indian Accounting Standards. The transition was carried out from Indian Accounting Principles generally accepted in India as prescribed under Sec 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 (IGAAP), which was the previous GAAP.

3. Capital Allocation Policy

The Board reviewed and approved a revised Capital Allocation Policy of the Company after taking into consideration the strategic and operational cash requirements of the Company in the medium term.

The key aspects of the Capital Allocation Policy are:

1. The Company's current policy is to pay dividends of up to 50% of post-tax profits of the Financial Year. Effective from Financial Year 2018, the Company expects to payout up to 70% of the free cash flow* of the corresponding Financial Year in such manner (including by way of dividend and/or share buyback) as may be decided by the Board from time to time, subject to applicable laws and requisite approvals, if any.
2. In addition to the above, the Board has identified an amount of upto ₹13,000 crore (\$2 billion)** to be paid out to shareholders during Financial Year 2018, in such manner (including by way of dividend and/ or share buyback), to be decided by the Board, subject to applicable laws and requisite approvals, if any.

Further announcements in this regard will be made, as appropriate, in due course.

* Free cash flow is defined as net cash provided by operating activities less capital expenditure as per the consolidated statement of cash flows prepared under IFRS

** USD/INR exchange rate as on March 31, 2017

Dividend payout includes Dividend Distribution Tax

This announcement contains insider information

4. The Board, at its meeting held on April 13, 2017, appointed Ravi Venkatesan, Independent Director as the Co- Chairman of the Board. Ravi Venkatesan, who has been on the Board of Infosys since April, 2011 has made valuable contribution to the development of the strategic direction of the Company during his tenure.

5. Pursuant to the approval from the shareholders through postal ballot on March 31, 2016, Dr. Vishal Sikka, Managing Director and CEO is eligible to receive under the 2015 Plan, an annual grant of RSU's of fair value \$2 Mn which will vest over time, subject to continued service. He is also eligible for an annual grant of performance based equity and stock options of \$5 Mn, subject to achievement of performance targets set by the Board or its committee, which vest over time. The Board based on the recommendations of the Nominations and Remuneration Committee approved on April 13, 2017, RSUs amounting to \$1.9 Mn and ESOP's amounting to \$0.96 Mn representing the performance based equity and stock options for the financial year 2017. Further, the Board also approved the annual time based vesting grant for financial year 2018 of RSU's of fair value amounting to \$2 Mn.

The Nomination and Remuneration Committee in its meeting held on October 14, 2016 recommended a grant of 27,250 RSUs and 43,000 ESOPs to U.B.Pravin Rao, Chief Operating Officer (COO), under the 2015 Plan and the same was approved by the shareholders through postal ballot on March 31, 2017. These RSUs and ESOPs will be granted w.e.f May 2, 2017. These RSUs and stock options would vest over a period of 4 years and shall be exercisable within the period as approved by the Committee. The exercise price of the RSU's will be equal to the par value of the shares and the exercise price of the stock options would be the market price as on the date of grant, as approved by the shareholders.

The Nomination and Remuneration Committee of the Board of Directors of Infosys Limited at its meeting held on April 13, 2017, based on fiscal 2017 performance, approved the grant of 37,100 RSU and 73,600 stock options with effect from May 2, 2017, to few eligible and identified employees of the Company and its subsidiaries under the 2015 Stock Incentive Compensation Plan (2015 plan). These RSUs and stock options shall vest over a period of 4 years from the date of grant and shall be exercisable within the period as approved by the committee. The exercise price of the RSUs will be equal to the par value of the shares and the exercise price of the stock options would be the market price as on the date of grant.

6. Information on dividends for the quarter and year ended March 31, 2017

An interim dividend of ₹11/- per equity share was declared on October 14, 2016 and paid on October 26, 2016. The interim dividend declared in the previous year was ₹ 30 (not adjusted for bonus issues) per equity share. The Board of Directors recommended a final dividend of ₹14.75/- per equity share for the financial year ended March 31, 2017. The payment is subject to the approval of the shareholders in the ensuing Annual General Meeting of the Company, to be held on June 24, 2017. The book closure date for the purpose of the Annual General Meeting and payment of final dividend is June 3, 2017. The final dividend declared in the previous year was ₹14.25/- per equity share.

Particulars	(in ₹)			
	Quarter ended March 31, 2017	Quarter ended December 31, 2016	Quarter ended March 31, 2016	Year ended March 31, 2016
Dividend per share (par value ₹5/- each)				
Interim dividend	-	-	-	11.00
Final dividend	14.75	-	14.25	14.25

7. Consolidated statement of assets and liabilities

(in ₹ crore)

Particulars	As at	
	March 31, 2017	March 31, 2016
ASSETS		
Non-current assets		
Property, plant and equipment	9,751	8,637
Capital work-in-progress	1,365	960
Goodwill	3,652	3,764
Other Intangible assets	776	985
Investment in associate	71	103
Financial assets:		
Investments	6,382	1,714
Loans	29	25
Other financial assets	309	286
Deferred tax assets (net)	540	536
Income tax assets (net)	5,716	5,230
Other non-current assets	1,059	1,357
Total non-current assets	29,650	23,597
Current assets		
Financial assets		
Investments	9,970	75
Trade receivables	12,322	11,330
Cash and cash equivalents	22,625	32,697
Loans	272	303
Other financial assets	5,980	5,190
Other current assets	2,536	2,158
Total current assets	53,705	51,753
Total assets	83,355	75,350
EQUITY AND LIABILITIES		
Equity		
Equity share capital	1,144	1,144
Other equity	67,838	60,600
Total equity attributable to equity holders of the Company	68,982	61,744
Non-controlling interests	-	-
Total equity	68,982	61,744
Liabilities		
Non-current liabilities		
Financial liabilities		
Other financial liabilities	70	69
Deferred tax liabilities (net)	207	252
Other non-current liabilities	83	46
Total non-current liabilities	360	367
Current liabilities		
Financial liabilities		
Trade payables	367	386
Others financial liabilities	6,349	6,302
Other current liabilities	3,007	2,629
Provisions	405	512
Income tax liabilities (net)	3,885	3,410
Total current liabilities	14,013	13,239
Total equity and liabilities	83,355	75,350

The disclosure is an extract of the audited Consolidated Balance Sheet as at March 31, 2017 and March 31, 2016 prepared in compliance with the Indian Accounting Standards (Ind-AS).

8. Reconciliation of the Consolidated Statement of Profit and Loss as previously reported under IGAAP to Ind-AS

(in ₹ crore)

Particulars	Note	Quarter ended March 31, 2016	
		IGAAP	Effects of transition to Ind-AS
Revenue from operations		16,550	-
Other income, net		778	(6)
Total Income		17,328	(6)
Expenses			
Employee benefit expenses	1.1	9,027	(3)
Cost of technical sub-contractors		925	-
Travel expenses		595	-
Cost of software packages and others		330	-
Communication expenses		117	-
Consultancy and professional charges		213	-
Depreciation and amortisation expenses	1.3	355	64
Other expenses	1.2	703	4
Total expenses		12,265	65
Profit before non-controlling interest / share in profit/(loss) of associate		5,063	(71)
Share in net profit/(loss) of associate		(1)	-
Profit before tax		5,062	(71)
Tax expense:			
Current tax	1.4	1,425	1
Deferred tax	1.5	(16)	(16)
Profit for the period		3,653	(56)
Other comprehensive income			
<i>Items that will not be reclassified subsequently to profit or loss</i>			
Remeasurement of the net defined benefit liability / asset	1.1	-	(3)
		-	(3)
<i>Items that will be reclassified subsequently to profit or loss</i>			
Exchange differences on translation of foreign operations	1.6	32	64
		32	64
		32	61
Total other comprehensive income, net of tax		32	61
Total comprehensive income for the period		3,685	5

This reconciliation statement has been provided in accordance with circular CIR/CFD/FAC/62/2016 issued by SEBI dated July 05, 2016 on account of implementation of Ind-AS by listed companies.

Explanations for reconciliation of Consolidated Statement of Profit and Loss as previously reported under IGAAP to Ind-AS

- (1.1) a. As per Ind-AS 19 Employee Benefits, actuarial gain and losses are recognized in other comprehensive income and not reclassified to profit and loss in a subsequent period.
b. Adjustments reflect unamortized negative past service cost arising on modification of the gratuity plan in an earlier period. Ind-AS 19 requires such gains and losses to be adjusted to retained earnings.
- (1.2) Adjustments reflect the impact of discounting pertaining to contingent consideration payable for business combinations.
- (1.3) Adjustment reflects the impact of amortization of intangible assets included within goodwill under the IGAAP, separately recognized under Ind-AS.
- (1.4) Tax component on actuarial gains and losses which was transferred to other comprehensive income under Ind-AS.
- (1.5) The reduction in deferred tax expense is on account of the reversal of deferred tax liabilities recorded on intangible assets acquired in business combination.
- (1.6) Under Ind-AS, exchange differences on translation of foreign operations are recorded in other comprehensive income.

Reconciliation of equity as previously reported under IGAAP to Ind-AS

Particulars	Note	Balance Sheet as at March 31, 2016 (in ₹ crore)	
		IGAAP	Effects of transition to Ind-AS
ASSETS			
Non-current assets			
Property, plant and equipment		8,637	-
Capital work-in-progress		960	-
Goodwill	1.1	4,476	(712)
Other intangible assets	1.1	67	918
Investment in associate		103	-
Financial assets			
Investments	1.2	1,714	-
Loans		25	-
Other financial assets		286	-
Deferred tax assets (net)		533	3
Income tax assets (net)	1.3	5,230	-
Other non-current assets		1,357	-
Total non-current assets		23,388	209
Current assets			
Financial assets			
Investments	1.2	75	-
Trade receivables		11,330	-
Cash and cash equivalents		32,697	-
Loans		303	-
Other financial assets		5,190	-
Other current assets		2,158	-
Total current assets		51,753	-
Total assets		75,141	209
EQUITY AND LIABILITIES			
Equity			
Equity share capital		1,144	-
Other equity	1.7	56,682	3,918
Total equity attributable to equity holders of the Company		57,826	3,918
Non-controlling interests		-	-
Total equity		57,826	3,918
Non-current liabilities			
Financial liabilities			
Other financial liabilities	1.4	80	(11)
Deferred tax liabilities (net)	1.3	-	252
Other non-current liabilities		46	-
Total non-current liabilities		126	241
Current liabilities			
Financial liabilities			
Trade payables		386	-
Other financial liabilities	1.4	6,309	(7)
Other current liabilities	1.5	2,633	(4)
Provisions	1.6	4,451	(3,939)
Income tax liabilities (net)		3,410	-
Total current liabilities		17,189	(3,950)
Total equity and liabilities		75,141	209
<i>This reconciliation statement has been provided in accordance with circular CIR/CFD/FAC/62/2016 issued by SEBI dated July 05, 2016 on account of implementation of Ind-AS by listed companies.</i>			

Explanations for the reconciliation of Consolidated Balance Sheet as previously reported under IGAAP to Ind-AS

(1.1) Goodwill and Intangible assets

Intangible assets and deferred tax asset/liabilities in relation to business combinations which were included within Goodwill under IGAAP, have been recognized separately under Ind-AS with corresponding adjustments to retained earnings and other comprehensive income for giving effect to amortization expenses and exchange gains and losses.

(1.2) Investments

Tax free bonds are carried at amortized cost both under Ind-AS and IGAAP. Investment in equity instruments are carried at fair value through Other Comprehensive Income in Ind-AS compared to being carried at cost under IGAAP.

(1.3) Deferred taxes

Deferred taxes in relation to business combinations have been recognized under Ind-AS.

(1.4) Other financial liabilities

Adjustments include the impact of discounting the contingent consideration payable for acquisitions under Ind-AS.

(1.5) Other liabilities

Adjustments that reflect unamortized negative past service cost arising on modification of the gratuity plan in an earlier period. Ind-AS 19 - Employee Benefits require such gains and losses to be adjusted to retained earnings.

(1.6) Provisions

Adjustments reflect final dividend (including corporate dividend tax), declared and approved post reporting period.

(1.7) Other equity

- Adjustments to retained earnings and other comprehensive income have been made in accordance with Ind-AS, for the above mentioned line items.
- In addition, as per Ind-AS 19, actuarial gain and losses are recognized in other comprehensive income as compared to being recognized in the Statement of Profit and Loss under IGAAP.

(in ₹ crore)

Note: The audited results of Infosys Limited for the above mentioned periods are available on our website, www.infosys.com and on the Stock Exchange website www.nseindia.com and www.bseindia.com. The information above has been extracted from the audited standalone financial statements as stated.

10. Segment reporting (Consolidated - Audited)

Particulars	Quarter ended March 31, 2017	Quarter ended December 31, 2016	Quarter ended March 31, 2016	Year ended March 31, 2017	2016
Revenue by business segment					
Financial Services (FS)	4,655	4,663	4,522	18,555	17,024
Manufacturing (MFG)	1,918	1,893	1,748	7,507	6,948
Energy & utilities, Communication and Services (ECS)	3,963	3,885	3,635	15,430	13,547
Retail, Consumer packaged goods and Logistics (RCL)	2,710	2,821	2,727	11,225	10,226
Life Sciences, Healthcare and Insurance (HILIFE)	2,148	2,196	2,083	8,437	8,090
Hi-Tech	1,211	1,250	1,327	5,122	4,891
All other segments	515	565	508	2,208	1,715
Total	17,120	17,273	16,550	68,484	62,441
Less: Inter-segment revenue	-	-	-	-	-
Net revenue from operations	17,120	17,273	16,550	68,484	62,441
Segment profit before tax, depreciation and non-controlling interests:					
Financial Services (FS)	1,328	1,320	1,249	5,209	4,839
Manufacturing (MFG)	472	455	426	1,848	1,560
Energy & utilities, Communication and Services (ECS)	1,120	1,123	1,108	4,431	4,029
Retail, Consumer packaged goods and Logistics (RCL)	784	837	767	3,249	2,840
Life Sciences, Healthcare and Insurance (HILIFE)	596	632	626	2,308	2,265
Hi-Tech	291	324	364	1,277	1,301
All other segments	70	78	105	292	259
Total	4,661	4,769	4,645	18,614	17,093
Less: Other unallocable expenditure	449	435	425	1,713	1,473
Add: Unallocable other income	746	820	772	3,080	3,123
Add: Share in net profit/(loss) of associate and others	(25)	-	(1)	(30)	(3)
Profit before tax and non-controlling interests	4,933	5,154	4,991	19,951	18,740

Business segments

The accounting principles used in the preparation of the financial statements are consistently applied to record revenue and expenditure in individual segments.

Segmental capital employed

✱

Dr. Vishal Sikka
Chief Executive Officer and Managing Director

The Board has also taken on record the unaudited condensed consolidated results of Infosys Limited and its subsidiaries for the quarter and year ended March 31, 2017, prepared as per International Financial Reporting Standards (IFRS) and reported in US dollars. A summary of the financial statements is as follows:

Particulars	(in US\$ million, except per equity share data)				
	Quarter ended		Quarter ended		Year ended March 31,
	March 31,	2017	December 31,	2016	
Revenues		2,569	2,551	2,446	10,208
Cost of sales		1,614	1,601	1,516	6,446
Gross profit		955	950	930	3,762
Net profit		543	547	533	2,140
Earnings per equity share					
Basic		0.24	0.24	0.23	0.94
Diluted		0.24	0.24	0.23	0.94
Total assets		12,854	11,870	11,378	12,854
Cash and cash equivalents including current investments		5,027	4,487	4,946	5,027

Certain statements in this release concerning our future growth prospects are forward-looking statements regarding our future business expectations intended to qualify for the 'safe harbor' under the Private Securities Litigation Reform Act of 1995, which involve a number of risks and uncertainties that could cause actual results to differ materially from those in such forward-looking statements. The risks and uncertainties relating to these statements include, but are not limited to, risks and uncertainties regarding fluctuations in earnings, fluctuations in foreign exchange rates, our ability to manage growth, intense competition in IT services including those factors which may affect our cost advantage, wage increases in India, our ability to attract and retain highly skilled professionals, time and cost overruns on fixed-price, fixed-time frame contracts, client concentration, restrictions on immigration, industry segment concentration, our ability to manage our international operations, reduced demand for technology in our key focus areas, disruptions in telecommunication networks or system failures, our ability to successfully complete and integrate potential acquisitions, liability for damages on our service contracts, the success of the companies in which Infosys has made strategic investments, withdrawal or expiration of governmental fiscal incentives, political instability and regional conflicts, legal restrictions on raising capital or acquiring companies outside India, and unauthorized use of our intellectual property and general economic conditions affecting our industry. Additional risks that could affect our future operating results are more fully described in our United States Securities and Exchange Commission filings including our Annual Report on Form 20-F for the fiscal year ended March 31, 2016. These filings are available at www.sec.gov. Infosys may, from time to time, make additional written and oral forward-looking statements, including statements contained in the company's filings with the Securities and Exchange Commission and our reports to shareholders. In addition, please note that the date of this result is April 13, 2017, and any forward-looking statements contained herein are based on assumptions that we believe to be reasonable as of this date. The company does not undertake to update any forward-looking statements that may be made from time to time by or on behalf of the company unless it is required by law.

INFOSYS LIMITED AND SUBSIDIARIES
In ₹ crore

Consolidated Balance Sheets as at	Note	March 31, 2017	March 31, 2016	April 1, 2015
ASSETS				
Non-current assets				
Property, plant and equipment	2.4	9,751	8,637	7,685
Capital work-in-progress		1,365	960	776
Goodwill	2.5	3,652	3,764	3,091
Other intangible assets	2.5	776	985	638
Investment in associate	2.25	71	103	93
Financial Assets:				
Investments	2.6	6,382	1,714	1,305
Loans	2.7	29	25	31
Other financial assets	2.8	309	286	173
Deferred tax assets (net)	2.17	540	536	536
Income tax assets (net)	2.17	5,716	5,230	4,089
Other non-current assets	2.11	1,059	1,357	698
Total non-current assets		29,650	23,597	19,115
Current assets				
Financial Assets:				
Investments	2.6	9,970	75	874
Trade receivables	2.9	12,322	11,330	9,713
Cash and cash equivalents	2.10	22,625	32,697	30,367
Loans	2.7	272	303	222
Other financial assets	2.8	5,980	5,190	4,527
Other Current Assets	2.11	2,536	2,158	1,541
Total current assets		53,705	51,753	47,244
Total assets		83,355	75,350	66,359
EQUITY AND LIABILITIES				
Equity				
Equity share capital	2.13	1,144	1,144	572
Other equity		67,838	60,600	54,198
Total equity attributable to equity holders of the Company		68,982	61,744	54,770
Non-controlling interests		-	-	-
Total equity		68,982	61,744	54,770
Liabilities				
Non-current liabilities				
Financial Liabilities				
Other financial liabilities	2.14	70	69	-
Deferred tax liabilities (net)	2.17	207	252	159
Other non-current liabilities	2.15	83	46	47
Total non-current liabilities		360	367	206
Current liabilities				
Financial Liabilities				
Trade payables		367	386	140
Other financial liabilities	2.14	6,349	6,302	5,983
Other current liabilities	2.15	3,007	2,629	1,964
Provisions	2.16	405	512	478
Income tax liabilities (net)	2.17	3,885	3,410	2,818
Total current liabilities		14,013	13,239	11,383
Total equity and liabilities		83,355	75,350	66,359

The accompanying notes form an integral part of the consolidated interim financial statements

As per our report of even date attached

for B S R & Co. LLP

Chartered Accountants

Firm's Registration No : 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

U. B. Pravin Rao
Chief Operating Officer and
Whole-time Director

Bengaluru
April 13, 2017

Roopa Kudva
Director

M. D. Ranganath
Chief Financial Officer

A.G.S Manikantha
Company Secretary

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

Consolidated Statement of Profit and Loss		Three months ended March 31,		Year ended March 31,	
	Note	2017	2016	2017	2016
Revenue from operations	2.18	17,120	16,550	68,484	62,441
Other income, net	2.19	746	772	3,080	3,123
Total income		17,866	17,322	71,564	65,564
Expenses					
Employee benefit expenses	2.20	9,309	9,024	37,659	34,406
Deferred consideration pertaining to acquisition		-	-	-	149
Cost of technical sub-contractors		1,000	925	3,833	3,531
Travel expenses		474	595	2,235	2,263
Cost of software packages and others	2.20	478	330	1,597	1,274
Communication expenses		149	117	549	449
Consultancy and professional charges		229	213	763	779
Depreciation and amortisation expenses	2.4 and 2.5	446	419	1,703	1,459
Other expenses	2.20	823	707	3,244	2,511
Total expenses		12,908	12,330	51,583	46,821
PROFIT BEFORE NON-CONTROLLING INTERESTS / SHARE IN NET PROFIT / (LOSS) OF ASSOCIATE		4,958	4,992	19,981	18,743
Share in net loss of associate and others		(25)	(1)	(30)	(3)
PROFIT BEFORE TAX		4,933	4,991	19,951	18,740
Tax expense:					
Current tax	2.17	1,249	1,426	5,653	5,318
Deferred tax	2.17	81	(32)	(55)	(67)
PROFIT FOR THE PERIOD		3,603	3,597	14,353	13,489
Other comprehensive income					
Items that will not be reclassified subsequently to profit or loss					
Remeasurement of the net defined benefit liability/asset		20	(3)	(45)	(12)
Equity instruments through other comprehensive income		(5)	-	(5)	-
		15	(3)	(50)	(12)
Items that will be reclassified subsequently to profit or loss					
Fair value changes on derivatives designated as cash flow hedge, net	2.12	11	-	39	-
Exchange differences on translation of foreign operations		(197)	96	(257)	303
Fair value changes on investments		(10)	-	(10)	-
		(196)	96	(228)	303
Total other comprehensive income, net of tax		(181)	93	(278)	291
Total comprehensive income for the period		3,422	3,690	14,075	13,780
Profit attributable to:					
Owners of the company		3,603	3,597	14,353	13,489
Non-controlling interests		-	-	-	-
		3,603	3,597	14,353	13,489
Total comprehensive income attributable to:					
Owners of the company		3,422	3,690	14,075	13,780
Non-controlling interests		-	-	-	-
		3,422	3,690	14,075	13,780
EARNINGS PER EQUITY SHARE					
Equity shares of par value ₹5/- each					
Basic (₹)		15.77	15.74	62.80	59.02
Diluted (₹)		15.76	15.74	62.77	59.02
Weighted average equity shares used in computing earnings per equity share	2.23				
Basic		228,56,54,881	228,56,20,957	228,56,39,447	228,56,16,160
Diluted		228,66,52,003	228,57,50,316	228,63,96,745	228,57,18,894

The accompanying notes form an integral part of the consolidated 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

U. B. Pravin Rao
Chief Operating Officer and
Whole-time Director

Bengaluru
April 13, 2017

Roopa Kudva
Director

M. D. Ranganath
Chief Financial Officer

A.G.S Manikantha
Company Secretary

INFOSYS LIMITED AND SUBSIDIARIES

Consolidated Statements of Changes in Equity

In ₹ crore

Particulars	OTHER EQUITY												Total equity attributable to equity holders of the Company
	Equity Share capital #	RESERVES & SURPLUS					Other comprehensive income						
		Securities premium reserve	Retained earnings	Capital reserve	General reserve	Share Options Outstanding Account	Special Economic Zone Re-investment reserve ⁽¹⁾	Other reserves ⁽²⁾	Equity instruments through Other comprehensive income	Exchange differences on translating the financial statements of a foreign operation	Cash flow hedge reserve	Other items of other comprehensive income	
Balance as of April 1, 2015	572	2,784	41,606	54	9,336	2	-	4	-	411	-	1	54,770
Changes in equity for the year March 31, 2016													
Increase in share capital on account of bonus issue [#] (refer note 2.13)	572	-	-	-	-	-	-	-	-	-	-	-	572
Amounts utilized for bonus issue (refer note 2.13) [#]	-	(572)	-	-	-	-	-	-	-	-	-	-	(572)
Exercised of stock options	-	1	-	-	-	(1)	-	-	-	-	-	-	-
Transfer to general reserve	-	-	(1,217)	-	1,217	-	-	-	-	-	-	-	-
Transfer to other reserve	-	-	(1)	-	-	-	-	1	-	-	-	-	-
Transferred to Special Economic Zone Re-investment reserve	-	-	(591)	-	-	-	591	-	-	-	-	-	-
Transferred from Special Economic Zone Re-investment reserve on utilization	-	-	591	-	-	-	(591)	-	-	-	-	-	-
Share based payments to employees (refer note 2.13)	-	-	-	-	-	7	-	-	-	-	-	-	7
Remeasurement of the net defined benefit liability/asset, net of tax effect (refer note 2.22.1 and 2.17)	-	-	-	-	-	-	-	-	-	-	-	(12)	(12)
Equity instruments through other comprehensive income	-	-	-	-	-	-	-	-	-	-	-	-	-
Dividends (including corporate dividend tax)	-	-	(6,814)	-	-	-	-	-	-	-	-	-	(6,814)
Profit for the period	-	-	13,489	-	-	-	-	-	-	-	-	-	13,489
Exchange differences on translation of foreign operations	-	-	-	-	-	-	-	-	-	304	-	-	304
Balance as of March 31, 2016	1,144	2,213	47,063	54	10,553	8	-	5	-	715	-	(11)	61,744

Consolidated Statements of Changes in Equity (contd.)

In ₹ crore

Particulars	OTHER EQUITY												Total equity attributable to equity holders of the Company
	Equity Share capital [#]	RESERVES & SURPLUS					Other comprehensive income						
		Securities premium reserve	Retained earnings	Capital reserve	General reserve	Share Options Outstanding Account	Special Economic Zone Re-investment reserve ⁽¹⁾	Other reserves ⁽²⁾	Equity instruments through Other comprehensive income	Exchange differences on translating the financial statements of a foreign operation	Cash flow hedge reserve	Other items of other comprehensive income	
Balance as of April 1, 2016	1,144	2,213	47,063	54	10,553	8	-	5	-	715	-	(11)	61,744
Changes in equity for the year March 31, 2017													
Share based payments to employees (refer to note 2.13)	-	-	-	-	-	114	-	-	-	-	-	-	114
Income tax benefit arising on exercise of stock options	-	-	-	-	-	1	-	-	-	-	-	-	1
Excercise of stock options (refer to note 2.13)	-	3	-	-	-	(3)	-	-	-	-	-	-	-
Dividends (including corporate dividend tax)	-	-	(6,952)	-	-	-	-	-	-	-	-	-	(6,952)
Transfer to general reserve	-	-	(1,582)	-	1,582	-	-	-	-	-	-	-	-
Transferred to Special Economic Zone Re-investment reserve	-	-	(953)	-	-	-	953	-	-	-	-	-	-
Transferred from Special Economic Zone Re-investment reserve on utilization	-	-	953	-	-	-	(953)	-	-	-	-	-	-
Remeasurement of the net defined benefit liability/asset, net of tax effect (refer note 2.22.1 and 2.17)	-	-	-	-	-	-	-	-	-	-	-	(45)	(45)
Equity instruments through other comprehensive income	-	-	-	-	-	-	-	-	(5)	-	-	-	(5)
Fair value changes on investments , net of tax effect	-	-	-	-	-	-	-	-	-	-	-	(10)	(10)
Fair value changes on derivatives designated as cash flow hedge, net of tax (refer to note 2.12)	-	-	-	-	-	-	-	-	-	-	39	-	39
Profit for the period	-	-	14,353	-	-	-	-	-	-	-	-	-	14,353
Exchange differences on translation of foreign operations	-	-	-	-	-	-	-	-	-	(257)	-	-	(257)
Balance as of March 31, 2017	1,144	2,216	52,882	54	12,135	120	-	5	(5)	458	39	(66)	68,982

net of treasury shares

The non controlling interest for each of the above periods is less than ₹1 crore

⁽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⁾ Under the Swiss Code of Obligation, few subsidiaries of Infosys Lodestone are required to appropriate a certain percentage of the annual profit to legal reserve which may be used only to cover losses or for measures designed to sustain the company through difficult times, to prevent unemployment or to mitigate its consequences.

The accompanying notes form an integral part of the consolidated interim financial statements.

As per our report of even date attached

for B S R & Co. LLP

Chartered Accountants

Firm's Registration No : 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

U. B. Pravin Rao
Chief Operating Officer and
Whole-time Director

Bengaluru
April 13, 2017

Roopa Kudva
Director

M. D. Ranganath
Chief Financial Officer

A.G.S Manikantha
Company Secretary

INFOSYS LIMITED AND SUBSIDIARIES
In ₹ crore

Consolidated Statements of Cash Flows	Year ended March 31,	
	2017	2016
Cash flow from operating activities		
Profit for the period	14,353	13,489
Adjustments to reconcile net profit to net cash provided by operating activities:		
Income tax expense	5,598	5,251
Depreciation and amortization	1,703	1,459
Interest and dividend income	(2,668)	(2,697)
Impairment loss on financial assets	132	(52)
Exchange differences on translation of assets and liabilities	38	71
Deferred consideration pertaining to acquisition	-	149
Other adjustments	184	169
Changes in assets and liabilities		
Trade receivables and unbilled revenue	(1,743)	(1,654)
Loans, other financial assets and other assets	(683)	(1,134)
Trade payables	(19)	242
Other financial liabilities, other liabilities and provisions	289	600
Cash generated from operations	17,184	15,893
Income taxes paid	(5,653)	(5,865)
Net cash generated by operating activities	11,531	10,028
Cash flows from investing activities		
Expenditure on property, plant and equipment net of sale proceeds, including changes in retention money and capital creditors	(2,760)	(2,723)
Loans to employees	27	(75)
Deposits placed with corporation	(164)	(142)
Interest and dividend received on investments	2,753	2,383
Payment for acquisition of business, net of cash acquired	-	(747)
Payment of contingent consideration for acquisition of business	(36)	-
Payments to acquire financial assets		
Preference and equity securities	(68)	(82)
Tax free bonds and government bonds	(322)	(302)
Liquid mutual funds and fixed maturity plan securities	(54,215)	(24,171)
Non convertible debentures	(3,956)	-
Certificates of deposit	(7,823)	-
Others	(26)	(22)
Proceeds on sale of financial assets		
Tax free bonds and government bonds	7	-
Liquid mutual funds and fixed maturity plan securities	52,041	24,980
Net cash used in investing activities	(14,542)	(901)
Cash flows from financing activities:		
Payment of dividends (including corporate dividend tax)	(6,939)	(6,813)
Net cash used in financing activities	(6,939)	(6,813)
Net decrease in cash and cash equivalents	(9,950)	2,314
Cash and cash equivalents at the beginning of the period	32,697	30,367
Effect of exchange rate changes on cash and cash equivalents	(122)	16
Cash and cash equivalents at the end of the period	22,625	32,697
Supplementary information:		
Restricted cash balance	572	492

The accompanying notes form an integral part of the consolidated interim financial statements
As per our report of even date attached
for B S R & Co. LLP
Chartered Accountants
Firm's Registration No : 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

U. B. Pravin Rao
Chief Operating Officer and
Whole-time Director

Bengaluru
April 13, 2017

Roopa Kudva
Director

M. D. Ranganath
Chief Financial Officer

A.G.S Manikantha
Company Secretary

INFOSYS LIMITED AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

1. Company Overview and Significant Accounting Policies

1.1 Company overview

Infosys is a leading provider 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, its banking solution; and offerings in the areas of Analytics, Cloud, and Digital Transformation.

Infosys together with its subsidiaries and controlled trusts is herein after referred to as the "Group".

The Company is a public limited company incorporated and domiciled in India and has its registered office at Bengaluru, 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.

The Group's consolidated financial statements are approved for issue by the Company's Board of Directors on April 13, 2017

1.2 Basis of preparation of financial statements

These consolidated financial statements are prepared in accordance with Indian Accounting Standards (Ind AS) under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values, the provisions of the Companies Act, 2013 ('Act') (to the extent notified) and guidelines issued by the Securities and Exchange Board of India (SEBI). The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

The Group has adopted all the Ind AS standards and the adoption was carried out in accordance with Ind AS 101 - First time adoption of Indian Accounting Standards. The transition was carried out from Indian Accounting Principles generally accepted in India as prescribed under Sec 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (IGAAP), which was the previous GAAP. Reconciliations and descriptions of the effect of the transition has been summarized in Note 2.1 and 2.2

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 these financial statements added up to the figures reported for the previous quarters might not always add up to the year-to-date figures reported in these financial statements.

1.3 Basis of consolidation

Infosys consolidates entities which it owns or controls. The consolidated financial statements comprise the financial statements of the Company, its controlled trusts and its subsidiaries as disclosed in Note 2.25. Control exists when the parent has power over the entity, is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns by using its power over the entity. Power is demonstrated through existing rights that give the ability to direct relevant activities, those which significantly affect the entity's returns. Subsidiaries are consolidated from the date control commences until the date control ceases.

The financial statements of the Group companies are consolidated on a line-by-line basis and intra-group balances and transactions including unrealized gain / loss from such transactions are eliminated upon consolidation. These financial statements are prepared by applying uniform accounting policies in use at the Group. Non-controlling interests which represent part of the net profit or loss and net assets of subsidiaries that are not, directly or indirectly, owned or controlled by the company, are excluded.

Associates are entities over which the Group has significant influence but not control. Investments in associates are accounted for using the equity method of accounting. The investment is initially recognized at cost, and the carrying amount is increased or decreased to recognize the investor's share of the profit or loss of the investee after the acquisition date. The Group's investment in associates includes goodwill identified on acquisition.

1.4 Use of estimates

The preparation of the financial statements in conformity with Ind AS requires management to make estimates, judgments and assumptions. These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the period. Application of accounting policies that require critical accounting estimates involving complex and subjective judgments and the use of assumptions in these financial statements have been disclosed in Note 1.5. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the consolidated financial statements.

1.5 Critical accounting estimates

a. Revenue recognition

The Group uses the percentage-of-completion method in accounting for its fixed-price contracts. Use of the percentage-of-completion method requires the Group to estimate the efforts or costs expended to date as a proportion of the total efforts or costs to be expended. Efforts or costs expended have been used to measure progress towards completion as there is a direct relationship between input and productivity. Provisions for estimated losses, if any, on uncompleted contracts are recorded in the period in which such losses become probable based on the expected contract estimates at the reporting date.

b. Income taxes

The Company's two major tax jurisdictions are India and the U.S., though the Company also files tax returns in other overseas jurisdictions. Significant judgements are involved in determining the provision for income taxes, including amount expected to be paid/recovered for uncertain tax positions. Also refer to Note 2.17.

c. Business combinations and intangible assets

Business combinations are accounted for using Ind AS 103, Business Combinations. Ind AS 103 requires the identifiable intangible assets and contingent consideration to be fair valued in order to ascertain the net fair value of identifiable assets, liabilities and contingent liabilities of the acquiree. Significant estimates are required to be made in determining the value of contingent consideration and intangible assets. These valuations are conducted by independent valuation experts.

d. Property, plant and equipment

Property, plant and equipment represent a significant proportion of the asset base of the Group. The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of Group's assets are determined by management at the time the asset is acquired and reviewed periodically, including at each financial year end. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology.

e. Impairment of Goodwill

Goodwill is tested for impairment on an annual basis and whenever there is an indication that the recoverable amount of a cash generating unit is less than its carrying amount based on a number of factors including operating results, business plans, future cash flows and economic conditions. The recoverable amount of cash generating units is determined based on higher of value-in-use and fair value less cost to sell. The goodwill impairment test is performed at the level of the cash-generating unit or groups of cash-generating units which are benefiting from the synergies of the acquisition and which represents the lowest level at which goodwill is monitored for internal management purposes.

Market related information and estimates are used to determine the recoverable amount. Key assumptions on which management has based its determination of recoverable amount include estimated long term growth rates, weighted average cost of capital and estimated operating margins. Cash flow projections take into account past experience and represent management's best estimate about future developments.

1.6 Revenue recognition

The Company derives revenues primarily from software development and related services and from the licensing of software products. Arrangements with customers for software 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, fixed-timeframe contracts, where there is no uncertainty as to measurement or collectability of consideration, is recognized as per the percentage-of-completion method. When there is uncertainty as to measurement or ultimate collectability, revenue recognition is postponed until such uncertainty is resolved. Efforts or costs expended have been used to measure progress towards completion as there is a direct relationship between input and productivity. Provisions for estimated losses, if any, on uncompleted contracts are recorded in the period in which such losses become probable based on the current contract estimates. Costs and earnings in excess of billings are classified as unbilled revenue while billings in excess of costs and earnings are classified as unearned revenue. Deferred contract costs are amortized over the term of the contract. Maintenance revenue is recognized ratably over the term of the underlying maintenance arrangement.

In arrangements for software development and related services and maintenance services, the Company has applied the guidance in Ind AS 18, Revenue, by applying the revenue recognition criteria for each separately identifiable component of a single transaction. The arrangements generally meet the criteria for considering software development and related services as separately identifiable components. For allocating the consideration, the Company has measured the revenue in respect of each separable component of a transaction at its fair value, in accordance with principles given in Ind AS 18. The price that is regularly charged for an item when sold separately is the best evidence of its fair value. In cases where the company is unable to establish objective and reliable evidence of fair value for the software development and related services, the Company has used a residual method to allocate the arrangement consideration. In these cases the balance of the consideration, after allocating the fair values of undelivered components of a transaction has been allocated to the delivered components for which specific fair values do not exist.

License fee revenues are recognized when the general revenue recognition criteria given in Ind AS 18 are met. Arrangements to deliver software products generally have three elements: license, implementation and Annual Technical Services (ATS). The Company has applied the principles given in Ind AS 18 to account for revenues from these multiple element arrangements. Objective and reliable evidence of fair value has been established for ATS. Objective and reliable evidence of fair value is the price charged when the element is sold separately. When other services are provided in conjunction with the licensing arrangement and objective and reliable evidence of their fair values have been established, the revenue from such contracts are allocated to each component of the contract in a manner, whereby revenue is deferred for the undelivered services and the residual amounts are recognized as revenue for delivered elements. In the absence of objective and reliable evidence of fair value for implementation, the entire arrangement fee for license and implementation is recognized using the percentage-of-completion method as the implementation is performed. Revenue from client training, support and other services arising due to the sale of software products is recognized as the services are performed. ATS revenue is recognized ratably over the period in which the services are rendered.

Advances received for services and products are reported as client deposits until all conditions for revenue recognition are met.

The Group accounts for volume discounts and pricing incentives to customers as a reduction of revenue based on the ratable allocation of the discounts/ incentives amount to each of the underlying revenue transaction that results in progress by the customer towards earning the discount/ incentive. Also, when the level of discount varies with increase 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 in the period in which the change occurs. The discounts are passed on to the customer either as direct payments or as a reduction of payments due from the customer.

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

1.7 Property, plant and equipment

Property, plant and equipment are stated at cost, less accumulated depreciation and impairment, if any. Costs directly attributable to acquisition are capitalized until the property, plant and equipment are ready for use, as intended by management. The Group depreciates property, plant and equipment over their estimated useful lives using the straight-line method. The estimated useful lives of assets are as follows:

Building ⁽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⁾ Based on technical evaluation, 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 methods, useful lives and residual values are reviewed periodically, including at each financial year end.

Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as capital advances under other non-current assets and the cost of assets not put to use before such date are disclosed under 'Capital work-in-progress'. Subsequent expenditures relating to property, plant and equipment is capitalized only when it is probable that future economic benefits associated with these will flow to the Group and the cost of the item can be measured reliably. Repairs and maintenance costs are recognized in net profit in the statement of profit and loss when incurred. The cost and related accumulated depreciation are eliminated from the financial statements upon sale or retirement of the asset and the resultant gains or losses are recognized in the statement of profit and loss. Assets to be disposed off are reported at the lower of the carrying value or the fair value less cost to sell.

1.8 Business combinations

Business combinations have been accounted for using the acquisition method under the provisions of Ind AS 103, Business Combinations.

The cost of an acquisition is measured at the fair value of the assets transferred, equity instruments issued and liabilities incurred or assumed at the date of acquisition, which is the date on which control is transferred to the Group. The cost of acquisition also includes the fair value of any contingent consideration. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair value on the date of acquisition.

Business combinations between entities under common control is accounted for at carrying value.

Transaction costs that the Group incurs in connection with a business combination such as finder's fees, legal fees, due diligence fees, and other professional and consulting fees are expensed as incurred.

1.9 Goodwill

Goodwill represents the cost of business acquisition in excess of the Group's interest in the net fair value of identifiable assets, liabilities and contingent liabilities of the acquiree. When the net fair value of the identifiable assets, liabilities and contingent liabilities acquired exceeds the cost of business acquisition, a gain is recognized immediately in net profit in the statement of profit and loss. Goodwill is measured at cost less accumulated impairment losses.

1.10 Intangible assets

Intangible assets are stated at cost less accumulated amortization and impairment. Intangible assets are amortized over their respective individual estimated useful lives on a straight-line basis, from the date that they are available for use. The estimated useful life of an identifiable intangible asset is based on a number of factors including the effects of obsolescence, demand, competition, and other economic factors (such as the stability of the industry, and known technological advances), and the level of maintenance expenditures required to obtain the expected future cash flows from the asset. Amortization methods and useful lives are reviewed periodically including at each financial year end.

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. The costs which can be capitalized include the cost of material, direct labour, overhead costs that are directly attributable to preparing the asset for its intended use. Research and development costs and software development costs incurred under contractual arrangements with customers are accounted as cost of sales.

1.11 Financial instruments

1.11.1 Initial recognition

The Group recognizes financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are recognized at fair value on initial recognition, except for trade receivables which are initially measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities, that are not at fair value through profit or loss, are added to the fair value on initial recognition. Regular way purchase and sale of financial assets are accounted for at trade date.

1.11.2 Subsequent measurement

a. Non-derivative financial instruments

(i) Financial assets carried at amortised cost

A financial asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

(ii) Financial assets at fair value through other comprehensive income

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Further, in cases where the Group has made an irrevocable election based on its business model, for its investments which are classified as equity instruments, the subsequent changes in fair value are recognized in other comprehensive income.

(iii) Financial assets at fair value through profit or loss

A financial asset which is not classified in any of the above categories are subsequently fair valued through profit or loss.

(iv) Financial liabilities

Financial liabilities are subsequently carried at amortized cost using the effective interest method, except for contingent consideration recognized in a business combination which is subsequently measured at fair value through profit and loss. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate the fair value due to the short maturity of these instruments.

b. Derivative financial instruments

The Group holds derivative financial instruments such as foreign exchange forward and option contracts to mitigate the risk of changes in exchange rates on foreign currency exposures. The counterparty for these contracts is generally a bank

(i) Financial assets or financial liabilities, at fair value through profit or loss.

This category has derivative financial assets or liabilities which are not designated as hedges.

Although the group believes that these derivatives constitute hedges from an economic perspective, they may not qualify for hedge accounting under Ind AS 109, Financial Instruments. Any derivative that is either not designated a hedge, or is so designated but is ineffective as per Ind AS 109, is categorized as a financial asset or financial liability, at fair value through profit or loss.

Derivatives not designated as hedges are recognized initially at fair value and attributable transaction costs are recognized in net profit in the statement of profit and loss when incurred. Subsequent to initial recognition, these derivatives are measured at fair value through profit or loss and the resulting exchange gains or losses are included in other income. Assets/ liabilities in this category are presented as current assets/current liabilities if they are either held for trading or are expected to be realized within 12 months after the balance sheet date.

(ii) Cash flow hedge

The Group designates certain foreign exchange forward and options contracts as cash flow hedges to mitigate the risk of foreign exchange exposure on highly probable forecast cash transactions.

When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative is recognized in other comprehensive income and accumulated in the cash flow hedging reserve. Any ineffective portion of changes in the fair value of the derivative is recognized immediately in the net profit in the statement of profit and loss. If the hedging instrument no longer meets the criteria for hedge accounting, then hedge accounting is discontinued prospectively. If the hedging instrument expires or is sold, terminated or exercised, the cumulative gain or loss on the hedging instrument recognized in cash flow hedging reserve till the period the hedge was effective remains in cash flow hedging reserve until the forecasted transaction occurs. The cumulative gain or loss previously recognized in the cash flow hedging reserve is transferred to the net profit in the statement of profit and loss upon the occurrence of the related forecasted transaction. If the forecasted transaction is no longer expected to occur, then the amount accumulated in cash flow hedging reserve is reclassified to net profit in the statement of profit and loss.

c. Share capital and treasury shares

(i) Ordinary Shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of new ordinary shares and share options are recognized as a deduction from equity, net of any tax effects.

(ii) Treasury Shares

When any entity within the Group purchases the Company's ordinary shares, the consideration paid including any directly attributable incremental cost is presented as a deduction from total equity, until they are cancelled, sold or reissued. When treasury shares are sold or reissued subsequently, the amount received is recognized as an increase in equity, and the resulting surplus or deficit on the transaction is transferred to/ from share premium.

1.11.3 Derecognition of financial instruments

The Group derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition under Ind AS 109. A financial liability (or a part of a financial liability) is derecognized from the Group's balance sheet when the obligation specified in the contract is discharged or cancelled or expires.

1.12 Fair value of financial instruments

In determining the fair value of its financial instruments, the Group uses a variety of methods and assumptions that are based on market conditions and risks existing at each reporting date. The methods used to determine fair value include discounted cash flow analysis, available quoted market prices and dealer quotes. All methods of assessing fair value result in general approximation of value, and such value may never actually be realized.

For all other financial instruments the carrying amounts approximates fair value due to the short maturity of those instruments.

1.13 Impairment

a. Financial assets

The Group recognizes loss allowances using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit or loss. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised is recognized as an impairment gain or loss in statement of profit or loss.

b. Non-financial assets

(i) Goodwill

Goodwill is tested for impairment on an annual basis and whenever there is an indication that goodwill may be impaired, relying on a number of factors including operating results, business plans and future cash flows. For the purpose of impairment testing, goodwill acquired in a business combination is allocated to the Group's cash generating units (CGU) or groups of CGU's expected to benefit from the synergies arising from the business combination. A CGU is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or group of assets. Impairment occurs when the carrying amount of a CGU including the goodwill, exceeds the estimated recoverable amount of the CGU. The recoverable amount of a CGU is the higher of its fair value less cost to sell and its value-in-use. Value-in-use is the present value of future cash flows expected to be derived from the CGU.

Total impairment loss of a CGU is allocated first to reduce the carrying amount of goodwill allocated to the CGU and then to the other assets of the CGU pro-rata on the basis of the carrying amount of each asset in the CGU. An impairment loss on goodwill is recognized in net profit in the statement of profit and loss and is not reversed in the subsequent period.

(ii) Intangible assets and property, plant and equipment

Intangible assets and property, plant and equipment are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the CGU to which the asset belongs.

If such assets are considered to be impaired, the impairment to be recognized in the statement of profit and loss is measured by the amount by which the carrying value of the assets exceeds the estimated recoverable amount of the asset. An impairment loss is reversed in the statement of profit and loss if there has been a change in the estimates used to determine the recoverable amount. The carrying amount of the 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.

1.14 Provisions

A provision is recognized if, as a result of a past event, the Group has a present legal or constructive 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 discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

a. Post sales client support

The Group provides its clients with a fixed-period post sales support 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 related revenues are recorded and included in cost of sales. The Group estimates such costs based on historical experience and estimates are reviewed on a periodic basis for any material changes in assumptions and likelihood of occurrence.

b. Onerous contracts

Provisions for onerous contracts are recognized when the expected benefits to be derived by the Group from a contract are lower than the unavoidable costs of meeting the future obligations under the contract. The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established the Group recognizes any impairment loss on the assets associated with that contract.

1.15 Foreign currency

Functional currency

The functional currency of Infosys, Infosys BPO, controlled trusts, EdgeVerve and Skava is the Indian rupee. The functional currencies for Infosys Australia, Infosys China, Infosys Mexico, Infosys Sweden, Infosys Brasil, Infosys Public Services, Infosys Shanghai, Infosys Lodestone, Infosys Americas, Infosys Nova, Panaya, Kallidus and Noah are the respective local currencies. These financial statements are presented in Indian rupees (rounded off to crore; one crore equals ten million).

Transactions and translations

Foreign-currency denominated monetary assets and liabilities are translated into the relevant functional currency at exchange rates in effect at the balance sheet date. The gains or losses resulting from such translations are included in net profit 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.

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. Revenue, expense and cash-flow items denominated in foreign currencies are translated into the relevant functional currencies using the exchange rate in effect on the date of the transaction.

The translation of financial statements of the foreign subsidiaries to the presentation currency is performed for assets and liabilities using the exchange rate in effect at the balance sheet date and for revenue, expense and cash-flow items using the average exchange rate for the respective periods. The gains or losses resulting from such translation are included in currency translation reserves under other components of equity. When a subsidiary is disposed off, in full, the relevant amount is transferred to net profit in the statement of profit and loss. However when a change in the parent's ownership does not result in loss of control of a subsidiary, such changes are recorded through equity.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the exchange rate in effect at the balance sheet date.

1.16 Earnings per equity share

Basic earnings per equity share is computed by dividing the net profit attributable to the equity holders of the company by the weighted average number of equity shares outstanding during the period. Diluted earnings per equity share is computed by dividing the net profit attributable to the equity holders of the company by the weighted average number of equity shares considered for deriving basic earnings per equity share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. The dilutive potential equity shares are adjusted for the proceeds receivable had the equity shares been actually issued at fair value (i.e. the average market value of the outstanding equity 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 equity 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 Income taxes

Income tax expense comprises current and deferred income tax. Income tax expense is recognized in net profit in the statement of profit and loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in other comprehensive income. Current income tax for current and prior periods is recognized at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. Deferred income tax assets and liabilities are recognized for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements except when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Deferred income tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect of changes in tax rates on deferred income tax assets and liabilities is recognized as income or expense in the period that includes the enactment or the substantive enactment date. A deferred income tax asset is recognized to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilized. Deferred income taxes are not provided on the undistributed earnings of subsidiaries and branches where it is expected that the earnings of the subsidiary or branch will not be distributed in the foreseeable future. The Group offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously. 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 income are credited to share premium.

1.18 Employee benefits

1.18.1 Gratuity

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

Liabilities with regard to the Gratuity Plan are determined by actuarial valuation, 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). In case of Infosys BPO and EdgeVerve, contributions are made to the Infosys BPO's Employees' Gratuity Fund Trust and EdgeVerve Systems Limited Employees' Gratuity Fund Trust, respectively. Trustees administer contributions made to the Trusts and contributions are invested in a scheme with Life Insurance Corporation of India as permitted by law of India.

The Group recognizes the net obligation of a defined benefit plan in its balance sheet as an asset or liability. Gains and losses through re-measurements of the net defined benefit liability/(asset) are recognized in other comprehensive income and are not reclassified to profit or loss in subsequent periods. The actual return of the portfolio of plan assets, in excess of the yields computed by applying the discount rate used to measure the defined benefit obligation is recognized in other comprehensive income. The effect of any plan amendments are recognized in net profits in the statement of profit and loss.

1.18.2 Superannuation

Certain employees of Infosys, Infosys BPO and EdgeVerve are participants in a defined contribution plan. The Group has no further 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.

1.18.3 Provident fund

Eligible employees of Infosys 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.

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

1.18.4 Compensated absences

The Group has a policy on compensated absences which are both accumulating and non-accumulating in nature. The expected cost of accumulating compensated absences is determined by actuarial valuation performed by an independent actuary at each balance sheet date 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.

1.19 Share-based compensation

The Group recognizes compensation expense relating to share-based payments in net profit using fair-value in accordance with Ind AS 102, Share-Based Payment. The estimated fair value of awards is charged to income on a straight-line basis over the requisite service period for each separately vesting portion of the award as if the award was in-substance, multiple awards with a corresponding increase to share options outstanding account.

1.20 Cash Flow Statement

Cash flows are reported using the indirect method, whereby profit for the period 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.

1.21 Dividends

Final dividends on shares are recorded as a liability on the date of approval by the shareholders and interim dividends are recorded as a liability on the date of declaration by the company's Board of Directors.

1.22 Other income

Other income is comprised primarily of interest income, dividend income and exchange gain/loss on forward and options contracts and on translation of other assets and liabilities. Interest income is recognized using the effective interest method. Dividend income is recognized when the right to receive payment is established.

1.23 Leases

Leases under which the group assumes substantially all the risks and rewards of ownership are classified as finance leases. When acquired, such assets are capitalized at fair value 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 net profit in the statement of profit and loss over the lease term.

1.24 Government grants

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

1.25 Recent accounting pronouncements

1.25.1 Standards issued but not yet effective

In March 2017, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2017, notifying amendments to Ind AS 7, 'Statement of cash flows' and Ind AS 102, 'Share-based payment.' These amendments are in accordance with the recent amendments made by International Accounting Standards Board (IASB) to IAS 7, 'Statement of cash flows' and IFRS 2, 'Share-based payment,' respectively. The amendments are applicable to the group from April 1, 2017.

Amendment to Ind AS 7:

The amendment to Ind AS 7 requires the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities, to meet the disclosure requirement.

The Group is evaluating the requirements of the amendment and the effect on the consolidated financial statements is being evaluated.

Amendment to Ind AS 102:

The amendment to Ind AS 102 provides specific guidance to measurement of cash-settled awards, modification of cash-settled awards and awards that include a net settlement feature in respect of withholding taxes.

It clarifies that the fair value of cash-settled awards is determined on a basis consistent with that used for equity-settled awards. Market-based performance conditions and non-vesting conditions are reflected in the 'fair values', but non-market performance conditions and service vesting conditions are reflected in the estimate of the number of awards expected to vest. Also, the amendment clarifies that if the terms and conditions of a cash-settled share-based payment transaction are modified with the result that it becomes an equity-settled share-based payment transaction, the transaction is accounted for as such from the date of the modification. Further, the amendment requires the award that include a net settlement feature in respect of withholding taxes to be treated as equity-settled in its entirety. The cash payment to the tax authority is treated as if it was part of an equity settlement.

The Group is evaluating the requirements of the amendment and the impact on the consolidated financial statements is being evaluated.

2 Notes to the consolidated financial statements for the three months and year ended March 31, 2017

2.1 First-time adoption of Ind-AS

These consolidated interim financial statements of Infosys Limited and its subsidiaries for the three months and year ended March 31, 2017 have been prepared in accordance with Ind AS. For the purposes of transition to Ind AS, the company has followed the guidance prescribed in Ind AS 101 - First Time adoption of Indian Accounting Standard, with April 1, 2015 as the transition date and IGAAP as the previous GAAP.

The transition to Ind AS has resulted in changes in the presentation of the consolidated financial statements, disclosures in the notes thereto and accounting policies and principles. The accounting policies set out in note 1 have been applied in preparing the consolidated financial statements for the three months and year ended March 31, 2017 and the comparative information. An explanation of how the transition from previous GAAP to Ind AS has affected the Group's Consolidated Balance sheet and Consolidated Statement of profit and loss, is set out in note 2.2.1 and 2.2.2. Exemptions on first time adoption of Ind AS availed in accordance with Ind AS 101 have been set out in note 2.1.1

2.1.1 Exemptions availed on first time adoption of Ind-AS 101

Ind-AS 101 allows first-time adopters certain exemptions from the retrospective application of certain requirements under Ind AS. The Group has accordingly applied the following exemptions

(a) Business Combination

The Group is allowed to choose any date in the past from which it wants to account for the business combinations under Ind AS 103, without having to restate business combinations prior to such date. Accordingly, the group has applied the standard for all acquisitions completed after April 1, 2007, which coincides with the group's date of transition to IFRS.

For all such acquisitions,

- Intangible assets previously included within goodwill under IGAAP have been recognized separately in the opening Balance Sheet in accordance with Ind AS 103
- deferred taxes have been recorded on intangible assets, wherever applicable
- goodwill has been restated in accordance with Ind AS 21, with the corresponding impact in the other comprehensive income in equity
- retained earnings has been adjusted to include the amortization on identified intangibles, net of taxes, that would have been recorded from the date of acquisition till the transition date.

(b) Share-based payment transaction

The group is allowed to apply Ind AS 102 Share-based payment to equity instruments that remain unvested as of transition date. The group has elected to avail this exemption and apply the requirements of Ind AS 102 to all such grants under the 2015 plan (Formerly 2011 plan). Accordingly, these options have been measured at fair value as against intrinsic value, previously under IGAAP.

The excess of stock compensation expense measured using fair value over the cost recognized under IGAAP using intrinsic value has been adjusted in 'Share Options Outstanding Account', with the corresponding impact taken to the retained earnings as on the transition date.

(c) Designation of previously recognized financial instruments

Under Ind AS 109, at initial recognition of a financial asset, an entity may make an irrevocable election to present subsequent changes in the fair value of an investment in an equity instrument in other comprehensive income. Ind AS 101 allows such designation of previously recognized financial assets, as 'FVOCI' on the basis of the facts and circumstances that existed at the date of transition to Ind AS.

Accordingly, the Group has designated its investments in certain equity instruments at fair value through other comprehensive income on the basis of the facts and circumstances that existed at the date of transition to Ind AS.

INFOSYS LIMITED AND SUBSIDIARIES

2.2 Reconciliations

The following reconciliations provides the effect of transition to Ind AS from IGAAP in accordance with Ind AS 101

- Equity as at April 1, 2015 and March 31, 2016
- Net profit for the three months and year ended March 31, 2016

2.2.1 Reconciliation of equity as previously reported under IGAAP to Ind AS

In ₹ crore

Particulars	Note	Opening Balance Sheet as at April 1, 2015			Balance Sheet as at March 31, 2016		
		IGAAP	Effects of transition to Ind-AS	Ind AS	IGAAP	Effects of transition to Ind-AS	Ind AS
ASSETS							
Non-current assets							
Property, plant and equipment		7,685	-	7,685	8,637	-	8,637
Capital work-in-progress		776	-	776	960	-	960
Goodwill	(a)	3,595	(504)	3,091	4,476	(712)	3,764
Other Intangible assets	(a)	66	572	638	67	918	985
Investment in associate		93	-	93	103	-	103
Financial Assets:							
Investments	(b)	1,305	-	1,305	1,714	-	1,714
Loans		31	-	31	25	-	25
Other financial assets		173	-	173	286	-	286
Deferred tax assets (net)	(c)	536	-	536	533	3	536
Income Tax assets (net)		4,089	-	4,089	5,230	-	5,230
Other non-current assets		698	-	698	1,357	-	1,357
Total non-current assets		19,047	68	19,115	23,388	209	23,597
Current assets							
Financial Assets:							
Investments	(b)	872	2	874	75	-	75
Trade Receivables		9,713	-	9,713	11,330	-	11,330
Cash and cash equivalents		30,367	-	30,367	32,697	-	32,697
Loans		222	-	222	303	-	303
Other financial assets		4,527	-	4,527	5,190	-	5,190
Other Current Assets		1,541	-	1,541	2,158	-	2,158
Total current assets		47,242	2	47,244	51,753	-	51,753
Total assets		66,289	70	66,359	75,141	209	75,350
EQUITY AND LIABILITIES							
Equity							
Equity Share capital		572	-	572	1,144	-	1,144
Other equity	(g)	50,164	4,034	54,198	56,682	3,918	60,600
Total equity attributable to equity holders of the Company		50,736	4,034	54,770	57,826	3,918	61,744
Non-controlling interests		-	-	-	-	-	-
Total equity		50,736	4,034	54,770	57,826	3,918	61,744
Non-current liabilities							
Financial Liabilities							
Other financial liabilities	(d)	-	-	-	80	(11)	69
Deferred tax liabilities (net)	(c)	-	159	159	-	252	252
Other non-current liabilities	(e)	50	(3)	47	46	-	46
Total non-current liabilities		50	156	206	126	241	367
Current liabilities							
Financial Liabilities							
Trade Payables		140	-	140	386	-	386
Other financial liabilities	(d)	6,021	(38)	5,983	6,309	(7)	6,302
Other current liabilities	(e)	1,968	(4)	1,964	2,633	(4)	2,629
Provisions	(f)	4,556	(4,078)	478	4,451	(3,939)	512
Income tax liabilities (net)		2,818	-	2,818	3,410	-	3,410
Total current liabilities		15,503	(4,120)	11,383	17,189	(3,950)	13,239
Total equity and liabilities		66,289	70	66,359	75,141	209	75,350

Explanations for reconciliation of Balance Sheet as previously reported under IGAAP to IND AS

(a) Goodwill and Intangible assets

Intangible assets and deferred tax asset/liabilities in relation to business combinations which were included within Goodwill under IGAAP, have been recognized separately under Ind-AS with corresponding adjustments to retained earnings and other comprehensive income for giving effect of amortisation expenses and exchange gains and losses.

(b) Investments

Tax free bonds are carried at amortised cost both under Ind AS and IGAAP. Investment in equity instruments are carried at fair value through OCI in Ind AS compared to being carried at cost under IGAAP.

(c) Deferred taxes

Deferred taxes in relation to business combinations have been recognised under Ind-AS

(d) Other financial liabilities

Adjustments includes impact of discounting the deferred and contingent consideration payable for acquisitions under Ind AS

(e) Other liabilities

Adjustments that reflect unamortised negative past service cost arising on modification of the gratuity plan in an earlier period. Ind AS 19 - Employee Benefits requires such gains and losses to be adjusted to retained earnings. Also reflects adjustments for interim dividend (including corporate dividend tax), declared and approved by the board, post reporting period.

(f) Provisions

Adjustments reflect final dividend (including corporate dividend tax), declared and approved post reporting period.

(g) Other equity

- Adjustments to retained earnings and other comprehensive income has been made in accordance with Ind AS, for the above mentioned line items.
- In addition, as per Ind-AS 19, actuarial gains and losses are recognized in other comprehensive income as compared to being recognized in the Statement of Profit and Loss under IGAAP.

2.2.2 Reconciliation Statement of Profit and loss as previously reported under IGAAP to IND AS

in ₹ crore

Particulars	Note	Three months ended March 31, 2016			Year ended March 31, 2016		
		IGAAP	Effects of transition to Ind-AS	Ind AS	IGAAP	Effects of transition to Ind-AS	Ind AS
Revenue from operations		16,550	-	16,550	62,441	-	62,441
Other income, net		778	(6)	772	3,128	(5)	3,123
Total Income		17,328	(6)	17,322	65,569	(5)	65,564
Expenses							
Employee benefit expenses	(h)	9,027	(3)	9,024	34,418	(12)	34,406
Deferred consideration pertaining to acquisition	(i)	-	-	-	110	39	149
Cost of technical sub-contractors		925	-	925	3,531	-	3,531
Travel expenses		595	-	595	2,263	-	2,263
Cost of software packages and others		330	-	330	1,274	-	1,274
Communication expenses		117	-	117	449	-	449
Consultancy and professional charges		213	-	213	779	-	779
Depreciation and amortisation expenses	(j)	355	64	419	1,266	193	1,459
Other expenses	(i)	703	4	707	2,497	14	2,511
Total expenses		12,265	65	12,330	46,587	234	46,821
PROFIT BEFORE NON-CONTROLLING INTERESTS / SHARE IN NET PROFIT / (LOSS) OF ASSOCIATE		5,063	(71)	4,992	18,982	(239)	18,743
Share in net profit/(loss) of associate		(1)	-	(1)	(3)	-	(3)
PROFIT BEFORE TAX		5,062	(71)	4,991	18,979	(239)	18,740
Tax expense:							
Current tax	(k)	1,425	1	1,426	5,315	3	5,318
Deferred tax	(l)	(16)	(16)	(32)	(14)	(53)	(67)
PROFIT FOR THE PERIOD		3,653	(56)	3,597	13,678	(189)	13,489
Other comprehensive income							
<i>Items that will not be reclassified subsequently to profit or loss</i>							
Remeasurement of the net defined benefit liability/asset	(h)	-	(3)	(3)	-	(12)	(12)
Equity instruments through other comprehensive income		-	-	-	-	-	-
		-	(3)	(3)	-	(12)	(12)
<i>Items that will be reclassified subsequently to profit or loss</i>							
Fair Value changes on cash flow hedges, net		-	-	-	-	-	-
Exchange differences on translation of foreign operations	(m)	32	64	96	81	222	303
		32	64	96	81	222	303
Total other comprehensive income, net of tax		32	61	93	81	210	291
Total comprehensive income for the period		3,685	5	3,690	13,759	21	13,780
Profit attributable to:							
Owners of the company		3,653	(56)	3,597	13,678	(189)	13,489
Non-controlling interests		-	-	-	-	-	-
		3,653	(56)	3,597	13,678	(189)	13,489
Total comprehensive income attributable to:							
Owners of the company		3,685	5	3,690	13,759	21	13,780
Non-controlling interests		-	-	-	-	-	-
		3,685	5	3,690	13,759	21	13,780

Explanations for Reconciliation of Profit and loss as previously reported under IGAAP to IND AS

- (h) 1. As per Ind-AS 19 - Employee Benefits, actuarial gains and losses are recognized in other comprehensive income and not reclassified to profit and loss in a subsequent period.
 2. Adjustments reflect unamortised negative past service cost arising on modification of the gratuity plan in an earlier period. Ind AS 19 requires such gains and losses to be adjusted to retained earnings.
- (i) Adjustments reflect impact of discounting pertaining to deferred and contingent consideration payable for business combinations
- (j) Adjustment reflects impact of amortisation of intangible assets included within goodwill under the IGAAP, separately recognized under Ind-AS
- (k) Tax component on actuarial gains and losses which was transferred to other comprehensive income under Ind AS
- (l) The reduction in deferred tax expense is on account of reversal of deferred tax liabilities recorded on intangible assets acquired in business combination.
- (m) Under Ind-AS, exchange differences on translation of foreign operations are recorded in other comprehensive income.

2.2.3 Cash flow statement

There were no significant reconciliation items between cash flows prepared under IGAAP and those prepared under Ind AS.

2.3 Business combinations

Noah Consulting LLC

On November 16, 2015, Infosys has acquired 100% membership interest in Noah Consulting, LLC (Noah), 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 of upto \$5 million (approximately ₹33 crore on acquisition date) and an additional consideration of upto \$32 million (approximately ₹212 crore on acquisition date), referred to as retention bonus, payable to the employees of Noah at each anniversary year following the acquisition date over the next three years, subject to their continuous employment with the group at each anniversary.

This acquisition combines Noah's industry knowledge, information strategy planning, data governance and architecture capabilities with Infosys' ability to provide technology and outsourcing services on a global scale to oil and gas clients. The excess of the purchase consideration paid over the fair value of assets acquired has been attributed to goodwill.

The purchase price has been allocated based on management's estimates and independent appraisal of fair values as follows:

(in ₹ crore)			
Component	Acquiree's carrying amount	Fair value adjustments	Purchase price allocated
Net assets ^(*)	39	-	39
Intangible assets – technical know-how	-	27	27
Intangible assets – trade name	-	27	27
Intangible assets - customer contracts and relationships	-	119	119
	39	173	212
Goodwill			30
Total purchase price			242

**Includes cash and cash equivalents acquired of ₹18 crore*

Goodwill of ₹4 crore is tax deductible.

The gross amount of trade receivables acquired and its fair value is ₹29 crore and the amounts have been fully collected.

The acquisition date fair value of each major class of consideration as of the acquisition date is as follows:

(in ₹ crore)	
Component	Consideration
Cash paid	216
Fair value of contingent consideration	26
Total purchase price	242

The fair value of contingent consideration is determined by discounting the estimated amount payable to the sellers of Noah on achievement of certain financial targets. At acquisition date, the key inputs used in determination of the fair value of contingent consideration are the discount rate of 32% and the probabilities of achievement of the financial targets. During the year ended March 31, 2016, based on an assessment of Noah achieving the targets for the year ended December 31, 2015 and year ended December 31, 2016, the entire contingent consideration was reversed in the statement of profit and loss.

The retention bonus is treated as a post-acquisition employee remuneration expense as per Ind AS 103. Post-acquisition employee remuneration expense of ₹14 crore and ₹95 crore has been recorded in the statement of profit and loss for the three months and year ended March 31, 2017, respectively.

The transaction costs of ₹11 crore related to the acquisition was recognised under consultancy and professional charges and employee benefit costs in the statement of profit and loss for the year ended March 31, 2016.

Finacle and Edge Services

On April 24, 2015, the Board of Directors of Infosys authorized the Company to execute a Business Transfer Agreement and related documents with EdgeVerve, a wholly owned subsidiary, 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 had 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.

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. During the year ended March 31, 2017, EdgeVerve had repaid ₹420 crore by redeeming proportionate number of debentures.

The transfer of assets and liabilities was accounted for at carrying values and did not have any impact on the consolidated financial statements.

Kallidus Inc. (d.b.a Skava)

On June 2, 2015, Infosys acquired 100% of the voting interests in Kallidus Inc., US (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 \$91 million (approximately ₹578 crore) and a contingent consideration of up to \$20 million (approximately ₹128 crore on acquisition date).

Infosys expects to help its clients bring new digital experiences to their customers through IP-led technology offerings, new automation tools and skill and expertise in these new emerging areas. The excess of the purchase consideration paid over the fair value of assets acquired has been attributed to goodwill.

The purchase price has been allocated based on management's estimates and independent appraisal of fair values as follows:

(in ₹ crore)			
Component	Acquiree's carrying amount	Fair value adjustments	Purchase price allocated
Net assets ^(*)	35	–	35
Intangible assets – technology	–	130	130
Intangible assets – trade name	–	14	14
Intangible assets - customer contracts and relationships	–	175	175
Deferred tax liabilities on intangible assets	–	(128)	(128)
	35	191	226
Goodwill			452
Total purchase price			678

**Includes cash and cash equivalents acquired of ₹29 crore*

The goodwill is not tax deductible.

The gross amount of trade receivables acquired and its fair value is ₹57 crore and the amounts have been fully collected.

The acquisition date fair value of each major class of consideration as of the acquisition date is as follows:

(in ₹ crore)	
Component	Consideration
Cash paid	578
Fair value of contingent consideration	100
Total purchase price	678

The payment of contingent consideration to sellers of Kallidus is dependent upon the achievement of certain financial targets by Kallidus over a period of 3 years ending on December 31, 2017.

The fair value of contingent consideration is determined by discounting the estimated amount payable to the sellers of Kallidus on achievement of certain financial targets. At acquisition date, the key inputs used in determination of the fair value of contingent consideration are the discount rate of 14% and the probabilities of achievement of the financial targets.

During the year ended March 31, 2017 contingent consideration of ₹40 crore was paid to the sellers of Kallidus on the achievement of certain financial targets. The balance contingent consideration as of March 31, 2017 and March 31, 2016 is ₹91 crore and ₹132 crore, respectively, on an undiscounted basis.

The transaction costs of ₹12 crore related to the acquisition have been included under consultancy and professional charges and employee benefit costs in the statement of profit and loss for the year ended March 31, 2016.

Panaya

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.

Panaya's CloudQuality™ suite positions Infosys to bring automation to several of its service lines via an agile SaaS model, and helps mitigate risk, reduce costs and shorten time to market for clients. The excess of the purchase consideration paid over the fair value of net assets acquired has been attributed to goodwill.

The purchase price has been allocated based on Management's estimates and independent appraisal of fair values as follows:

(In ₹ crore)

Component	Acquiree's carrying amount	Fair value adjustments	Purchase price allocated
Property, plant and equipment	9	—	9
Net current assets *	38	—	38
Intangible assets – technology	—	243	243
Intangible assets – trade name	—	21	21
Intangible assets - customer contracts and relationships	—	82	82
Intangible assets – non compete agreements	—	26	26
Deferred tax liabilities on intangible assets	—	(99)	(99)
	47	273	320
Goodwill			1,078
Total purchase price			1,398

* Includes cash and cash equivalents acquired of ₹116 crore.

The goodwill is not tax deductible.

The gross amount of trade receivables acquired and its fair value is ₹58 crore and the amounts have been largely collected.

The fair value of total cash consideration as at the acquisition date was ₹1,398 crore.

The transaction costs of ₹22 crore related to the acquisition have been included under consultancy and professional charges and employee benefit costs in the statement of profit and loss for the year ended March 31, 2015.

Infosys Consulting Holding AG (formerly Lodestone Holding AG)

On October 22, 2012, Infosys acquired 100% of the voting interests in Lodestone Holding AG, a global management consultancy firm headquartered in Zurich. The business acquisition was conducted by entering into a share purchase agreement for a cash consideration of ₹ 1,18 crore and an additional consideration of upto ₹608 crore, which the company refers to as deferred purchase price, estimated on the date of acquisition, payable to the selling shareholders of Lodestone Holding AG who are continuously employed or otherwise engaged by the Group during the three year period following the date of the acquisition.

This transaction was treated as post acquisition employee remuneration expense as per Ind AS 103. For the three months and year ended March 31, 2016, a post-acquisition employee remuneration expense of Nil and ₹149 crore, respectively is recorded in the statement of profit and loss. The liability towards post-acquisition employee remuneration expense was settled during the year ended March 31, 2016.

2.4 PROPERTY, PLANT AND EQUIPMENT

Following are the changes in the carrying value of property, plant and equipment for the three months ended March 31, 2017:

In ₹ crore, except as otherwise stated

	Land-Freehold	Land-Leasehold	Buildings ⁽¹⁾	Plant and machinery	Office Equipment	Computer equipment	Furniture and fixtures	Vehicles	Total
Gross carrying value as of January 1, 2017	1,013	671	6,907	2,029	916	4,466	1,687	32	17,721
Additions	82	-	399	75	12	144	86	1	799
Deletions	-	-	-	(2)	(5)	(64)	(74)	(2)	(147)
Translation difference	-	-	(27)	(1)	(1)	(6)	(6)	-	(41)
Gross carrying value as of March 31, 2017	1,095	671	7,279	2,101	922	4,540	1,693	31	18,332
Accumulated depreciation as of January 1, 2017	-	(26)	(2,375)	(1,289)	(574)	(2,955)	(1,104)	(18)	(8,341)
Depreciation	-	(1)	(65)	(69)	(29)	(167)	(63)	(1)	(395)
Accumulated depreciation on deletions	-	-	-	3	4	64	73	2	146
Translation difference	-	-	-	2	-	5	2	-	9
Accumulated depreciation as of March 31, 2017	-	(27)	(2,440)	(1,353)	(599)	(3,053)	(1,092)	(17)	(8,581)
Carrying value as of March 31, 2017	1,095	644	4,839	748	323	1,487	601	14	9,751
Carrying value as of January 1, 2017	1,013	645	4,532	740	342	1,511	583	14	9,380

Following are the changes in the carrying value of property, plant and equipment for the three months ended March 31, 2016:

In ₹ crore, except as otherwise stated

	Land-Freehold	Land-Leasehold	Buildings ⁽¹⁾	Plant and machinery	Office Equipment	Computer equipment	Furniture and fixtures	Vehicles	Total
Gross carrying value as of January 1, 2016	959	650	6,241	1,690	786	3,865	1,324	33	15,548
Acquisition through Business Combination	-	-	-	-	-	-	-	-	-
Additions	13	-	84	69	52	328	117	2	665
Deletions	-	-	-	-	(1)	(127)	-	(7)	(135)
Translation difference	-	-	-	-	2	6	3	1	12
Gross carrying value as of March 31, 2016	972	650	6,325	1,759	839	4,072	1,444	29	16,090
Accumulated depreciation as of January 1, 2016	-	(20)	(2,144)	(1,040)	(480)	(2,577)	(940)	(19)	(7,220)
Accumulated Depreciation on acquired assets	-	-	-	-	-	-	-	-	-
Depreciation	-	(2)	(57)	(61)	(27)	(161)	(45)	(1)	(354)
Accumulated depreciation on deletions	-	-	-	1	-	126	-	3	130
Translation difference	-	-	-	-	(2)	(6)	(1)	-	(9)
Accumulated depreciation as of March 31, 2016	-	(22)	(2,201)	(1,100)	(509)	(2,618)	(986)	(17)	(7,453)
Carrying value as of March 31, 2016	972	628	4,124	659	330	1,454	458	12	8,637
Carrying value as of January 1, 2016	959	630	4,097	650	306	1,288	384	14	8,328

Following are the changes in the carrying value of property, plant and equipment for the year ended March 31, 2017:

In ₹ crore, except as otherwise stated

	Land-Freehold	Land-Leasehold	Buildings ⁽¹⁾	Plant and machinery ⁽²⁾	Office Equipment	Computer equipment	Furniture and fixtures	Vehicles	Total
Gross carrying value as of April 1, 2016	972	650	6,325	1,759	839	4,072	1,444	29	16,090
Additions	123	21	981	349	138	800	379	8	2,799
Deletions	-	-	-	(4)	(52)	(315)	(113)	(6)	(490)
Translation difference	-	-	(27)	(3)	(3)	(17)	(17)	-	(67)
Gross carrying value as of March 31, 2017	1,095	671	7,279	2,101	922	4,540	1,693	31	18,332
Accumulated depreciation as of April 1, 2016	-	(22)	(2,201)	(1,100)	(509)	(2,618)	(986)	(17)	(7,453)
Depreciation	-	(5)	(239)	(261)	(119)	(678)	(210)	(5)	(1,517)
Accumulated depreciation on deletions	-	-	-	4	27	230	92	5	358
Translation difference	-	-	-	4	2	13	12	-	31
Accumulated depreciation as of March 31, 2017	-	(27)	(2,440)	(1,353)	(599)	(3,053)	(1,092)	(17)	(8,581)
Carrying value as of March 31, 2017	1,095	644	4,839	748	323	1,487	601	14	9,751
Carrying value as of April 1, 2016	972	628	4,124	659	330	1,454	458	12	8,637

Following are the changes in the carrying value of property, plant and equipment for the year ended March 31, 2016:

In ₹ crore, except as otherwise stated

	Land- Freehold	Land- Leasehold	Buildings ⁽¹⁾	Plant and machinery	Office Equipment	Computer equipment	Furniture and fixtures	Vehicles	Total
Gross carrying value as of April 1, 2015	931	633	5,881	1,427	676	3,347	1,179	34	14,108
Acquisitions through business combinations (Refer note 2.3)	-	-	-	-	1	2	1	-	4
Additions	41	17	444	333	166	1,103	265	6	2,375
Deletions	-	-	-	(1)	(6)	(396)	(8)	(12)	(423)
Translation difference	-	-	-	-	2	16	7	1	26
Gross carrying value as of March 31, 2016	972	650	6,325	1,759	839	4,072	1,444	29	16,090
Accumulated depreciation as of April 1, 2015	-	(16)	(1,982)	(881)	(412)	(2,287)	(826)	(19)	(6,423)
Acquisitions through business combinations	-	-	-	-	(1)	(1)	-	-	(2)
Depreciation	-	(6)	(219)	(220)	(100)	(553)	(161)	(5)	(1,264)
Accumulated depreciation on deletions	-	-	-	1	5	237	4	7	254
Translation difference	-	-	-	-	(1)	(14)	(3)	-	(18)
Accumulated depreciation as of March 31, 2016	-	(22)	(2,201)	(1,100)	(509)	(2,618)	(986)	(17)	(7,453)
Carrying value as of March 31, 2016	972	628	4,124	659	330	1,454	458	12	8,637
Carrying value as of April 1, 2015	931	617	3,899	546	264	1,060	353	15	7,685

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

⁽²⁾ Includes CSR spend amounting to ₹25 crore for the year ending March 31, 2017

Gross carrying value of lease hold land represents amounts paid under certain lease-cum-sale agreements to acquire land including agreements where the Company has an option to purchase or renew the properties on expiry of the lease period.

The aggregate depreciation has been included under depreciation and amortisation expense in the consolidated statement of profit and loss.

2.5 GOODWILL AND OTHER INTANGIBLE ASSETS

Following is a summary of changes in the carrying amount of goodwill:

	<i>In ₹ crore</i>	
	As of	
	March 31, 2017	March 31, 2016
Carrying value at the beginning	3,764	3,091
Goodwill on Kallidus d.b.a Skava acquisition (Refer note 2.3)	-	452
Goodwill on Noah acquisition (Refer note 2.3)	-	30
Translation differences	(112)	191
Carrying value at the end	3,652	3,764

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to the cash generate units (CGU) or groups of CGU's, which benefit from the synergies of the acquisition. The chief operating decision maker reviews the goodwill for any impairment at the operating segment level, which is represented through groups of CGU's.

The following table gives the break up of allocation of goodwill to operating segments as at April 1, 2015

	<i>In ₹ crore</i>
Segment	As at April 1, 2015
Financial services	663
Insurance	367
Manufacturing	656
Energy, Communication and Services	318
Resources and utilities	141
Retail, Consumer packaged goods and Logistics	473
Life Sciences and Healthcare	193
Growth Markets	280
Total	3,091

During the year ended March 31, 2016, the Company reorganized some of its segments to enhance executive customer relationships, improve focus of sales investments and increase management oversight. Consequent to these internal reorganizations there were changes effected in the segments based on the "management approach" as defined in Ind AS 108, Operating Segments. Accordingly the goodwill has been allocated to the new operating segments as at March 31, 2017 and March 31, 2016

	<i>(In ₹ crore)</i>	
Segment	As of	
	March 31, 2017	March 31, 2016
Financial services	826	851
Manufacturing	409	423
Retail, Consumer packaged goods and Logistics	556	573
Life Sciences, Healthcare and Insurance	638	656
Energy & Utilities, Communication and Services	765	789
	3,194	3,292
Operating segments without significant goodwill	458	472
Total	3,652	3,764

The entire goodwill relating to Infosys BPO's acquisition of McCamish has been allocated to the groups of CGU's which are represented by the Life Sciences, Healthcare and Insurance segment.

The goodwill relating to Infosys Lodestone, Portland, Panaya and Kallidus d.b.a Skava has been allocated to the groups of CGU's which are represented by a majority of the entity's operating segment.

The entire goodwill relating to Noah acquisition has been allocated to the group of CGU's which is represented by the Energy & Utilities, Communication and Services segment.

The recoverable amount of a CGU is the higher of its fair value less cost to sell and its value-in-use. The fair value of a CGU is determined based on the market capitalization. The value-in-use is determined based on specific calculations. These calculations use pre-tax cash flow projections for a CGU / groups of CGU's over a period of five years. An average of the range of each assumption used is mentioned below. As of March 31, 2017, March 31, 2016 and April 1, 2015 the estimated recoverable amount of the CGU exceeded its carrying amount. The recoverable amount was computed based on the fair value less cost to sell being higher than value-in-use. The carrying amount of the CGU was computed by allocating the net assets to operating segments for the purpose of impairment testing. The key assumptions used for the calculations are as follows:

	(in %)		
	As of		
	March 31, 2017	March 31, 2016	April 1, 2015
Long term growth rate	8-10	8-10	8-10
Operating margins	17-20	17-20	17-20
Discount rate	14.4	14.2	13.9

The above discount rate is based on the Weighted Average Cost of Capital (WACC) of the Company. These estimates are likely to differ from future actual results of operations and cash flows.

Following are the changes in the carrying value of acquired intangible assets for the three months ended March 31, 2017:

	In ₹ crore							
	Customer related	Software related	Sub-contracting rights related	Intellectual property rights related	Land use-rights related	Brand or Trademark Related	Others	Total
Gross carrying value as of January 1, 2017	777	424	21	1	69	94	64	1,450
Additions during the period	-	-	-	-	-	-	-	-
Deletions during the period	-	-	-	-	-	-	-	-
Translation difference	(27)	(19)	-	-	(3)	(4)	(2)	(55.00)
Gross carrying value as of March 31, 2017	750	405	21	1	66	90	62	1,395
Accumulated amortization as of January 1, 2017	(371)	(106)	(21)	(1)	(7)	(48)	(35)	(589)
Amortization expense	(22)	(20)	-	-	-	(4)	(5)	(51)
Deletion during the period	-	-	-	-	-	-	-	-
Translation differences	11	5	-	-	-	3	2	21
Accumulated amortization as of March 31, 2017	(382)	(121)	(21)	(1)	(7)	(49)	(38)	(619)
Carrying value as of January 1, 2017	406	318	-	-	62	46	29	861
Carrying value as of March 31, 2017	368	284	-	-	59	41	24	776

Following are the changes in the carrying value of acquired intangible assets for the three months ended March 31, 2016:

	In ₹ crore							
	Customer related	Software related	Sub-contracting rights related	Intellectual property rights related	Land use-rights related	Brand or Trademark Related	Others	Total
Gross carrying value as of January 1, 2016	764	411	21	1	72	92	63	1,424
Additions during the period	-	2	-	-	-	-	-	2
Deletions during the period	-	-	-	-	-	-	-	-
Translation difference	11	1	-	-	-	1	-	13
Gross carrying value as of March 31, 2016	775	414	21	1	72	93	63	1,439
Accumulated amortization as of January 1, 2016	(253)	(50)	(21)	(1)	(6)	(34)	(19)	(384)
Amortization expense	(47)	(11)	-	-	-	(3)	(4)	(65)
Deletions during the period	-	-	-	-	-	-	-	-
Translation differences	(3)	(1)	-	-	-	(1)	-	(5)
Accumulated amortization as of March 31, 2016	(303)	(62)	(21)	(1)	(6)	(38)	(23)	(454)
Carrying value as of January 1, 2016	511	361	-	-	66	58	44	1,040
Carrying value as of March 31, 2016	472	352	-	-	66	55	40	985

Following are the changes in the carrying value of acquired intangible assets for the year ended March 31, 2017:

	In ₹ crore							
	Customer related	Software related	Sub-contracting rights related	Intellectual property rights related	Land use-rights related	Brand or Trademark Related	Others	Total
Gross carrying value as of April 1, 2016	775	414	21	1	72	93	63	1,439
Additions during the period	-	-	-	-	-	-	-	-
Deletions during the period	-	-	-	-	-	-	-	-
Translation difference	(25)	(9)	-	-	(6)	(3)	(1)	(44)
Gross carrying value as of March 31, 2017	750	405	21	1	66	90	62	1,395
Accumulated amortization as of April 1, 2016	(303)	(62)	(21)	(1)	(6)	(38)	(23)	(454)
Amortization expense	(91)	(63)	-	-	(1)	(14)	(17)	(186)
Deletion during the period	-	-	-	-	-	-	-	-
Translation differences	12	4	-	-	-	3	2	21
Accumulated amortization as of March 31, 2017	(382)	(121)	(21)	(1)	(7)	(49)	(38)	(619)
Carrying value as of April 1, 2016	472	352	-	-	66	55	40	985
Carrying value as of March 31, 2017	368	284	-	-	59	41	24	776
Estimated Useful Life (in years)	3-10	5-8	-	-	50	3-10	3-5	
Estimated Remaining Useful Life (in years)	1-6	3-6	-	-	44	1-8	1-4	

During the quarter ended December 31, 2016, the management based on an internal evaluation reassessed the remaining useful life of certain technology assets acquired as a part of business combinations. Accordingly, the remaining useful life of the said asset which was 8 years has been revised to 3 years. Amortisation expense for the three months and year ended March 31, 2017 is higher by ₹9 crore and ₹19 crore, respectively due to the revision.

Following are the changes in the carrying value of acquired intangible assets for the year ended March 31, 2016:

	In ₹ crore							
	Customer related	Software related	Sub-contracting rights related	Intellectual property rights related	Land use-rights related	Brand or Trademark Related	Others	Total
Gross carrying value as of April 1, 2015	448	261	21	11	71	49	34	895
Additions through business combinations (Refer Note 2.3)	294	130	-	-	-	41	27	492
Additions	-	2	-	-	-	-	-	2
Deletions	-	-	-	(10)	-	-	-	(10)
Translation difference	33	21	-	-	1	3	2	60
Gross carrying value as of March 31, 2016	775	414	21	1	72	93	63	1,439
Accumulated amortization as of April 1, 2015	(162)	(21)	(21)	(11)	(5)	(28)	(9)	(257)
Amortization expense	(132)	(40)	-	-	(1)	(9)	(13)	(195)
Deletions during the period	-	-	-	10	-	-	-	10
Translation differences	(9)	(1)	-	-	-	(1)	(1)	(12)
Accumulated amortization as of March 31, 2016	(303)	(62)	(21)	(1)	(6)	(38)	(23)	(454)
Carrying value as of April 1, 2015	286	240	-	-	66	21	25	638
Carrying value as of March 31, 2016	472	352	-	-	66	55	40	985
Estimated Useful Life (in years)	3-10	8-10	-	-	50	3-10	3-5	
Estimated Remaining Useful Life (in years)	1-7	7-9	-	-	45	2-9	2-5	

The amortization expense has been included under depreciation and amortisation expense in the consolidated statement of profit and loss.

Research and development expense recognized in net profit in the consolidated statement of profit and loss for the three months ended March 31, 2017 and March 31, 2016 is ₹193 crore and ₹202 crore respectively, and ₹789 crore and ₹712 crore, for the year ended March 31, 2017 and March 31, 2016 respectively.

2.6 INVESTMENTS

in ₹ crore

Particulars	As at		
	March 31, 2017	March 31, 2016	April 1, 2015
Non-current			
Unquoted			
Investments carried at fair value through other comprehensive income (refer note 2.6.1)			
Preference securities	144	92	-
Equity instruments	15	1	1
	159	93	1
Investments carried at fair value through profit and loss (refer note 2.6.1)			
Convertible promissory note	10	-	-
Others	35	22	-
	45	22	-
Quoted			
Investment carried at amortized cost (refer note 2.6.2)			
Tax free bonds	1,898	1,599	1,300
Government Bonds	-	-	4
	1,898	1,599	1,304
Investments carried at fair value through profit and loss (refer note 2.6.3)			
Fixed maturity plan securities	407	-	-
	407	-	-
Investments carried at fair value through other comprehensive income (refer note 2.6.4)			
Non convertible debentures	3,873	-	-
	3,873	-	-
Total non-current investments	6,382	1,714	1,305
Current			
Unquoted			
Investments carried at fair value through profit or loss (refer note 2.6.3)			
Liquid mutual fund units	1,803	68	842
	1,803	68	842
Investments carried at fair value through other comprehensive income (refer note 2.6.4)			
Certificate of Deposits	7,905	-	-
	7,905	-	-
Quoted			
Investment carried at amortized cost (refer note 2.6.2)			
Government Bonds	9	7	-
	9	7	-
Investments carried at fair value through profit or loss (refer note 2.6.3)			
Fixed maturity plan securities	151	-	32
	151	-	32
Investments carried at fair value through other comprehensive income (refer note 2.6.4)			
Non convertible debentures	102	-	-
	102	-	-
Total current investments	9,970	75	874
Total investments	16,352	1,789	2,179
Aggregate amount of quoted investments	6,440	1,606	1,336
Market value of quoted investments (including interest accrued)	6,701	1,703	1,376
Aggregate amount of unquoted investments (including investment in associates)	9,983	286	936
Aggregate amount of impairment made for non-current unquoted investments (including associates)	24	6	6
Investment carried at amortized cost	1,907	1,606	1,304
Investments carried at fair value through other comprehensive income	12,039	93	1
Investments carried at fair value through profit or loss	2,406	90	874

2.6.1 Details of Investments

The details of investments in preference, equity and other instruments at March 31, 2017 and March 31, 2016 are as follows:

Particulars	in ₹ crore, except otherwise stated	
	As at	
	March 31, 2017	March 31, 2016
<i>Preference securities</i>		
Airviz Inc.	9	13
2,82,279 (2,82,279) Series A Preferred Stock, fully paid up, par value USD 0.001 each		
ANSR Consulting	10	9
52,631 (52,631) Series A Preferred Stock, fully paid up, par value USD 0.001 each		
Whoop Inc	15	20
16,48,352 (16,48,352) Series B Preferred Stock, fully paid up, par value USD 0.0001 each		
CloudEndure Ltd.	37	13
12,79,645 (12,79,645) Preferred Series B Shares, fully paid up, par value ILS 0.01 each		
Nivetti Systems Private Limited	10	10
2,28,501 (2,28,501) Preferred Stock, fully paid up, par value ₹1 each		
Waterline Data Science, Inc	24	27
39,33,910 (39,33,910) Preferred Series B Shares, fully paid up, par value USD 0.00001 each		
Trifacta Inc.	26	-
11,80,358 (Nil) Preferred Stock		
Cloudyn Software Ltd	13	-
27,022 (Nil) Preferred Series B-3 shares, fully paid up, par value ILS 0.01 each		
<i>Equity Instrument</i>		
OnMobile Systems Inc., USA	-	-
21,54,100 (21,54,100) common stock at USD 0.4348 each, fully paid up, par value USD 0.001 each		
Merasport Technologies Private Limited	-	-
2,420 (2,420) equity shares at ₹ 8,052/- each, fully paid up, par value ₹10/- each		
Global Innovation and Technology Alliance	1	1
15,000 (15,000) equity shares at ₹1,000/- each, fully paid up, par value ₹1,000/- each		
Unisilo A/S	14	-
69,894 (Nil) Equity Shares, fully paid up, par value DKK 1 each		
<i>Others</i>		
Stellaris Venture Partners India I	3	-
Vertex Ventures US Fund L.L.P	32	22
<i>Convertible promissory note</i>		
Tidalscale	10	-
	204	115

2.6.2 Details of Investments in tax free bonds and government bonds

The balances held in tax free bonds as at March 31, 2017 and March 31, 2016 are as follows:

The balances held in tax free bonds as at March 31, 2017 and March 31, 2016 is as follows:			in ₹ crore, except as otherwise stated		
Particulars	As at March 31, 2017			As at March 31, 2016	
	Face Value ₹	Units	Amount	Units	Amount
7.04% Indian Railway Finance Corporation Limited Bonds 03MAR2026	10,00,000/-	470	50	-	-
7.16% Power Finance Corporation Ltd. Bonds 17JUL2025	10,00,000/-	1,000	107	-	-
7.18% Indian Railway Finance Corporation Limited Bonds 19FEB2023	1,000/-	20,00,000	201	20,00,000	201
7.28% Indian Railway Finance Corporation Limited 21DEC2030	1,000/-	4,22,800	42	4,22,800	42
7.28% National Highways Authority of India Bonds 18SEP2030	10,00,000/-	3,300	343	2,000	200
7.34% Indian Railway Finance Corporation Limited Bonds 19FEB2028	1,000/-	21,00,000	211	21,00,000	211
7.35% National Highways Authority of India Bonds 11JAN2031	1,000/-	5,71,396	57	5,71,396	57
7.93% Rural Electrification Corporation Limited Bonds 27MAR2022	1,000/-	2,00,000	21	2,00,000	21
8.00% Indian Railway Finance Corporation Limited Bonds 2022	1,000/-	1,50,000	15	1,50,000	15
8.10% Indian Railway Finance Corporation Limited Bonds 23FEB2027	1,000/-	5,00,000	53	5,00,000	53
8.20% Power Finance Corporation Limited Bonds 2022	1,000/-	5,00,000	50	5,00,000	51
8.26% India Infrastructure Finance Company Limited Bonds 23AUG2028	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
		74,55,416	1,898	74,52,646	1,599

The balances held in government bonds as at March 31, 2017 and March 31, 2016 are as follows:

The balances held in government bonds as at March 31, 2017 and March 31, 2016 is as follows:					in ₹ crore, except as otherwise stated		
Particulars	Face Value PHP	As at March 31, 2017		As at March 31, 2016			
		Units	Amount	Units	Amount	Amount	
Fixed Rate Treasury Notes 1.62 PCT MAT DATE 7 SEPT 2016	100	-	-	50,000	-	1	
Fixed Rate Treasury Notes 2.20 PCT MAT DATE 25 APR 2016	100	-	-	60,000	-	1	
Fixed Rate Treasury Notes 1.00 PCT MAT DATE 25 APR 2016	100	-	-	200,000	-	3	
Treasury Notes PHY6972FWG18 MAT Date 22 Feb 2017	100	-	-	160,000	-	2	
Treasury Notes PHY6972FWQ99 MAT Date 07 June 2017	100	340,000	4	-	-	-	
Treasury Notes PIB1217C056 MAT DATE 14 Mar 2018	100	400,000	5	-	-	-	
		740,000	9	470,000	-	7	

2.6.3 Details of Investments in liquid mutual fund units and Fixed Maturity Plans

The balances held in liquid mutual fund units as at March 31, 2017 and March 31, 2016 is as follows:

in ₹ crore, except as otherwise stated

Particulars	As at March 31, 2017		As at March 31, 2016	
	Units	Amount	Units	Amount
Birla Sun Life Cash Plus Growth Direct Plan	14,522,491	380	-	-
Birla Sun Life Cash Manager- Regular Plan	-	-	389,089	14
BSL Cash Manager - Growth	266,264	11	-	-
ICICI Prudential Liquid - Direct Plan - Daily Dividend	-	-	1,607,064	16
ICICI Prudential Liquid Direct Plan Growth	10,388,743	250	-	-
IDFC Cash Fund Growth (Direct Plan)	1,265,679	250	-	-
Kotak Low Duration Fund Direct Growth (Ultra Short Term)	1,502,564	305	-	-
L&T Liquid Fund Direct Plan Growth	672,806	150	-	-
Reliance Liquid Fund Cash Plan	28,305	7	2	-
Reliance Liquid Fund- Treasury Plan- Direct Growth Plan- Growth Option	882,465	350	207,283	31
Reliance Money Manage Fund	-	-	32,925	7
SBI Premier Liquid Fund Direct Plan Growth	391,909	100	-	-
	29,921,226	1,803	2,236,363	68

The balances held in Fixed Maturity Plans as at March 31, 2017 is as follows:

Particulars	As at March 31, 2017	
	Units	Amount
Birla Sun Life Fixed Term Plan -Series OD 1145 Days -GR direct	60,000,000	61
Birla Sun Life Fixed Term Plan -series OE 1153 days -GR direct	25,000,000	25
HDFC FMP 1155D Feb 2017-Direct Growth Series 37	38,000,000	38
HDFC FMP 1169D Feb 2017 -Direct-Quarterly Dividend -Series 37	45,000,000	45
ICICI FMP Series 80-1194 D Plan F Div	55,000,000	55
ICICI Prudential Fixed maturity Plan Series 80-1187 Days Plan G direct Plan	42,000,000	42
ICICI Prudential Fixed Maturity Plan series 80-1253 Days Plan J Direct Plan	30,000,000	30
IDFC Fixed Term Plan Series 129 direct Plan-Growth 1147 Days	10,000,000	10
IDFC Fixed Term Plan Series 131 direct Plan-Growth 1139 Days	15,000,000	15
Kotak FMP Series 199 Direct -Growth	35,000,000	36
Reliance Fixed Horizon Fund-XXXII Series 8-Dividend Plan	50,000,000	50
Reliance Yearly Interval Fund Series -1-Direct Plan-Growth Plan	106,906,898	151
	511,906,898	558

2.6.4 Details of Investments in Non convertible debentures and Certificate of Deposits

The balances held in non convertible debenture units as at March 31, 2017 is as follows:

in ₹ crore, except as otherwise stated

Particulars	As at March 31, 2017		
	Face Value ₹	Units	Amount
7.48% Housing Development Finance Corporation Ltd 18NOV2019	10,000,000/-	50	52
7.58% LIC Housing Finance Ltd 11JUN2020	1,000,000/-	500	51
7.58% LIC Housing Finance Ltd 28FEB2020	1,000,000/-	1,000	100
7.59% LIC Housing Finance Ltd 14OCT2021	1,000,000/-	3,000	309
7.75% LIC Housing Finance Ltd 27AUG2021	1,000,000/-	1,250	129
7.79% LIC Housing Finance Ltd 19JUN2020	1,000,000/-	500	52
7.80% Housing Development Finance Corporation Ltd 11NOV2019	10,000,000/-	150	155
7.81% LIC Housing Finance Ltd 27APR2020	1,000,000/-	2,000	208
7.95% Housing Development Finance Corporation Ltd 23SEP2019	10,000,000/-	50	53
8.02% LIC Housing Finance Ltd 18FEB2020	1,000,000/-	500	51
8.26% Housing Development Finance Corporation Ltd 12AUG2019	10,000,000/-	100	106
8.34% Housing Development Finance Corporation Ltd 06MAR2019	10,000,000/-	200	217
8.37% LIC Housing Finance Ltd 03OCT2019	1,000,000/-	2,000	218
8.37% LIC Housing Finance Ltd 10MAY2021	1,000,000/-	500	55
8.43% IDFC Bank Limited 30JAN2018	1,000,000/-	1,000	102
8.46% Housing Development Finance Corporation Ltd 11MAR2019	10,000,000/-	50	54
8.47% LIC Housing Finance Ltd 21JAN2020	1,000,000/-	500	52
8.49% Housing Development Finance Corporation Ltd 27APR2020	5,000/-	900	49
8.50% Housing Development Finance Corporation Ltd 31AUG2020	10,000,000/-	100	108
8.54% IDFC Bank Limited 30MAY2018	1,000,000/-	1,500	182
8.59% Housing Development Finance Corporation Ltd 14JUN2019	10,000,000/-	50	51
8.60% LIC Housing Finance Ltd 22JUL2020	1,000,000/-	1,000	108
8.60% LIC Housing Finance Ltd 29JUL2020	1,000,000/-	1,750	190
8.61% LIC Housing Finance Ltd 11DEC2019	1,000,000/-	1,000	104
8.66% IDFC Bank Limited 27DEC2018	1,000,000/-	400	49
8.66% IDFC Bank Limited 25JUN2018	1,000,000/-	1,520	184
8.72% Housing Development Finance Corporation Ltd 15APR2019	10,000,000/-	75	77
8.75% Housing Development Finance Corporation Ltd 13JAN2020	500,000/-	5,000	260
8.75% LIC Housing Finance Ltd 14JAN2020	1,000,000/-	1,070	112
8.75% LIC Housing Finance Ltd 21DEC2020	1,000,000/-	1,000	104
8.97% LIC Housing Finance Ltd 29OCT2019	1,000,000/-	500	53
9.45% Housing Development Finance Corporation Ltd 21AUG2019	1,000,000/-	3,000	327
9.65% Housing Development Finance Corporation Ltd 19JAN2019	1,000,000/-	500	53
		32,715	3,975

The balances held in Certificate of Deposits as at March 31, 2017 is as follows:

Particulars	As at March 31, 2017		
	Face Value ₹	Units	Amount
Andhra Bank	1,00,000/-	35,000	344
Axis Bank	1,00,000/-	305,600	2,914
Corporation Bank	1,00,000/-	33,500	327
DBS Bank	1,00,000/-	5,000	49
ICICI Bank Limited	1,00,000/-	42,500	413
IDFC Bank	1,00,000/-	140,000	1,328
IndusInd Bank	1,00,000/-	106,400	1,011
Kotak Bank	1,00,000/-	85,500	813
Vijaya Bank	1,00,000/-	14,000	137
Yes Bank	1,00,000/-	60,000	569
		827,500	7,905

2.7 LOANS

in ₹ crore

Particulars	As at		
	March 31, 2017	March 31, 2016	April 1, 2015
Non Current			
Unsecured, considered good			
Other loans			
Loans to employees	29	25	31
	29	25	31
Unsecured, considered doubtful			
Loans to employees	24	19	12
	53	44	43
Less: Allowance for doubtful loans to employees	24	19	12
	29	25	31
Current			
Unsecured, considered good			
Other loans			
Loans to employees	272	303	222
	272	303	222
Total Loans	301	328	253

2.8 OTHER FINANCIAL ASSETS

in ₹ crore

Particulars	As at		
	March 31, 2017	March 31, 2016	April 1, 2015
Non Current			
Security deposits ⁽¹⁾	86	78	68
Rental deposits ⁽¹⁾	175	146	47
Restricted deposits ⁽¹⁾	48	62	58
	309	286	173
Current			
Security deposits ⁽¹⁾	10	7	4
Rental deposits ⁽¹⁾	9	13	24
Restricted deposits ⁽¹⁾	1,416	1,238	1,100
Unbilled revenues ⁽¹⁾	3,648	3,029	2,845
Interest accrued but not due ⁽¹⁾	576	762	444
Foreign currency forward and options contracts ^{(2) (3)}	284	116	101
Others ⁽¹⁾	37	25	9
	5,980	5,190	4,527
Total Financial Assets	6,289	5,476	4,700
⁽¹⁾ Financial assets carried at amortized cost	6,005	5,360	4,599
⁽²⁾ Financial assets carried at fair value through other comprehensive income	52	-	-
⁽³⁾ Financial assets carried at fair value through profit or loss	232	116	101

Restricted deposits represents deposits with financial institutions to settle employee-related obligations as and when they arise during the normal course of business. Other assets primarily represent travel advances and other recoverables.

2.9 TRADE RECEIVABLES ⁽¹⁾

in ₹ crore

Particulars	As at		
	March 31, 2017	March 31, 2016	April 1, 2015
Current			
Unsecured			
Considered good	12,322	11,330	9,713
Considered doubtful	318	289	366
	12,640	11,619	10,079
Less: Allowances for credit loss	318	289	366
	12,322	11,330	9,713
	1	1	6

⁽¹⁾ Includes dues from companies where directors are interested

2.10 CASH AND CASH EQUIVALENTS

in ₹ crore

Particulars	As at		
	March 31, 2017	March 31, 2016	April 1, 2015
Balances with banks			
In current and deposit accounts	14,889	27,420	26,195
Cash on hand	-	-	-
Others			
Deposits with financial institutions	7,736	5,277	4,172
	22,625	32,697	30,367
Balances with banks in unpaid dividend accounts	17	5	3
Deposit with more than 12 months maturity	6,954	404	311
Balances with banks held as margin money deposits against guarantees	404	342	185

Cash and cash equivalents as of March 31, 2017, March 31, 2016 and April 1, 2015 include restricted cash and bank balances of ₹572 crore, ₹492 crore and ₹364 crore, respectively. The restrictions are primarily on account of cash and bank balances held by irrevocable trusts controlled by the Company, bank balances held as margin money deposits against guarantees and balances held in unpaid dividend bank accounts.

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

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

in ₹ crore

Particulars	As at	
	March 31, 2017	March 31, 2016
Current accounts		
ANZ Bank, Taiwan	3	13
Axis Bank, India	1	1
Banamex Bank, Mexico	2	5
Banamex Bank, Mexico (U.S. Dollar account)	8	3
Bank of America, Mexico	54	21
Bank of America, USA	1,030	681
Bank Zachodni WBK S.A. Poland	4	3
Bank of Tokyo-Mitsubishi UFJ, Ltd., Japan	-	1
Barclays Bank, UK	1	19
Bank Leumi, Israel (US Dollar account)	2	17
Bank Leumi, Israel	11	10
BNP Paribas Bank, Norway	17	-
China Merchants Bank, China	9	8
Citibank N.A. China	61	65
Citibank N.A.. China (U.S. Dollar account)	11	72
Citibank N.A.. Costa Rica	5	2
Citibank N.A.. Australia	19	72
Citibank N.A., Brazil	30	5
Citibank N.A., Dubai	1	1
Citibank N.A., Hungary	3	-
Citibank N.A., India	3	1
Citibank N.A., Japan	12	15
Citibank N.A., New Zealand	10	6
Citibank N.A., Portugal	2	2
Citibank N.A., Singapore	2	3
Citibank N.A., South Korea	1	-
Citibank N.A., South Africa	9	5
Citibank N.A., South Africa (Euro account)	1	1
Citibank N.A., Philippines, (U.S. Dollar account)	1	1
Citibank N.A., USA	78	60
Citibank N.A., EEFC (U.S. Dollar account)	1	-
Commerzbank, Germany	18	19
Crédit Industriel et Commercial Bank, France	-	4
Deutsche Bank, India	12	8
Deutsche Bank, Philippines	5	13
Deutsche Bank, Philippines (U.S. Dollar account)	4	1
Deutsche Bank, Poland	12	5
Deutsche Bank, Poland (Euro account)	4	-
Deutsche Bank, EEFC (Australian Dollar account)	38	2
Deutsche Bank, EEFC (Euro account)	25	32
Deutsche Bank, EEFC (Swiss Franc account)	2	5
Deutsche Bank, EEFC (U.S. Dollar account)	76	96
Deutsche Bank, EEFC (United Kingdom Pound Sterling account)	10	9
Deutsche Bank, Belgium	10	59

Deutsche Bank, Malaysia	7	9
Deutsche Bank, Czech Republic	8	14
Deutsche Bank, Czech Republic (Euro account)	7	1
Deutsche Bank, Czech Republic (U.S. Dollar account)	30	28
Deutsche Bank, France	8	10
Deutsche Bank, Germany	48	17
Deutsche Bank, Netherlands	2	6
Deutsche Bank, Russia	3	2
Deutsche Bank, Russia (U.S. Dollar account)	1	1
Deutsche Bank, Singapore	6	4
Deutsche Bank, Spain	-	1
Deutsche Bank, Switzerland	9	1
Deutsche Bank, Switzerland (U.S. Dollar account)	1	-
Deutsche Bank, United Kingdom	26	170
Deutsche Bank, USA	12	-
HSBC Bank, Brazil	1	5
HSBC Bank, Hong Kong	1	1
ICICI Bank, India	53	72
ICICI Bank, EEFC (Euro account)	1	-
ICICI Bank, EEFC (U.S. Dollar account)	5	10
ICICI Bank, EEFC (United Kingdom Pound Sterling account)	1	-
ING Bank, Belgium	2	3
Nordbanken, Sweden	33	15
Punjab National Bank, India	6	4
Raiffeisen Bank, Czech Republic	4	5
Raiffeisen Bank, Romania	4	4
Royal Bank of Canada, Canada	83	78
Santander Bank, Argentina	1	-
State Bank of India, India	7	8
Silicon Valley Bank, USA	4	5
Silicon Valley Bank, (Euro account)	19	65
Silicon Valley Bank, (United Kingdom Pound Sterling account)	2	19
Union Bank of Switzerland AG	3	15
Union Bank of Switzerland AG, (Euro account)	4	12
Union Bank of Switzerland AG, (Australian Dollar account)	-	2
Union Bank of Switzerland AG, (U.S. Dollar account)	-	28
Union Bank of Switzerland AG, (United Kingdom Pound Sterling account)	-	4
Wells Fargo Bank N.A., USA	33	23
Westpac, Australia	1	6
	2,044	1,994

Particulars	<i>in ₹ crore</i>	
	As at	
	March 31, 2017	March 31, 2016
Deposit accounts		
Andhra Bank	-	948
Axis Bank	1,175	1,340
Bank BGZ BNP Paribas S.A	183	-
Bank of India	-	77
Barclays Bank	825	-
Canara Bank	84	2,115
Central Bank of India	-	1,538
Citibank	165	125
Corporation Bank	-	1,285
Deutsche Bank, Poland	71	237
HDFC Bank	469	2,650
HSBC Bank	500	-
ICICI Bank	4,644	4,049
IDBI Bank	1,750	1,900
IDFC Bank	200	-
Indian Overseas Bank	-	1,250
Indusind Bank	191	250
Jammu & Kashmir Bank	-	25
Kotak Mahindra Bank Limited	535	537
National Australia Bank Limited	-	1
Oriental Bank of Commerce	-	1,967
Punjab National Bank	-	18
South Indian Bank	450	23
Standard Chartered Bank	500	-
State Bank of India	-	2,310
Syndicate Bank	49	1,266
Union Bank of India	-	140
Vijaya Bank	-	304
Yes Bank	633	724
	12,424	25,079
Unpaid dividend accounts		
Axis Bank - Unpaid dividend account	2	2
HDFC Bank - Unpaid dividend account	2	1
ICICI Bank - Unpaid dividend account	13	2
	17	5

Margin money deposits against guarantees

Canara Bank	177	132
Citibank	2	3
ICICI Bank	225	150
State Bank of India	-	57
	404	342

Deposits with financial institutions

HDFC Limited	7,036	5,277
LIC Housing Finance Limited	700	-
	7,736	5,277

Total cash and cash equivalents	22,625	32,697

2.11 OTHER ASSETS*in ₹ crore*

Particulars	As at		
	March 31, 2017	March 31, 2016	April 1, 2015
Non Current			
Capital advances	600	933	664
Advances other than capital advances			
Prepaid gratuity (refer note 2.22.1)	79	4	27
Deferred Contract Cost	284	333	-
Prepaid expenses	96	87	7
	1,059	1,357	698
Current			
Advances other than capital advances			
Payment to vendors for supply of goods	131	110	79
Others			
Withholding taxes and others	1,886	1,799	1,364
Prepaid expenses	441	201	98
Deferred Contract Cost	78	48	-
	2,536	2,158	1,541
Total Other Assets	3,595	3,515	2,239

Deferred contract costs are upfront costs incurred for the contract and are amortized over the term of the contract. Withholding taxes and others primarily consist of input tax credits.

2.12 FINANCIAL INSTRUMENTS

Financial instruments by category

The carrying value and fair value of financial instruments by categories as of March 31, 2017 were as follows:

	Amortised cost	Financial assets/ liabilities at fair value through profit or loss		Financial assets/liabilities at fair value through OCI		Total carrying value	Total fair value
		Designated upon initial recognition	Mandatory	Equity instruments designated upon initial recognition	Mandatory		
Assets:							
Cash and cash equivalents (Refer Note 2.10)	22,625	-	-	-	-	22,625	22,625
Investments (Refer Note 2.6)							
Equity and preference securities	-	-	-	159	-	159	159
Tax free bonds and government bonds	1,907	-	-	-	-	1,907	2,168 *
Liquid mutual fund units	-	-	1,803	-	-	1,803	1,803
Non convertible debentures	-	-	-	-	3,975	3,975	3,975
Certificate of Deposits					7,905	7,905	7,905
Convertible promissory note	-	-	10	-	-	10	10
Other investments			35			35	35
Fixed maturity plan securities	-	-	558	-	-	558	558
Trade receivables (Refer Note 2.9)	12,322	-	-	-	-	12,322	12,322
Loans (Refer Note 2.7)	301	-	-	-	-	301	301
Other financials assets (Refer Note 2.8)	6,005	-	232	-	52	6,289	6,289
Total	43,160	-	2,638	159	11,932	57,889	
Liabilities:							
Trade payables	367	-	-	-	-	367	367
Other financial liabilities (Refer Note 2.14)	4,973	-	87	-	-	5,060	5,060
Total	5,340	-	87	-	-	5,427	

The carrying value and fair value of financial instruments by categories as of March 31, 2016 were as follows:

	Amortised cost	Financial assets/ liabilities at fair value through profit or loss		Financial assets/liabilities at fair value through OCI		Total carrying value	Total fair value
		Designated upon initial recognition	Mandatory	Equity instruments designated upon initial recognition	Mandatory		
(In ₹ crore)							
Assets:							
Cash and cash equivalents (Refer Note 2.10)	32,697	-	-	-	-	32,697	32,697
Investments (Refer Note 2.6)							
Equity, preference and other securities	-	-	22	93	-	115	115
Tax free bonds and government bonds	1,606	-	-	-	-	1,606	1,703 *
Liquid mutual fund units	-	-	68	-	-	68	68
Trade receivables (Refer Note 2.9)	11,330	-	-	-	-	11,330	11,330
Loans (Refer Note 2.7)	328	-	-	-	-	328	328
Other financials assets (Refer Note 2.8)	5,360	-	116	-	-	5,476	5,476
Total	51,321	-	206	93	-	51,620	
Liabilities:							
Trade payables	386	-	-	-	-	386	386
Other financial liabilities (Refer Note 2.14)	4,908	-	122	-	-	5,030	5,030
Total	5,294	-	122	-	-	5,416	

The carrying value and fair value of financial instruments by categories as of April 1, 2015 were as follows:

		(In ₹ crore)					
	Amortised cost	Financial assets/ liabilities at fair value through profit or loss		Financial assets/liabilities at fair value through OCI		Total carrying value	Total fair value
		Designated upon initial recognition	Mandatory	Equity instruments designated upon initial recognition	Mandatory		
Assets:							
Cash and cash equivalents (Refer Note 2.10)	30,367	-	-	-	-	30,367	30,367
Investments (Refer Note 2.6)							
Equity , preference and other securities	-	-	-	1	-	1	1
Tax free bonds and government bonds	1,304	-	-	-	-	1,304	1,344
Liquid mutual funds	-	-	842	-	-	842	842
Fixed maturity plan securities	-	-	32	-	-	32	32
Trade receivables (Refer Note 2.9)	9,713	-	-	-	-	9,713	9,713
Loans (Refer Note 2.7)	253	-	-	-	-	253	253
Other financials assets (Refer Note 2.8)	4,599	-	101	-	-	4,700	4,700
Total	46,236	-	975	1	-	47,212	
Liabilities:							
Trade payables	140	-	-	-	-	140	140
Other financial liabilities (Refer Note 2.14)	4,911	-	3	-	-	4,914	4,914
Total	5,051	-	3	-	-	5,054	

* Changes in fair values including interest accrued

Fair value hierarchy**Level 1** - Quoted prices (unadjusted) in active markets for identical assets or liabilities.**Level 2** - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).**Level 3** - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

The following table presents fair value hierarchy of assets and liabilities measured at fair value on a recurring basis as of March 31, 2017:

	As of March 31, 2017	Fair value measurement at end of the reporting period/year using		
		Level 1	Level 2	Level 3
Assets				
Investments in liquid mutual funds (Refer Note 2.6)	1,803	1,803	-	-
Investments in tax free bonds (Refer Note 2.6)	2,159	282	1,877	-
Investments in government bonds (Refer Note 2.6)	9	9	-	-
Investments in equity instruments (Refer Note 2.6)	15	-	-	15
Investments in preference securities (Refer Note 2.6)	144	-	-	144
Investments in non convertible debentures (Refer Note 2.6)	3,975	3,371	604	-
Investments in certificate of deposits (Refer Note 2.6)	7,905	-	7,905	-
Investments in fixed maturity plan securities (Refer Note 2.6)	558	-	558	-
Investments in convertible promissory note (Refer Note 2.6)	10	-	-	10
Others (Refer Note 2.6)	35	-	-	35
Derivative financial instruments - foreign currency forward and option contracts (Refer Note 2.8)	284	-	284	-
Liabilities				
Derivative financial instruments - foreign currency forward and option contracts (Refer Note 2.14)	2	-	2	-
Liability towards contingent consideration (Refer note 2.14)*	85	-	-	85

*Discounted \$14 million (approximately ₹91 crore) at 14.2%

During the year ended March 31, 2017, tax free bonds of ₹115 crore were transferred from Level 1 to Level 2 of fair value hierarchy, since these were valued based on market observable inputs

The following table presents fair value hierarchy of assets and liabilities measured at fair value on a recurring basis as of March 31, 2016:

(In ₹ crore)

	As of March 31, 2016	Fair value measurement at end of the reporting period/year using		
		Level 1	Level 2	Level 3
Assets				
Investments in liquid mutual fund units (Refer Note 2.6)	68	68	-	-
Investments in bonds (Refer Note 2.6)	1,696	369	1,327	-
Investments in government bonds (Refer Note 2.6)	7	7	-	-
Investments in equity instruments (Refer Note 2.6)	1	-	-	1
Investments in preference securities (Refer Note 2.6)	92	-	-	92
Others (Refer Note 2.6)	22	-	-	22
Derivative financial instruments - foreign currency forward and option contracts (Refer Note 2.8)	116	-	116	-
Liabilities				
Derivative financial instruments - foreign currency forward and option contracts (Refer Note 2.14)	5	-	5	-
Liability towards contingent consideration (Refer note 2.14)*	117	-	-	117

*Discounted \$20 million (approximately ₹132 crore) at 13.7%

The following table presents fair value hierarchy of assets and liabilities measured at fair value on a recurring basis as of April 1, 2015:

(In ` crore)				
	As of April 1, 2015	Fair value measurement at end of the reporting period/year using		
		Level 1	Level 2	Level 3
Assets				
Investments in liquid mutual fund units (Refer Note 2.6)	842	842	-	-
Investments in fixed maturity plan securities (Refer Note 2.6)	32	-	32	-
Investments in bonds (Refer Note 2.6)	1,340	604	736	-
Investments in government bonds (Refer Note 2.6)	4	4	-	-
Investments in equity instruments (Refer Note 2.6)	1	-	-	1
Derivative financial instruments - foreign currency forward and option contracts (Refer Note 2.8)	101	-	101	-
Liabilities				
Derivative financial instruments - foreign currency forward and option contracts (Refer Note 2.14)	3	-	3	-

A one percentage point change in the unobservable inputs used in fair valuation of the contingent consideration does not have a significant impact in its value.

The movement in contingent consideration as of March 31, 2017 from March 31, 2016 is on account of settlement of contingent consideration of ₹40 crore and change in discount rate and passage of time.

The fair value of liquid mutual funds is based on quoted price. The fair value of tax free bonds and government bonds is based on quoted prices and market observable inputs. The fair value is of non-convertible debentures is based on quoted prices and market observable inputs. The fair value of fixed maturity plan securities and certificates of deposits is based on market observable inputs. Derivative financial instruments are valued based on quoted prices for similar assets and liabilities in active markets or inputs that are directly or indirectly observable in the marketplace.

The amount invested and fair value of unquoted equity and preference securities of March 31, 2017 is ₹161 crore and ₹159 crore, respectively. The fair value is determined using Level 3 inputs like Discounted cash flows, Market multiple method, Option pricing model, etc.

Financial risk management

Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk. The Group's focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance. The primary market risk to the Group is foreign exchange risk. The Group uses derivative financial instruments to mitigate foreign exchange related risk exposures. The Group's exposure to credit risk is influenced mainly by the individual characteristic of each customer and the concentration of risk from the top few customers.

Market risk

The Group operates internationally and a major portion of the business is transacted in several currencies and consequently the Group is exposed to foreign exchange risk through its sales and services in the United States and elsewhere, and purchases from overseas suppliers in various foreign currencies. The Group holds derivative financial instruments such as foreign exchange forward and option contracts to mitigate the risk of changes in exchange rates on foreign currency exposures. The exchange rate between the Indian rupee and foreign currencies has changed substantially in recent years and may fluctuate substantially in the future. Consequently, the results of the Group's operations are adversely affected as the rupee appreciates/ depreciates against these currencies.

The following table analyzes foreign currency risk from financial instruments as of March 31, 2017:

	U.S. dollars	Euro	United Kingdom Pound Sterling	Australian dollars	Other currencies	(In ₹ crore) Total
Cash and cash equivalents	1,334	131	36	183	700	2,384
Trade receivables	8,345	1,244	775	561	702	11,627
Other financial assets (including loans)	2,862	535	372	159	403	4,331
Trade payables	(115)	(32)	(13)	(5)	(158)	(323)
Other financial liabilities	(2,129)	(406)	(211)	(211)	(547)	(3,504)
Net assets / (liabilities)	10,297	1,472	959	687	1,100	14,515

The following table analyzes foreign exchange risk from financial instruments as of March 31, 2016:

	U.S. dollars	Euro	United Kingdom Pound Sterling	Australian dollars	Other currencies	(In ₹ crore) Total
Cash and cash equivalents	1,124	167	202	171	601	2,265
Trade receivables	7,558	1,280	721	598	696	10,853
Other financial assets (including loans)	1,967	405	216	124	337	3,049
Trade payables	(126)	(75)	(73)	(4)	(76)	(354)
Other financial liabilities	(2,430)	(369)	(197)	(243)	(558)	(3,797)
Net assets / (liabilities)	8,093	1,408	869	646	1,000	12,016

For the three months ended March 31, 2017 and March 31, 2016, every percentage point depreciation / appreciation in the exchange rate between the Indian rupee and U.S. dollar, has affected the Company's incremental operating margins by approximately 0.50%. and 0.49%, respectively.

For the year ended March 31, 2017 and March 31, 2016, every percentage point depreciation / appreciation in the exchange rate between the Indian rupee and U.S. dollar, has affected the Company's incremental operating margins by approximately 0.50%.

Sensitivity analysis is computed based on the changes in the income and expenses in foreign currency upon conversion into functional currency, due to exchange rate fluctuations between the previous reporting period and the current reporting period.

Derivative financial instruments

The Group holds derivative financial instruments such as foreign currency forward and option contracts to mitigate the risk of changes in exchange rates on foreign currency exposures. The counterparty for these contracts is generally a bank. These derivative financial instruments are valued based on quoted prices for similar assets and liabilities in active markets or inputs that are directly or indirectly observable in the marketplace.

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

	As of		As of	
	March 31, 2017		March 31, 2016	
	In million	In ₹ crore	In million	In ₹ crore
Derivatives designated as cash flow hedges				
Forward contracts				
In Euro	95	658	-	-
In United Kingdom Pound Sterling	40	324	-	-
In Australian dollars	130	644	-	-
Option Contracts				
In Euro	40	277	-	-
Other derivatives				
Forward contracts				
In U.S. dollars	526	3,411	510	3,379
In Euro	114	786	100	750
In United Kingdom Pound Sterling	75	609	65	623
In Australian dollars	35	174	55	281
In Swiss Franc	10	65	25	173
In Singapore dollars	5	23	-	-
In Swedish Krona	50	36	-	-
Option Contracts				
In U.S. dollars	195	1,265	125	828
In Euro	25	173	-	-
In United Kingdom Pound Sterling	30	243	-	-
In Canadian dollars	13	65	-	-
Total forwards and options		8,753		6,034

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

(In ₹ crore)

	As of	
	March 31, 2017	March 31, 2016
Not later than one month	2,303	1,577
Later than one month and not later than three months	4,316	3,420
Later than three months and not later than one year	2,134	1,037
	8,753	6,034

During the year ended March 31, 2017, the group has designated certain foreign exchange forward contracts as cash flow hedges to mitigate the risk of foreign exchange exposure on highly probable forecast cash transactions. The related hedge transactions for balance in cash flow hedging reserve are expected to occur and reclassified to revenue in the statement of profit or loss within 3 months.

Hedge effectiveness is determined at the inception of the hedge relationship, and through periodic prospective effectiveness assessments to ensure that an economic relationship exists between the hedged item and hedging instrument, including whether the hedging instrument is expected to offset changes in cash flows of hedged items.

If the hedge ratio for risk management purposes is no longer optimal but the risk management objective remains unchanged and the hedge continues to qualify for hedge accounting, the hedge relationship will be rebalanced by adjusting either the volume of the hedging instrument or the volume of the hedged item so that the hedge ratio aligns with the ratio used for risk management purposes. Any hedge ineffectiveness is calculated and accounted for in profit or loss at the time of the hedge relationship rebalancing.

The following table provides the reconciliation of cash flow hedge reserve for the three months and year ended March 31, 2017:

(In ₹ crore)

	Three months ended March 31, 2017	Year ended March 31, 2017
Balance at the beginning of the period	28	-
Gain / (Loss) recognised in other comprehensive income during the period	73	121
Amount reclassified to revenue during the period	(59)	(69)
Tax impact on above	(3)	(13)
Balance at the end of the period	39	39

The group offsets a financial asset and a financial liability when it currently has a legally enforceable right to set off the recognized amounts and the group intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

The following table provides quantitative information about offsetting of derivative financial assets and derivative financial liabilities:

(In ₹ crore)

	As of		As of	
	March 31, 2017		March 31, 2016	
	Derivative financial asset	Derivative financial liability	Derivative financial asset	Derivative financial liability
Gross amount of recognized financial asset/liability	285	(3)	124	(13)
Amount set off	(1)	1	(8)	8
Net amount presented in balance sheet	284	(2)	116	(5)

Credit risk

Credit risk refers to the risk of default on its obligation by the counterparty resulting in a financial loss. The maximum exposure to the credit risk at the reporting date is primarily from trade receivables amounting to ₹12,322 crore and ₹11,330 crore as of March 31, 2017 and March 31, 2016, respectively and unbilled revenue amounting to ₹3,648 crore and ₹3,029 crore as of March 31, 2017 and March 31, 2016, respectively. Trade receivables and unbilled revenue are typically unsecured and are derived from revenue earned from customers primarily located in the United States. Credit risk has always been managed by the group through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Group grants credit terms in the normal course of business. On account of adoption of Ind AS 109, the group uses expected credit loss model to assess the impairment loss or gain. The group uses a provision matrix to compute the expected credit loss allowance for trade receivables and unbilled revenues. The provision matrix takes into account available external and internal credit risk factors such as credit default swap quotes, credit ratings from international credit rating agencies and the Group's historical experience for customers.

The following table gives details in respect of percentage of revenues generated from top customer and top five customers:

	Three months ended March 31		Year ended March 31,	
	2017	2016	2017	2016
Revenue from top customer	3.3	3.6	3.4	3.6
Revenue from top five customers	12.2	13.7	12.6	13.8

Credit risk exposure

The allowance for lifetime expected credit loss on customer balances for the three months and year ended March 31, 2017 was ₹57 crore and ₹132 crore, respectively. The reversal of provision of allowance for lifetime expected credit loss on customer balances for the three months and year ended March 31, 2016 was ₹27 crore and ₹52 crore, respectively.

	Three months ended March 31,		Year ended March 31,	
	2017	2016	2017	2016
Balance at the beginning	362	326	289	366
Impairment loss recognized / (reversed)	57	(27)	132	(52)
Amounts written off	-	(13)	(1)	(33)
Translation differences	(8)	3	(9)	8
Balance at the end	411	289	411	289

The Company's credit period generally ranges from 30-60 days.

	As of	
	March 31, 2017	March 31, 2016
Trade receivables	12,322	11,330
Unbilled revenues	3,648	3,029
Days Sales Outstanding- DSO (days)	68	66

Credit risk on cash and cash equivalents is limited as we generally invest in deposits with banks and financial institutions with high credit ratings assigned by international and domestic credit rating agencies. Investments primarily include investment in liquid mutual fund units, fixed maturity plan securities, certificate of deposits, quoted bonds issued by government and quasi government organizations and non convertible debentures.

Liquidity risk

The Group's principal sources of liquidity are cash and cash equivalents and the cash flow that is generated from operations. The Group has no outstanding bank borrowings. The Group believes that the working capital is sufficient to meet its current requirements. Accordingly, no liquidity risk is perceived.

As of March 31, 2017, the Group had a working capital of ₹39,692 crore including cash and cash equivalents of ₹22,625 crore and current investments of ₹9,970 crore. As of March 31, 2016, the Group had a working capital of ₹38,514 crore including cash and cash equivalents of ₹32,697 crore and current investments of ₹75 crore.

As of March 31, 2017 and March 31, 2016, the outstanding employee compensated absences were ₹1,359 crore and ₹1,341 crore, respectively, which have been substantially funded. Accordingly no liquidity risk is perceived.

The table below provides details regarding the contractual maturities of significant financial liabilities as of March 31, 2017:

	(In ₹ crore)				
Particulars	Less than 1 year	1-2 years	2-4 years	4-7 years	Total
Trade payables	367	-	-	-	367
Other financial liabilities (excluding liability towards acquisition) (Refer Note 2.14)	4,943	31	-	-	4,974
Liability towards acquisitions on an undiscounted basis (including contingent consideration) -Refer Note 2.14	45	46	-	-	91

The table below provides details regarding the contractual maturities of significant financial liabilities as of March 31, 2016:

	(In ₹ crore)				
Particulars	Less than 1 year	1-2 years	2-4 years	4-7 years	Total
Trade payables	386	-	-	-	386
Other financial liabilities (excluding liability towards acquisition) (Refer Note 2.14)	4,875	25	9	-	4,909
Liability towards acquisitions on an undiscounted basis (including contingent consideration) -Refer Note 2.14	86	46	-	-	132

2.13 EQUITY

SHARE CAPITAL

in ₹ crore, except as otherwise stated

Particulars	As at		
	March 31 2017	March 31, 2016	April 1, 2015
Authorized			
Equity shares, ₹5/- par value			
240,00,00,000 (240,00,00,000 ⁽³⁾) equity shares	1,200	1,200	600
Issued, Subscribed and Paid-Up			
Equity shares, ₹5/- par value ⁽¹⁾	1,144	1,144	572
228,56,55,150 (228,56,21,088 ⁽³⁾) equity shares fully paid-up ⁽²⁾			
	1,144	1,144	572

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

⁽¹⁾ Refer note 2.23 for details of basic and diluted shares

⁽²⁾ Net of treasury shares 112,89,514 (113,23,576)

⁽³⁾ Represents number of shares as of March 31, 2016

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 equity shares represented by American Depositary Shares (ADS) carry similar rights to voting and dividends as the other equity shares. Each ADS represents one underlying equity 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. The remittance of dividends outside India is governed by Indian law on foreign exchange and is subject to applicable distribution taxes.

In the period of five years immediately preceding March 31 2017:

The Company has allotted 114,84,72,332 and 57,42,36,166 fully paid-up shares of face value ₹5/- each during the quarter ended June 30, 2015 and December 31, 2014, pursuant to bonus issue approved by the shareholders through postal ballot. 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.

The Board of Directors, in its meeting on April 15, 2016, proposed a final dividend of ₹14.25/- per equity share and the same was approved by the shareholders at the Annual General Meeting held on June 18, 2016. The amount was recognized as distributions to equity shareholders during the year ended March 31, 2017 and the total appropriation was ₹3,923 crore (excluding dividend on treasury shares), including corporate dividend tax. (Refer note 2.2.1 for impact on transition to Ind AS)

The amount of per share dividend recognized as distributions to equity shareholders during the year ended March 31, 2016 was ₹29.50/- per equity share (not adjusted for June 17, 2015 bonus issue).

The board of directors in their meeting on October 14, 2016 declared an interim dividend of ₹11/- per equity share, which resulted in cash outflow of ₹3,029 crore, (excluding dividend paid on treasury shares) inclusive of corporate dividend tax

The Board of Directors, in its meeting on April 13, 2017, have proposed a final dividend of ₹14.75/- per equity share for the financial year ended March 31, 2017. The proposal is subject to the approval of shareholders at the Annual General Meeting to be held on June 24, 2017 and if approved would result in a cash outflow of approximately ₹4,061 crore (excluding dividend paid on treasury shares), including corporate dividend tax.

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. However, no such preferential amounts exist currently, other than the amounts held by irrevocable controlled trusts. For irrevocable controlled trusts, the corpus would be settled in favour of the beneficiaries.

The details of shareholder holding more than 5% shares as at March 31, 2017 and March 31, 2016 are set out below :

Name of the shareholder	As at March 31, 2017		As at March 31, 2016	
	Number of shares	% held	Number of shares	% held
Deutsche Bank Trust Company Americas (Depository of ADR's - legal ownership)	38,33,17,937	16.69	38,53,17,937	16.78
Life Insurance Corporation of India	16,14,36,123	7.03	13,22,74,300	5.76

The reconciliation of the number of shares outstanding and the amount of share capital as at March 31, 2017 and March 31, 2016 is set out below:

in ₹ crore, except as stated otherwise

Particulars	As at March 31, 2017		As at March 31, 2016	
	Number of shares	Amount	Number of shares	Amount
Number of shares at the beginning of the period	2,285,621,088	1,144	1,142,805,132	572
Add: Bonus shares issued (including bonus on treasury shares)	-	-	1,148,472,332	574
Add: Shares issued on exercise of employee stock options	34,062	-	10,824	-
Less: Increase in treasury shares consequent to bonus issue	-	-	5,667,200	2
Number of shares at the end of the period	2,285,655,150	1,144	2,285,621,088	1,144

Employee Stock Option Plan (ESOP):

2015 Stock Incentive Compensation Plan (the 2015 Plan): SEBI issued the Securities and Exchange Board of India (Share based Employee Benefits) Regulations, 2014 ('SEBI Regulations') which replaced the SEBI ESOP Guidelines, 1999. The 2011 Plan (as explained below) was required to be amended and restated in accordance with the SEBI Regulations. Consequently, to effect this change and to further introduce stock options/ADRs and other stock incentives, the Company put forth the 2015 Stock Incentive Compensation Plan (the 2015 Plan) for approval to the shareholders of the Company. Pursuant to the approval by the shareholders through postal ballot which ended on March 31, 2016, the Board of Directors have been authorised to introduce, offer, issue and allot share-based incentives to eligible employees of the Company and its subsidiaries under the 2015 Plan. The maximum number of shares under the 2015 plan shall not exceed 2,40,38,883 equity shares (this includes 1,12,23,576 equity shares which were held by the Trust towards the 2011 Plan as at March 31, 2016). 1,70,38,883 equity shares will be issued as RSUs at par value and 70,00,000 equity shares will be issued as stock options at market price. These instruments will vest over a period of 4 years and the Company expects to grant the instruments under the 2015 Plan over the period of 4 to 7 years.

On August 1, 2016, the company granted 17,83,615 RSUs (includes equity shares and equity shares represented by ADS) at par value, to employees upto mid management (excluding grants made to Dr. Vishal Sikka). Further, the company granted 73,020 Incentive Units (cash-settled) to eligible employees. These instruments will vest equally over a period of 4 years and are subject to continued service.

Further on November 1, 2016, the company granted 9,70,375 RSUs (includes equity shares and equity shares represented by ADS) at par value, 12,05,850 employee stock options (ESOPs) (including equity shares and equity shares represented by ADS) to be exercised at market price at the time of grant, to certain employees at the senior management level. Further the company granted 20,640 incentive units (cash-settled) to certain employees at the senior management level. These instruments will vest equally over a period of 4 years and are subject to continued service.

Additionally, on February 1, 2017, the company granted 18,550 incentive units (cash-settled) to certain employees at the senior management level. These instruments will vest equally over a period of 4 years and are subject to continued service.

As of March 31, 2017, 1,12,89,514 shares are held by the trust towards 2015 Plan. As of March 31, 2017, 106,845 incentive units were outstanding (net of forfeitures) and the carrying value of the cash liability is ₹3 crore.

Pursuant to the approval from the shareholders through postal ballot on March 31, 2016, Dr. Vishal Sikka is eligible to receive under the 2015 Plan, an annual grant of RSUs of fair value \$2 million which vest over time, subject to continued service, and an annual grant of performance based equity and stock options of \$5 million subject to achievement of performance targets set by the Board or its committee, which vest over time. \$2 million of fair value in RSUs for financial year 2017 was granted on August 1, 2016 amounting to 120,700 RSUs in equity shares represented by ADS.

The Nomination and Remuneration Committee in its meeting held on October 14, 2016 recommended a grant of 27,250 RSUs and 43,000 ESOPs to U.B.Pravin Rao, Chief Operating Officer (COO), under the 2015 Plan and the same was approved by the shareholders through postal ballot on March 31, 2017. These RSUs and ESOPs will be granted w.e.f May 2, 2017. These RSUs and stock options would vest over a period of 4 years and shall be exercisable within the period as approved by the Committee. The exercise price of the RSUs will be equal to the par value of the shares and the exercise price of the stock options would be the market price as on the date of grant, as approved by the shareholders. Though these RSUs and ESOPs have not been granted as of March 31, 2017, in accordance with Ind AS 102 Share-based Payment, the company has recorded employee stock based compensation expense for the same.

2011 RSU Plan (the 2011 Plan) now called 2015 Stock Incentive Compensation Plan (the 2015 Plan): The Company had a 2011 RSU Plan which provided for the grant of restricted stock units (RSUs) to eligible employees of the Company. The Board of Directors recommended the 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 was 1,13,34,400 as on date of approval of plan adjusted for bonus shares and the plan was expected to continue in effect for a term of 10 years from the date of initial grant under the plan. Awards have been granted to Dr. Vishal Sikka under the 2011 RSU plan as detailed below. Further the Company has earmarked 1,00,000 equity shares for welfare activities of the employees, approved by the shareholders vide postal ballot which ended on March 31, 2016. The equity shares as of March 31, 2016 held under this plan, i.e. 1,12,23,576 equity shares (this includes the aggregate number of equity shares that may be awarded under the 2011 Plan as reduced by 10,824 equity shares already exercised by Dr. Vishal Sikka and 1,00,000 equity shares which have been earmarked for welfare activities of the employees) have been subsumed under the 2015 Plan.

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 Officer and Managing Director. The Board in its meeting held on June 22, 2015, on recommendation of Nomination and Remuneration Committee, further granted 1,24,061 RSUs to Dr. Vishal Sikka. These RSUs are vesting 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.

The award granted to Dr. Vishal Sikka on June 22, 2015 was modified by the Nomination and remuneration committee on April 14, 2016. There is no modification or change in the total number of RSUs granted or the vesting period (which is four years). The modifications relate to the criteria of vesting for each of the years. Based on the modification, the first tranche of the RSUs will vest subject to achievement of certain key performance indicators for the year ended March 31, 2016. Subsequent vesting of RSUs for each of the remaining years would be subject to continued employment.

The activity in the 2015 Plan (formerly 2011 RSU Plan) for equity-settled share based payment transactions during the three months and year ended March 31, 2017 is set out below:

Particulars	Three months ended March 31, 2017		Year ended March 31, 2017	
	Shares arising out of options	Weighted average exercise price (₹)	Shares arising out of options	Weighted average exercise price (₹)
2015 Plan (Formerly 2011 Plan): Indian equity shares (RSU - IES)				
Outstanding at the beginning*	2,030,758	5	221,505	5
Granted	-	-	1,878,025	5
Forfeited and expired	23,410	5	61,540	5
Exercised	3,420	5	34,062	5
Outstanding at the end	2,003,928	5	2,003,928	5
Exercisable at the end	-	-	-	-
2015 Plan (Formerly 2011 Plan): Employee Stock Options (ESOPs- IES)				
Outstanding at the beginning	309,650	998	-	-
Granted	-	-	309,650	998
Forfeited and expired	-	-	-	-
Exercised	-	-	-	-
Outstanding at the end	309,650	998	309,650	998
Exercisable at the end	-	-	-	-

*adjusted for bonus issues (Refer above note 2.13)

Particulars	Three months ended March 31, 2017		Year ended March 31, 2017	
	Shares arising out of options	Weighted average exercise price (\$)	Shares arising out of options	Weighted average exercise price (\$)
2015 Plan (Formerly 2011 Plan): American Depository Shares (RSU - ADS)				
Outstanding at the beginning	975,130	0.07	-	-
Granted	-	-	996,665	0.07
Forfeited and expired	17,685	0.07	39,220	0.07
Exercised	-	-	-	-
Outstanding at the end	957,445	0.07	957,445	0.07
Exercisable at the end	-	-	-	-
2015 Plan (Formerly 2011 Plan): Employee Stock Options (ESOPs- ADS)				
Outstanding at the beginning	896,200	15.26	-	-
Granted	-	-	896,200	15.26
Forfeited and expired	8,200	15.26	8,200	15.26
Exercised	-	-	-	-
Outstanding at the end	888,000	15.26	888,000	15.26
Exercisable at the end	-	-	-	-

The activity in the 2015 Plan (formerly 2011 RSU Plan) for equity-settled share based payment transactions during the three months and year ended March 31, 2016 is set out below:

Particulars	Three months ended March 31, 2016		Year ended March 31, 2016	
	Shares arising out of options	Weighted average exercise price (₹)	Shares arising out of options	Weighted average exercise price (₹)
2015 Plan (Formerly 2011 Plan): Indian equity shares (IES)				
Outstanding at the beginning*	223,213	5	108,268	5
Granted	-	-	124,061	5
Forfeited and expired	-	-	-	-
Exercised*	1,708	5	10,824	5
Outstanding at the end	221,505	5	221,505	5
Exercisable at the end	-	-	-	-

*adjusted for bonus issues (Refer above note 2.13)

During the three months ended March 31, 2017, the weighted average share price of options exercised under the 2015 Plan on the date of exercise was ₹972/-

During the year ended March 31, 2017 and March 31, 2016, the weighted average share price of options exercised under the 2015 Plan on the date of exercise was ₹1,084/- and ₹1,088/-

The following table summarizes information about equity settled RSUs and ESOPs outstanding as of March 31, 2017:

Range of exercise prices per share (₹)	Options outstanding		
	No. of shares arising out of options	Weighted average remaining contractual life	Weighted average exercise price (₹)
2015 Plan: ADS and IES			
0 - 5 (RSU)	2,961,373	1.88	5.00
900 - 1100 (ESOP)	1,197,650	7.09	1,026.50
	4,159,023	3.38	299.16

The weighted average remaining contractual life of RSUs outstanding as of March 31, 2016 under the 2015 Plan was 1.98 years.

The fair value of each equity settled RSU is estimated on the date of grant using the Black-Scholes-Merton model with the following assumptions:

Particulars	For options granted in			
	Fiscal 2017- Equity Shares-RSU	Fiscal 2017- Equity shares ESOP	Fiscal 2017- ADS-RSU	Fiscal 2017- ADS- ESOP
Grant date	1-Nov-16	1-Nov-16	1-Nov-16	1-Nov-16
Weighted average share price (₹) / (\$- ADS)	989	989	15.26	15.26
Exercise price (₹)/ (\$- ADS)	5.00	998	0.07	15.26
Expected volatility (%)	24-29	27-29	26-29	27-31
Expected life of the option (years)	1 - 4	3 - 7	1 - 4	3 - 7
Expected dividends (%)	2.37	2.37	2.29	2.29
Risk-free interest rate (%)	6- 7	6- 7	1 - 2	1 - 2
Weighted average fair value as on grant date (₹) / (\$- ADS)	929	285	14.35	3.46

Particulars	For options granted in			
	Fiscal 2017- Equity Shares-RSU	Fiscal 2017- ADS-RSU	Fiscal 2016- ADS-RSU	Fiscal 2015- ADS-RSU
Grant date	1-Aug-16	1-Aug-16	22-Jun-15	21-Aug-14
Weighted average share price (₹) / (\$- ADS)*	1,085	16.57	1,024	3,549
Exercise price (₹)/ (\$- ADS)*	5.00	0.07	5.00	5.00
Expected volatility (%)	25-29	26-30	28-36	30-37
Expected life of the option (years)	1 - 4	1 - 4	1 - 4	1 - 4
Expected dividends (%)	2.37	2.29	2.43	1.84
Risk-free interest rate (%)	6- 7	0.5 - 1	7- 8	8- 9
Weighted average fair value as on grant date (₹) / (\$- ADS)*	1,019	15.59	948	3,355

* Data for Fiscal 2015 is not adjusted for bonus issues

The expected term of the RSU / ESOP is estimated based on the vesting term and contractual term of the RSU / ESOP, as well as expected exercise behaviour of the employee who receives the RSU / ESOP. Expected volatility during the expected term of the RSU / ESOP 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 / ESOP.

The company recorded an employee stock compensation expense in the statement of profit and loss for the three months ended March 31, 2017 and March 31, 2016 is ₹45 crore and ₹2 crore respectively, and ₹117 crore and ₹7 crore, for the year ended March 31, 2017 and March 31, 2016 respectively. The cash settled stock compensation expense for the three months and year ended March 31, 2017 was ₹1 crore and ₹3 crore.

2.14 OTHER FINANCIAL LIABILITIES

Particulars	in ₹ crore		
	As at		
	March 31, 2017	March 31, 2016	April 1, 2015
Non-current			
Others			
Accrued compensation to employees ⁽¹⁾	30	33	-
Payable for acquisition of business (refer note 2.3) ⁽²⁾			
Contingent consideration	40	36	-
	70	69	-
Current			
Unpaid dividends ⁽¹⁾	17	5	3
Others			
Accrued compensation to employees ⁽¹⁾	1,881	2,265	2,106
Accrued expenses ⁽¹⁾	2,585	2,189	1,984
Retention monies ⁽¹⁾	220	80	53
Payable for acquisition of business			
Deferred consideration (refer note 2.3) ⁽¹⁾	-	-	487
Contingent consideration (refer note 2.3) ⁽²⁾	45	81	-
Client deposits ⁽¹⁾	32	28	27
Payable by controlled trusts ⁽¹⁾	145	167	177
Compensated absences	1,359	1,341	1,069
Foreign currency forward and options contracts ⁽²⁾	2	5	3
Capital creditors ⁽¹⁾	48	81	43
Other payables ⁽¹⁾	15	60	31
	6,349	6,302	5,983
Total Financial Liabilities	6,419	6,371	5,983
⁽¹⁾ Financial liability carried at amortized cost	4,973	4,908	4,911
⁽²⁾ Financial liability carried at fair value through profit and loss	87	122	3
Contingent consideration on undiscounted basis	91	132	-

2.15 OTHER LIABILITIES

Particulars	in ₹ crore		
	As at		
	March 31, 2017	March 31, 2016	April 1, 2015
Non-current			
Others			
Deferred income - government grant on land use rights	41	46	47
Deferred income	42	-	-
	83	46	47
Current			
Unearned revenue	1,777	1,332	1,052
Other			
Withholding taxes and others	1,226	1,296	904
Accrued gratuity (refer note 2.22.1)	1	-	7
Tax on dividend	-	-	-
Deferred rent	2	-	-
Deferred income - government grant on land use rights	1	1	1
	3,007	2,629	1,964

2.16 PROVISIONS

Particulars	in ₹ crore		
	As at		
	March 31, 2017	March 31, 2016	April 1, 2015
Current			
Others			
Post-sales client support and warranties and others	405	512	478
Total	405	512	478

Provision for post-sales client support and warranties and others

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

Particulars	in ₹ crore	
	Three months ended March 31, 2017	Year ended March 31, 2017
Balance at the beginning	412	512
Provision recognized/(reversed)	23	94
Provision utilized	(12)	(195)
Exchange difference	(18)	(6)
Balance at the end	405	405

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

2.17 INCOME TAXES

Income tax expense in the consolidated statement of profit and loss comprises:

	In ₹ crore			
	Three months ended March 31,		Year ended March 31,	
	2017	2016	2017	2016
Current taxes	1,249	1,426	5,653	5,318
Deferred taxes	81	(32)	(55)	(67)
Income tax expense	1,330	1,394	5,598	5,251

Income tax expense for the three months ended March 31, 2017 and March 31, 2016 includes reversals (net of provisions) of ₹91 crore and ₹69 crore, respectively, pertaining to prior periods.

Income tax expense for the year ended March 31, 2017 and March 31, 2016 includes reversals (net of provisions) of ₹152 crore and ₹309 crore, respectively, pertaining to prior periods.

Entire deferred income tax for the three months and year ended March 31, 2017 and March 31, 2016 relates to origination and reversal of temporary differences.

A reconciliation of the income tax provision to the amount computed by applying the statutory income tax rate to the income before income taxes is summarized below:

	In ₹ crore			
	Three months ended March 31,		Year ended March 31,	
	2017	2016	2017	2016
Profit before income taxes	4,933	4,991	19,951	18,740
Enacted tax rates in India	34.61%	34.61%	34.61%	34.61%
Computed expected tax expense	1,707	1,727	6,905	6,486
Tax effect due to non-taxable income for Indian tax purposes	(433)	(496)	(1,982)	(1,758)
Overseas taxes	137	205	750	715
Tax provision (reversals), overseas and domestic	(91)	(69)	(152)	(309)
Effect of exempt non-operating income	(8)	(32)	(65)	(83)
Effect of unrecognized deferred tax assets	32	42	93	62
Effect of differential overseas tax rates	35	1	64	3
Effect of non-deductible expenses	(47)	18	26	194
Additional deduction on research and development expense	(14)	(7)	(56)	(60)
Others	12	5	15	1
Income tax expense	1,330	1,394	5,598	5,251

The applicable Indian statutory tax rates for fiscal 2017 and fiscal 2016 is 34.61%.

During the year ended March 31, 2017, the Group has claimed weighted tax deduction on eligible research and development expenditure based on the approval received from Department of Scientific and Industrial Research (DSIR) which is valid upto March 31, 2017. The weighted tax deduction is equal to 200% of such expenditure incurred. The company has applied for renewal of the R&D recognition with DSIR.

During year ended March 31, 2016 Infosys had claimed weighted tax deduction on eligible research and development till July 31, 2015 based on the approval received from Department of Scientific and Industrial Research (DSIR) on November 23, 2011 which was renewed effective April 2014. With effect from August 1, 2015 the business of Finacle, including the R&D activities, was transferred to its wholly owned subsidiary Edgeverve Systems Limited. However the approval for Edgeverve was effective April 2016.

The foreign expense is due to income taxes payable overseas principally in the United States. In India, the company has benefited from certain tax incentives that the Government of India had provided for export of software from the units registered under the Special Economic Zones Act, 2005 (SEZ). SEZ units which began the provision of services on or after April 1, 2005 are eligible for a deduction of 100 percent of profits or gains derived from the export of services for the first five years from the financial year in which the unit commenced the provision of services and 50 percent of such profits or gains for further five years. Up to 50% of such profits or gains is also available for a further five years subject to creation of a Special Economic Zone re-Investment Reserve out of the profit of the eligible SEZ units and utilization of such reserve by the Company for acquiring new plant and machinery for the purpose of its business as per the provisions of the Income Tax Act, 1961.

Infosys is subject to a 15% Branch Profit Tax (BPT) in the U.S. to the extent its U.S. branch's net profit during the year is greater than the increase in the net assets of the U.S. branch during the year, computed in accordance with the Internal Revenue Code. As of March 31, 2017, Infosys' U.S. branch net assets amounted to approximately ₹5,995 crore. As of March 31, 2017, the Company has provided for branch profit tax of ₹327 crore for its U.S. branch, as the Company estimates that these branch profits are expected to be distributed in the foreseeable future. The change in provision for branch profit tax includes ₹7 crore movement on account of exchange rate during the year ended March 31, 2017.

Deferred income tax liabilities have not been recognized on temporary differences amounting to ₹5,309 crore and ₹4,195 crore as of March 31, 2017 and March 31, 2016, respectively, associated with investments in subsidiaries and branches as it is probable that the temporary differences will not reverse in the foreseeable future.

The following table provides the details of income tax assets and income tax liabilities as of March 31, 2017, March 31, 2016 and April 1, 2015:

	In ₹ crore		
	As at		
	March 31, 2017	March 31, 2016	April 1, 2015
Income tax assets	5,716	5,230	4,089
Current income tax liabilities	3,885	3,410	2,818
Net current income tax asset/ (liability) at the end	1,831	1,820	1,271

The gross movement in the current income tax asset/ (liability) for the three months and year ended March 31, 2017 and March 31, 2016 is as follows:

	In ₹ crore			
	Three months ended March 31,		Year ended March 31,	
	2017	2016	2017	2016
Net current income tax asset/ (liability) at the beginning	1,454	1,783	1,820	1,271
Translation differences	-	(12)	-	-
Income tax paid	1,628	1,475	5,653	5,865
Current income tax expense (Refer Note 2.17)	(1,249)	(1,426)	(5,653)	(5,318)
Income tax benefit arising on exercise of stock options	-	-	1	-
Income tax on other comprehensive income	(2)	-	10	2
Net current income tax asset/ (liability) at the end	1,831	1,820	1,831	1,820

The tax effects of significant temporary differences that resulted in deferred income tax assets and liabilities are as follows:

	In ₹ crore		
	As at		
	March 31, 2017	March 31, 2016	April 1, 2015
Deferred income tax assets			
Property, plant and equipment	138	178	241
Computer software	40	50	51
Accrued compensation to employees	57	68	48
Trade receivables	136	89	111
Compensated absences	374	389	299
Post sales client support	97	77	74
Intangibles	22	4	-
Others	143	55	31
Total deferred income tax assets	1,007	910	855
Deferred income tax liabilities			
Intangible asset	(206)	(252)	(159)
Temporary difference related to branch profits	(327)	(334)	(316)
Others	(141)	(40)	(3)
Total deferred income tax liabilities	(674)	(626)	(478)
Deferred income tax assets after set off	540	536	536
Deferred income tax liabilities after set off	(207)	(252)	(159)

Deferred tax assets and deferred tax liabilities have been offset wherever the Group 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 deferred income tax assets and deferred income tax liabilities recoverable within and after 12 months are as follows:

	In ₹ crore	
	As of	
	March 31, 2017	March 31, 2016
Deferred income tax assets to be recovered after 12 months	529	409
Deferred income tax assets to be recovered within 12 months	478	501
Total deferred income tax assets	1,007	910
Deferred income tax liabilities to be settled after 12 months	(312)	(446)
Deferred income tax liabilities to be settled within 12 months	(362)	(180)
Total deferred income tax liabilities	(674)	(626)

In assessing the reliability of deferred income tax assets, management considers whether some portion or all of the deferred income tax assets will not be realized. The ultimate realization of deferred income tax assets is dependent upon the generation of future taxable income during the periods in which the temporary differences become deductible. Management considers the scheduled reversals of deferred income tax liabilities, projected future taxable income, and tax planning strategies in making this assessment. Based on the level of historical taxable income and projections for future taxable income over the periods in which the deferred income tax assets are deductible, management believes that the Group will realize the benefits of those deductible differences. The amount of the deferred income tax assets considered realizable, however, could be reduced in the near term if estimates of future taxable income during the carry forward period are reduced.

The gross movement in the deferred income tax account for the three months and year ended March 31, 2017 and March 31, 2016, is as follows:

	In ₹ crore			
	Three months ended March 31,		Year ended March 31,	
	2017	2016	2017	2016
Net deferred income tax asset at the beginning	396	251	284	377
Addition through business combination (Refer note 2.3)	-	-	-	(128)
Translation differences	21	1	7	(32)
Credits / (charge) relating to temporary differences (Refer Note 2.17 above)	(81)	32	55	67
Temporary differences on other comprehensive income	(3)	-	(13)	-
Net deferred income tax asset at the end	333	284	333	284

The charge relating to temporary differences during the year ended March 31, 2017 are primarily on account of property plant and equipment and compensated absences partially offset by trade receivables and post sales client support. The credits relating to temporary differences during the year ended March 31, 2016 are primarily on account of accrued compensation to employees and compensated absences partially offset by reversal of credits pertaining to property plant and equipment and trade receivables.

2.18 REVENUE FROM OPERATIONS

Particulars	Three months ended March 31,		Year ended March 31,	
	2017	2016	2017	2016
Income from software services	16,593	16,059	66,383	60,528
Income from software products	527	491	2,101	1,913
	17,120	16,550	68,484	62,441

2.19 OTHER INCOME

Particulars	Three months ended March 31,		Year ended March 31,	
	2017	2016	2017	2016
Interest received on financial assets carried at amortized cost:				
Bonds and government bonds	34	31	128	113
Deposit with Bank and others	410	609	2,233	2,521
Interest received on financial assets carried at Fair Value through other comprehensive income:				
Non convertible debentures	160	-	190	-
Income received on investment carried at Fair Value through Profit or Loss				
Dividend received on liquid mutual fund units	-	9	29	64
Gains/(losses) on liquid mutual fund units	66	-	119	-
Exchange gains/ (losses) on foreign currency forward and options contracts	290	58	591	29
Exchange gains/ (losses) on translation of other assets and liabilities	(262)	16	(359)	140
Others	48	49	149	256
	746	772	3,080	3,123

2.20 EXPENSES

Particulars	Three months ended March 31,		Year ended March 31,	
	2017	2016	2017	2016
<i>Employee benefit expenses</i>				
Salaries including bonus	9,013	8,795	36,557	33,549
Contribution to provident and other funds	194	165	770	648
Share based payments to employees (<i>Refer note 2.13</i>)	45	2	117	7
Staff welfare	57	62	215	202
	9,309	9,024	37,659	34,406
<i>Cost of software packages and others</i>				
For own use	218	196	795	740
Third party items bought for service delivery to clients	260	134	802	534
	478	330	1,597	1,274
<i>Other expenses</i>				
Repairs and maintenance	331	301	1,242	1,014
Power and fuel	46	52	228	217
Brand and marketing	76	75	342	198
Operating lease payments	134	98	491	360
Rates and taxes	30	29	148	109
Consumables	9	10	40	41
Insurance	16	17	56	60
Provision for post-sales client support and warranties	16	22	80	8
Commission to non-whole time directors	2	2	10	9
Impairment loss recognized / (reversed) on financial assets	58	(24)	140	(46)
Auditor's remuneration				
Statutory audit fees	2	2	7	7
Taxation matters	-	-	-	-
Other services	-	-	-	-
Reimbursement of expenses	-	-	-	-
Contributions towards Corporate Social responsibility	44	45	230	216
Others	59	78	230	318
	823	707	3,244	2,511

2.21 LEASES

The lease rentals charged during the period is as under:

Particulars	Three months ended March 31,		Year ended March 31,	
	2017	2016	2017	2016
Lease rentals recognized during the period	134	98	491	360

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

Future minimum lease payable	As at		
	March 31, 2017	March 31, 2016	April 1, 2015
Not later than 1 year	462	372	168
Later than 1 year and not later than 5 years	1,217	873	395
Later than 5 years	945	442	168

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.

2.22 EMPLOYEE BENEFITS

2.22.1 Gratuity

The following tables set out the funded status of the gratuity plans and the amounts recognized in the Group's financial statements as of March 31, 2017 and March 31, 2016:

Particulars	(In ₹ crore)	
	As of	
	March 31, 2017	March 31, 2016
Change in benefit obligations		
Benefit obligations at the beginning	944	816
Service cost	129	118
Interest expense	69	61
Addition through business combination	-	1
Remeasurements - Actuarial (gains)/ losses	67	23
Curtailment gain	(3)	-
Benefits paid	(89)	(75)
Benefit obligations at the end	1,117	944
Change in plan assets		
Fair value of plan assets at the beginning	947	836
Interest income	79	66
Remeasurements- Return on plan assets excluding amounts included in interest income	12	9
Contributions	246	111
Benefits paid	(89)	(75)
Fair value of plan assets at the end	1,195	947
Funded status	78	3
Prepaid gratuity benefit	79	4
Accrued gratuity	(1)	(1)

Amount for the three months and year ended March 31, 2017 and March 31, 2016 recognized in the statement of profit and loss under employee benefit expense:

Particulars	(In ₹ crore)			
	Three months ended March 31,		Year ended March 31,	
	2017	2016	2017	2016
Service cost	32	29	129	118
Net interest on the net defined benefit liability/asset	(6)	(1)	(10)	(5)
Curtailment gain	-	-	(3)	-
Net gratuity cost	26	28	116	113

Amount for the three months and year ended March 31, 2017 and March 31, 2016 recognized in the statement of other comprehensive income:

Particulars	(In ₹ crore)			
	Three months ended March 31,		Year ended March 31,	
	2017	2016	2017	2016
Remeasurements of the net defined benefit liability/ (asset)				
Actuarial (gains) / losses	(14)	6	67	23
(Return) / loss on plan assets excluding amounts included in the net interest on the net defined benefit liability/(asset)	(8)	(3)	(12)	(9)
	(22)	3	55	14

Particulars	(In ₹ crore)			
	Three months ended March 31,		Year ended March 31,	
	2017	2016	2017	2016
(Gain)/loss from change in demographic assumptions	-	-	-	-
(Gain)/loss from change in financial assumptions	(18)	5	56	-
	(18)	5	56	-

The weighted-average assumptions used to determine benefit obligations as of March 31, 2017, March 31, 2016 and April 1, 2015 are set out below:

Particulars	As of		
	March 31, 2017	March 31, 2016	April 1, 2015
Discount rate	6.9%	7.8%	7.8%
Weighted average rate of increase in compensation levels	8.0%	8.0%	8.0%

The weighted-average assumptions used to determine net periodic benefit cost for the three months and year ended March 31, 2017 and March 31, 2016 are set out below:

Particulars	Three months ended March 31,		Year ended March 31,	
	2017	2016	2017	2016
Discount rate	7.8%	7.8%	7.8%	7.8%
Weighted average rate of increase in compensation levels	8.0%	8.0%	8.0%	8.0%
Weighted average duration of defined benefit obligation	6.1 years	6.4 years	6.1 years	6.4 years

Assumptions regarding future mortality experience are set in accordance with the published statistics by the Life Insurance Corporation of India.

The Company assesses these assumptions with its projected long-term plans of growth and prevalent industry standards. The discount rate is based on the government securities yield.

As of March 31, 2017, every percentage point increase / decrease in discount rate will affect our gratuity benefit obligation by approximately ₹57 crore.

As of March 31, 2017, every percentage point increase / decrease in weighted average rate of increase in compensation levels will affect our gratuity benefit obligation by approximately ₹49 crore.

Sensitivity for significant actuarial assumptions is computed by varying one actuarial assumption used for the valuation of the defined benefit obligation by one percentage, keeping all other actuarial assumptions constant.

Gratuity is applicable only to employees drawing a salary in Indian rupees and there are no other foreign defined benefit gratuity plans.

The Company contributes all ascertained liabilities towards gratuity to the Infosys Limited Employees' Gratuity Fund Trust. In case of Infosys BPO and EdgeVerve, contributions are made to the Infosys BPO Employees' Gratuity Fund Trust and EdgeVerve Systems Limited Employees Gratuity Fund Trust, respectively. Trustees administer contributions made to the trust. As of March 31, 2017 and March 31, 2016, the plan assets have been primarily invested in insurer managed funds.

Actual return on assets for the three months ended March 31, 2017 and March 31, 2016 were ₹30 crore and ₹19 crore and ₹91 crore and ₹75 crore, for year ended March 31, 2017 and March 31, 2016 respectively.

The Group expects to contribute ₹100 crore to the gratuity trusts during the fiscal 2018.

Maturity profile of defined benefit obligation:

	(in ₹ crore)
Within 1 year	159
1-2 year	165
2-3 year	171
3-4 year	186
4-5 year	198
5-10 years	958

2.22.2 Superannuation

The group contributed ₹43 crore and ₹61 crore to the superannuation plan during the three months ended March 31, 2017 and March 31, 2016, respectively and ₹168 crore and ₹234 crore during the year ended March 31, 2017 and March 31, 2016, respectively. The same has been recognized in the Statement of profit and loss account under the head employee benefit expense.

2.22.3 Provident fund

Infosys has an obligation to fund any shortfall on the yield of the trust's investments over the administered interest rates on an annual basis. These administered rates are determined annually predominantly considering the social rather than economic factors and in most cases the actual return earned by the Company has been higher in the past years. The actuary has provided a valuation for provident fund liabilities on the basis of guidance issued by Actuarial Society of India and based on the below provided assumptions there is no shortfall as at March 31, 2017, March 31, 2016 and April 1, 2015, respectively.

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

	(in ₹ crore)		
Particulars	As of		
	March 31, 2017	March 31, 2016	April 1, 2015
Plan assets at period end, at fair value	4,459	3,808	2,912
Present value of benefit obligation at period end	4,459	3,808	2,912
Asset recognized in balance sheet	-	-	-

The plan assets have been primarily invested in government securities.

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

Particulars	As of		
	March 31, 2017	March 31, 2016	April 1, 2015
Government of India (GOI) bond yield	6.90%	7.80%	7.80%
Remaining term to maturity of portfolio	6 years	7 years	7 years
Expected guaranteed interest rate - First year:	8.60%	8.75%	8.75%
- Thereafter:	8.60%	8.60%	8.60%

The Group contributed ₹117 crore and ₹105 crore to the provident fund during the three months ended March 31, 2017 and March 31, 2016, respectively and ₹462 crore and ₹413 crore during the year ended March 31, 2017 and March 31, 2016 respectively. The same has been recognized in the statement of profit and loss under the head employee benefit expense.

The provident plans are applicable only to employees drawing a salary in Indian rupees and there are no other significant foreign defined benefit plans.

2.22.4 Employee benefit costs include:

Particulars	(in ₹ crore)			
	Three months ended March 31,		Year ended March 31,	
	2017	2016	2017	2016
Salaries and bonus*	9,123	8,830	36,913	33,646
Defined contribution plans	64	78	252	302
Defined benefit plans	122	116	494	458
	9,309	9,024	37,659	34,406

* Includes stock compensation expense for three months ended March 2017 and March 2016 of ₹45 crore and ₹2 crore, respectively and ₹117 crore and ₹7 crore for the year ended March 31, 2017 and March 31, 2016 respectively. Refer note 2.13

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

Particulars	Three months ended March 31,		Year ended March 31,	
	2017	2016	2017	2016
Basic earnings per equity share - weighted average number of equity shares outstanding ⁽¹⁾⁽²⁾	228,56,54,881	228,56,20,957	228,56,39,447	228,56,16,160
Effect of dilutive common equivalent shares - share options outstanding	997,122	129,359	757,298	102,734
Diluted earnings per equity share - weighted average number of equity shares and common equivalent shares outstanding	228,66,52,003	228,57,50,316	228,63,96,745	228,57,18,894

⁽¹⁾ Excludes treasury shares

⁽²⁾ adjusted for bonus issues. Refer note 2.13

For the three months and year ended March 31, 2017, 259,526 and 112,190 number of options to purchase equity shares had an anti-dilutive effect. For the three months and year ended March 31, 2016, no outstanding option to purchase equity shares had an anti-dilutive effect.

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

in ₹ crore

Particulars	As at		
	March 31, 2017	March 31, 2016	April 1, 2015
Contingent liabilities :			
Claims against the Company, not acknowledged as debts ⁽¹⁾	1,997	284	264
[Net of amount paid to statutory authorities ₹4,717 crore (₹4,409 crore)]			
Commitments :			
Estimated amount of contracts remaining to be executed on capital contracts and not provided for	1,149	1,486	1,574
(net of advances and deposits)			
Other Commitment*	114	79	-

*Uncalled capital pertaining to investments

Claims against the company not acknowledged as debts as on March 31, 2017 include demand from the Indian Income tax authorities for payment of tax of ₹6,122 crore (₹4,135 crore), including interest of ₹1,885 crore (₹1,224 crore) upon completion of their tax assessment for fiscal 2007, fiscal 2008, fiscal 2009, fiscal 2010, fiscal 2011, fiscal 2012 and fiscal 2013. Demands were paid to statutory tax authorities in full except for fiscal year 2009, fiscal 2011, fiscal 2012 and fiscal 2013.

Demand for fiscal 2007, fiscal 2008 and fiscal 2009 includes disallowance of a 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. Demand for fiscal 2007, fiscal 2008, fiscal 2009, fiscal 2010, fiscal 2011, fiscal 2012 and fiscal 2013 also includes disallowance of portion of profit earned outside India from the STP units under section 10A of the Income Tax Act and disallowance of profits earned from SEZ units under section 10AA of the Income Tax Act. Demand for fiscal 2012 & fiscal 2013 includes disallowance of certain expenses incurred in foreign currency being reduced from export turnover but not reduced from total turnover and disallowance of profits earned from SEZ units which commenced operations before April 1, 2009 under section 10AA of the Income Tax Act and also others. The matters for fiscal 2007, fiscal 2008, fiscal 2009 and fiscal 2013 are pending before the Commissioner of Income Tax (Appeals) Bangalore. The matter for fiscal 2010, fiscal 2011 and fiscal 2012 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.

2.25 RELATED PARTY TRANSACTIONS

List of related parties:

Name of subsidiaries	Country	Holdings as at	
		March 31, 2017	March 31, 2016
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 Poland, Sp z.o.o (formerly Infosys BPO Poland, Sp z.o.o) ⁽¹⁾	Poland	99.98%	99.98%
Infosys BPO S.DE.R.L.DE.C.V ⁽¹⁾⁽¹³⁾	Mexico	-	-
Infosys McCamish Systems LLC ⁽¹⁾	U.S.	99.98%	99.98%
Portland Group Pty Ltd ⁽¹⁾	Australia	99.98%	99.98%
Infosys BPO Americas LLC. ⁽¹⁾⁽¹²⁾	U.S.	99.98%	-
Infosys Technologies (Australia) Pty. Limited (Infosys Australia) ⁽²⁾	Australia	100%	100%
EdgeVerve Systems Limited (EdgeVerve)	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%
Infosys Management Consulting Pty Limited (formerly Lodestone Management Consultants Pty Limited) ⁽³⁾	Australia	100%	100%
Infosys Consulting AG (formerly Lodestone Management Consultants AG) ⁽³⁾	Switzerland	100%	100%
Lodestone Augmentis AG ⁽⁵⁾⁽¹⁴⁾	Switzerland	-	100%
Lodestone GmbH (formerly Hafner Bauer & Ödman GmbH) ⁽³⁾⁽¹⁶⁾	Switzerland	-	100%
Infosys Consulting (Belgium) NV (formerly 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) ⁽¹⁷⁾	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%
Infy Consulting Company Ltd. (formerly Lodestone Management Consultants Ltd.) ⁽³⁾	U.K.	100%	100%
Infy Consulting B.V. (Lodestone Management Consultants B.V.) ⁽³⁾	Netherlands	100%	100%
Infosys Consulting Ltda. (formerly Lodestone Management Consultants Ltda.) ⁽⁴⁾	Brazil	99.99%	99.99%
Infosys Consulting Sp. z.o.o (formerly 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. ⁽⁶⁾	Canada	-	-
Infosys Nova Holdings LLC. (Infosys Nova)	U.S.	100%	100%
Panaya Inc. (Panaya)	U.S.	100%	100%
Panaya Ltd. ⁽⁷⁾	Israel	100%	100%
Panaya GmbH ⁽⁷⁾	Germany	100%	100%
Panaya Pty Ltd. ⁽⁷⁾⁽¹⁵⁾	Australia	-	-
Panaya Japan Co. Ltd. ⁽⁷⁾	Japan	100%	100%
Skava Systems Pvt. Ltd. (Skava Systems) ⁽⁸⁾	India	100%	100%
Kallidus Inc. (Kallidus) ⁽⁹⁾	U.S.	100%	100%
Noah Consulting LLC (Noah) ⁽¹⁰⁾	U.S.	100%	100%
Noah Information Management Consulting Inc. (Noah Canada) ⁽¹¹⁾	Canada	100%	100%

⁽¹⁾ Wholly owned subsidiary 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 Infosys Consulting AG (formerly Lodestone Management Consultants AG)

⁽⁶⁾ Wholly owned subsidiary of Infosys Public Services, Inc.

⁽⁷⁾ Wholly owned subsidiary of Panaya Inc

⁽⁸⁾ On June 2, 2015, Infosys acquired 100% of the voting interest in Skava Systems

⁽⁹⁾ On June 2, 2015, Infosys acquired 100% of the voting interest in Kallidus Inc.

⁽¹⁰⁾ On November 16, 2015, Infosys acquired 100% of the membership interests in Noah

⁽¹¹⁾ Wholly owned subsidiary of Noah

⁽¹²⁾ Incorporated effective November 20, 2015

⁽¹³⁾ Liquidated effective March 15, 2016

⁽¹⁴⁾ Liquidated effective October 5, 2016

⁽¹⁵⁾ Liquidated effective November 16, 2016

⁽¹⁶⁾ Liquidated effective December 21, 2016

⁽¹⁷⁾ Wholly owned subsidiary of Infosys

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

Name of Associates	Country	Holdings as at	
		March 31, 2017	March 31, 2016
DWA Nova LLC ⁽¹⁾	U.S.	16%	16%

⁽¹⁾ Associate of Infosys Nova Holding LLC

Share in net profit/(loss) of associate and others for the three months and year ended March 31, 2017 includes an impairment loss of ₹18 crore on investment in DWA Nova LLC.

List of other related party

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 BPO Limited Employees' Superannuation Fund Trust	India	Post-employment benefit plan of Infosys BPO
Infosys BPO Limited Employees' Gratuity Fund Trust	India	Post-employment benefit plan of Infosys BPO
EdgeVerve Systems Limited Employees' Gratuity Fund Trust	India	Post-employment benefit plan of EdgeVerve
EdgeVerve Systems Limited Employees' Superannuation Fund Trust	India	Post-employment benefit plan of EdgeVerve
Infosys Limited Employees' Welfare Trust	India	Controlled trust
Infosys Employee Benefits Trust	India	Controlled trust
Infosys Science Foundation	India	Controlled trust

Refer Notes 2.22 for information on transactions with post-employment benefit plans mentioned above.

List of key management personnel

Whole time directors

U. B. Pravin Rao
Dr. Vishal Sikka

Non-whole-time directors

K.V.Kamath (resigned effective June 5, 2015)
Prof. Jeffrey S. Lehman
R. Seshasayee
Ravi Venkatesan
Kiran Mazumdar Shaw
Carol M. Browner (resigned effective November 23, 2015)
Prof. John W. Etchemendy
Roopa Kudva
Dr. Punita Kumar-Sinha (appointed effective January 14, 2016)
D. N. Prahlad (appointed effective October 14, 2016)

Executive Officers

M. D. Ranganath, Chief Financial Officer (effective October 12, 2015)
David D. Kennedy, General Counsel and Chief Compliance Officer (till December 31, 2016)
Rajiv Bansal, Chief Financial Officer (till October 12, 2015)
Mohit Joshi, President (effective October 13, 2016)
Rajesh K. Murthy, President (effective October 13, 2016)
Ravi Kumar S, President and Deputy Chief Operating Officer (effective October 13, 2016)
Sandeep Dadlani, President (effective October 13, 2016)
Krishnamurthy Shankar, Group Head - Human Resources (effective October 13, 2016)
Gopi Krishnan Radhakrishnan - Acting General Counsel (effective December 31, 2016)

Company Secretary

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

Transaction with key management personnel:

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

Particulars	in ₹ crore			
	Three months ended March 31,		Year ended March 31,	
	2017	2016	2017	2016
Salaries and other employee benefits to whole-time directors and executive officers ⁽¹⁾⁽²⁾⁽³⁾⁽⁴⁾⁽⁵⁾	18	40	84	101
Commission and other benefits to non-executive/independent directors	3	2	11	10
Total	21	42	95	111

⁽¹⁾ Includes stock compensation expense of ₹12 crore and ₹2 crore three months ended March 31, 2017 and March 31, 2016 ₹36 crore and ₹7 crore for the year ended March 31, 2017 and March 31, 2016 towards key managerial personnel. Refer note 2.13

⁽²⁾ Year ended March 31, 2017 includes ₹6 crore payable under severance agreement to David D. Kennedy, who stepped down as General counsel and Chief compliance officer w.e.f December 31, 2016.

⁽³⁾ Year ended March 31, 2016 includes ₹17.38 crore payable under severance agreement to Rajiv Bansal who stepped down as Chief Financial officer w.e.f October 12, 2015

⁽⁴⁾ The Board based on the recommendations of the Nominations committee approved on April 13, 2017, \$0.82 million as variable pay to CEO for the year ended March 31, 2017. The shareholders vide postal ballot had approved a variable pay of \$3 million at target.

Pursuant to the approval from the shareholders through postal ballot on March 31, 2016, Dr. Vishal Sikka is eligible to receive under the 2015 Plan, an annual grant of RSU's of fair value \$2 million which vest over time, subject to continued service and an annual grant of performance based equity and stock options of \$5 million subject to achievement of performance targets set by the Board or its committee, which vest over time. The Board based on the recommendations of the nominations committee approved on April 13, 2017, RSUs amounting to \$1.9 Mn and ESOP's amounting to \$ 0.96 Mn representing the performance based equity and stock options for the financial year 2017. Further, the Board also approved the annual time based vesting grant for financial year 2018 amounting to RSU's of \$2 million.

The year ended March 31, 2016 includes provision for variable pay amounting to \$4.33 million (approximately ₹29 crore) to CEO. The shareholders in the EGM dated July 30, 2014 had approved a variable pay of \$4.18 million (approximately ₹28 crore at current exchange rate) at a target level and also authorized the Board to alter and vary the terms of remuneration. Accordingly, the Board based on the recommendations of the Nominations committee approved on April 15, 2016, \$4.33 million (approximately ₹ crore) as variable pay for the year ended March 31, 2016.

⁽⁵⁾ On March 31, 2017, the shareholders vide postal ballot approved a revision in the salary of U.B. Pravin Rao, whole-time director and COO.

Ind AS 108 establishes standards for the way that public business enterprises report information about operating segments and related disclosures about products and services, geographic areas, and major customers. The group's operations predominantly relate to providing end-to-end business solutions to enable clients to enhance business performance. Based on the "management approach" as defined in INDAS 108, the Chief Operating Decision Maker (CODM) evaluates the group's performance and allocates resources based on an analysis of various performance indicators by business segments and geographic segments. Accordingly, information has been presented both along business segments and geographic segments. 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.

Revenue and identifiable operating expenses in relation to segments are categorized based on items that are individually identifiable to that segment. Revenue for “all other segments” represents revenue generated by IPS and revenue generated from customers located in India, Japan and China. Allocated expenses of segments include expenses incurred for rendering services from the group's offshore software development centres 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 group.

Geographical information on revenue and business segment revenue information is collated based on individual customers invoiced or in relation to which the revenue is otherwise recognized.

Three months ended March 31, 2017 and March 31, 2016:

Year ended March 31, 2017 and *March 31, 2016:*

[illegible]

Geographic Segments

Three months ended March 31, 2017 and *March 31, 2016* :

in ₹ crore

Particulars	North America	Europe	India	Rest of the World	Total
Revenue from operations	10,666	3,784	546	2,124	17,120
	10,235	3,878	498	1,939	16,550
Identifiable operating expenses	5,464	1,917	234	978	8,593
	4,954	1,845	207	876	7,882
Allocated expenses	2,441	864	107	454	3,866
	2,521	952	103	447	4,023
Segmental operating income	2,761	1,003	205	692	4,661
	2,760	1,081	188	616	4,645
Unallocable expenses					449
					425
Other income, net					746
					772
Share in net profit/(loss) of associate and others					(25)
					(1)
Profit before tax					4,933
					4,991
Tax expense					1,330
					1,394
Profit for the period					3,603
					3,597
Depreciation and amortization					446
					419
Non-cash expenses other than depreciation and amortization					3
					6

Year ended March 31, 2017 and *March 31, 2016* :

in ₹ crore

Particulars	North America	Europe	India	Rest of the World	Total
Revenue from operations	42,408	15,392	2,180	8,504	68,484
	39,139	14,373	1,623	7,306	62,441
Identifiable operating expenses	21,618	7,694	1,002	3,930	34,244
	19,283	6,966	711	3,264	30,224
Allocated expenses	9,799	3,548	442	1,837	15,626
	9,591	3,510	338	1,685	15,124
Segmental operating income	10,991	4,150	736	2,737	18,614
	10,265	3,897	574	2,357	17,093
Unallocable expenses					1,713
					1,473
Other income, net					3,080
					3,123
Share in net profit/(loss) of associate and others					(30)
					(3)
Profit before tax					19,951
					18,740
Tax expense					5,598
					5,251
Profit for the period					14,353
					13,489
Depreciation and amortization					1,703
					1,459
Non-cash expenses other than depreciation and amortization					10
					14

Significant clients

No client individually accounted for more than 10% of the revenues in the three months and year ended March 31, 2017 and March 31, 2016.

2.27 FUNCTION WISE CLASSIFICATION OF CONSOLIDATED STATEMENT OF PROFIT AND LOSS

Particulars	Three months ended March 31,		Year ended March 31,	
	2017	2016	2017	2016
Revenue from operations	17,120	16,550	68,484	62,441
Cost of Sales	10,770	10,262	43,253	39,098
GROSS PROFIT	6,350	6,288	25,231	23,343
Operating expenses				
Selling and marketing expenses	889	909	3,591	3,431
General and administration expenses	1,249	1,159	4,739	4,292
Total operating expenses	2,138	2,068	8,330	7,723
OPERATING PROFIT	4,212	4,220	16,901	15,620
Other income	746	772	3,080	3,123
PROFIT BEFORE MINORITY INTEREST / SHARE IN NET PROFIT / (LOSS) OF ASSOCIATE	4,958	4,992	19,981	18,743
Share in net loss of associate and others	(25)	(1)	(30)	(3)
PROFIT BEFORE TAX	4,933	4,991	19,951	18,740
Tax expense:				
Current tax	1,249	1,426	5,653	5,318
Deferred tax	81	(32)	(55)	(67)
PROFIT FOR THE PERIOD	3,603	3,597	14,353	13,489
Other comprehensive income				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Remeasurement of the net defined benefit liability/asset	20	(3)	(45)	(12)
Equity instruments through other comprehensive income	(5)	-	(5)	-
	15	(3)	(50)	(12)
<i>Items that will be reclassified subsequently to profit or loss</i>				
Fair value changes on derivatives designated as cash flow hedge, net	11	-	39	-
Exchange differences on translation of foreign operations	(197)	96	(257)	303
Fair value changes on investments	(10)	-	(10)	-
	(196)	96	(228)	303
Total other comprehensive income, net of tax	(181)	93	(278)	291
Total comprehensive income for the period	3,422	3,690	14,075	13,780
Profit attributable to:				
Owners of the company	3,603	3,597	14,353	13,489
Non-controlling interests	-	-	-	-
	3,603	3,597	14,353	13,489
Total comprehensive income attributable to:				
Owners of the company	3,422	3,690	14,075	13,780
Non-controlling interests	-	-	-	-
	3,422	3,690	14,075	13,780

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

U. B. Pravin Rao
Chief Operating Officer and
Whole-time Director

Bengaluru
April 13, 2017

Roopa Kudva
Director

M. D. Ranganath
Chief Financial Officer

A.G.S Manikantha
Company Secretary

INFOSYS LIMITED AND SUBSIDIARIES
In ₹ crore

Consolidated Balance Sheets as at	Note	March 31, 2017	March 31, 2016	April 1, 2015
ASSETS				
Non-current assets				
Property, plant and equipment	2.4	9,751	8,637	7,685
Capital work-in-progress		1,365	960	776
Goodwill	2.5	3,652	3,764	3,091
Other intangible assets	2.5	776	985	638
Investment in associate	2.25	71	103	93
Financial Assets:				
Investments	2.6	6,382	1,714	1,305
Loans	2.7	29	25	31
Other financial assets	2.8	309	286	173
Deferred tax assets (net)	2.17	540	536	536
Income tax assets (net)	2.17	5,716	5,230	4,089
Other non-current assets	2.11	1,059	1,357	698
Total non-current assets		29,650	23,597	19,115
Current assets				
Financial Assets:				
Investments	2.6	9,970	75	874
Trade receivables	2.9	12,322	11,330	9,713
Cash and cash equivalents	2.10	22,625	32,697	30,367
Loans	2.7	272	303	222
Other financial assets	2.8	5,980	5,190	4,527
Other Current Assets	2.11	2,536	2,158	1,541
Total current assets		53,705	51,753	47,244
Total assets		83,355	75,350	66,359
EQUITY AND LIABILITIES				
Equity				
Equity share capital	2.13	1,144	1,144	572
Other equity		67,838	60,600	54,198
Total equity attributable to equity holders of the Company		68,982	61,744	54,770
Non-controlling interests		-	-	-
Total equity		68,982	61,744	54,770
Liabilities				
Non-current liabilities				
Financial Liabilities				
Other financial liabilities	2.14	70	69	-
Deferred tax liabilities (net)	2.17	207	252	159
Other non-current liabilities	2.15	83	46	47
Total non-current liabilities		360	367	206
Current liabilities				
Financial Liabilities				
Trade payables		367	386	140
Other financial liabilities	2.14	6,349	6,302	5,983
Other current liabilities	2.15	3,007	2,629	1,964
Provisions	2.16	405	512	478
Income tax liabilities (net)	2.17	3,885	3,410	2,818
Total current liabilities		14,013	13,239	11,383
Total equity and liabilities		83,355	75,350	66,359

The accompanying notes form an integral part of the consolidated financial statements

As per our report of even date attached

for B S R & Co. LLP

Chartered Accountants

Firm's Registration No : 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

U. B. Pravin Rao
Chief Operating Officer and
Whole-time Director

Bengaluru
April 13, 2017

Roopa Kudva
Director

M. D. Ranganath
Chief Financial Officer

A.G.S Manikantha
Company Secretary

INFOSYS LIMITED AND SUBSIDIARIES
in ₹ crore, except equity share and per equity share data
Consolidated Statement of Profit and Loss

	Note	Year ended March 31,	
		2017	2016
Revenue from operations	2.18	68,484	62,441
Other income, net	2.19	3,080	3,123
Total income		71,564	65,564
Expenses			
Employee benefit expenses	2.20	37,659	34,406
Deferred consideration pertaining to acquisition		-	149
Cost of technical sub-contractors		3,833	3,531
Travel expenses		2,235	2,263
Cost of software packages and others	2.20	1,597	1,274
Communication expenses		549	449
Consultancy and professional charges		763	779
Depreciation and amortisation expenses	2.4 and 2.5	1,703	1,459
Other expenses	2.20	3,244	2,511
Total expenses		51,583	46,821
PROFIT BEFORE NON-CONTROLLING INTERESTS / SHARE IN NET PROFIT / (LOSS) OF ASSOCIATE		19,981	18,743
Share in net profit/(loss) of associate and others		(30)	(3)
PROFIT BEFORE TAX		19,951	18,740
Tax expense:			
Current tax	2.17	5,653	5,318
Deferred tax	2.17	(55)	(67)
PROFIT FOR THE PERIOD		14,353	13,489
Other comprehensive income			
<i>Items that will not be reclassified subsequently to profit or loss</i>			
Remeasurement of the net defined benefit liability/asset		(45)	(12)
Equity instruments through other comprehensive income		(5)	-
		(50)	(12)
<i>Items that will be reclassified subsequently to profit or loss</i>			
Fair value changes on derivatives designated as cash flow hedge, net	2.12	39	-
Exchange differences on translation of foreign operations		(257)	303
Fair value changes on investments		(10)	-
		(228)	303
Total other comprehensive income, net of tax		(278)	291
Total comprehensive income for the period		14,075	13,780
Profit attributable to:			
Owners of the company		14,353	13,489
Non-controlling interests		-	-
		14,353	13,489
Total comprehensive income attributable to:			
Owners of the company		14,075	13,780
Non-controlling interests		-	-
		14,075	13,780
EARNINGS PER EQUITY SHARE			
Equity shares of par value ₹5/- each			
Basic (₹)		62.80	59.02
Diluted (₹)		62.77	59.02
Weighted average equity shares used in computing earnings per equity share	2.23		
Basic		228,56,39,447	228,56,16,160
Diluted		228,63,96,745	228,57,18,894

The accompanying notes form an integral part of the consolidated 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 an
Managing Director

U. B. Pravin Rao

Chief Operating Officer an
Whole-time Director

Bengaluru

April 13, 2017

Roopa Kudva

Director

M. D. Ranganath

Chief Financial Officer

A.G.S Manikantha

Company Secretary

INFOSYS LIMITED AND SUBSIDIARIES
Consolidated Statements of Changes in Equity
In ₹ crore

Particulars	OTHER EQUITY												Total equity attributable to equity holders of the Company
	Equity Share capital [#]	RESERVES & SURPLUS						Other comprehensive income					
		Securities premium reserve	Retained earnings	Capital reserve	General reserve	Share Options Outstanding Account	Special Economic Zone Re-investment reserve ⁽¹⁾	Other reserves ⁽²⁾	Equity instruments through Other comprehens ive income	Exchange differences on translating the financial statements of a foreign operation	Cash flow hedge reserve	Other items of other comprehensive income	
Balance as of April 1, 2015	572	2,784	41,606	54	9,336	2	-	4	-	411	-	1	54,770
Changes in equity for the year March 31, 2016													
Increase in share capital on account of bonus issue [#] (refer to note 2.13)	572	-	-	-	-	-	-	-	-	-	-	-	572
Amounts utilized for bonus issue (refer note 2.13) [#]	-	(572)	-	-	-	-	-	-	-	-	-	-	(572)
Exercise of stock options	-	1	-	-	-	(1)	-	-	-	-	-	-	-
Transfer to general reserve	-	-	(1,217)	-	1,217	-	-	-	-	-	-	-	-
Transfer to other reserve	-	-	(1)	-	-	-	-	1	-	-	-	-	-
Transferred to Special Economic Zone Re-investment reserve	-	-	(591)	-	-	-	591	-	-	-	-	-	-
Transferred from Special Economic Zone Re-investment reserve on utilization	-	-	591	-	-	-	(591)	-	-	-	-	-	-
Share based payments to employees (refer to note 2.13)	-	-	-	-	-	7	-	-	-	-	-	-	7
Remeasurement of the net defined benefit liability/asset, net of tax effect (refer note 2.22.1 and 2.17)	-	-	-	-	-	-	-	-	-	-	-	(12)	(12)
Equity instruments through other comprehensive income	-	-	-	-	-	-	-	-	-	-	-	-	-
Dividends (including corporate dividend tax)	-	-	(6,814)	-	-	-	-	-	-	-	-	-	(6,814)
Profit for the period	-	-	13,489	-	-	-	-	-	-	-	-	-	13,489
Exchange differences on translation of foreign operations	-	-	-	-	-	-	-	-	-	304	-	-	304
Balance as of March 31, 2016	1,144	2,213	47,063	54	10,553	8	-	5	-	715	-	(11)	61,744

Consolidated Statements of Changes in Equity (contd.)

In ₹ crore

Particulars	OTHER EQUITY												Total equity attributable to equity holders of the Company
	Equity Share capital #	RESERVES & SURPLUS						Other comprehensive income					
		Securities premium reserve	Retained earnings	Capital reserve	General reserve	Share Options Outstanding Account	Special Economic Zone Re-investment reserve ⁽¹⁾	Other reserves ⁽²⁾	Equity instruments through Other comprehensive income	Exchange differences on translating the financial statements of a foreign operation	Cash flow hedge reserve	Other items of other comprehensive income	
Balance as of April 1, 2016	1,144	2,213	47,063	54	10,553	8	-	5	-	715	-	(11)	61,744
Changes in equity for the year March 31, 2017													
Share based payments to employees (refer to note 2.13)	-	-	-	-	-	114	-	-	-	-	-	-	114
Income tax benefit arising on exercise of stock options	-	-	-	-	-	1	-	-	-	-	-	-	1
Exercise of stock options (refer to note 2.13)	-	3	-	-	-	(3)	-	-	-	-	-	-	-
Dividends (including corporate dividend tax)	-	-	(6,952)	-	-	-	-	-	-	-	-	-	(6,952)
Transfer to general reserve	-	-	(1,582)	-	1,582	-	-	-	-	-	-	-	-
Transferred to Special Economic Zone Re-investment reserve	-	-	(953)	-	-	-	953	-	-	-	-	-	-
Transferred from Special Economic Zone Re-investment reserve on utilization	-	-	953	-	-	-	(953)	-	-	-	-	-	-
Remeasurement of the net defined benefit liability/asset, net of tax effect (refer note 2.22.1 and 2.17)	-	-	-	-	-	-	-	-	-	-	-	(45)	(45)
Equity instruments through other comprehensive income	-	-	-	-	-	-	-	-	(5)	-	-	-	(5)
Fair value changes on derivatives designated as cash flow hedge, net of tax (refer to note 2.12)	-	-	-	-	-	-	-	-	-	-	39	-	39
Fair value changes on investments, net of tax effect	-	-	-	-	-	-	-	-	-	-	-	(10)	(10)
Profit for the period	-	-	14,353	-	-	-	-	-	-	-	-	-	14,353
Exchange differences on translation of foreign operations	-	-	-	-	-	-	-	-	-	(257)	-	-	(257)
Balance as of March 31, 2017	1,144	2,216	52,882	54	12,135	120	-	5	(5)	458	39	(66)	68,982

net of treasury shares

The non controlling interest for each of the above periods is less than ₹1 crore

⁽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⁾ Under the Swiss Code of Obligation, few subsidiaries of Infosys Lodestone are required to appropriate a certain percentage of the annual profit to legal reserve which may be used only to cover losses or for measures designed to sustain the company through difficult times, to prevent unemployment or to mitigate its consequences.

The accompanying notes form an integral part of the consolidated financial statements.

As per our report of even date attached

for B S R & Co. LLP

Chartered Accountants

Firm's Registration No : 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

U. B. Pravin Rao
Chief Operating Officer and
Whole-time Director

Bengaluru
April 13, 2017

Roopa Kudva
Director

M. D. Ranganath
Chief Financial Officer

A.G.S Manikantha
Company Secretary

INFOSYS LIMITED AND SUBSIDIARIES
In ₹ crore

Consolidated Statements of Cash Flows	Year ended March 31,	
	2017	2016
Cash flow from operating activities		
Profit for the period	14,353	13,489
Adjustments to reconcile net profit to net cash provided by operating activities:		
Income tax expense	5,598	5,251
Depreciation and amortization	1,703	1,459
Interest and dividend income	(2,668)	(2,697)
Impairment loss on financial assets	132	(52)
Exchange differences on translation of assets and liabilities	38	71
Deferred consideration pertaining to acquisition	-	149
Other adjustments	184	169
Changes in assets and liabilities		
Trade receivables and unbilled revenue	(1,743)	(1,654)
Loans, other financial assets and other assets	(683)	(1,134)
Trade payables	(19)	242
Other financial liabilities, other liabilities and provisions	289	600
Cash generated from operations	17,184	15,893
Income taxes paid	(5,653)	(5,865)
Net cash generated by operating activities	11,531	10,028
Cash flows from investing activities		
Expenditure on property, plant and equipment net of sale proceeds, including changes in retention money and capital creditors	(2,760)	(2,723)
Loans to employees	27	(75)
Deposits placed with corporation	(164)	(142)
Interest and dividend received on investments	2,753	2,383
Payment for acquisition of business, net of cash acquired	-	(747)
Payment of contingent consideration for acquisition of business	(36)	-
Payments to acquire financial assets		
Preference and equity securities	(68)	(82)
Tax free bonds and government bonds	(322)	(302)
Liquid mutual funds and fixed maturity plan securities	(54,215)	(24,171)
Non convertible debentures	(3,956)	-
Certificates of deposit	(7,823)	-
Others	(26)	(22)
Proceeds on sale of financial assets		
Tax free bonds and government bonds	7	-
Liquid mutual funds and fixed maturity plan securities	52,041	24,980
Net cash used in investing activities	(14,542)	(901)
Cash flows from financing activities:		
Payment of dividends (including corporate dividend tax)	(6,939)	(6,813)
Net cash used in financing activities	(6,939)	(6,813)
Net decrease in cash and cash equivalents	(9,950)	2,314
Cash and cash equivalents at the beginning of the period	32,697	30,367
Effect of exchange rate changes on cash and cash equivalents	(122)	16
Cash and cash equivalents at the end of the period	22,625	32,697
Supplementary information:		
Restricted cash balance	572	492

The accompanying notes form an integral part of the consolidated financial statements
As per our report of even date attached
for B S R & Co. LLP
Chartered Accountants
Firm's Registration No : 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

U. B. Pravin Rao
Chief Operating Officer and
Whole-time Director

Bengaluru
April 13, 2017

Roopa Kudva
Director

M. D. Ranganath
Chief Financial Officer

A.G.S Manikantha
Company Secretary

INFOSYS LIMITED AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

1. Company Overview and Significant Accounting Policies

1.1 Company overview

Infosys is a leading provider 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, its banking solution; and offerings in the areas of Analytics, Cloud, and Digital Transformation.

Infosys together with its subsidiaries and controlled trusts is herein after referred to as the "Group".

The Company is a public limited company incorporated and domiciled in India and has its registered office at Bengaluru, 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.

The Group's consolidated financial statements are approved for issue by the Company's Board of Directors on April 13, 2017

1.2 Basis of preparation of financial statements

These consolidated financial statements are prepared in accordance with Indian Accounting Standards (Ind AS) under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values, the provisions of the Companies Act, 2013 ('Act') (to the extent notified) and guidelines issued by the Securities and Exchange Board of India (SEBI). The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

The Group has adopted all the Ind AS standards and the adoption was carried out in accordance with Ind AS 101 - First time adoption of Indian Accounting Standards. The transition was carried out from Indian Accounting Principles generally accepted in India as prescribed under Sec 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (IGAAP), which was the previous GAAP. Reconciliations and descriptions of the effect of the transition has been summarized in Note 2.1 and 2.2

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 these financial statements added up to the figures reported for the previous quarters might not always add up to the year-to-date figures reported in these financial statements.

1.3 Basis of consolidation

Infosys consolidates entities which it owns or controls. The consolidated financial statements comprise the financial statements of the Company, its controlled trusts and its subsidiaries as disclosed in Note 2.25. Control exists when the parent has power over the entity, is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns by using its power over the entity. Power is demonstrated through existing rights that give the ability to direct relevant activities, those which significantly affect the entity's returns. Subsidiaries are consolidated from the date control commences until the date control ceases.

The financial statements of the Group companies are consolidated on a line-by-line basis and intra-group balances and transactions including unrealized gain / loss from such transactions are eliminated upon consolidation. These financial statements are prepared by applying uniform accounting policies in use at the Group. Non-controlling interests which represent part of the net profit or loss and net assets of subsidiaries that are not, directly or indirectly, owned or controlled by the company, are excluded.

Associates are entities over which the Group has significant influence but not control. Investments in associates are accounted for using the equity method of accounting. The investment is initially recognized at cost, and the carrying amount is increased or decreased to recognize the investor's share of the profit or loss of the investee after the acquisition date. The Group's investment in associates includes goodwill identified on acquisition.

1.4 Use of estimates

The preparation of the financial statements in conformity with Ind AS requires management to make estimates, judgements and assumptions. These estimates, judgements and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the period. Application of accounting policies that require critical accounting estimates involving complex and subjective judgements and the use of assumptions in these financial statements have been disclosed in Note 1.5. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the consolidated financial statements.

1.5 Critical accounting estimates

a. Revenue recognition

The Group uses the percentage-of-completion method in accounting for its fixed-price contracts. Use of the percentage-of-completion method requires the Group to estimate the efforts or costs expended to date as a proportion of the total efforts or costs to be expended. Efforts or costs expended have been used to measure progress towards completion as there is a direct relationship between input and productivity. Provisions for estimated losses, if any, on uncompleted contracts are recorded in the period in which such losses become probable based on the expected contract estimates at the reporting date.

b. Income taxes

The Company's two major tax jurisdictions are India and the U.S., though the Company also files tax returns in other overseas jurisdictions. Significant judgements are involved in determining the provision for income taxes, including amount expected to be paid/recovered for uncertain tax positions. Also refer to Note 2.17.

c. Business combinations and intangible assets

Business combinations are accounted for using Ind AS 103, Business Combinations. Ind AS 103 requires the identifiable intangible assets and contingent consideration to be fair valued in order to ascertain the net fair value of identifiable assets, liabilities and contingent liabilities of the acquiree. Significant estimates are required to be made in determining the value of contingent consideration and intangible assets. These valuations are conducted by independent valuation experts.

d. Property, plant and equipment

Property, plant and equipment represent a significant proportion of the asset base of the Group. The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of Group's assets are determined by management at the time the asset is acquired and reviewed periodically, including at each financial year end. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology.

e. Impairment of Goodwill

Goodwill is tested for impairment on an annual basis and whenever there is an indication that the recoverable amount of a cash generating unit is less than its carrying amount based on a number of factors including operating results, business plans, future cash flows and economic conditions. The recoverable amount of cash generating units is determined based on higher of value-in-use and fair value less cost to sell. The goodwill impairment test is performed at the level of the cash-generating unit or groups of cash-generating units which are benefiting from the synergies of the acquisition and which represents the lowest level at which goodwill is monitored for internal management purposes.

Market related information and estimates are used to determine the recoverable amount. Key assumptions on which management has based its determination of recoverable amount include estimated long term growth rates, weighted average cost of capital and estimated operating margins. Cash flow projections take into account past experience and represent management's best estimate about future developments.

1.6 Revenue recognition

The Company derives revenues primarily from software development and related services and from the licensing of software products. Arrangements with customers for software 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, fixed-timeframe contracts, where there is no uncertainty as to measurement or collectability of consideration, is recognized as per the percentage-of-completion method. When there is uncertainty as to measurement or ultimate collectability, revenue recognition is postponed until such uncertainty is resolved. Efforts or costs expended have been used to measure progress towards completion as there is a direct relationship between input and productivity. Provisions for estimated losses, if any, on uncompleted contracts are recorded in the period in which such losses become probable based on the current contract estimates. Costs and earnings in excess of billings are classified as unbilled revenue while billings in excess of costs and earnings are classified as unearned revenue. Deferred contract costs are amortized over the term of the contract. Maintenance revenue is recognized ratably over the term of the underlying maintenance arrangement.

In arrangements for software development and related services and maintenance services, the Company has applied the guidance in Ind AS 18, Revenue, by applying the revenue recognition criteria for each separately identifiable component of a single transaction. The arrangements generally meet the criteria for considering software development and related services as separately identifiable components. For allocating the consideration, the Company has measured the revenue in respect of each separable component of a transaction at its fair value, in accordance with principles given in Ind AS 18. The price that is regularly charged for an item when sold separately is the best evidence of its fair value. In cases where the company is unable to establish objective and reliable evidence of fair value for the software development and related services, the Company has used a residual method to allocate the arrangement consideration. In these cases the balance of the consideration, after allocating the fair values of undelivered components of a transaction has been allocated to the delivered components for which specific fair values do not exist.

License fee revenues are recognized when the general revenue recognition criteria given in Ind AS 18 are met. Arrangements to deliver software products generally have three elements: license, implementation and Annual Technical Services (ATS). The Company has applied the principles given in Ind AS 18 to account for revenues from these multiple element arrangements. Objective and reliable evidence of fair value has been established for ATS. Objective and reliable evidence of fair value is the price charged when the element is sold separately. When other services are provided in conjunction with the licensing arrangement and objective and reliable evidence of their fair values have been established, the revenue from such contracts are allocated to each component of the contract in a manner, whereby revenue is deferred for the undelivered services and the residual amounts are recognized as revenue for delivered elements. In the absence of objective and reliable evidence of fair value for implementation, the entire arrangement fee for license and implementation is recognized using the percentage-of-completion method as the implementation is performed. Revenue from client training, support and other services arising due to the sale of software products is recognized as the services are performed. ATS revenue is recognized ratably over the period in which the services are rendered.

Advances received for services and products are reported as client deposits until all conditions for revenue recognition are met.

The Group accounts for volume discounts and pricing incentives to customers as a reduction of revenue based on the ratable allocation of the discounts/ incentives amount to each of the underlying revenue transaction that results in progress by the customer towards earning the discount/ incentive. Also, when the level of discount varies with increase 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 in the period in which the change occurs. The discounts are passed on to the customer either as direct payments or as a reduction of payments due from the customer.

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

1.7 Property, plant and equipment

Property, plant and equipment are stated at cost, less accumulated depreciation and impairment, if any. Costs directly attributable to acquisition are capitalized until the property, plant and equipment are ready for use, as intended by management. The Group depreciates property, plant and equipment over their estimated useful lives using the straight-line method. The estimated useful lives of assets are as follows:

Building ⁽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⁾ Based on technical evaluation, 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 methods, useful lives and residual values are reviewed periodically, including at each financial year end.

Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as capital advances under other non-current assets and the cost of assets not put to use before such date are disclosed under 'Capital work-in-progress'. Subsequent expenditures relating to property, plant and equipment is capitalized only when it is probable that future economic benefits associated with these will flow to the Group and the cost of the item can be measured reliably. Repairs and maintenance costs are recognized in net profit in the statement of profit and loss when incurred. The cost and related accumulated depreciation are eliminated from the financial statements upon sale or retirement of the asset and the resultant gains or losses are recognized in the statement of profit and loss. Assets to be disposed off are reported at the lower of the carrying value or the fair value less cost to sell.

1.8 Business combinations

Business combinations have been accounted for using the acquisition method under the provisions of Ind AS 103, Business Combinations.

The cost of an acquisition is measured at the fair value of the assets transferred, equity instruments issued and liabilities incurred or assumed at the date of acquisition, which is the date on which control is transferred to the Group. The cost of acquisition also includes the fair value of any contingent consideration. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair value on the date of acquisition.

Business combinations between entities under common control is accounted for at carrying value.

Transaction costs that the Group incurs in connection with a business combination such as finder's fees, legal fees, due diligence fees, and other professional and consulting fees are expensed as incurred.

1.9 Goodwill

Goodwill represents the cost of business acquisition in excess of the Group's interest in the net fair value of identifiable assets, liabilities and contingent liabilities of the acquiree. When the net fair value of the identifiable assets, liabilities and contingent liabilities acquired exceeds the cost of business acquisition, a gain is recognized immediately in net profit in the statement of profit and loss. Goodwill is measured at cost less accumulated impairment losses.

1.10 Intangible assets

Intangible assets are stated at cost less accumulated amortization and impairment. Intangible assets are amortized over their respective individual estimated useful lives on a straight-line basis, from the date that they are available for use. The estimated useful life of an identifiable intangible asset is based on a number of factors including the effects of obsolescence, demand, competition, and other economic factors (such as the stability of the industry, and known technological advances), and the level of maintenance expenditures required to obtain the expected future cash flows from the asset. Amortization methods and useful lives are reviewed periodically including at each financial year end.

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. The costs which can be capitalized include the cost of material, direct labour, overhead costs that are directly attributable to preparing the asset for its intended use. Research and development costs and software development costs incurred under contractual arrangements with customers are accounted as cost of sales.

1.11 Financial instruments

1.11.1 Initial recognition

The Group recognizes financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are recognized at fair value on initial recognition, except for trade receivables which are initially measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities, that are not at fair value through profit or loss, are added to the fair value on initial recognition. Regular way purchase and sale of financial assets are accounted for at trade date.

1.11.2 Subsequent measurement

a. Non-derivative financial instruments

(i) Financial assets carried at amortised cost

A financial asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

(ii) Financial assets at fair value through other comprehensive income

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Further, in cases where the Group has made an irrevocable election based on its business model, for its investments which are classified as equity instruments, the subsequent changes in fair value are recognized in other comprehensive income.

(iii) Financial assets at fair value through profit or loss

A financial asset which is not classified in any of the above categories are subsequently fair valued through profit or loss.

(iv) Financial liabilities

Financial liabilities are subsequently carried at amortized cost using the effective interest method, except for contingent consideration recognized in a business combination which is subsequently measured at fair value through profit and loss. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate the fair value due to the short maturity of these instruments.

b. Derivative financial instruments

The Group holds derivative financial instruments such as foreign exchange forward and option contracts to mitigate the risk of changes in exchange rates on foreign currency exposures. The counterparty for these contracts is generally a bank

(i) Financial assets or financial liabilities, at fair value through profit or loss.

This category has derivative financial assets or liabilities which are not designated as hedges.

Although the group believes that these derivatives constitute hedges from an economic perspective, they may not qualify for hedge accounting under Ind AS 109, Financial Instruments. Any derivative that is either not designated a hedge, or is so designated but is ineffective as per Ind AS 109, is categorized as a financial asset or financial liability, at fair value through profit or loss.

Derivatives not designated as hedges are recognized initially at fair value and attributable transaction costs are recognized in net profit in the statement of profit and loss when incurred. Subsequent to initial recognition, these derivatives are measured at fair value through profit or loss and the resulting exchange gains or losses are included in other income. Assets/liabilities in this category are presented as current assets/current liabilities if they are either held for trading or are expected to be realized within 12 months after the balance sheet date.

(ii) Cash flow hedge

The Group designates certain foreign exchange forward and options contracts as cash flow hedges to mitigate the risk of foreign exchange exposure on highly probable forecast cash transactions.

When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative is recognized in other comprehensive income and accumulated in the cash flow hedging reserve. Any ineffective portion of changes in the fair value of the derivative is recognized immediately in the net profit in the statement of profit and loss. If the hedging instrument no longer meets the criteria for hedge accounting, then hedge accounting is discontinued prospectively. If the hedging instrument expires or is sold, terminated or exercised, the cumulative gain or loss on the hedging instrument recognized in cash flow hedging reserve till the period the hedge was effective remains in cash flow hedging reserve until the forecasted transaction occurs. The cumulative gain or loss previously recognized in the cash flow hedging reserve is transferred to the net profit in the statement of profit and loss upon the occurrence of the related forecasted transaction. If the forecasted transaction is no longer expected to occur, then the amount accumulated in cash flow hedging reserve is reclassified to net profit in the statement of profit and loss.

c. Share capital and treasury shares

(i) Ordinary Shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of new ordinary shares and share options are recognized as a deduction from equity, net of any tax effects.

(ii) Treasury Shares

When any entity within the Group purchases the Company's ordinary shares, the consideration paid including any directly attributable incremental cost is presented as a deduction from total equity, until they are cancelled, sold or reissued. When treasury shares are sold or reissued subsequently, the amount received is recognized as an increase in equity, and the resulting surplus or deficit on the transaction is transferred to/ from share premium.

1.11.3 Derecognition of financial instruments

The Group derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition under Ind AS 109. A financial liability (or a part of a financial liability) is derecognized from the Group's balance sheet when the obligation specified in the contract is discharged or cancelled or expires.

1.12 Fair value of financial instruments

In determining the fair value of its financial instruments, the Group uses a variety of methods and assumptions that are based on market conditions and risks existing at each reporting date. The methods used to determine fair value include discounted cash flow analysis, available quoted market prices and dealer quotes. All methods of assessing fair value result in general approximation of value, and such value may never actually be realized.

For all other financial instruments the carrying amounts approximates fair value due to the short maturity of those instruments.

1.13 Impairment

a. Financial assets

The Group recognizes loss allowances using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit or loss. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised is recognized as an impairment gain or loss in statement of profit or loss.

b. Non-financial assets

(i) Goodwill

Goodwill is tested for impairment on an annual basis and whenever there is an indication that goodwill may be impaired, relying on a number of factors including operating results, business plans and future cash flows. For the purpose of impairment testing, goodwill acquired in a business combination is allocated to the Group's cash generating units (CGU) or groups of CGU's expected to benefit from the synergies arising from the business combination. A CGU is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or group of assets. Impairment occurs when the carrying amount of a CGU including the goodwill, exceeds the estimated recoverable amount of the CGU. The recoverable amount of a CGU is the higher of its fair value less cost to sell and its value-in-use. Value-in-use is the present value of future cash flows expected to be derived from the CGU.

Total impairment loss of a CGU is allocated first to reduce the carrying amount of goodwill allocated to the CGU and then to the other assets of the CGU pro-rata on the basis of the carrying amount of each asset in the CGU. An impairment loss on goodwill is recognized in net profit in the statement of profit and loss and is not reversed in the subsequent period.

(ii) Intangible assets and property, plant and equipment

Intangible assets and property, plant and equipment are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the CGU to which the asset belongs.

If such assets are considered to be impaired, the impairment to be recognized in the statement of profit and loss is measured by the amount by which the carrying value of the assets exceeds the estimated recoverable amount of the asset. An impairment loss is reversed in the statement of profit and loss if there has been a change in the estimates used to determine the recoverable amount. The carrying amount of the 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.

1.14 Provisions

A provision is recognized if, as a result of a past event, the Group has a present legal or constructive 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 discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

a. Post sales client support

The Group provides its clients with a fixed-period post sales support 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 related revenues are recorded and included in cost of sales. The Group estimates such costs based on historical experience and estimates are reviewed on a periodic basis for any material changes in assumptions and likelihood of occurrence.

b. Onerous contracts

Provisions for onerous contracts are recognized when the expected benefits to be derived by the Group from a contract are lower than the unavoidable costs of meeting the future obligations under the contract. The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established the Group recognizes any impairment loss on the assets associated with that contract.

1.15 Foreign currency

Functional currency

The functional currency of Infosys, Infosys BPO, controlled trusts, EdgeVerve and Skava is the Indian rupee. The functional currencies for Infosys Australia, Infosys China, Infosys Mexico, Infosys Sweden, Infosys Brasil, Infosys Public Services, Infosys Shanghai, Infosys Lodestone, Infosys Americas, Infosys Nova, Panaya, Kallidus and Noah are the respective local currencies. These financial statements are presented in Indian rupees (rounded off to crore; one crore equals ten million).

Transactions and translations

Foreign-currency denominated monetary assets and liabilities are translated into the relevant functional currency at exchange rates in effect at the balance sheet date. The gains or losses resulting from such translations are included in net profit 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.

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. Revenue, expense and cash-flow items denominated in foreign currencies are translated into the relevant functional currencies using the exchange rate in effect on the date of the transaction.

The translation of financial statements of the foreign subsidiaries to the presentation currency is performed for assets and liabilities using the exchange rate in effect at the balance sheet date and for revenue, expense and cash-flow items using the average exchange rate for the respective periods. The gains or losses resulting from such translation are included in currency translation reserves under other components of equity. When a subsidiary is disposed off, in full, the relevant amount is transferred to net profit in the statement of profit and loss. However when a change in the parent's ownership does not result in loss of control of a subsidiary, such changes are recorded through equity.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the exchange rate in effect at the balance sheet date.

1.16 Earnings per equity share

Basic earnings per equity share is computed by dividing the net profit attributable to the equity holders of the company by the weighted average number of equity shares outstanding during the period. Diluted earnings per equity share is computed by dividing the net profit attributable to the equity holders of the company by the weighted average number of equity shares considered for deriving basic earnings per equity share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. The dilutive potential equity shares are adjusted for the proceeds receivable had the equity shares been actually issued at fair value (i.e. the average market value of the outstanding equity 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 equity 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 Income taxes

Income tax expense comprises current and deferred income tax. Income tax expense is recognized in net profit in the statement of profit and loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in other comprehensive income. Current income tax for current and prior periods is recognized at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. Deferred income tax assets and liabilities are recognized for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements except when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Deferred income tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect of changes in tax rates on deferred income tax assets and liabilities is recognized as income or expense in the period that includes the enactment or the substantive enactment date. A deferred income tax asset is recognized to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilized. Deferred income taxes are not provided on the undistributed earnings of subsidiaries and branches where it is expected that the earnings of the subsidiary or branch will not be distributed in the foreseeable future. The Group offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously. 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 income are credited to share premium.

1.18 Employee benefits

1.18.1 Gratuity

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

Liabilities with regard to the Gratuity Plan are determined by actuarial valuation, 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). In case of Infosys BPO and EdgeVerve, contributions are made to the Infosys BPO's Employees' Gratuity Fund Trust and EdgeVerve Systems Limited Employees' Gratuity Fund Trust, respectively. Trustees administer contributions made to the Trusts and contributions are invested in a scheme with Life Insurance Corporation of India as permitted by law of India.

The Group recognizes the net obligation of a defined benefit plan in its balance sheet as an asset or liability. Gains and losses through re-measurements of the net defined benefit liability(asset) are recognized in other comprehensive income and are not reclassified to profit or loss in subsequent periods. The actual return of the portfolio of plan assets, in excess of the yields computed by applying the discount rate used to measure the defined benefit obligation is recognized in other comprehensive income. The effect of any plan amendments are recognized in net profits in the statement of profit and loss.

1.18.2 Superannuation

Certain employees of Infosys, Infosys BPO and EdgeVerve are participants in a defined contribution plan. The Group has no further 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.

1.18.3 Provident fund

Eligible employees of Infosys 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.

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

1.18.4 Compensated absences

The Group has a policy on compensated absences which are both accumulating and non-accumulating in nature. The expected cost of accumulating compensated absences is determined by actuarial valuation performed by an independent actuary at each balance sheet date 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.

1.19 Share-based compensation

The Group recognizes compensation expense relating to share-based payments in net profit using fair-value in accordance with Ind AS 102, Share-Based Payment. The estimated fair value of awards is charged to income on a straight-line basis over the requisite service period for each separately vesting portion of the award as if the award was in-substance, multiple awards with a corresponding increase to share options outstanding account.

1.20 Cash Flow Statement

Cash flows are reported using the indirect method, whereby profit for the period 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.

1.21 Dividends

Final dividends on shares are recorded as a liability on the date of approval by the shareholders and interim dividends are recorded as a liability on the date of declaration by the company's Board of Directors.

1.22 Other income

Other income is comprised primarily of interest income, dividend income and exchange gain/loss on forward and options contracts and on translation of other assets and liabilities. Interest income is recognized using the effective interest method. Dividend income is recognized when the right to receive payment is established.

1.23 Leases

Leases under which the group assumes substantially all the risks and rewards of ownership are classified as finance leases. When acquired, such assets are capitalized at fair value 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 net profit in the statement of profit and loss over the lease term.

1.24 Government grants

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

1.25 Recent accounting pronouncements

1.25.1 Standards issued but not yet effective

In March 2017, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2017, notifying amendments to Ind AS 7, 'Statement of cash flows' and Ind AS 102, 'Share-based payment.' These amendments are in accordance with the recent amendments made by International Accounting Standards Board (IASB) to IAS 7, 'Statement of cash flows' and IFRS 2, 'Share-based payment,' respectively. The amendments are applicable to the group from April 1, 2017.

Amendment to Ind AS 7:

The amendment to Ind AS 7 requires the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities, to meet the disclosure requirement.

The Group is evaluating the requirements of the amendment and the effect on the consolidated financial statements is being evaluated.

Amendment to Ind AS 102:

The amendment to Ind AS 102 provides specific guidance to measurement of cash-settled awards, modification of cash-settled awards and awards that include a net settlement feature in respect of withholding taxes.

It clarifies that the fair value of cash-settled awards is determined on a basis consistent with that used for equity-settled awards. Market-based performance conditions and non-vesting conditions are reflected in the 'fair values', but non-market performance conditions and service vesting conditions are reflected in the estimate of the number of awards expected to vest. Also, the amendment clarifies that if the terms and conditions of a cash-settled share-based payment transaction are modified with the result that it becomes an equity-settled share-based payment transaction, the transaction is accounted for as such from the date of the modification. Further, the amendment requires the award that include a net settlement feature in respect of withholding taxes to be treated as equity-settled in its entirety. The cash payment to the tax authority is treated as if it was part of an equity settlement.

The Group is evaluating the requirements of the amendment and the impact on the consolidated financial statements is being evaluated.

INFOSYS LIMITED AND SUBSIDIARIES

2 Notes to the consolidated financial statements for the year ended March 31, 2017

2.1 First-time adoption of Ind-AS

These consolidated interim financial statements of Infosys Limited and its subsidiaries for the year ended March 31, 2017 have been prepared in accordance with Ind AS. For the purposes of transition to Ind AS, the company has followed the guidance prescribed in Ind AS 101 - First Time adoption of Indian Accounting Standard, with April 1, 2015 as the transition date and IGAAP as the previous GAAP.

The transition to Ind AS has resulted in changes in the presentation of the consolidated financial statements, disclosures in the notes thereto and accounting policies and principles. The accounting policies set out in note 1 have been applied in preparing the consolidated financial statements for the year ended March 31, 2017 and the comparative information. An explanation of how the transition from previous GAAP to Ind AS has affected the Group's Consolidated Balance sheet and Consolidated Statement of profit and loss, is set out in note 2.2.1 and 2.2.2. Exemptions on first time adoption of Ind AS availed in accordance with Ind AS 101 have been set out in note 2.1.1

2.1.1 Exemptions availed on first time adoption of Ind-AS 101

Ind-AS 101 allows first-time adopters certain exemptions from the retrospective application of certain requirements under Ind AS. The Group has accordingly applied the following exemptions

(a) Business Combination

The Group is allowed to choose any date in the past from which it wants to account for the business combinations under Ind AS 103, without having to restate business combinations prior to such date. Accordingly, the group has applied the standard for all acquisitions completed after April 1, 2007, which coincides with the group's date of transition to IFRS.

For all such acquisitions,

- Intangible assets previously included within goodwill under IGAAP have been recognized separately in the opening Balance Sheet in accordance with Ind AS 103
- deferred taxes have been recorded on intangible assets, wherever applicable
- goodwill has been restated in accordance with Ind AS 21, with the corresponding impact in the other comprehensive income in equity
- retained earnings has been adjusted to include the amortization on identified intangibles, net of taxes, that would have been recorded from the date of acquisition till the transition date.

(b) Share-based payment transaction

The group is allowed to apply Ind AS 102 Share-based payment to equity instruments that remain unvested as of transition date. The group has elected to avail this exemption and apply the requirements of Ind AS 102 to all such grants under the 2015 plan (Formerly 2011 plan). Accordingly, these options have been measured at fair value as against intrinsic value, previously under IGAAP.

The excess of stock compensation expense measured using fair value over the cost recognized under IGAAP using intrinsic value has been adjusted in 'Share Options Outstanding Account', with the corresponding impact taken to the retained earnings as on the transition date.

(c) Designation of previously recognized financial instruments

Under Ind AS 109, at initial recognition of a financial asset, an entity may make an irrevocable election to present subsequent changes in the fair value of an investment in an equity instrument in other comprehensive income. Ind AS 101 allows such designation of previously recognized financial assets, as 'FVOCI' on the basis of the facts and circumstances that existed at the date of transition to Ind AS.

Accordingly, the Group has designated its investments in certain equity instruments at fair value through other comprehensive income on the basis of the facts and circumstances that existed at the date of transition to Ind AS.

INFOSYS LIMITED AND SUBSIDIARIES

2.2 Reconciliations

The following reconciliations provides the effect of transition to Ind AS from IGAAP in accordance with Ind AS 101

- Equity as at April 1, 2015 and March 31, 2016
- Net profit for the year ended March 31, 2016

2.2.1 Reconciliation of equity as previously reported under IGAAP to Ind AS

In ₹ crore

Particulars	Note	Opening Balance Sheet as at April 1, 2015			Balance Sheet as at March 31, 2016		
		IGAAP	EFFECTS OF transition to Ind-AS	Ind AS	IGAAP	EFFECTS OF transition to Ind-AS	Ind AS
ASSETS							
Non-current assets							
Property, plant and equipment		7,685	-	7,685	8,637	-	8,637
Capital work-in-progress		776	-	776	960	-	960
Goodwill	(a)	3,595	(504)	3,091	4,476	(712)	3,764
Other Intangible assets	(a)	66	572	638	67	918	985
Investment in associate		93	-	93	103	-	103
Financial Assets:							
Investments	(b)	1,305	-	1,305	1,714	-	1,714
Loans		31	-	31	25	-	25
Other financial assets		173	-	173	286	-	286
Deferred tax assets (net)	(c)	536	-	536	533	3	536
Income Tax assets (net)		4,089	-	4,089	5,230	-	5,230
Other non-current assets		698	-	698	1,357	-	1,357
Total non-current assets		19,047	68	19,115	23,388	209	23,597
Current assets							
Financial Assets:							
Investments	(b)	872	2	874	75	-	75
Trade Receivables		9,713	-	9,713	11,330	-	11,330
Cash and cash equivalents		30,367	-	30,367	32,697	-	32,697
Loans		222	-	222	303	-	303
Other financial assets		4,527	-	4,527	5,190	-	5,190
Other Current Assets		1,541	-	1,541	2,158	-	2,158
Total current assets		47,242	2	47,244	51,753	-	51,753
Total assets		66,289	70	66,359	75,141	209	75,350
EQUITY AND LIABILITIES							
Equity							
Equity Share capital		572	-	572	1,144	-	1,144
Other equity	(g)	50,164	4,034	54,198	56,682	3,918	60,600
Total equity attributable to equity holders of the Company		50,736	4,034	54,770	57,826	3,918	61,744
Non-controlling interests		-	-	-	-	-	-
Total equity		50,736	4,034	54,770	57,826	3,918	61,744
Non-current liabilities							
Financial Liabilities							
Other financial liabilities	(d)	-	-	-	80	(11)	69
Deferred tax liabilities (net)	(c)	-	159	159	-	252	252
Other non-current liabilities	(e)	50	(3)	47	46	-	46
Total non-current liabilities		50	156	206	126	241	367
Current liabilities							
Financial Liabilities							
Trade Payables		140	-	140	386	-	386
Other financial liabilities	(d)	6,021	(38)	5,983	6,309	(7)	6,302
Other current liabilities	(e)	1,968	(4)	1,964	2,633	(4)	2,629
Provisions	(f)	4,556	(4,078)	478	4,451	(3,939)	512
Income tax liabilities (net)		2,818	-	2,818	3,410	-	3,410
Total current liabilities		15,503	(4,120)	11,383	17,189	(3,950)	13,239
Total equity and liabilities		66,289	70	66,359	75,141	209	75,350

Explanations for reconciliation of Balance Sheet as previously reported under IGAAP to IND AS

(a) Goodwill and Intangible assets

Intangible assets and deferred tax asset/liabilities in relation to business combinations which were included within Goodwill under IGAAP, have been recognized separately under Ind-AS with corresponding adjustments to retained earnings and other comprehensive income for giving effect of amortisation expenses and exchange gains and losses.

(b) Investments

Tax free bonds are carried at amortised cost both under Ind AS and IGAAP. Investment in equity instruments are carried at fair value through OCI in Ind AS compared to being carried at cost under IGAAP.

(c) Deferred taxes

Deferred taxes in relation to business combinations have been recognised under Ind-AS

(d) Other financial liabilities

Adjustments includes impact of discounting the deferred and contingent consideration payable for acquisitions under Ind AS

(e) Other liabilities

Adjustments that reflect unamortised negative past service cost arising on modification of the gratuity plan in an earlier period. Ind AS 19 - Employee Benefits requires such gains and losses to be adjusted to retained earnings. Also reflects adjustments for interim dividend (including corporate dividend tax), declared and approved by the board, post reporting period.

(f) Provisions

Adjustments reflect final dividend (including corporate dividend tax), declared and approved post reporting period.

(g) Other equity

- Adjustments to retained earnings and other comprehensive income has been made in accordance with Ind AS, for the above mentioned line items.
- In addition, as per Ind-AS 19, actuarial gains and losses are recognized in other comprehensive income as compared to being recognized in the Statement of Profit and Loss under IGAAP.

INFOSYS LIMITED AND SUBSIDIARIES
2.2.2 Reconciliation Statement of Profit and loss as previously reported under IGAAP to IND AS

in ₹ crore

Particulars	Note	Year ended March 31, 2016		
		IGAAP	Effects of transition to Ind-AS	Ind AS
Revenue from operations		62,441	-	62,441
Other income, net		3,128	(5)	3,123
Total Income		65,569	(5)	65,564
Expenses				
Employee benefit expenses	(h)	34,418	(12)	34,406
Deferred consideration pertaining to acquisition	(i)	110	39	149
Cost of technical sub-contractors		3,531	-	3,531
Travel expenses		2,263	-	2,263
Cost of software packages and others		1,274	-	1,274
Communication expenses		449	-	449
Consultancy and professional charges		779	-	779
Depreciation and amortisation expenses	(j)	1,266	193	1,459
Other expenses	(i)	2,497	14	2,511
Total expenses		46,587	234	46,821
PROFIT BEFORE NON-CONTROLLING INTERESTS / SHARE IN NET PROFIT / (LOSS) OF ASSOCIATE		18,982	(239)	18,743
		(3)	-	(3)
PROFIT BEFORE TAX		18,979	(239)	18,740
Tax expense:				
Current tax	(k)	5,315	3	5,318
Deferred tax	(l)	(14)	(53)	(67)
PROFIT FOR THE PERIOD		13,678	(189)	13,489
Other comprehensive income				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Remeasurement of the net defined benefit liability/asset	(h)	-	(12)	(12)
Equity instruments through other comprehensive income		-	-	-
		-	(12)	(12)
<i>Items that will be reclassified subsequently to profit or loss</i>				
Fair Value changes on cash flow hedges, net		-	-	-
Exchange differences on translation of foreign operations	(m)	81	222	303
		81	222	303
Total other comprehensive income, net of tax		81	210	291
Total comprehensive income for the period		13,759	21	13,780
Profit attributable to:				
Owners of the company		13,678	(189)	13,489
Non-controlling interests		-	-	-
		13,678	(189)	13,489
Total comprehensive income attributable to:				
Owners of the company		13,759	21	13,780
Non-controlling interests		-	-	-
		13,759	21	13,780

Explanations for Reconciliation of Profit and loss as previously reported under IGAAP to IND AS

(h) 1. As per Ind-AS 19 - Employee Benefits, actuarial gains and losses are recognized in other comprehensive income and not reclassified to profit and loss in a subsequent period.

2. Adjustments reflect unamortised negative past service cost arising on modification of the gratuity plan in an earlier period. Ind AS 19 requires such gains and losses to be adjusted to retained earnings.

(i) Adjustments reflect impact of discounting pertaining to deferred and contingent consideration payable for business combinations

(j) Adjustment reflects impact of amortisation of intangible assets included within goodwill under the IGAAP, separately recognized under Ind-AS

(k) Tax component on actuarial gains and losses which was transferred to other comprehensive income under Ind AS

(l) The reduction in deferred tax expense is on account of reversal of deferred tax liabilities recorded on intangible assets acquired in business combination.

(m) Under Ind-AS, exchange differences on translation of foreign operations are recorded in other comprehensive income.

2.2.3 Cash flow statement

There were no significant reconciliation items between cash flows prepared under IGAAP and those prepared under Ind AS.

2.3 Business combinations

Noah Consulting LLC

On November 16, 2015, Infosys has acquired 100% membership interest in Noah Consulting, LLC (Noah), 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 of upto \$5 million (approximately ₹33 crore on acquisition date) and an additional consideration of upto \$32 million (approximately ₹212 crore on acquisition date), referred to as retention bonus, payable to the employees of Noah at each anniversary year following the acquisition date over the next three years, subject to their continuous employment with the group at each anniversary.

This acquisition combines Noah's industry knowledge, information strategy planning, data governance and architecture capabilities with Infosys' ability to provide technology and outsourcing services on a global scale to oil and gas clients. The excess of the purchase consideration paid over the fair value of assets acquired has been attributed to goodwill.

The purchase price has been allocated based on management's estimates and independent appraisal of fair values as follows:

(in ₹ crore)			
Component	Acquiree's carrying amount	Fair value adjustments	Purchase price allocated
Net assets ^(*)	39	-	39
Intangible assets – technical know-how	-	27	27
Intangible assets – trade name	-	27	27
Intangible assets - customer contracts and relationships	-	119	119
	39	173	212
Goodwill			30
Total purchase price			242

^(*)Includes cash and cash equivalents acquired of ₹18 crore

Goodwill of ₹4 crore is tax deductible.

The gross amount of trade receivables acquired and its fair value is ₹29 crore and the amounts have been fully collected.

The acquisition date fair value of each major class of consideration as of the acquisition date is as follows:

(in ₹ crore)	
Component	Consideration
Cash paid	216
Fair value of contingent consideration	26
Total purchase price	242

The fair value of contingent consideration is determined by discounting the estimated amount payable to the sellers of Noah on achievement of certain financial targets. At acquisition date, the key inputs used in determination of the fair value of contingent consideration are the discount rate of 32% and the probabilities of achievement of the financial targets. During the year ended March 31, 2016, based on an assessment of Noah achieving the targets for the year ended December 31, 2015 and year ending December 31, 2016, the entire contingent consideration was reversed in the statement of profit and loss.

The retention bonus is treated as a post-acquisition employee remuneration expense as per Ind AS 103. Post-acquisition employee remuneration expense of ₹95 crore has been recorded in the statement of profit and loss for the year ended March 31, 2017, respectively.

The transaction costs of ₹11 crore related to the acquisition was recognised under consultancy and professional charges and employee benefit costs in the statement of profit and loss for the year ended March 31, 2016.

Finacle and Edge Services

On April 24, 2015, the Board of Directors of Infosys authorized the Company to execute a Business Transfer Agreement and related documents with EdgeVerve, a wholly owned subsidiary, 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 had 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.

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. During the year ended March 31, 2017, EdgeVerve had repaid ₹420 crore by redeeming proportionate number of debentures.

The transfer of assets and liabilities was accounted for at carrying values and did not have any impact on the consolidated financial statements.

Kallidus Inc. (d.b.a Skava)

On June 2, 2015, Infosys acquired 100% of the voting interests in Kallidus Inc., US (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 \$91 million (approximately ₹578 crore) and a contingent consideration of up to \$20 million (approximately ₹128 crore on acquisition date).

Infosys expects to help its clients bring new digital experiences to their customers through IP-led technology offerings, new automation tools and skill and expertise in these new emerging areas. The excess of the purchase consideration paid over the fair value of assets acquired has been attributed to goodwill.

The purchase price has been allocated based on management's estimates and independent appraisal of fair values as follows:

(in ₹ crore)			
Component	Acquiree's carrying amount	Fair value adjustments	Purchase price allocated
Net assets ^(*)	35	–	35
Intangible assets – technology	–	130	130
Intangible assets – trade name	–	14	14
Intangible assets - customer contracts and relationships	–	175	175
Deferred tax liabilities on intangible assets	–	(128)	(128)
	35	191	226
Goodwill			452
Total purchase price			678

*Includes cash and cash equivalents acquired of ₹29 crore

The goodwill is not tax deductible.

The gross amount of trade receivables acquired and its fair value is ₹57 crore and the amounts have been fully collected.

The acquisition date fair value of each major class of consideration as of the acquisition date is as follows:

(in ₹ crore)	
Component	Consideration
Cash paid	578
Fair value of contingent consideration	100
Total purchase price	678

The payment of contingent consideration to sellers of Kallidus is dependent upon the achievement of certain financial targets by Kallidus over a period of 3 years ending on December 31, 2017.

The fair value of contingent consideration is determined by discounting the estimated amount payable to the sellers of Kallidus on achievement of certain financial targets. At acquisition date, the key inputs used in determination of the fair value of contingent consideration are the discount rate of 14% and the probabilities of achievement of the financial targets.

During the year ended March 31, 2017 contingent consideration of ₹40 crore was paid to the sellers of Kallidus on the achievement of certain financial targets. The balance contingent consideration as of March 31, 2017 and March 31, 2016 is ₹91 crore and ₹132 crore, respectively, on an undiscounted basis.

The transaction costs of ₹12 crore related to the acquisition have been included under consultancy and professional charges and employee benefit costs in the statement of profit and loss for the year ended March 31, 2016.

Panaya

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.

Panaya's CloudQuality™ suite positions Infosys to bring automation to several of its service lines via an agile SaaS model, and helps mitigate risk, reduce costs and shorten time to market for clients. The excess of the purchase consideration paid over the fair value of net assets acquired has been attributed to goodwill.

The purchase price has been allocated based on Management's estimates and independent appraisal of fair values as follows:

(In ₹ crore)			
Component	Acquiree's carrying amount	Fair value adjustments	Purchase price allocated
Property, plant and equipment	9	—	9
Net current assets *	38	—	38
Intangible assets – technology	—	243	243
Intangible assets – trade name	—	21	21
Intangible assets - customer contracts and relationships	—	82	82
Intangible assets – non compete agreements	—	26	26
Deferred tax liabilities on intangible assets	—	(99)	(99)
	47	273	320
Goodwill			1,078
Total purchase price			1,398

* Includes cash and cash equivalents acquired of ₹116 crore.

The goodwill is not tax deductible.

The gross amount of trade receivables acquired and its fair value is ₹58 crore and the amounts have been largely collected.

The fair value of total cash consideration as at the acquisition date was ₹1,398 crore.

The transaction costs of ₹22 crore related to the acquisition have been included under consultancy and professional charges and employee benefit costs in the statement of profit and loss for the year ended March 31, 2015.

Infosys Consulting Holding AG (formerly Lodestone Holding AG)

On October 22, 2012, Infosys acquired 100% of the voting interests in Lodestone Holding AG, a global management consultancy firm headquartered in Zurich. The business acquisition was conducted by entering into a share purchase agreement for a cash consideration of ₹1,187 crore and an additional consideration of upto ₹608 crore, which the company refers to as deferred purchase price, estimated on the date of acquisition, payable to the selling shareholders of Lodestone Holding AG who are continuously employed or otherwise engaged by the Group during the three year period following the date of the acquisition.

This transaction was treated as post acquisition employee remuneration expense as per Ind AS 103. For the year ended March 31, 2016, a post-acquisition employee remuneration expense of ₹149 crore, respectively is recorded in the statement of profit and loss. The liability towards post-acquisition employee remuneration expense was settled during the year ended March 31, 2016.

2.4 PROPERTY, PLANT AND EQUIPMENT

Following are the changes in the carrying value of property, plant and equipment for the year ended March 31, 2017:

	<i>In ₹ crore, except as otherwise stated</i>								
	Land-Freehold	Land-Leasehold	Buildings ⁽¹⁾	Plant and machinery ⁽²⁾	Office Equipment	Computer equipment	Furniture and fixtures	Vehicles	Total
Gross carrying value as of April 1, 2016	972	650	6,325	1,759	839	4,072	1,444	29	16,090
Additions	123	21	981	349	138	800	379	8	2,799
Deletions	-	-	-	(4)	(52)	(315)	(113)	(6)	(490)
Translation difference	-	-	(27)	(3)	(3)	(17)	(17)	-	(67)
Gross carrying value as of March 31, 2017	1,095	671	7,279	2,101	922	4,540	1,693	31	18,332
Accumulated depreciation as of April 1, 2016	-	(22)	(2,201)	(1,100)	(509)	(2,618)	(986)	(17)	(7,453)
Depreciation	-	(5)	(239)	(261)	(119)	(678)	(210)	(5)	(1,517)
Accumulated depreciation on deletions	-	-	-	4	27	230	92	5	358
Translation difference	-	-	-	4	2	13	12	-	31
Accumulated depreciation as of March 31, 2017	-	(27)	(2,440)	(1,353)	(599)	(3,053)	(1,092)	(17)	(8,581)
Carrying value as of March 31, 2017	1,095	644	4,839	748	323	1,487	601	14	9,751
Carrying value as of April 1, 2016	972	628	4,124	659	330	1,454	458	12	8,637

Following are the changes in the carrying value of property, plant and equipment for the year ended March 31, 2016:

	<i>In ₹ crore, except as otherwise stated</i>								
	Land-Freehold	Land-Leasehold	Buildings ⁽¹⁾	Plant and machinery	Office Equipment	Computer equipment	Furniture and fixtures	Vehicles	Total
Gross carrying value as of April 1, 2015	931	633	5,881	1,427	676	3,347	1,179	34	14,108
Acquisitions through business combinations (Refer note 2.3)	-	-	-	-	1	2	1	-	4
Additions	41	17	444	333	166	1,103	265	6	2,375
Deletions	-	-	-	(1)	(6)	(396)	(8)	(12)	(423)
Translation difference	-	-	-	-	2	16	7	1	26
Gross carrying value as of March 31, 2016	972	650	6,325	1,759	839	4,072	1,444	29	16,090
Accumulated depreciation as of April 1, 2015	-	(16)	(1,982)	(881)	(412)	(2,287)	(826)	(19)	(6,423)
Acquisitions through business combinations	-	-	-	-	(1)	(1)	-	-	(2)
Depreciation	-	(6)	(219)	(220)	(100)	(553)	(161)	(5)	(1,264)
Accumulated depreciation on deletions	-	-	-	1	5	237	4	7	254
Translation difference	-	-	-	-	(1)	(14)	(3)	-	(18)
Accumulated depreciation as of March 31, 2016	-	(22)	(2,201)	(1,100)	(509)	(2,618)	(986)	(17)	(7,453)
Carrying value as of March 31, 2016	972	628	4,124	659	330	1,454	458	12	8,637
Carrying value as of April 1, 2015	931	617	3,899	546	264	1,060	353	15	7,685

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

⁽²⁾ Includes CSR spend amounting to ₹ 25 crore for the year ending March 31, 2017

Gross carrying value of lease hold land represents amounts paid under certain lease-cum-sale agreements to acquire land including agreements where the Company has an option to purchase or renew the properties on expiry of the lease period.

The aggregate depreciation has been included under depreciation and amortisation expense in the consolidated statement of profit and loss.

2.5 GOODWILL AND OTHER INTANGIBLE ASSETS

Following is a summary of changes in the carrying amount of goodwill:

	In ₹ crore	
	As of March 31, 2017	March 31, 2016
Carrying value at the beginning	3,764	3,091
Goodwill on Kallidus d.b.a Skava acquisition (Refer note 2.3)	-	452
Goodwill on Noah acquisition (Refer note 2.3)	-	30
Translation differences	(112)	191
Carrying value at the end	3,652	3,764

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to the cash generate units (CGU) or groups of CGU's, which benefit from the synergies of the acquisition. The chief operating decision maker reviews the goodwill for any impairment at the operating segment level, which is represented through groups of CGU's.

The following table gives the break up of allocation of goodwill to operating segments as at April 1, 2015

Segment	In ₹ crore	
	As at April 1, 2015	
Financial services	663	
Insurance	367	
Manufacturing	656	
Energy, Communication and Services	318	
Resources and utilities	141	
Retail, Consumer packaged goods and Logistics	473	
Life Sciences and Healthcare	193	
Growth Markets	280	
Total	3,091	

During the year ended March 31, 2016, the Company reorganized some of its segments to enhance executive customer relationships, improve focus of sales investments and increase management oversight. Consequent to these internal reorganizations there were changes effected in the segments based on the "management approach" as defined in Ind AS 108, Operating Segments. Accordingly the goodwill has been allocated to the new operating segments as at March 31, 2016 and March 31, 2017

Segment	(In ₹ crore)	
	As of March 31, 2017	March 31, 2016
Financial services	826	851
Manufacturing	409	423
Retail, Consumer packaged goods and Logistics	556	573
Life Sciences, Healthcare and Insurance	638	656
Energy & Utilities, Communication and Services	765	789
	3,194	3,292
Operating segments without significant goodwill	458	472
Total	3,652	3,764

The entire goodwill relating to Infosys BPO's acquisition of McCamish has been allocated to the groups of CGU's which are represented by the Life Sciences, Healthcare and Insurance segment.

The goodwill relating to Infosys Lodestone, Portland, Panaya and Kallidus d.b.a Skava has been allocated to the groups of CGU's which are represented by a majority of the entity's operating segment.

The entire goodwill relating to Noah acquisition has been allocated to the group of CGU's which is represented by the Energy & Utilities, Communication and Services segment.

The recoverable amount of a CGU is the higher of its fair value less cost to sell and its value-in-use. The fair value of a CGU is determined based on the market capitalization. The value-in-use is determined based on specific calculations. These calculations use pre-tax cash flow projections for a CGU / groups of CGU's over a period of five years. An average of the range of each assumption used is mentioned below. As of March 31, 2017, March 31, 2016 and April 1, 2015 the estimated recoverable amount of the CGU exceeded its carrying amount. The recoverable amount was computed based on the fair value less cost to sell being higher than value-in-use. The carrying amount of the CGU was computed by allocating the net assets to operating segments for the purpose of impairment testing. The key assumptions used for the calculations are as follows:

	(in %)		
	As of March 31, 2017	March 31, 2016	April 1, 2015
Long term growth rate	8-10	8-10	8-10
Operating margins	17-20	17-20	17-20
Discount rate	14.4	14.2	13.9

The above discount rate is based on the Weighted Average Cost of Capital (WACC) of the Company. These estimates are likely to differ from future actual results of operations and cash flows.

Following are the changes in the carrying value of acquired intangible assets for the year ended March 31, 2017:

	In ₹ crore						
	Customer related	Software related	Sub-contracting rights related	Intellectual property rights related	Land use-rights related	Brand or Trademark Related	Others
Gross carrying value as of April 1, 2016	775	414	21	1	72	93	63
Additions during the period	-	-	-	-	-	-	-
Deletions during the period	-	-	-	-	-	-	-
Translation difference	(25)	(9)	-	-	(6)	(3)	(1)
Gross carrying value as of March 31, 2017	750	405	21	1	66	90	62
Accumulated amortization as of April 1, 2016	(303)	(62)	(21)	(1)	(6)	(38)	(23)
Amortization expense	(91)	(63)	-	-	(1)	(14)	(17)
Deletion during the period	-	-	-	-	-	-	-
Translation differences	12	4	-	-	-	3	2
Accumulated amortization as of March 31, 2017	(382)	(121)	(21)	(1)	(7)	(49)	(38)
Carrying value as of April 1, 2016	472	352	-	-	66	55	40
Carrying value as of March 31, 2017	368	284	-	-	59	41	24
Estimated Useful Life (in years)	3-10	5-8	-	-	50	3-10	3-5
Estimated Remaining Useful Life (in years)	1-6	3-6	-	-	44	1-8	1-4

During the quarter ended December 31, 2016, the management based on an internal evaluation reassessed the remaining useful life of certain technology assets acquired as a part of business combinations. Accordingly, the remaining useful life of the said asset which was 8 years has been revised to 3 years. Amortisation expense for the year ended March 31, 2017 is higher by ₹19 crore due to the revision.

Following are the changes in the carrying value of acquired intangible assets for the year ended March 31, 2016:

	In ₹ crore						
	Customer related	Software related	Sub-contracting rights related	Intellectual property rights related	Land use-rights related	Brand or Trademark Related	Others
Gross carrying value as of April 1, 2015	448	261	21	11	71	49	34
Additions through business combinations (Refer Note 2.3)	294	130	-	-	-	41	27
Additions	-	2	-	-	-	-	-
Deletions	-	-	-	(10)	-	-	-
Translation difference	33	21	-	-	1	3	2
Gross carrying value as of March 31, 2016	775	414	21	1	72	93	63
Accumulated amortization as of April 1, 2015	(162)	(21)	(21)	(11)	(5)	(28)	(9)
Amortization expense	(132)	(40)	-	-	(1)	(9)	(13)
Deletions during the period	-	-	-	10	-	-	-
Translation differences	(9)	(1)	-	-	-	(1)	(1)
Accumulated amortization as of March 31, 2016	(303)	(62)	(21)	(1)	(6)	(38)	(23)
Carrying value as of April 1, 2015	286	240	-	-	66	21	25
Carrying value as of March 31, 2016	472	352	-	-	66	55	40
Estimated Useful Life (in years)	3-10	8-10	-	-	50	3-10	3-5
Estimated Remaining Useful Life (in years)	1-7	7-9	-	-	45	2-9	2-5

The amortization expense has been included under depreciation and amortisation expense in the consolidated statement of profit and loss.

Research and development expense recognized in net profit in the consolidated statement of profit and loss for the year ended March 31, 2017 and March 31, 2016 is ₹789 crore and ₹712 crore, respectively

2.6 INVESTMENTS

in ₹ crore

Particulars	As at		
	March 31, 2017	March 31, 2016	April 1, 2015
Non-current			
Unquoted			
Investments carried at fair value through other comprehensive income (refer note 2.6.1)			
Preference securities	144	92	-
Equity instruments	15	1	1
	159	93	1
Investments carried at fair value through profit and loss (refer note 2.6.1)			
Convertible promissory note	10	-	-
Others	35	22	-
	45	22	-
Quoted			
Investment carried at amortized cost (refer note 2.6.2)			
Tax free bonds	##	##	##
Government Bonds	-	-	4
	1,898	1,599	1,304
Investments carried at fair value through profit and loss (refer note 2.6.3)			
Fixed maturity plan securities	407	-	-
	407	-	-
Investments carried at fair value through other comprehensive income (refer note 2.6.4)			
Non convertible debentures	3,873	-	-
	3,873	-	-
Total non-current investments	6,382	1,714	1,305
Current			
Unquoted			
Investments carried at fair value through profit or loss (refer note 2.6.3)			
Liquid mutual fund units	1,803	68	842
	1,803	68	842
Investments carried at fair value through other comprehensive income (refer note 2.6.4)			
Certificate of Deposits	7,905	-	-
	7,905	-	-
Quoted			
Investment carried at amortized cost (refer note 2.6.2)			
Government Bonds	9	7	-
	9	7	-
Investments carried at fair value through profit or loss (refer note 2.6.3)			
Fixed maturity plan securities	151	-	32
	151	-	32
Investments carried at fair value through other comprehensive income (refer note 2.6.4)			
Non convertible debentures	102	-	-
	102	-	-
Total current investments	9,970	75	874
Total investments	16,352	1,789	2,179
Aggregate amount of quoted investments	6,440	1,606	1,336
Market value of quoted investments (including interest accrued)	6,701	1,703	1,376
Aggregate amount of unquoted investments (including investment in associates)	9,983	286	936
Aggregate amount of impairment made for non-current unquoted investments (including associates)	24	6	6
Investment carried at amortized cost	1,907	1,606	1,304
Investments carried at fair value through other comprehensive income	12,039	93	1
Investments carried at fair value through profit or loss	2,406	90	874

2.6.1 Details of Investments

The details of investments in preference, equity and other instruments at March 31, 2017 and March 31, 2016 are as follows:

Particulars	in ₹ crore, except otherwise stated	
	As at	
	March 31, 2017	March 31, 2016
<i>Preference securities</i>		
Airviz Inc.	9	13
2,82,279 (2,82,279) Series A Preferred Stock, fully paid up, par value USD 0.001 each		
ANSR Consulting	10	9
52,631 (52,631) Series A Preferred Stock, fully paid up, par value USD 0.001 each		
Whoop Inc	15	20
16,48,352 (16,48,352) Series B Preferred Stock, fully paid up, par value USD 0.0001 each		
CloudEndure Ltd.	37	13
12,79,645 (12,79,645) Preferred Series B Shares, fully paid up, par value ILS 0.01 each		
Nivetti Systems Private Limited	10	10
2,28,501 (2,28,501) Preferred Stock, fully paid up, par value ₹1 each		
Waterline Data Science, Inc	24	27
39,33,910 (39,33,910) Preferred Series B Shares, fully paid up, par value USD 0.00001 each		
Trifacta Inc.	26	-
11,80,358 (Nil) Preferred Stock		
Cloudyn Software Ltd	13	-
27,022 (Nil) Preferred Series B-3 shares, fully paid up, par value ILS 0.01 each		
<i>Equity Instrument</i>		
OnMobile Systems Inc., USA	-	-
21,54,100 (21,54,100) common stock at USD 0.4348 each, fully paid up, par value USD 0.001 each		
Merasport Technologies Private Limited	-	-
2,420 (2,420) equity shares at ₹ 8,052/- each, fully paid up, par value ₹10/- each		
Global Innovation and Technology Alliance	1	1
15,000 (15,000) equity shares at ₹1,000/- each, fully paid up, par value ₹1,000/- each		
Unsiilo A/S	14	-
69,894 (Nil) Equity Shares, fully paid up, par value DKK 1 each		
<i>Others</i>		
Stellaris Venture Partners India I	3	-
Vertex Ventures US Fund L.L.P	32	22
<i>Convertible promissory note</i>		
Tidalscale	10	-
	204	115

2.6.2 Details of Investments in tax free bonds and government bonds

The balances held in tax free bonds as at March 31, 2017 and March 31, 2016 is as follows:

in ₹ crore, except as otherwise stated

Particulars	As at March 31, 2017			As at March 31, 2016	
	Face Value ₹	Units	Amount	Units	Amount
7.04% Indian Railway Finance Corporation Limited Bonds 03MAR2026	10,00,000/-	470	50	-	-
7.16% Power Finance Corporation Ltd. Bonds 17JUL2025	10,00,000/-	1,000	107	-	-
7.18% Indian Railway Finance Corporation Limited Bonds 19FEB2023	1,000/-	20,00,000	201	20,00,000	201
7.28% Indian Railway Finance Corporation Limited 21DEC2030	1,000/-	4,22,800	42	4,22,800	42
7.28% National Highways Authority of India Bonds 18SEP2030	10,00,000/-	3,300	343	2,000	200
7.34% Indian Railway Finance Corporation Limited Bonds 19FEB2028	1,000/-	21,00,000	211	21,00,000	211
7.35% National Highways Authority of India Bonds 11JAN2031	1,000/-	5,71,396	57	5,71,396	57
7.93% Rural Electrification Corporation Limited Bonds 27MAR2022	1,000/-	2,00,000	21	2,00,000	21
8.00% Indian Railway Finance Corporation Limited Bonds 2022	1,000/-	1,50,000	15	1,50,000	15
8.10% Indian Railway Finance Corporation Limited Bonds 23FEB2027	1,000/-	5,00,000	53	5,00,000	53
8.20% Power Finance Corporation Limited Bonds 2022	1,000/-	5,00,000	50	5,00,000	51
8.26% India Infrastructure Finance Company Limited Bonds 23AUG2028	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
	74,55,416		1,898	74,52,646	1,599

The balances held in government bonds as at March 31, 2017 and March 31, 2016 is as follows:

in ₹ crore, except as otherwise stated

Particulars	Face Value	As at March 31, 2017		As at March 31, 2016	
	PHP	Units	Amount	Units	Amount
Fixed Rate Treasury Notes 1.62 PCT MAT DATE 7 SEPT 2016	100	-	-	50,000	1
Fixed Rate Treasury Notes 2.20 PCT MAT DATE 25 APR 2016	100	-	-	60,000	1
Fixed Rate Treasury Notes 1.00 PCT MAT DATE 25 APR 2016	100	-	-	200,000	3
Treasury Notes PHY6972FWG18 MAT Date 22 Feb 2017	100	-	-	160,000	2
Treasury Notes PHY6972FWQ99 MAT Date 07 June 2017	100	340,000	4	-	-
Treasury Notes PIB1217C056 MAT DATE 14 Mar 2018	100	400,000	5	-	-
		740,000	9	470,000	7

2.6.3 Details of Investments in liquid mutual fund units and Fixed Maturity Plans

The balances held in liquid mutual fund units as at March 31, 2017 and March 31, 2016 is as follows:

in ₹ crore, except as otherwise stated

Particulars	As at March 31, 2017		As at March 31, 2016	
	Units	Amount	Units	Amount
Birla Sun Life Cash Plus Growth Direct Plan	14,522,491	380	-	-
Birla Sun Life Cash Manager- Regular Plan	-	-	389,089	14
BSL Cash Manager - Growth	266,264	11	-	-
ICICI Prudential Liquid - Direct Plan - Daily Dividend	-	-	1,607,064	16
ICICI Prudential Liquid Direct Plan Growth	10,388,743	250	-	-
IDFC Cash Fund Growth (Direct Plan)	1,265,679	250	-	-
Kotak Low Duration Fund Direct Growth (Ultra Short Term)	1,502,564	305	-	-
L&T Liquid Fund Direct Plan Growth	672,806	150	-	-
Reliance Liquid Fund Cash Plan	28,305	7	2	-
Reliance Liquid Fund- Treasury Plan- Direct Growth Plan- Growth Option	882,465	350	207,283	31
Reliance Money Manage Fund	-	-	32,925	7
SBI Premier Liquid Fund Direct Plan Growth	391,909	100	-	-
	29,921,226	1,803	2,236,363	68

The balances held in Fixed Maturity Plans as at March 31, 2017 is as follows:

Particulars	As at March 31, 2017	
	Units	Amount
Birla Sun Life Fixed Term Plan -Series OD 1145 Days -GR direct	60,000,000	61
Birla Sun Life Fixed Term Plan -series OE 1153 days -GR direct	25,000,000	25
HDFC FMP 1155D Feb 2017-Direct Growth Series 37	38,000,000	38
HDFC FMP 1169D Feb 2017 -Direct-Quarterly Dividend -Series 37	45,000,000	45
ICICI FMP Series 80-1194 D Plan F Div.	55,000,000	55
ICICI Prudential Fixed maturity Plan Series 80-1187 Days Plan G direct Plan	42,000,000	42
ICICI Prudential Fixed Maturity Plan series 80-1253 Days Plan J Direct Plan	30,000,000	30
IDFC Fixed Term Plan Series 129 direct Plan-Growth 1147 Days	10,000,000	10
IDFC Fixed Term Plan Series 131 direct Plan-Growth 1139 Days	15,000,000	15
Kotak FMP Series 199 Direct -Growth	35,000,000	36
Reliance Fixed Horizon Fund-XXXII Series 8-Dividend Plan	50,000,000	50
Reliance Yearly Interval Fund Series -1-Direct Plan-Growth Plan	106,906,898	151
	511,906,898	558

2.6.4 Details of Investments in Non convertible debentures and Certificate of Deposits

The balances held in non convertible debenture units as at March 31, 2017 is as follows:

in ₹ crore, except as otherwise stated

Particulars	As at March 31, 2017		
	Face Value ₹	Units	Amount
7.48% Housing Development Finance Corporation Ltd 18NOV2019	10,000,000/-	50	52
7.58% LIC Housing Finance Ltd 11JUN2020	1,000,000/-	500	51
7.58% LIC Housing Finance Ltd 28FEB2020	1,000,000/-	1,000	100
7.59% LIC Housing Finance Ltd 14OCT2021	1,000,000/-	3,000	309
7.75% LIC Housing Finance Ltd 27AUG2021	1,000,000/-	1,250	129
7.79% LIC Housing Finance Ltd 19JUN2020	1,000,000/-	500	52
7.80% Housing Development Finance Corporation Ltd 11NOV2019	10,000,000/-	150	155
7.81% LIC Housing Finance Ltd 27APR2020	1,000,000/-	2,000	208
7.95% Housing Development Finance Corporation Ltd 23SEP2019	10,000,000/-	50	53
8.02% LIC Housing Finance Ltd 18FEB2020	1,000,000/-	500	51
8.26% Housing Development Finance Corporation Ltd 12AUG2019	10,000,000/-	100	106
8.34% Housing Development Finance Corporation Ltd 06MAR2019	10,000,000/-	200	217
8.37% LIC Housing Finance Ltd 03OCT2019	1,000,000/-	2,000	218
8.37% LIC Housing Finance Ltd 10MAY2021	1,000,000/-	500	55
8.43% IDFC Bank Limited 30JAN2018	1,000,000/-	1,000	102
8.46% Housing Development Finance Corporation Ltd 11MAR2019	10,000,000/-	50	54
8.47% LIC Housing Finance Ltd 21JAN2020	1,000,000/-	500	52
8.49% Housing Development Finance Corporation Ltd 27APR2020	5,000/-	900	49
8.50% Housing Development Finance Corporation Ltd 31AUG2020	10,000,000/-	100	108
8.54% IDFC Bank Limited 30MAY2018	1,000,000/-	1,500	182
8.59% Housing Development Finance Corporation Ltd 14JUN2019	10,000,000/-	50	51
8.60% LIC Housing Finance Ltd 22JUL2020	1,000,000/-	1,000	108
8.60% LIC Housing Finance Ltd 29JUL2020	1,000,000/-	1,750	190
8.61% LIC Housing Finance Ltd 11DEC2019	1,000,000/-	1,000	104
8.66% IDFC Bank Limited 27DEC2018	1,000,000/-	400	49
8.66% IDFC Bank Limited 25JUN2018	1,000,000/-	1,520	184
8.72% Housing Development Finance Corporation Ltd 15APR2019	10,000,000/-	75	77
8.75% Housing Development Finance Corporation Ltd 13JAN2020	500,000/-	5,000	260
8.75% LIC Housing Finance Ltd 14JAN2020	1,000,000/-	1,070	112
8.75% LIC Housing Finance Ltd 21DEC2020	1,000,000/-	1,000	104
8.97% LIC Housing Finance Ltd 29OCT2019	1,000,000/-	500	53
9.45% Housing Development Finance Corporation Ltd 21AUG2019	1,000,000/-	3,000	327
9.65% Housing Development Finance Corporation Ltd 19JAN2019	1,000,000/-	500	53
		32,715	3,975

The balances held in Certificate of Deposits as at March 31, 2017 is as follows:

Particulars	As at March 31, 2017		
	Face Value ₹	Units	Amount
Andhra Bank	1,00,000/-	35,000	344
Axis Bank	1,00,000/-	305,600	2,914
Corporation Bank	1,00,000/-	33,500	327
DBS Bank	1,00,000/-	5,000	49
ICICI Bank Limited	1,00,000/-	42,500	413
IDFC Bank	1,00,000/-	140,000	1,328
IndusInd Bank	1,00,000/-	106,400	1,011
Kotak Bank	1,00,000/-	85,500	813
Vijaya Bank	1,00,000/-	14,000	137
Yes Bank	1,00,000/-	60,000	569
		827,500	7,905

2.7 LOANS

in ₹ crore

Particulars	As at		
	March 31, 2017	March 31, 2016	April 1, 2015
Non Current			
Unsecured, considered good			
Other loans			
Loans to employees	29	25	31
	29	25	31
Unsecured, considered doubtful			
Loans to employees	24	19	12
	53	44	43
Less: Allowance for doubtful loans to employees	24	19	12
	29	25	31
Current			
Unsecured, considered good			
Other loans			
Loans to employees	272	303	222
	272	303	222
Total Loans	301	328	253

2.8 OTHER FINANCIAL ASSETS

in ₹ crore

Particulars	As at		
	March 31, 2017	March 31, 2016	April 1, 2015
Non Current			
Security deposits ⁽¹⁾	86	78	68
Rental deposits ⁽¹⁾	175	146	47
Restricted deposits ⁽¹⁾	48	62	58
	309	286	173
Current			
Security deposits ⁽¹⁾	10	7	4
Rental deposits ⁽¹⁾	9	13	24
Restricted deposits ⁽¹⁾	1,416	1,238	1,100
Unbilled revenues ⁽¹⁾	3,648	3,029	2,845
Interest accrued but not due ⁽¹⁾	576	762	444
Foreign currency forward and options contracts ^{(2) (3)}	284	116	101
Others ⁽¹⁾	37	25	9
	5,980	5,190	4,527
Total Financial Assets	6,289	5,476	4,700
⁽¹⁾ Financial assets carried at amortized cost	6,005	5,360	4,599
⁽²⁾ Financial assets carried at fair value through other comprehensive income	52	-	-
⁽³⁾ Financial assets carried at fair value through profit or loss	232	116	101

Restricted deposits represents deposits with financial institutions to settle employee-related obligations as and when they arise during the normal course of business.

Other assets primarily represent travel advances and other recoverables.

2.9 TRADE RECEIVABLES ⁽¹⁾

in ₹ crore

Particulars	As at		
	March 31, 2017	March 31, 2016	April 1, 2015
Current			
Unsecured			
Considered good	12,322	11,330	9,713
Considered doubtful	318	289	366
	12,640	11,619	10,079
Less: Allowances for credit loss	318	289	366
	12,322	11,330	9,713
	1	1	6

⁽¹⁾ Includes dues from companies where directors are interested

2.10 CASH AND CASH EQUIVALENTS

in ₹ crore

Particulars	As at		
	March 31, 2017	March 31, 2016	April 1, 2015
Balances with banks			
In current and deposit accounts	14,889	27,420	26,195
Cash on hand	-	-	-
Others			
Deposits with financial institutions	7,736	5,277	4,172
	22,625	32,697	30,367
<i>Balances with banks in unpaid dividend accounts</i>	17	5	3
<i>Deposit with more than 12 months maturity</i>	6,954	404	311
<i>Balances with banks held as margin money deposits against guarantees</i>	404	342	185

Cash and cash equivalents as of March 31, 2017, March 31, 2016 and April 1, 2015 include restricted cash and bank balances of ₹572 crore, ₹492 crore and ₹364 crore, respectively. The restrictions are primarily on account of cash and bank balances held by irrevocable trusts controlled by the Company, bank balances held as margin money deposits against guarantees and balances held in unpaid dividend bank accounts.

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

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

in ₹ crore

Particulars	As at	
	March 31, 2017	March 31, 2016
Current accounts		
ANZ Bank, Taiwan	3	13
Axis Bank, India	1	1
Banamex Bank, Mexico	2	5
Banamex Bank, Mexico (U.S. Dollar account)	8	3
Bank of America, Mexico	54	21
Bank of America, USA	1,030	681
Bank Zachodni WBK S.A. Poland	4	3
Bank of Tokyo-Mitsubishi UFJ, Ltd., Japan	-	1
Barclays Bank, UK	1	19
Bank Leumi, Israel (US Dollar account)	2	17
Bank Leumi, Israel	11	10
BNP Paribas Bank, Norway	17	-
China Merchants Bank, China	9	8
Citibank N.A. China	61	65
Citibank N.A., China (U.S. Dollar account)	11	72
Citibank N.A., Costa Rica	5	2
Citibank N.A., Australia	19	72
Citibank N.A., Brazil	30	5
Citibank N.A., Dubai	1	1
Citibank N.A., Hungary	3	-
Citibank N.A., India	3	1
Citibank N.A., Japan	12	15
Citibank N.A., New Zealand	10	6
Citibank N.A., Portugal	2	2
Citibank N.A., Singapore	2	3
Citibank N.A., South Korea	1	-
Citibank N.A., South Africa	9	5
Citibank N.A., South Africa (Euro account)	1	1
Citibank N.A., Philippines, (U.S. Dollar account)	1	1
Citibank N.A., USA	78	60
Citibank N.A., EEFC (U.S. Dollar account)	1	-
Commerzbank, Germany	18	19
Crédit Industriel et Commercial Bank, France	-	4
Deutsche Bank, India	12	8
Deutsche Bank, Philippines	5	13
Deutsche Bank, Philippines (U.S. Dollar account)	4	1
Deutsche Bank, Poland	12	5
Deutsche Bank, Poland (Euro account)	4	-
Deutsche Bank, EEFC (Australian Dollar account)	38	2
Deutsche Bank, EEFC (Euro account)	25	32
Deutsche Bank, EEFC (Swiss Franc account)	2	5
Deutsche Bank, EEFC (U.S. Dollar account)	76	96
Deutsche Bank, EEFC (United Kingdom Pound Sterling account)	10	9
Deutsche Bank, Belgium	10	59
Deutsche Bank, Malaysia	7	9
Deutsche Bank, Czech Republic	8	14

Deutsche Bank, Czech Republic (Euro account)	7	1
Deutsche Bank, Czech Republic (U.S. Dollar account)	30	28
Deutsche Bank, France	8	10
Deutsche Bank, Germany	48	17
Deutsche Bank, Netherlands	2	6
Deutsche Bank, Russia	3	2
Deutsche Bank, Russia (U.S. Dollar account)	1	1
Deutsche Bank, Singapore	6	4
Deutsche Bank, Spain	-	1
Deutsche Bank, Switzerland	9	1
Deutsche Bank, Switzerland (U.S. Dollar account)	1	-
Deutsche Bank, United Kingdom	26	170
Deutsche Bank, USA	12	-
HSBC Bank, Brazil	1	5
HSBC Bank, Hong Kong	1	1
ICICI Bank, India	53	72
ICICI Bank, EEFC (Euro account)	1	-
ICICI Bank, EEFC (U.S. Dollar account)	5	10
ICICI Bank, EEFC (United Kingdom Pound Sterling account)	1	-
ING Bank, Belgium	2	3
Nordbanken, Sweden	33	15
Punjab National Bank, India	6	4
Raiffeisen Bank, Czech Republic	4	5
Raiffeisen Bank, Romania	4	4
Royal Bank of Canada, Canada	83	78
Santander Bank, Argentina	1	-
State Bank of India, India	7	8
Silicon Valley Bank, USA	4	5
Silicon Valley Bank, (Euro account)	19	65
Silicon Valley Bank, (United Kingdom Pound Sterling account)	2	19
Union Bank of Switzerland AG	3	15
Union Bank of Switzerland AG, (Euro account)	4	12
Union Bank of Switzerland AG, (Australian Dollar account)	-	2
Union Bank of Switzerland AG, (U.S. Dollar account)	-	28
Union Bank of Switzerland AG, (United Kingdom Pound Sterling account)	-	4
Wells Fargo Bank N.A., USA	33	23
Westpac, Australia	1	6
	2,044	1,994

Particulars	in ₹ crore	
	As at	
	March 31, 2017	March 31, 2016
Deposit accounts		
Andhra Bank	-	948
Axis Bank	1,175	1,340
Bank BGZ BNP Paribas S.A	183	-
Bank of India	-	77
Barclays Bank	825	-
Canara Bank	84	2,115
Central Bank of India	-	1,538
Citibank	165	125
Corporation Bank	-	1,285
Deutsche Bank, Poland	71	237
HDFC Bank	469	2,650
HSBC Bank	500	-
ICICI Bank	4,644	4,049
IDBI Bank	1,750	1,900
IDFC Bank	200	-
Indian Overseas Bank	-	1,250
Indusind Bank	191	250
Jammu & Kashmir Bank	-	25
Kotak Mahindra Bank Limited	535	537
National Australia Bank Limited	-	1
Oriental Bank of Commerce	-	1,967
Punjab National Bank	-	18
South Indian Bank	450	23
Standard Chartered Bank	500	-
State Bank of India	-	2,310
Syndicate Bank	49	1,266
Union Bank of India	-	140
Vijaya Bank	-	304
Yes Bank	633	724
	12,424	25,079
Unpaid dividend accounts		
Axis Bank - Unpaid dividend account	2	2
HDFC Bank - Unpaid dividend account	2	1
ICICI Bank - Unpaid dividend account	13	2
	17	5
Margin money deposits against guarantees		
Canara Bank	177	132
Citibank	2	3
ICICI Bank	225	150
State Bank of India	-	57
	404	342
Deposits with financial institutions		
HDFC Limited	7,036	5,277
LIC Housing Finance Limited	700	-
	7,736	5,277
Total cash and cash equivalents	22,625	32,697

2.11 OTHER ASSETS

in ₹ crore

Particulars	As at		
	March 31, 2017	March 31, 2016	April 1, 2015
Non Current			
Capital advances	600	933	664
Advances other than capital advances			
Prepaid gratuity (refer note 2.22.1)	79	4	27
Deferred Contract Cost	284	333	-
Prepaid expenses	96	87	7
	1,059	1,357	698
Current			
Advances other than capital advances			
Payment to vendors for supply of goods	131	110	79
Others			
Withholding taxes and others	1,886	1,799	1,364
Prepaid expenses	441	201	98
Deferred Contract Cost	78	48	-
	2,536	2,158	1,541
Total Other Assets	3,595	3,515	2,239

Deferred contract costs are upfront costs incurred for the contract and are amortized over the term of the contract. Withholding taxes and others primarily consist of input tax credits.

2.12 FINANCIAL INSTRUMENTS

Financial instruments by category

The carrying value and fair value of financial instruments by categories as of March 31, 2017 were as follows:

	Amortised cost	Financial assets/ liabilities at fair value through profit or loss		Financial assets/liabilities at fair value through OCI		Total carrying value	(In ₹ crore) Total fair value
		Designated upon initial recognition	Mandatory	Equity instruments designated upon initial recognition	Mandatory		
Assets:							
Cash and cash equivalents (Refer Note 2.10)	22,625	-	-	-	-	22,625	22,625
Investments (Refer Note 2.6)							
Equity and preference securities	-	-	-	159	-	159	159
Tax free bonds and government bonds	1,907	-	-	-	-	1,907	2,168 *
Liquid mutual fund units	-	-	1,803	-	-	1,803	1,803
Non convertible debentures	-	-	-	-	3,975	3,975	3,975
Certificate of Deposits	-	-	-	-	7,905	7,905	7,905
Convertible promissory note	-	-	10	-	-	10	10
Other investments	-	-	35	-	-	35	35
Fixed maturity plan securities	-	-	558	-	-	558	558
Trade receivables (Refer Note 2.9)	12,322	-	-	-	-	12,322	12,322
Loans (Refer Note 2.7)	301	-	-	-	-	301	301
Other financial assets (Refer Note 2.8)	6,005	-	232	-	52	6,289	6,289
Total	43,160	-	2,638	159	11,932	57,889	
Liabilities:							
Trade payables	367	-	-	-	-	367	367
Other financial liabilities (Refer Note 2.14)	4,973	-	87	-	-	5,060	5,060
Total	5,340	-	87	-	-	5,427	

The carrying value and fair value of financial instruments by categories as of March 31, 2016 were as follows:

	Amortised cost	Financial assets/ liabilities at fair value through profit or loss		Financial assets/liabilities at fair value through OCI		Total carrying value	(In ₹ crore) Total fair value
		Designated upon initial recognition	Mandatory	Equity instruments designated upon initial recognition	Mandatory		
Assets:							
Cash and cash equivalents (Refer Note 2.10)	32,697	-	-	-	-	32,697	32,697
Investments (Refer Note 2.6)							
Equity, preference and other securities	-	-	22	93	-	115	115
Tax free bonds and government bonds	1,606	-	-	-	-	1,606	1,703 *
Liquid mutual fund units	-	-	68	-	-	68	68
Trade receivables (Refer Note 2.9)	11,330	-	-	-	-	11,330	11,330
Loans (Refer Note 2.7)	328	-	-	-	-	328	328
Other financial assets (Refer Note 2.8)	5,360	-	116	-	-	5,476	5,476
Total	51,321	-	206	93	-	51,620	
Liabilities:							
Trade payables	386	-	-	-	-	386	386
Other financial liabilities (Refer Note 2.14)	4,908	-	122	-	-	5,030	5,030
Total	5,294	-	122	-	-	5,416	

The carrying value and fair value of financial instruments by categories as of April 1, 2015 were as follows:

	Amortised cost	Financial assets/ liabilities at fair value through profit or loss		Financial assets/liabilities at fair value through OCI		Total carrying value	(In ₹ crore) Total fair value
		Designated upon initial recognition	Mandatory	Equity instruments designated upon initial recognition	Mandatory		
Assets:							
Cash and cash equivalents (Refer Note 2.10)	30,367	-	-	-	-	30,367	30,367
Investments (Refer Note 2.6)							
Equity, preference and other securities	-	-	-	1	-	1	1
Tax free bonds and government bonds	1,304	-	-	-	-	1,304	1,344 *
Liquid mutual fund units	-	-	842	-	-	842	842
Fixed maturity plans	-	-	32	-	-	32	32
Trade receivables (Refer Note 2.9)	9,713	-	-	-	-	9,713	9,713
Loans (Refer Note 2.7)	253	-	-	-	-	253	253
Other financial assets (Refer Note 2.8)	4,599	-	101	-	-	4,700	4,700
Total	46,236	-	975	1	-	47,212	
Liabilities:							
Trade payables	140	-	-	-	-	140	140
Other financial liabilities (Refer Note 2.14)	4,911	-	3	-	-	4,914	4,914
Total	5,051	-	3	-	-	5,054	

* Changes in fair values including interest accrued

Fair value hierarchy**Level 1** - Quoted prices (unadjusted) in active markets for identical assets or liabilities.**Level 2** – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).**Level 3** - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

The following table presents fair value hierarchy of assets and liabilities measured at fair value on a recurring basis as of March 31, 2017:

	As of March 31, 2017	Fair value measurement at end of the reporting period/year using		
		Level 1	Level 2	Level 3
Assets				
Investments in liquid mutual fund units (Refer Note 2.6)	1,803	1,803	-	-
Investments in tax free bonds (Refer Note 2.6)	2,159	282	1,877	-
Investments in government bonds (Refer Note 2.6)	9	9	-	-
Investments in equity instruments (Refer Note 2.6)	15	-	-	15
Investments in preference securities (Refer Note 2.6)	144	-	-	144
Investments in non convertible debentures (Refer Note 2.6)	3,975	3,371	604	-
Investments in certificate of deposits (Refer Note 2.6)	7,905	-	7,905	-
Investments in fixed maturity plans (Refer Note 2.6)	558	-	558	-
Investments in convertible promissory note (Refer Note 2.6)	10	-	-	10
Others (Refer Note 2.6)	35	-	-	35
Derivative financial instruments - foreign currency forward and option contracts (Refer Note 2.8)	284	-	284	-
Liabilities				
Derivative financial instruments - foreign currency forward and option contracts (Refer Note 2.14)	2	-	2	-
Liability towards contingent consideration (Refer note 2.14)*	85	-	-	85

*Discounted \$14 million (approximately ₹91 crore) at 14.2%

During the year ended March 31, 2017, tax free bonds of ₹115 crore were transferred from Level 1 to Level 2 of fair value hierarchy, since these were valued based on market observable inputs

The following table presents fair value hierarchy of assets and liabilities measured at fair value on a recurring basis as of March 31, 2016:

		(In ₹ crore)		
	As of March 31, 2016	Fair value measurement at end of the reporting period/year using		
		Level 1	Level 2	Level 3
Assets				
Investments in liquid mutual fund units (Refer Note 2.6)	68	68	-	-
Investments in bonds (Refer Note 2.6)	1,696	369	1,327	-
Investments in government bonds (Refer Note 2.6)	7	7	-	-
Investments in equity instruments (Refer Note 2.6)	1	-	-	1
Investments in preference securities (Refer Note 2.6)	92	-	-	92
Others (Refer Note 2.6)	22	-	-	22
Derivative financial instruments - foreign currency forward and option contracts (Refer Note 2.8)	116	-	116	-
Liabilities				
Derivative financial instruments - foreign currency forward and option contracts (Refer Note 2.14)	5	-	5	-
Liability towards contingent consideration (Refer note 2.14)*	117	-	-	117

*Discounted \$20 million (approximately ₹132 crore) at 13.7%

The following table presents fair value hierarchy of assets and liabilities measured at fair value on a recurring basis as of April 1, 2015:

	(In ₹ crore)			
	As of April 1, 2015	Fair value measurement at end of the reporting period/year using		
		Level 1	Level 2	Level 3
Assets				
Investments in liquid mutual fund units (Refer Note 2.6)	842	842	-	-
Investments in fixed maturity plan securities (Refer Note 2.6)	32	-	32	-
Investments in bonds (Refer Note 2.6)	1,340	604	736	-
Investments in government bonds (Refer Note 2.6)	4	4	-	-
Investments in equity instruments (Refer Note 2.6)	1	-	-	1
Derivative financial instruments - foreign currency forward and option contracts (Refer Note 2.8)	101	-	101	-
Liabilities				
Derivative financial instruments - foreign currency forward and option contracts (Refer Note 2.14)	3	-	3	-

A one percentage point change in the unobservable inputs used in fair valuation of the contingent consideration does not have a significant impact in its value.

The movement in contingent consideration as of March 31, 2017 from March 31, 2016 is on account of settlement of contingent consideration of ₹40 crore and change in discount rate and passage of time.

The fair value of liquid mutual funds is based on quoted price. The fair value of tax free bonds and government bonds is based on quoted prices and market observable inputs. The fair value of non-convertible debentures is based on quoted prices and market observable inputs. The fair value of fixed maturity plan securities and certificates of deposits is based on market observable inputs. Derivative financial instruments are valued based on quoted prices for similar assets and liabilities in active markets or inputs that are directly or indirectly observable in the marketplace.

The amount invested and fair value of unquoted equity and preference securities of March 31, 2017 is ₹161 crore and ₹159 crore. The fair value is determined using Level 3 inputs like Discounted Cash Flow Method, Market Multiple Method, Option Pricing Model, etc.

Financial risk management

Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk. The Group's focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance. The primary market risk to the Group is foreign exchange risk. The Group uses derivative financial instruments to mitigate foreign exchange related risk exposures. The Group's exposure to credit risk is influenced mainly by the individual characteristic of each customer and the concentration of risk from the top few customers.

Market risk

The Group operates internationally and a major portion of the business is transacted in several currencies and consequently the Group is exposed to foreign exchange risk through its sales and services in the United States and elsewhere, and purchases from overseas suppliers in various foreign currencies. The Group holds derivative financial instruments such as foreign exchange forward and option contracts to mitigate the risk of changes in exchange rates on foreign currency exposures. The exchange rate between the Indian rupee and foreign currencies has changed substantially in recent years and may fluctuate substantially in the future. Consequently, the results of the Group's operations are adversely affected as the rupee appreciates/ depreciates against these currencies.

The following table analyzes foreign currency risk from financial instruments as of March 31, 2017:

	U.S. dollars	Euro	United Kingdom Pound Sterling	Australian dollars	Other currencies	(In ₹ crore) Total
Cash and cash equivalents	1,334	131	36	183	700	2,384
Trade receivables	8,345	1,244	775	561	702	11,627
Other financial assets (including loans)	2,862	535	372	159	403	4,331
Trade payables	(115)	(32)	(13)	(5)	(158)	(323)
Other financial liabilities	(2129)	(406)	(211)	(211)	(547)	(3,504)
Net assets / (liabilities)	10,297	1,472	959	687	1,100	14,515

The following table analyzes foreign exchange risk from financial instruments as of March 31, 2016:

	U.S. dollars	Euro	United Kingdom Pound Sterling	Australian dollars	Other currencies	(In ₹ crore) Total
Cash and cash equivalents	1,124	167	202	171	601	2,265
Trade receivables	7,558	1,280	721	598	696	10,853
Other financial assets (including loans)	1,967	405	216	124	337	3,049
Trade payables	(126)	(75)	(73)	(4)	(76)	(354)
Other financial liabilities	(2,430)	(369)	(197)	(243)	(558)	(3,797)
Net assets / (liabilities)	8,093	1,408	869	646	1,000	12,016

For the year ended March 31, 2017 and March 31, 2016, every percentage point depreciation / appreciation in the exchange rate between the Indian rupee and U.S. dollar, has affected the Company's incremental operating margins by approximately 0.50%.

Sensitivity analysis is computed based on the changes in the income and expenses in foreign currency upon conversion into functional currency, due to exchange rate fluctuations between the previous reporting period and the current reporting period.

Derivative financial instruments

The Group holds derivative financial instruments such as foreign currency forward and option contracts to mitigate the risk of changes in exchange rates on foreign currency exposures. The counterparty for these contracts is generally a bank. These derivative financial instruments are valued based on quoted prices for similar assets and liabilities in active markets or inputs that are directly or indirectly observable in the marketplace.

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

	As of		As of	
	March 31, 2017		March 31, 2016	
	In million	In ₹ crore	In million	In ₹ crore
Derivatives designated as cash flow hedges				
Forward contracts				
In Euro	95	658	-	-
In United Kingdom Pound Sterling	40	324	-	-
In Australian dollars	130	644	-	-
Option Contracts				
In Euro	40	277	-	-
In United Kingdom Pound Sterling	-	-	-	-
In Australian dollars	-	-	-	-
Other derivatives				
Forward contracts				
In U.S. dollars	526	3,411	510	3,379
In Euro	114	786	100	750
In United Kingdom Pound Sterling	75	609	65	623
In Australian dollars	35	174	55	281
In Swiss Franc	10	65	25	173
In Singapore dollars	5	23	-	-
In Swedish Krona	50	36	-	-
Option Contracts				
In U.S. dollars	195	1,265	125	828
In Euro	25	173	-	-
In United Kingdom Pound Sterling	30	243	-	-
In Canadian dollars	13	65	-	-
Total forwards and options		8,753		6,034

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

(In ₹ crore)		
	As of	
	March 31, 2017	March 31, 2016
Not later than one month	2,303	1,577
Later than one month and not later than three months	4,316	3,420
Later than three months and not later than one year	2,134	1,037
	8,753	6,034

During the year ended March 31, 2017, the group has designated certain foreign exchange forward contracts as cash flow hedges to mitigate the risk of foreign exchange exposure on highly probable forecast cash transactions. The related hedge transactions for balance in cash flow hedging reserve are expected to occur and reclassified to revenue in the statement of profit or loss within 3 months.

Hedge effectiveness is determined at the inception of the hedge relationship, and through periodic prospective effectiveness assessments to ensure that an economic relationship exists between the hedged item and hedging instrument, including whether the hedging instrument is expected to offset changes in cash flows of hedged items.

If the hedge ratio for risk management purposes is no longer optimal but the risk management objective remains unchanged and the hedge continues to qualify for hedge accounting, the hedge relationship will be rebalanced by adjusting either the volume of the hedging instrument or the volume of the hedged item so that the hedge ratio aligns with the ratio used for risk management purposes. Any hedge ineffectiveness is calculated and accounted for in profit or loss at the time of the hedge relationship rebalancing.

The following table provides the reconciliation of cash flow hedge reserve for the year ended March 31, 2017:

(In ₹ crore)	
	Year ended March 31, 2017
Balance at the beginning of the period	-
Gain / (Loss) recognised in other comprehensive income during the period	121
Amount reclassified to revenue during the period	(69)
Tax impact on above	(13)
Balance at the end of the period	39

The group offsets a financial asset and a financial liability when it currently has a legally enforceable right to set off the recognized amounts and the group intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

The following table provides quantitative information about offsetting of derivative financial assets and derivative financial liabilities:

	As of		As of	
	March 31, 2017		March 31, 2016	
	Derivative financial asset	Derivative financial liability	Derivative financial asset	Derivative financial liability
Gross amount of recognized financial asset/liability	285	(3)	124	(13)
Amount set off	(1)	1	(8)	8
Net amount presented in balance sheet	284	(2)	116	(5)

Credit risk

Credit risk refers to the risk of default on its obligation by the counterparty resulting in a financial loss. The maximum exposure to the credit risk at the reporting date is primarily from trade receivables amounting to ₹12,322 crore and ₹11,330 crore as of March 31, 2017 and March 31, 2016, respectively and unbilled revenue amounting to ₹3,648 crore and ₹3,029 crore as of March 31, 2017 and March 31, 2016, respectively. Trade receivables and unbilled revenue are typically unsecured and are derived from revenue earned from customers primarily located in the United States. Credit risk has always been managed by the group through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Group grants credit terms in the normal course of business. On account of adoption of Ind AS 109, the group uses expected credit loss model to assess the impairment loss or gain. The group uses a provision matrix to compute the expected credit loss allowance for trade receivables and unbilled revenues. The provision matrix takes into account available external and internal credit risk factors such as credit default swap quotes, credit ratings from international credit rating agencies and the Group's historical experience for customers.

The following table gives details in respect of percentage of revenues generated from top customer and top five customers:

	(In %)	
	Year ended March 31,	
	2017	2016
Revenue from top customer	3.4	3.6
Revenue from top five customers	12.6	13.8

Credit risk exposure

The allowance for lifetime expected credit loss on customer balances for the year ended March 31, 2017 was ₹132 crore. The reversal of provision of allowance for lifetime expected credit loss on customer balances for the year ended March 31, 2016 was ₹52 crore.

	(In ₹ crore)	
	Year ended March 31,	
	2017	2016
Balance at the beginning	289	366
Impairment loss recognized / (reversed)	132	(52)
Amounts written off	(1)	(33)
Translation differences	(9)	8
Balance at the end	411	289

The Company's credit period generally ranges from 30-60 days.

	(In ₹ crore except otherwise stated)	
	As of	
	March 31, 2017	March 31, 2016
Trade receivables	12,322	11,330
Unbilled revenues	3,648	3,029
Days Sales Outstanding- DSO (days)	68	66

Credit risk on cash and cash equivalents is limited as we generally invest in deposits with banks and financial institutions with high credit ratings assigned by international and domestic credit rating agencies. Investments primarily include investment in liquid mutual fund units, fixed maturity plan securities, certificates of deposit, quoted bonds issued by government and quasi government organizations and non convertible debentures.

Liquidity risk

The Group's principal sources of liquidity are cash and cash equivalents and the cash flow that is generated from operations. The Group has no outstanding bank borrowings. The Group believes that the working capital is sufficient to meet its current requirements. Accordingly, no liquidity risk is perceived.

As of March 31 2017, the Group had a working capital of ₹39,692 crore including cash and cash equivalents of ₹22,625 crore and current investments of ₹9,970 crore. As of March 31, 2016, the Group had a working capital of ₹38,514 crore including cash and cash equivalents of ₹32,697 crore and current investments of ₹75 crore.

As of March 31 2017 and March 31, 2016, the outstanding employee compensated absences were ₹1,359 crore and ₹1,341 crore, respectively, which have been substantially funded. Accordingly no liquidity risk is perceived.

The table below provides details regarding the contractual maturities of significant financial liabilities as of March 31 2017:

	(In ₹ crore)				
Particulars	Less than 1 year	1-2 years	2-4 years	4-7 years	Total
Trade payables	367	-	-	-	367
Other financial liabilities (excluding liability towards acquisition) (Refer Note 2.14)	4,943	31	-	-	4,974
Liability towards acquisitions on an undiscounted basis (including contingent consideration) -Refer Note 2.14	45	46	-	-	91

The table below provides details regarding the contractual maturities of significant financial liabilities as of March 31, 2016:

	(In ₹ crore)				
Particulars	Less than 1 year	1-2 years	2-4 years	4-7 years	Total
Trade payables	386	-	-	-	386
Other financial liabilities (excluding liability towards acquisition) (Refer Note 2.14)	4,875	25	9	-	4,909
Liability towards acquisitions on an undiscounted basis (including contingent consideration) -Refer Note 2.14	86	46	-	-	132

2.13 EQUITY

SHARE CAPITAL

in ₹ crore, except as otherwise stated

Particulars	As at		
	March 31 2017	March 31, 2016	April 1, 2015
Authorized			
Equity shares, ₹5/- par value			
240,00,00,000 (240,00,00,000 ⁽³⁾) equity shares	1,200	1,200	600
Issued, Subscribed and Paid-Up			
Equity shares, ₹5/- par value ⁽¹⁾	1,144	1,144	572
228,56,55,150 (228,56,21,088 ⁽³⁾) equity shares fully paid-up ⁽²⁾			
	1,144	1,144	572

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

⁽¹⁾ Refer note 2.23 for details of basic and diluted shares

⁽²⁾ Net of treasury shares 112,89,514 (113,23,576)

⁽³⁾ Represents number of shares as of March 31, 2016

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 equity shares represented by American Depositary Shares (ADS) carry similar rights to voting and dividends as the other equity shares. Each ADS represents one underlying equity 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. The remittance of dividends outside India is governed by Indian law on foreign exchange and is subject to applicable distribution taxes.

In the period of five years immediately preceding March 31 2017:

The Company has allotted 114,84,72,332 and 57,42,36,166 fully paid-up shares of face value ₹5/- each during the quarter ended June 30, 2015 and December 31, 2014, pursuant to bonus issue approved by the shareholders through postal ballot. 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.

The Board of Directors, in its meeting on April 15, 2016, proposed a final dividend of ₹14.25/- per equity share and the same was approved by the shareholders at the Annual General Meeting held on June 18, 2016. The amount was recognized as distributions to equity shareholders during the year ended March 31, 2017 and the total appropriation was ₹3,923 crore (excluding dividend on treasury shares), including corporate dividend tax. (Refer note 2.2.1 for impact on transition to Ind AS)

The amount of per share dividend recognized as distributions to equity shareholders during the year ended March 31, 2016 was ₹29.50/- per equity share (not adjusted for June 17, 2015 bonus issue).

The board of directors in their meeting on October 14, 2016 declared an interim dividend of ₹11/- per equity share, which resulted in cash outflow of ₹3,029 crore, (excluding dividend paid on treasury shares) inclusive of corporate dividend tax

The Board of Directors, in its meeting on April 13, 2017, have proposed a final dividend of ₹14.75/- per equity share for the financial year ended March 31, 2017. The proposal is subject to the approval of shareholders at the Annual General Meeting to be held on June 24, 2017 and if approved would result in a cash outflow of approximately ₹4,061 crore (excluding dividend paid on treasury shares), including corporate dividend tax.

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. However, no such preferential amounts exist currently, other than the amounts held by irrevocable controlled trusts. For irrevocable controlled trusts, the corpus would be settled in favour of the beneficiaries.

The details of shareholder holding more than 5% shares as at March 31, 2017 and March 31, 2016 are set out below :

Name of the shareholder	As at March 31, 2017		As at March 31, 2016	
	Number of shares	% held	Number of shares	% held
Deutsche Bank Trust Company Americas (Depository of ADR's - legal ownership)	38,33,17,937	16.69	38,53,17,937	16.78
Life Insurance Corporation of India	16,14,36,123	7.03	13,22,74,300	5.76

The reconciliation of the number of shares outstanding and the amount of share capital as at March 31, 2017 and March 31, 2016 is set out below:

Particulars	As at March 31, 2017		As at March 31, 2016	
	Number of shares	Amount	Number of shares	Amount
Number of shares at the beginning of the period	2,285,621,088	1,144	1,142,805,132	572
Add: Bonus shares issued (including bonus on treasury shares)	-	-	1,148,472,332	574
Add: Shares issued on exercise of employee stock options	34,062	-	10,824	-
Less: Increase in treasury shares consequent to bonus issue	-	-	5,667,200	2
Number of shares at the end of the period	2,285,655,150	1,144	2,285,621,088	1,144

Employee Stock Option Plan (ESOP):

2015 Stock Incentive Compensation Plan (the 2015 Plan): SEBI issued the Securities and Exchange Board of India (Share based Employee Benefits) Regulations, 2014 ('SEBI Regulations') which replaced the SEBI ESOP Guidelines, 1999. The 2011 Plan (as explained below) was required to be amended and restated in accordance with the SEBI Regulations. Consequently, to effect this change and to further introduce stock options/ADR's and other stock incentives, the Company put forth the 2015 Stock Incentive Compensation Plan (the 2015 Plan) for approval to the shareholders of the Company. Pursuant to the approval by the shareholders through postal ballot which ended on March 31, 2016, the Board of Directors have been authorised to introduce, offer, issue and allot share-based incentives to eligible employees of the Company and its subsidiaries under the 2015 Plan. The maximum number of shares under the 2015 plan shall not exceed 2,40,38,883 equity shares (this includes 1,12,23,576 equity shares which were held by the Trust towards the 2011 Plan as at March 31, 2016). 1,70,38,883 equity shares will be issued as RSUs at par value and 70,00,000 equity shares will be issued as stock options at market price. These instruments will vest over a period of 4 years and the Company expects to grant the instruments under the 2015 Plan over the period of 4 to 7 years.

On August 1, 2016, the company granted 17,83,615 RSUs (includes equity shares and equity shares represented by ADS) at par value, to employees upto mid management (excluding grants made to Dr. Vishal Sikka). Further, the company granted 73,020 Incentive Units (cash-settled) to eligible employees. These instruments will vest equally over a period of 4 years and are subject to continued service.

Further on November 1, 2016, the company granted 9,70,375 RSUs (includes equity shares and equity shares represented by ADS) at par value, 12,05,850 employee stock options (ESOPs) (including equity shares and equity shares represented by ADS) to be exercised at market price at the time of grant, to certain employees at the senior management level. Further the company granted 20,640 incentive units (cash-settled) to certain employees at the senior management level. These instruments will vest equally over a period of 4 years and are subject to continued service.

Additionally, on February 1, 2017, the company granted 18,550 incentive units (cash-settled) to certain employees at the senior management level. These instruments will vest equally over a period of 4 years and are subject to continued service.

As of March 31, 2017, 1,12,89,514 shares are held by the trust towards 2015 Plan. As of March 31, 2017, 106,845 incentive units were outstanding (net of forfeitures) and the

Pursuant to the approval from the shareholders through postal ballot on March 31, 2016, Dr. Vishal Sikka is eligible to receive under the 2015 Plan, an annual grant of RSU's of fair value \$2 million which vest over time, subject to continued service, and an annual grant of performance based equity and stock options of \$5 million subject to achievement of performance targets set by the Board or its committee, which vest over time. \$2 million of fair value in RSUs for financial year 2017 was granted on August 1, 2016 amounting to 120,700 RSUs in equity shares represented by ADS.

The Nomination and Remuneration Committee in its meeting held on October 14, 2016 recommended a grant of 27,250 RSUs and 43,000 ESOPs to U.B.Pravin Rao, Chief Operating Officer (COO), under the 2015 Plan and the same was approved by the shareholders through postal ballot on March 31, 2017. These RSUs and ESOPs will be granted w.e.f May 2, 2017. These RSUs and stock options would vest over a period of 4 years and shall be exercisable within the period as approved by the Committee. The exercise price of the RSU's will be equal to the par value of the shares and the exercise price of the stock options would be the market price as on the date of grant, as approved by the shareholders. Though these RSUs and ESOPs have not been granted as of March 31, 2017, in accordance with Ind AS 102 Share-based Payment, the company has recorded employee stock based compensation expense for the same.

2011 RSU Plan (the 2011 Plan) now called 2015 Stock Incentive Compensation Plan (the 2015 Plan): The Company had a 2011 RSU Plan which provided for the grant of restricted stock units (RSUs) to eligible employees of the Company. The Board of Directors recommended the 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 was 1,13,34,400 as on date of approval of plan adjusted for bonus shares and the plan was expected to continue in effect for a term of 10 years from the date of initial grant under the plan. Awards have been granted to Dr. Vishal Sikka under the 2011 RSU plan as detailed below. Further the Company has earmarked 1,00,000 equity shares for welfare activities of the employees, approved by the shareholders vide postal ballot which ended on March 31, 2016. The equity shares as of March 31, 2016 held under this plan, i.e. 1,12,23,576 equity shares (this includes the aggregate number of equity shares that may be awarded under the 2011 Plan as reduced by 10,824 equity shares already exercised by Dr. Vishal Sikka and 1,00,000 equity shares which have been earmarked for welfare activities of the employees) have been subsumed under the 2015 Plan.

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 Officer and Managing Director. The Board in its meeting held on June 22, 2015, on recommendation of Nomination and Remuneration Committee, further granted 1,24,061 RSUs to Dr. Vishal Sikka. These RSUs are vesting 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.

The award granted to Dr. Vishal Sikka on June 22, 2015 was modified by the Nomination and remuneration committee on April 14, 2016. There is no modification or change in the total number of RSUs granted or the vesting period (which is four years). The modifications relate to the criteria of vesting for each of the years. Based on the modification, the first tranche of the RSUs will vest subject to achievement of certain key performance indicators for the year ended March 31, 2016. Subsequent vesting of RSU's for each of the remaining years would be subject to continued employment.

The activity in the 2015 Plan (formerly 2011 RSU Plan) for equity-settled share based payment transactions during the year ended March 31, 2017 is set out below:

Particulars	Year ended March 31, 2017	
	Shares arising out of options	Weighted average exercise price (₹)
2015 Plan (Formerly 2011 Plan): Indian equity shares (RSU - IES)		
Outstanding at the beginning*	221,505	5
Granted	1,878,025	5
Forfeited and expired	61,540	5
Exercised	34,062	5
Outstanding at the end	2,003,928	5
Exercisable at the end	-	-
2015 Plan (Formerly 2011 Plan): Employee Stock Options (ESOPs- IES)		
Outstanding at the beginning	-	-
Granted	309,650	998
Forfeited and expired	-	-
Exercised	-	-
Outstanding at the end	309,650	998
Exercisable at the end	-	-

*adjusted for bonus issues (Refer above note 2.13)

Particulars	Year ended March 31, 2017	
	Shares arising out of options	Weighted average exercise price (\$)
2015 Plan (Formerly 2011 Plan): American Depository Shares (RSU - ADS)		
Outstanding at the beginning	-	-
Granted	996,665	0.07
Forfeited and expired	39,220	0.07
Exercised	-	-
Outstanding at the end	957,445	0.07
Exercisable at the end	-	-
2015 Plan (Formerly 2011 Plan): Employee Stock Options (ESOPs- ADS)		
Outstanding at the beginning	-	-
Granted	896,200	15.26
Forfeited and expired	8,200	15.26
Exercised	-	-
Outstanding at the end	888,000	15.26
Exercisable at the end	-	-

The activity in the 2015 Plan (formerly 2011 RSU Plan) for equity-settled share based payment transactions during the year ended March 31, 2016 is set out below:

Particulars	Year ended March 31, 2016	
	Shares arising out of options	Weighted average exercise price (₹)
2015 Plan (Formerly 2011 Plan): Indian equity shares (IES)		
Outstanding at the beginning*	108,268	5
Granted	124,061	5
Forfeited and expired	-	-
Exercised*	10,824	5
Outstanding at the end	221,505	5
Exercisable at the end	-	-

*adjusted for bonus issues (Refer above note 2.13)

During the year ended March 31, 2017 and March 31, 2016 the weighted average share price of options exercised under the 2015 Plan on the date of exercise was ₹1,084/-and ₹1,088/-.

The following table summarizes information about equity settled RSUs and ESOPs outstanding as of March 31, 2017:

Range of exercise prices per share (₹)	Options outstanding		
	No. of shares arising out of options	Weighted average remaining contractual life	Weighted average exercise price (₹)
2015 Plan: ADS and IES			
0 - 5 (RSU)	2,961,373	1.88	5.00
900 - 1100 (ESOP)	1,197,650	7.09	1,026.50
	4,159,023	3.38	299.16

The weighted average remaining contractual life of RSUs outstanding as of March 31, 2016 under the 2015 Plan was 1.98 years.

The fair value of each equity settled RSU is estimated on the date of grant using the Black-Scholes-Merton model with the following assumptions:

Particulars	For options granted in			
	Fiscal 2017- Equity Shares- RSU	Fiscal 2017- ADS-RSU	Fiscal 2016- Equity Shares-RSU	Fiscal 2015- Equity Shares-RSU
Grant date	1-Aug-16	1-Aug-16	22-Jun-15	21-Aug-14
Weighted average share price (₹) / (\$- ADS)*	1,085	16.57	1,024	3,549
Exercise price (₹) / (\$- ADS)*	5.00	0.07	5.00	5.00
Expected volatility (%)	25-29	26-30	28-36	30-37
Expected life of the option (years)	1 - 4	1 - 4	1 - 4	1 - 4
Expected dividends (%)	2.37	2.29	2.43	1.84
Risk-free interest rate (%)	6- 7	0.5 - 1	7- 8	8- 9
Weighted average fair value as on grant date (₹) / (\$- ADS)*	1,019	15.59	948	3,355

* Data for Fiscal 2015 is not adjusted for bonus issues

Particulars	For options granted in			
	Fiscal 2017- Equity Shares-RSU	Fiscal 2017- Equity shares ESOP	Fiscal 2017- ADS-RSU	Fiscal 2017- ADS- ESOP
Grant date	1-Nov-16	1-Nov-16	1-Nov-16	1-Nov-16
Weighted average share price (₹) / (\$- ADS)	989	989	15.26	15.26
Exercise price (₹) / (\$- ADS)	5.00	998	0.07	15.26
Expected volatility (%)	24-29	27-29	26-29	27-31
Expected life of the option (years)	1 - 4	3 - 7	1 - 4	3 - 7
Expected dividends (%)	2.37	2.37	2.29	2.29
Risk-free interest rate (%)	6- 7	6- 7	1 - 2	1 - 2
Weighted average fair value as on grant date (₹) / (\$- ADS)	929	285	14.35	3.46

The expected term of the RSU / ESOP is estimated based on the vesting term and contractual term of the RSU / ESOP, as well as expected exercise behaviour of the employee who receives the RSU / ESOP. Expected volatility during the expected term of the RSU / ESOP 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 / ESOP.

During the year ended March 31, 2017 and March 31, 2016, the company recorded an employee stock compensation expense of ₹117 crore and ₹7 crore, respectively in the statement of profit and loss. The cash settled stock compensation expense for the year ended March 31, 2017 was ₹3 crore.

2.14 OTHER FINANCIAL LIABILITIES

in ₹ crore

Particulars	As at		
	March 31, 2017	March 31, 2016	April 1, 2015
Non-current			
Others			
Accrued compensation to employees ⁽¹⁾	30	33	-
Payable for acquisition of business (refer note 2.3) ⁽²⁾			
Contingent consideration	40	36	-
	70	69	-
Current			
Unpaid dividends ⁽¹⁾	17	5	3
Others			
Accrued compensation to employees ⁽¹⁾	1,881	2,265	2,106
Accrued expenses ⁽¹⁾	2,585	2,189	1,984
Retention monies ⁽¹⁾	220	80	53
Payable for acquisition of business			
Deferred consideration (refer note 2.3) ⁽¹⁾	-	-	487
Contingent consideration (refer note 2.3) ⁽²⁾	45	81	-
Client deposits ⁽¹⁾	32	28	27
Payable by controlled trusts ⁽¹⁾	145	167	177
Compensated absences	1,359	1,341	1,069
Foreign currency forward and options contracts ⁽²⁾	2	5	3
Capital creditors ⁽¹⁾	48	81	43
Other payables ⁽¹⁾	15	60	31
	6,349	6,302	5,983
Total Financial Liabilities	6,419	6,371	5,983
⁽¹⁾ Financial liability carried at amortized cost	4,973	4,908	4,911
⁽²⁾ Financial liability carried at fair value through profit and loss	87	122	3
Contingent consideration on undiscounted basis	91	132	-

2.15 OTHER LIABILITIES

in ₹ crore

Particulars	As at		
	March 31, 2017	March 31, 2016	April 1, 2015
Non-current			
Others			
Deferred income - government grant on land use rights	41	46	47
Deferred income	42	-	-
	83	46	47
Current			
Unearned revenue	1,777	1,332	1,052
Other			
Withholding taxes and others	1,226	1,296	904
Accrued gratuity (refer note 2.22.1)	1	-	7
Deferred rent	2	-	-
Deferred income - government grant on land use rights	1	1	1
	3,007	2,629	1,964

2.16 PROVISIONS

in ₹ crore

Particulars	As at		
	March 31, 2017	March 31, 2016	April 1, 2015
Current			
Others			
Post-sales client support and warranties and others	405	512	478
Total	405	512	478

Provision for post-sales client support and warranties and others

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

in ₹ crore

Particulars	Year ended March 31, 2017
Balance at the beginning	512
Provision recognized/(reversed)	94
Provision utilized	(195)
Exchange difference	(6)
Balance at the end	405

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

2.17 INCOME TAXES

Income tax expense in the consolidated statement of profit and loss comprises:

	<i>In ₹ crore</i>	
	Year ended March 31,	
	2017	2016
Current taxes	5,653	5,318
Deferred taxes	(55)	(67)
Income tax expense	5,598	5,251

Income tax expense for the year ended March 31, 2017 and March 31, 2016 includes reversals (net of provisions) of ₹152 crore and ₹309 crore, respectively, pertaining to prior periods.

Entire deferred income tax for the year ended March 31, 2017 and March 31, 2016 relates to origination and reversal of temporary differences.

A reconciliation of the income tax provision to the amount computed by applying the statutory income tax rate to the income before income taxes is summarized below:

	<i>In ₹ crore</i>	
	Year ended March 31,	
	2017	2016
Profit before income taxes	19,951	18,740
Enacted tax rates in India	34.61%	34.61%
Computed expected tax expense	6,905	6,486
Tax effect due to non-taxable income for Indian tax purposes	(1,982)	(1,758)
Overseas taxes	750	715
Tax provision (reversals), overseas and domestic	(152)	(309)
Effect of exempt non-operating income	(65)	(83)
Effect of unrecognized deferred tax assets	93	62
Effect of differential overseas tax rates	64	3
Effect of non-deductible expenses	26	194
Additional deduction on research and development expense	(56)	(60)
Others	15	1
Income tax expense	5,598	5,251

The applicable Indian statutory tax rates for fiscal 2017 and fiscal 2016 is 34.61%.

During the year ended March 31, 2017, the Group has claimed weighted tax deduction on eligible research and development expenditure based on the approval received from Department of Scientific and Industrial Research (DSIR) which is valid upto March 31, 2017. The weighted tax deduction is equal to 200% of such expenditure incurred. The company has applied for renewal of the R&D recognition with DSIR.

During year ended March 31, 2016 Infosys had claimed weighted tax deduction on eligible research and development till July 31, 2015 based on the approval received from Department of Scientific and Industrial Research (DSIR) on November 23, 2011 which was renewed effective April 2014. With effect from August 1, 2015 the business of Finacle, including the R&D activities, was transferred to its wholly owned subsidiary Edgeverve Systems Limited. However the approval for Edgeverve was effective April 2016.

The foreign expense is due to income taxes payable overseas principally in the United States. In India, the company has benefited from certain tax incentives that the Government of India had provided for export of software from the units registered under the Special Economic Zones Act, 2005 (SEZ). SEZ units which began the provision of services on or after April 1, 2005 are eligible for a deduction of 100 percent of profits or gains derived from the export of services for the first five years from the financial year in which the unit commenced the provision of services and 50 percent of such profits or gains for further five years. Up to 50% of such profits or gains is also available for a further five years subject to creation of a Special Economic Zone re-Investment Reserve out of the profit of the eligible SEZ units and utilization of such reserve by the Company for acquiring new plant and machinery for the purpose of its business as per the provisions of the Income Tax Act, 1961.

Infosys is subject to a 15% Branch Profit Tax (BPT) in the U.S. to the extent its U.S. branch's net profit during the year is greater than the increase in the net assets of the U.S. branch during the year, computed in accordance with the Internal Revenue Code. As of March 31, 2017, Infosys' U.S. branch net assets amounted to approximately ₹5,995 crore. As of March 31, 2017, the Company has provided for branch profit tax of ₹327 crore for its U.S branch, as the Company estimates that these branch profits are expected to be distributed in the foreseeable future. The change in provision for branch profit tax includes ₹7 crore movement on account of exchange rate during the year ended March 31, 2017.

Deferred income tax liabilities have not been recognized on temporary differences amounting to ₹5,390 crore and ₹4,195 crore as of March 31, 2017 and March 31, 2016, respectively, associated with investments in subsidiaries and branches as it is probable that the temporary differences will not reverse in the foreseeable future.

The following table provides the details of income tax assets and income tax liabilities as of March 31, 2017, March 31, 2016 and April 1, 2015:

	<i>In ₹ crore</i>		
	As at		
	March 31, 2017	March 31, 2016	April 1, 2015
Income tax assets	5,716	5,230	4,089
Current income tax liabilities	3,885	3,410	2,818
Net current income tax asset/ (liability) at the end	1,831	1,820	1,271

The gross movement in the current income tax asset/ (liability) for the year ended March 31, 2017 and March 31, 2016 is as follows:

	In ₹ crore	
	Year ended March 31,	
	2017	2016
Net current income tax asset/ (liability) at the beginning	1,820	1,271
Translation differences	-	-
Income tax paid	5,653	5,865
Current income tax expense (Refer Note 2.17)	(5,653)	(5,318)
Income tax benefit arising on exercise of stock options	1	-
Income tax on other comprehensive income	10	2
Net current income tax asset/ (liability) at the end	1,831	1,820

The tax effects of significant temporary differences that resulted in deferred income tax assets and liabilities are as follows:

	In ₹ crore		
	As at		
	March 31, 2017	March 31, 2016	April 1, 2015
Deferred income tax assets			
Property, plant and equipment	138	178	241
Computer software	40	50	51
Accrued compensation to employees	57	68	48
Trade receivables	136	89	111
Compensated absences	374	389	299
Post sales client support	97	77	74
Intangibles	22	4	-
Others	143	55	31
Total deferred income tax assets	1,007	910	855
Deferred income tax liabilities			
Intangible asset	(206)	(252)	(159)
Temporary difference related to branch profits	(327)	(334)	(316)
Others	(141)	(40)	(3)
Total deferred income tax liabilities	(674)	(626)	(478)
Deferred income tax assets after set off	540	536	536
Deferred income tax liabilities after set off	(207)	(252)	(159)

Deferred tax assets and deferred tax liabilities have been offset wherever the Group 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 deferred income tax assets and deferred income tax liabilities recoverable within and after 12 months are as follows:

	In ₹ crore	
	As of	
	March 31, 2017	March 31, 2016
Deferred income tax assets to be recovered after 12 months	529	409
Deferred income tax assets to be recovered within 12 months	478	501
Total deferred income tax assets	1,007	910
Deferred income tax liabilities to be settled after 12 months	(312)	(446)
Deferred income tax liabilities to be settled within 12 months	(362)	(180)
Total deferred income tax liabilities	(674)	(626)

In assessing the reliability of deferred income tax assets, management considers whether some portion or all of the deferred income tax assets will not be realized. The ultimate realization of deferred income tax assets is dependent upon the generation of future taxable income during the periods in which the temporary differences become deductible. Management considers the scheduled reversals of deferred income tax liabilities, projected future taxable income, and tax planning strategies in making this assessment. Based on the level of historical taxable income and projections for future taxable income over the periods in which the deferred income tax assets are deductible, management believes that the Group will realize the benefits of those deductible differences. The amount of the deferred income tax assets considered realizable, however, could be reduced in the near term if estimates of future taxable income during the carry forward period are reduced.

The gross movement in the deferred income tax account for the year ended March 31, 2017 and March 31, 2016, is as follows:

	In ₹ crore	
	Year ended March 31,	
	2017	2016
Net deferred income tax asset at the beginning	284	377
Addition through business combination (Refer note 2.3)	-	(128)
Translation differences	7	(32)
Credits / (charge) relating to temporary differences (Refer Note 2.17 above)	55	67
Temporary differences on other comprehensive income	(13)	-
Net deferred income tax asset at the end	333	284

The charge relating to temporary differences during the year ended March 31, 2017 are primarily on account of property plant and equipment and compensated absences partially offset by trade receivables and post sales client support.. The credits relating to temporary differences during the year ended March 31, 2016 are primarily on account of accrued compensation to employees and compensated absences partially offset by reversal of credits pertaining to property plant and equipment and trade receivables.

2.18 REVENUE FROM OPERATIONS

Particulars	in ₹ crore	
	Year ended March 31,	
	2017	2016
Income from software services	66,383	60,528
Income from software products	2,101	1,913
	68,484	62,441

2.19 OTHER INCOME

Particulars	in ₹ crore	
	Year ended March 31,	
	2017	2016
Interest received on financial assets carried at amortized cost:		
Bonds and government bonds	128	113
Deposit with Bank and others	2,233	2,521
Interest received on financial assets carried at Fair Value through other comprehensive income:		
Non convertible debentures	190	-
Income received on investment carried at Fair Value through Profit or Loss		
Dividend received on liquid mutual fund units	29	64
Gains/(losses) on liquid mutual fund units	119	-
Exchange gains/ (losses) on foreign currency forward and options contracts	591	29
Exchange gains/ (losses) on translation of other assets and liabilities	(359)	140
Others	149	256
	3,080	3,123

2.20 EXPENSES

Particulars	in ₹ crore	
	Year ended March 31,	
	2017	2016
<i>Employee benefit expenses</i>		
Salaries including bonus	36,557	33,549
Contribution to provident and other funds	770	648
Share based payments to employees (Refer note 2.13)	117	7
Staff welfare	215	202
	37,659	34,406
<i>Cost of software packages and others</i>		
For own use	795	740
Third party items bought for service delivery to clients	802	534
	1,597	1,274
<i>Other expenses</i>		
Repairs and maintenance	1,242	1,014
Power and fuel	228	217
Brand and marketing	342	198
Operating lease payments	491	360
Rates and taxes	148	109
Consumables	40	41
Insurance	56	60
Provision for post-sales client support and warranties	80	8
Commission to non-whole time directors	10	9
Impairment loss recognized / (reversed) on financial assets	140	(46)
Auditor's remuneration		
Statutory audit fees	7	7
Taxation matters	-	-
Other services	-	-
Reimbursement of expenses	-	-
Contributions towards Corporate Social responsibility	230	216
Others	230	318
	3,244	2,511

2.21 LEASES

The lease rentals charged during the period is as under:

Particulars	in ₹ crore	
	Year ended March 31,	
	2017	2016
Lease rentals recognized during the period	491	360

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

Future minimum lease payable	In ₹ crore		
	As at		
	March 31, 2017	March 31, 2016	April 1, 2015
Not later than 1 year	462	372	168
Later than 1 year and not later than 5 years	1,217	873	395
Later than 5 years	945	442	168

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.

2.22 EMPLOYEE BENEFITS

2.22.1 Gratuity

The following tables set out the funded status of the gratuity plans and the amounts recognized in the Group's financial statements as of March 31, 2017 and March 31, 2016:

Particulars	(In ₹ crore)	
	As of	
	March 31, 2017	March 31, 2016
Change in benefit obligations		
Benefit obligations at the beginning	944	816
Service cost	129	118
Interest expense	69	61
Addition through business combination	-	1
Remeasurements - Actuarial (gains)/ losses	67	23
Curtailment gain	(3)	-
Benefits paid	(89)	(75)
Benefit obligations at the end	1,117	944
Change in plan assets		
Fair value of plan assets at the beginning	947	836
Interest income	79	66
Remeasurements- Return on plan assets excluding amounts included in interest income	12	9
Contributions	246	111
Benefits paid	(89)	(75)
Fair value of plan assets at the end	1,195	947
Funded status	78	3
Prepaid gratuity benefit	79	4
Accrued gratuity	(1)	(1)

Amount for the year ended March 31, 2017 and March 31, 2016 recognized in the statement of profit and loss under employee benefit expense:

Particulars	(In ₹ crore)	
	Year ended March 31,	
	2017	2016
Service cost	129	118
Net interest on the net defined benefit liability/asset	(10)	(5)
Curtailment gain	(3)	-
Net gratuity cost	116	113

Amount for the year ended March 31, 2017 and March 31, 2016 recognized in the statement of other comprehensive income:

Particulars	(In ₹ crore)	
	Year ended March 31,	
	2017	2016
Remeasurements of the net defined benefit liability/		
Actuarial (gains) / losses	67	23
(Return) / loss on plan assets excluding amounts included in the net interest on the net defined benefit	(12)	(9)
	55	14

Particulars	(In ₹ crore)	
	Year ended March 31,	
	2017	2016
(Gain)/loss from change in demographic assumptions	-	-
(Gain)/loss from change in financial assumptions	56	-
	56	-

The weighted-average assumptions used to determine benefit obligations as of March 31, 2017, March 31, 2016 and April 1, 2015 are set out below:

Particulars	As of		
	March 31, 2017	March 31, 2016	April 1, 2015
Discount rate	6.9%	7.8%	7.8%
Weighted average rate of increase in compensation levels	8.0%	8.0%	8.0%

The weighted-average assumptions used to determine net periodic benefit cost for the year ended March 31, 2017 and March 31, 2016 are set out below:

Particulars	Year ended March 31,	
	2017	2016
Discount rate	7.8%	7.8%
Weighted average rate of increase in compensation levels	8.0%	8.0%
Weighted average duration of defined benefit obligation	6.1 years	6.4 years

Assumptions regarding future mortality experience are set in accordance with the published statistics by the Life Insurance Corporation of India.

The Company assesses these assumptions with its projected long-term plans of growth and prevalent industry standards. The discount rate is based on the government securities yield.

As of March 31, 2017, every percentage point increase / decrease in discount rate will affect our gratuity benefit obligation by approximately ₹57 crore.

As of March 31, 2017, every percentage point increase / decrease in weighted average rate of increase in compensation levels will affect our gratuity benefit obligation by approximately ₹49 crore.

Sensitivity for significant actuarial assumptions is computed by varying one actuarial assumption used for the valuation of the defined benefit obligation by one percentage, keeping all other actuarial assumptions constant.

Gratuity is applicable only to employees drawing a salary in Indian rupees and there are no other foreign defined benefit gratuity plans.

The Company contributes all ascertained liabilities towards gratuity to the Infosys Limited Employees' Gratuity Fund Trust. In case of Infosys BPO and EdgeVerve, contributions are made to the Infosys BPO Employees' Gratuity Fund Trust and EdgeVerve Systems Limited Employees Gratuity Fund Trust, respectively. Trustees administer contributions made to the trust. As of March 31, 2017 and March 31, 2016, the plan assets have been primarily invested in insurer managed funds.

Actual return on assets for the year ended March 31, 2017 and March 31, 2016 were ₹91 crore and ₹75 crore, respectively.

The Group expects to contribute ₹100 crore to the gratuity trusts during the fiscal 2018.

Maturity profile of defined benefit obligation:

	(in ₹ crore)
Within 1 year	159
1-2 year	165
2-3 year	171
3-4 year	186
4-5 year	198
5-10 years	958

2.22.2 Superannuation

The group contributed ₹168 crore and ₹234 crore to the superannuation plan during the year ended March 31, 2017 and March 31, 2016, respectively and the same has been recognized in the Statement of profit and loss account under the head employee benefit expense.

2.22.3 Provident fund

Infosys has an obligation to fund any shortfall on the yield of the trust's investments over the administered interest rates on an annual basis. These administered rates are determined annually predominantly considering the social rather than economic factors and in most cases the actual return earned by the Company has been higher in the past years. The actuary has provided a valuation for provident fund liabilities on the basis of guidance issued by Actuarial Society of India and based on the below provided assumptions there is no shortfall as at March 31, 2017, March 31, 2016 and April 1, 2015, respectively.

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

	(in ₹ crore)		
Particulars	As of		
	March 31, 2017	March 31, 2016	April 1, 2015
Plan assets at period end, at fair value	4,459	3,808	2,912
Present value of benefit obligation at period end	4,459	3,808	2,912
Asset recognized in balance sheet	-	-	-

The plan assets have been primarily invested in government securities.

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

Particulars	As of		
	March 31, 2017	March 31, 2016	April 1, 2015
Government of India (GOI) bond yield	6.90%	7.80%	7.80%
Remaining term to maturity of portfolio	6 years	7 years	7 years
Expected guaranteed interest rate - First year:	8.60%	8.75%	8.75%
- Thereafter:	8.60%	8.60%	8.60%

The Group contributed ₹462 crore and ₹413 crore to the provident fund during the year ended March 31, 2017 and March 31, 2016, respectively and the same has been recognized in the statement of profit and loss under the head employee benefit expense.

The provident plans are applicable only to employees drawing a salary in Indian rupees and there are no other significant foreign defined benefit plans.

2.22.4 Employee benefit costs include:

	(in ₹ crore)	
Particulars	Year ended March 31,	
	2017	2016
Salaries and bonus*	36,913	33,646
Defined contribution plans	252	302
Defined benefit plans	494	458
	37,659	34,406

* Includes stock compensation expense of ₹117 crore and ₹7 crore for the year ended March 31, 2017 and March 31, 2016, respectively. Refer note 2.13

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

Particulars	Year ended March 31,	
	2017	2016
Basic earnings per equity share - weighted average number of equity shares outstanding ⁽¹⁾⁽²⁾	228,56,39,447	228,56,16,160
Effect of dilutive common equivalent shares - share options outstanding	757,298	102,734
Diluted earnings per equity share - weighted average number of equity shares and common equivalent shares outstanding	228,63,96,745	228,57,18,894

⁽¹⁾ Excludes treasury shares

⁽²⁾ adjusted for bonus issues. Refer note 2.13

For the year ended March 31, 2017, 112,190 number of options to purchase equity shares had an anti-dilutive effect. For the year ended March 31, 2016, no outstanding option to purchase equity shares had an anti-dilutive effect.

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

in ₹ crore

Particulars	As at		
	March 31, 2017	March 31, 2016	April 1, 2015
Contingent liabilities :			
Claims against the Company, not acknowledged as debts ⁽¹⁾	1997	284	264
[Net of amount paid to statutory authorities ₹4,717 crore (₹4,409 crore)]			
Commitments :			
Estimated amount of contracts remaining to be executed on capital contracts and not provided for	1,149	1,486	1,574
(net of advances and deposits)			
Other Commitment*	114	79	-

*Uncalled capital pertaining to investments

Claims against the company not acknowledged as debts as on March 31, 2017 include demand from the Indian Income tax authorities for payment of tax of ₹6,122 crore (₹ 4,135 crore), including interest of ₹1,885 crore (₹ 1,224 crore) upon completion of their tax assessment for fiscal 2007, fiscal 2008, fiscal 2009, fiscal 2010, fiscal 2011, fiscal 2012 and fiscal 2013. Demands were paid to statutory tax authorities in full except for fiscal year 2009, fiscal 2011, fiscal 2012 and fiscal 2013.

Demand for fiscal 2007, fiscal 2008 and fiscal 2009 includes disallowance of a 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. Demand for fiscal 2007, fiscal 2008, fiscal 2009, fiscal 2010, fiscal 2011, fiscal 2012 and fiscal 2013 also includes disallowance of portion of profit earned outside India from the STP units under section 10A of the Income Tax Act and disallowance of profits earned from SEZ units under section 10AA of the Income Tax Act. Demand for fiscal 2012 & fiscal 2013 includes disallowance of certain expenses incurred in foreign currency being reduced from export turnover but not reduced from total turnover and disallowance of profits earned from SEZ units which commenced operations before April 1, 2009 under section 10AA of the Income Tax Act and also others. The matters for fiscal 2007, fiscal 2008, fiscal 2009 and fiscal 2013 are pending before the Commissioner of Income Tax (Appeals) Bangalore. The matter for fiscal 2010, fiscal 2011 and fiscal 2012 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.

2.25 RELATED PARTY TRANSACTIONS

List of related parties:

Name of subsidiaries	Country	Holdings as at	
		March 31, 2017	March 31, 2016
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 Poland, Sp z.o.o (formerly Infosys BPO Poland, Sp z.o.o) ⁽¹⁾	Poland	99.98%	99.98%
Infosys BPO S.DE.R.L.DE.C.V. ⁽¹⁾⁽¹³⁾	Mexico	-	-
Infosys McCamish Systems LLC ⁽¹⁾	U.S.	99.98%	99.98%
Portland Group Pty Ltd ⁽¹⁾	Australia	99.98%	99.98%
Infosys BPO Americas LLC. ⁽¹⁾⁽¹²⁾	U.S.	99.98%	-
Infosys Technologies (Australia) Pty. Limited (Infosys Australia) ⁽²⁾	Australia	100%	100%
EdgeVerve Systems Limited (EdgeVerve)	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%
Infosys Management Consulting Pty Limited (formerly Lodestone Management Consultants Pty Limited) ⁽³⁾	Australia	100%	100%
Infosys Consulting AG (formerly Lodestone Management Consultants AG) ⁽³⁾	Switzerland	100%	100%
Lodestone Augmentis AG ⁽⁵⁾⁽¹⁴⁾	Switzerland	-	100%
Lodestone GmbH (formerly Hafner Bauer & Ödman GmbH) ⁽³⁾⁽¹⁶⁾	Switzerland	-	100%
Infosys Consulting (Belgium) NV (formerly 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) ⁽¹⁷⁾	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%
Infy Consulting Company Ltd. (formerly Lodestone Management Consultants Ltd.) ⁽³⁾	U.K.	100%	100%
Infy Consulting B.V. (Lodestone Management Consultants B.V.) ⁽³⁾	Netherlands	100%	100%
Infosys Consulting Ltda. (formerly Lodestone Management Consultants Ltda.) ⁽⁴⁾	Brazil	99.99%	99.99%
Infosys Consulting Sp. z.o.o (formerly 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. ⁽⁶⁾	Canada	-	-
Infosys Nova Holdings LLC. (Infosys Nova)	U.S.	100%	100%
Panaya Inc. (Panaya)	U.S.	100%	100%
Panaya Ltd. ⁽⁷⁾	Israel	100%	100%
Panaya GmbH ⁽⁷⁾	Germany	100%	100%
Panava Pty Ltd. ⁽⁷⁾⁽¹⁵⁾	Australia	-	-
Panava Japan Co. Ltd. ⁽⁷⁾	Japan	100%	100%
Skava Systems Pvt. Ltd. (Skava Systems) ⁽⁸⁾	India	100%	100%
Kallidus Inc. (Kallidus) ⁽⁹⁾	U.S.	100%	100%
Noah Consulting LLC (Noah) ⁽¹⁰⁾	U.S.	100%	100%
Noah Information Management Consulting Inc. (Noah Canada) ⁽¹¹⁾	Canada	100%	100%

⁽¹⁾ Wholly owned subsidiary 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 Infosys Consulting AG (formerly Lodestone Management Consultants AG)

⁽⁶⁾ Wholly owned subsidiary of Infosys Public Services, Inc.

⁽⁷⁾ Wholly owned subsidiary of Panaya Inc

⁽⁸⁾ On June 2, 2015, Infosys acquired 100% of the voting interest in Skava Systems

⁽⁹⁾ On June 2, 2015, Infosys acquired 100% of the voting interest in Kallidus Inc.

⁽¹⁰⁾ On November 16, 2015, Infosys acquired 100% of the membership interests in Noah

⁽¹¹⁾ Wholly owned subsidiary of Noah

⁽¹²⁾ Incorporated effective November 20, 2015

⁽¹³⁾ Liquidated effective March 15, 2016

⁽¹⁴⁾ Liquidated effective October 5, 2016

⁽¹⁵⁾ Liquidated effective November 16, 2016

⁽¹⁶⁾ Liquidated effective December 21, 2016

⁽¹⁷⁾ Wholly owned subsidiary of Infosys

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

Name of Associates	Country	Holdings as at	
		March 31, 2017	March 31, 2016
DWA Nova LLC ⁽¹⁾	U.S.	16%	16%

⁽¹⁾ Associate of Infosys Nova Holding LLC

Share in net profit/(loss) of associate and others for the three months and year ended March 31, 2017 includes an impairment loss of ₹18 crore on investment in DWA Nova LLC.

List of other related party

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 BPO Limited Employees' Superannuation Fund Trust	India	Post-employment benefit plan of Infosys BPO
Infosys BPO Limited Employees' Gratuity Fund Trust	India	Post-employment benefit plan of Infosys BPO
EdgeVerve Systems Limited Employees' Gratuity Fund Trust	India	Post-employment benefit plan of EdgeVerve
EdgeVerve Systems Limited Employees' Superannuation Fund Trust	India	Post-employment benefit plan of EdgeVerve
Infosys Limited Employees' Welfare Trust	India	Controlled trust
Infosys Employee Benefits Trust	India	Controlled trust
Infosys Science Foundation	India	Controlled trust

Refer Note 2.22 for information on transactions with post-employment benefit plans mentioned above.

List of key management personnel

Whole time directors

U. B. Pravin Rao
Dr. Vishal Sikka

Non-whole-time directors

K.V.Kamath (resigned effective June 5, 2015)
Prof. Jeffrey S. Lehman
R. Seshasayee
Ravi Venkatesan
Kiran Mazumdar Shaw
Carol M. Browner (resigned effective November 23, 2015)
Prof. John W. Etchemendy
Roopa Kudva
Dr. Punita Kumar-Sinha (appointed effective January 14, 2016)
D. N. Prahlad (appointed effective October 14, 2016)

Executive Officers

M. D. Ranganath, Chief Financial Officer (effective October 12, 2015)
David D. Kennedy, General Counsel and Chief Compliance Officer (till December 31, 2016)
Rajiv Bansal, Chief Financial Officer (till October 12, 2015)
Mohit Joshi , President (effective October 13, 2016)
Rajesh K. Murthy, President (effective October 13, 2016)
Ravi Kumar S, President and Deputy Chief Operating Officer (effective October 13, 2016)
Sandeep Dadlani, President (effective October 13, 2016)
Krishnamurthy Shankar, Group Head - Human Resources (effective October 13, 2016)
Gopi Krishnan Radhakrishnan - Acting General Counsel (effective December 31, 2016)

Company Secretary

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

Related party transactions:

Transaction with key management personnel:

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

Particulars	in ₹ crore	
	Year ended March 31,	
	2017	2016
Salaries and other employee benefits to whole-time directors and executive officers ⁽¹⁾⁽²⁾⁽³⁾⁽⁴⁾⁽⁵⁾	84	101
Commission and other benefits to non-executive/independent directors	11	10
Total	95	111

⁽¹⁾ Includes stock compensation expense of ₹36 crore ₹7 crore for the year ended March 31, 2017 and March 31, 2016, respectively, towards key managerial personnel. Refer note 2.13

⁽²⁾ Year ended March 31, 2017 includes ₹6 crore payable under severance agreement to David D. Kennedy, who stepped down as General counsel and Chief compliance officer w.e.f December 31, 2016.

⁽³⁾ Year ended March 31, 2016 includes ₹17.38 crore payable under severance agreement to Rajiv Bansal who stepped down as Chief Financial officer w.e.f October 12, 2015

⁽⁴⁾ The Board based on the recommendations of the Nominations committee approved on April 13, 2017, \$0.82 million as variable pay to CEO for the year ended March 31, 2017. The shareholders vide postal ballot had approved a variable pay of \$3 million at target.

Pursuant to the approval from the shareholders through postal ballot on March 31, 2016, Dr. Vishal Sikka is eligible to receive under the 2015 Plan, an annual grant of RSU's of fair value \$2 million which vest over time, subject to continued service and an annual grant of performance based equity and stock options of \$5 million subject to achievement of performance targets set by the Board or its committee, which vest over time. The Board based on the recommendations of the nominations committee approved on April 13, 2017, RSUs amounting to \$1.9 Mn and ESOP's amounting to \$ 0.96 Mn representing the performance based equity and stock options for the financial year 2017. Further, the Board also approved the annual time based vesting grant for financial year 2018 amounting to RSU's of \$2 million.

The year ended March 31, 2016 includes provision for variable pay amounting to \$4.33 million (approximately ₹29 crore) to CEO. The shareholders in the EGM dated July 30, 2014 had approved a variable pay of \$4.18 million (approximately ₹28 crore at current exchange rate) at a target level and also authorized the Board to alter and vary the terms of remuneration. Accordingly, the Board based on the recommendations of the Nominations committee approved on April 15, 2016, \$4.33 million (approximately ₹29 crore) as variable pay for the year ended March 31, 2016.

⁽⁵⁾ On March 31, 2017, the shareholders vide postal ballot approved a revision in the salary of U. B. Pravin Rao, whole-time director and COO.

Additional information pursuant to para 2 of general instructions for the preparation of Consolidated Financial Statements

Name of entity	Net Assets		Share in profit or loss	
	as %age of consolidated net assets	Amount	as %age of consolidated profit or loss	Amount
Infosys Ltd.	94.1%	68,016	96.7%	13,818
<i>Indian Subsidiaries</i>				
Infosys BPO	5.5%	3,952	3.9%	552
EdgeVerve	-2.4%	(1,715)	1.7%	245
Skava Systems	0.0%	23	0.1%	8
<i>Foreian Subsidiaries</i>				
Infosys China	0.1%	105	-0.4%	(58)
Infosys Mexico	0.2%	128	0.3%	41
Infosys Sweden	0.0%	17	-0.1%	(18)
Infosys Shanghai	1.1%	765	-0.2%	(27)
Infosys Brasil	0.1%	103	0.0%	2
Infosys Public Services	0.5%	387	0.9%	126
Infosys Americas	0.0%	1	0.0%	-
Infosys (Czech Republic) Limited s.r.o. (formerly Infosys BPO s. r. o)	0.1%	58	0.1%	12
Infosys BPO (Poland) Sp Z.o.o	0.6%	439	0.7%	102
Infosys BPO Americas	0.0%	4	0.0%	(3)
Infosys McCamish Systems LLC	0.0%	23	0.4%	62
Portland Group Pty Ltd	0.1%	89	0.0%	4
Infosys Australia	0.1%	37	0.0%	-
Infosys Lodestone	0.2%	119	-0.7%	(97)
Lodestone Management Consultants Inc	0.0%	28	0.1%	11
Infosys Management Consulting Pty Limited	0.0%	(20)	0.0%	(1)
Infosys Consulting AG	0.1%	64	0.0%	5
Infosys Consulting (Belgium) NV	0.0%	(22)	0.0%	(1)
Infosys Consulting GmbH	0.0%	(30)	-0.5%	(65)
Infosys Consulting Pte Ltd.	0.0%	(2)	-0.1%	(11)
Infosys Consulting SAS	0.0%	(6)	0.0%	3
Infosys Consulting s.r.o.	0.0%	4	0.0%	-
Lodestone Management Consultants GmbH	0.0%	(2)	0.0%	-
Lodestone Management Consultants Co., Ltd	-0.1%	(58)	-0.4%	(56)
Infy Consulting Company Ltd.	0.0%	3	0.0%	1
Infy Consulting B.V.	0.0%	25	0.1%	12
Infosys Consulting Ltda.	0.0%	(20)	-0.4%	(60)
Infosys Consulting Sp. Z.o.o	0.0%	1	0.0%	(5)
Lodestone Management Consultants Portugal, Unipessoal, Lda.	0.0%	(3)	0.0%	(1)
S.C. Infosys Consulting S.R.L.	0.0%	6	0.0%	1
Infosys Consulting S.R.L.	0.0%	(1)	0.0%	(3)
Infosys Nova	0.1%	80	-0.1%	(18)
Panava	-0.1%	(52)	-0.4%	(54)
Panava Ltd.	-0.4%	(283)	-1.1%	(161)
Panava GmbH	0.0%	(3)	0.0%	1
Panava Japan Co. Ltd.	0.0%	(1)	0.0%	-
Kallidus	0.1%	75	0.2%	35
Noah	-0.1%	(54)	-0.8%	(111)
Noah Canada	0.0%	(14)	0.0%	(2)
Subtotal	100%	72,266	100%	14,289
Adjustment arising out of consolidation		(3,398)		(807)
Minority interest in subsidiaries		-		-
Associates				
DWA Nova LLC		(8)		(12)
Controlled Trusts		122		19
Total		68,982		13,489

2.26 CORPORATE SOCIAL RESPONSIBILITY

As per Section 135 of the Companies Act, 2013, a company, meeting the applicability threshold, needs to spend at least 2% of its average net profit for the immediately preceding three financial years on corporate social responsibility (CSR) activities. The areas for CSR activities are eradication of hunger and malnutrition, promoting education, art and culture, healthcare, destitute care and rehabilitation, environment sustainability, disaster relief and rural development projects. A CSR committee has been formed by the company as per the act. The funds were primarily allocated to a corpus and utilized through the year on these activities which are specified in Schedule VII of the Companies Act, 2013.

a) Gross amount required to be spent by the company during the year is ₹ 303 crore.

b) Amount spent during the year on:

		in ₹ crore		
Sl. No.	Particulars	In Cash	Yet to be paid in Cash	Total
(i)	Construction / acquisition of any asset	75	-	75
(ii)	On purposes other than (i) above	230	-	230

2.27 DUES TO MICRO ENTERPRISES AND SMALL ENTERPRISES

As at March 31, 2017 and March 31, 2016 there are no outstanding dues to micro and small enterprises.

2.28 DISCLOSURE ON SPECIFIED BANK NOTES (SBNs)

During the year, the Company had specified bank notes or other denomination note as defined in the MCA notification G.S.R. 308(E) dated March 31, 2017 on the details of Specified Bank Notes (SBN) held and transacted during the period from November 8, 2016 to December, 30 2016, the denomination wise SBNs and other notes as per the notification is given below:

Particulars	SBNs*	Other denomination	
			Total
Closing cash in hand as on November 8, 2016	232,000	352,117	584,117
(+) Permitted receipts	-	561,236	561,236
(-) Permitted payments	(98,000)	(765,438)	(863,438)
(-) Amount deposited in Banks	(134,000)		(134,000)
Closing cash in hand as on December 30, 2016	-	147,915	147,915

* For the purposes of this clause, the term 'Specified Bank Notes' shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs number S.O. 3407(E), dated the 8th November, 2016.

2.29 SEGMENT REPORTING

Ind AS 108 establishes standards for the way that public business enterprises report information about operating segments and related disclosures about products and services, geographic areas, and major customers. The group's operations predominantly relate to providing end-to-end business solutions to enable clients to enhance business performance. Based on the "management approach" as defined in INDAS 108, the Chief Operating Decision Maker (CODM) evaluates the group's performance and allocates resources based on an analysis of various performance indicators by business segments and geographic segments. Accordingly, information has been presented both along business segments and geographic segments. 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.

Business segments of the group are primarily enterprises in Financial Services (FS), enterprises in Manufacturing (MFG), enterprises in Retail, Consumer packaged goods and Logistics (RCL), enterprises in the Energy & utilities, Communication and Services (ECS), enterprises in Hi-tech (Hi-tech), enterprises in Life Sciences, Healthcare and Insurance (HILIFE) and all other segments. The FS reportable segments has been aggregated to include the Financial Services operating segment and the Finacle operating segment because of the similarity of the economic characteristics. All other segments represents the operating segments of businesses in India, Japan and China and IPS. 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. Revenue for "all other segments" represents revenue generated by IPS and revenue generated from customers located in India, Japan and China. Allocated expenses of segments include expenses incurred for rendering services from the group's offshore software development centres 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 group.

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

Geographical information on revenue and business segment revenue information is collated based on individual customers invoiced or in relation to which the revenue is otherwise recognized.

Business Segments

Year ended March 31, 2017 and March 31, 2016 :

	in ₹ crore						
Particulars	FS	MFG	ECS	RCL	HILIFE	Hi-Tech	All other segments Total
Revenue from operations	18,555 17,024	7,507 6,948	15,430 13,547	11,225 10,226	8,437 8,090	5,122 4,891	2,208 1,715 68,484
Identifiable operating expenses	9,271 8,199	3,922 3,684	7,430 6,196	5,378 4,878	4,178 3,841	2,659 2,391	1,406 1,035 34,244 30,224
Allocated expenses	4,075 3,986	1,737 1,704	3,569 3,322	2,598 2,508	1,951 1,984	1,186 1,199	510 421 15,626 15,124
Segmental operating income	5,209 4,839	1,848 1,560	4,431 4,029	3,249 2,840	2,308 2,265	1,277 1,301	292 259 18,614 17,093
Unallocable expenses							1,713 1,473
Other income, net							3,080 3,123
Share in net profit/(loss) of associate and others							(30) (3)
Profit before tax							19,951 18,740
Tax expense							5,598 5,251
Profit for the period							14,353 13,489
Depreciation and amortization							1,703 1,459
Non-cash expenses other than depreciation and amortization							10 14

Geographic Segments

Year ended March 31, 2017 and March 31, 2016 :

	in ₹ crore				
Particulars	North America	Europe	India	Rest of the World	Total
Revenue from operations	42,408 39,139	15,392 14,373	2,180 1,623	8,504 7,306	68,484 62,441
Identifiable operating expenses	21,618 19,283	7,694 6,966	1,002 711	3,930 3,264	34,244 30,224
Allocated expenses	9,799 9,591	3,548 3,510	442 338	1,837 1,685	15,626 15,124
Segmental operating income	10,991 10,265	4,150 3,897	736 574	2,737 2,357	18,614 17,093
Unallocable expenses					1,713 1,473
Other income, net					3,080 3,123
Share in net profit/(loss) of associate and others					(30) (3)
Profit before tax					19,951 18,740
Tax expense					5,598 5,251
Profit for the period					14,353 13,489
Depreciation and amortization					1,703 1,459
Non-cash expenses other than depreciation and amortization					10 14

Significant clients

NO client individually accounted for more than 10% of the revenues in the year ended March 31, 2017 and March 31, 2016.

2.30 FUNCTION WISE CLASSIFICATION OF CONSOLIDATED STATEMENT OF PROFIT AND LOSS

Particulars	in ₹ crore	
	Year ended March 31,	
	2017	2016
Revenue from operations	68,484	62,441
Cost of Sales	43,253	39,098
GROSS PROFIT	25,231	23,343
Operating expenses		
Selling and marketing expenses	3,591	3,431
General and administration expenses	4,739	4,292
Total operating expenses	8,330	7,723
OPERATING PROFIT	16,901	15,620
Other income	3,080	3,123
PROFIT BEFORE MINORITY INTEREST / SHARE IN NET PROFIT / (LOSS) OF ASSOCIATE	19,981	18,743
Share in net profit/(loss) of associate and others	(30)	(3)
PROFIT BEFORE TAX	19,951	18,740
Tax expense:		
Current tax	5,653	5,318
Deferred tax	(55)	(67)
PROFIT FOR THE PERIOD	14,353	13,489
Other comprehensive income		
<i>Items that will not be reclassified subsequently to profit or loss</i>		
Remeasurement of the net defined benefit liability/asset	(45)	(12)
Equity instruments through other comprehensive income	(5)	-
	(50)	(12)
<i>Items that will be reclassified subsequently to profit or loss</i>		
Fair value changes on derivatives designated as cash flow hedge, net	39	-
Exchange differences on translation of foreign operations	(257)	303
Fair value changes on investments	(10)	
	(228)	303
Total other comprehensive income, net of tax	(278)	291
Total comprehensive income for the period	14,075	13,780
Profit attributable to:		
Owners of the company	14,353	13,489
Non-controlling interests	-	-
	14,353	13,489
Total comprehensive income attributable to:		
Owners of the company	14,075	13,780
Non-controlling interests	-	-
	14,075	13,780

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

U. B. Pravin Rao

Chief Operating Officer and

Whole-time Director

Bengaluru

April 13, 2017

Roopa Kudva

Director

M. D. Ranganath

Chief Financial Officer

A.G.S Manikantha

Company Secretary

Infosys Limited and subsidiaries
(In ₹ crore except equity share data)

Consolidated Balance Sheets as of	Note	March 31, 2017	March 31, 2016
ASSETS			
Current assets			
Cash and cash equivalents	2.1	22,625	32,697
Current investments	2.2	9,970	75
Trade receivables		12,322	11,330
Unbilled revenue		3,648	3,029
Prepayments and other current assets	2.4	4,856	4,448
Derivative financial instruments	2.3	284	116
Total current assets		53,705	51,695
Non-current assets			
Property, plant and equipment	2.7	11,716	10,530
Goodwill	2.8	3,652	3,764
Intangible assets	2.8	776	985
Investment in associate		71	103
Non-current investments	2.2	6,382	1,811
Deferred income tax assets	2.16	540	536
Income tax assets	2.16	5,716	5,230
Other non-current assets	2.4	797	735
Total non-current assets		29,650	23,694
Total assets		83,355	75,389
LIABILITIES AND EQUITY			
Current liabilities			
Trade payables		367	386
Derivative financial instruments	2.3	2	5
Current income tax liabilities	2.16	3,885	3,410
Client deposits		32	28
Unearned revenue		1,777	1,332
Employee benefit obligations		1,359	1,341
Provisions	2.6	405	512
Other current liabilities	2.5	6,186	6,225
Total current liabilities		14,013	13,239
Non-current liabilities			
Deferred income tax liabilities	2.16	207	256
Other non-current liabilities	2.5	153	115
Total liabilities		14,373	13,610
Equity			
Share capital- ₹5/- par value 240,00,00,000 (240,00,00,000) equity shares authorized, issued and outstanding 228,56,55,150 (228,56,21,088) net of 1,12,89,514 (1,13,23,576) treasury shares as of March 31, 2017 (March 31, 2016), respectively		1,144	1,144
Share premium		2,356	2,241
Retained earnings		65,056	57,655
Cash flow hedge reserve		39	-
Other reserves		-	-
Other components of equity		387	739
Total equity attributable to equity holders of the Company		68,982	61,779
Non-controlling interests		-	-
Total equity		68,982	61,779
Total liabilities and equity		83,355	75,389

The accompanying notes form an integral part of the consolidated interim financial statements
As per our report of even date attached
for B S R & Co. LLP
for and on behalf of the Board of Directors of Infosys Limited
Chartered Accountants
Firm's Registration No : 101248W/W-100022

Supreet Sachdev
Partner
Membership No. 205385

R. Seshasayee
Chairman

Dr. Vishal Sikka
Chief Executive Officer and
Managing Director

U. B. Pravin Rao
Chief Operating Officer and
Whole-time Director

Bengaluru
April 13, 2017

Roopa Kudva
Director

M. D. Ranganath
Chief Financial Officer

A.G.S Manikantha
Company Secretary

Infosys Limited and subsidiaries
(In ₹ crore except equity share and per equity share data)

Consolidated Statements of Comprehensive Income		Three months ended March 31,		Year ended March 31,	
	Note	2017	2016	2017	2016
Revenues		17,120	16,550	68,484	62,441
Cost of sales	2.10	10,770	10,262	43,253	39,098
Gross profit		6,350	6,288	25,231	23,343
Operating expenses:					
Selling and marketing expenses	2.10	889	909	3,591	3,431
Administrative expenses	2.10	1,249	1,159	4,739	4,292
Total operating expenses		2,138	2,068	8,330	7,723
Operating profit		4,212	4,220	16,901	15,620
Other income, net	2.13	746	772	3,080	3,125
Share in associate's loss and others		(25)	(1)	(30)	(3)
Profit before income taxes		4,933	4,991	19,951	18,742
Income tax expense	2.16	1,330	1,394	5,598	5,251
Net profit		3,603	3,597	14,353	13,491
Other comprehensive income					
<i>Items that will not be reclassified subsequently to profit or loss</i>					
Remeasurement of the net defined benefit liability/asset	2.11 & 2.16	20	(3)	(45)	(12)
Cumulative impact on reversal of unrealised gain on quoted debt securities on adoption of IFRS 9	2.2	-	-	(35)	-
Equity instruments through other comprehensive income, net	2.2 & 2.16	(5)	-	(5)	-
		15	(3)	(85)	(12)
<i>Items that will be reclassified subsequently to profit or loss</i>					
Fair value changes on derivatives designated as cash flow hedge, net	2.3 & 2.16	11	-	39	-
Exchange differences on translation of foreign operations		(197)	96	(257)	303
Fair value changes on investments, net	2.2 & 2.16	(10)	19	(10)	41
		(196)	115	(228)	344
Total other comprehensive income, net of tax		(181)	112	(313)	332
Total comprehensive income		3,422	3,709	14,040	13,823
Profit attributable to:					
Owners of the company		3,603	3,597	14,353	13,491
Non-controlling interests		-	-	-	-
		3,603	3,597	14,353	13,491
Total comprehensive income attributable to:					
Owners of the company		3,422	3,709	14,040	13,823
Non-controlling interests		-	-	-	-
		3,422	3,709	14,040	13,823
Earnings per equity share					
Basic (₹)		15.77	15.74	62.80	59.03
Diluted (₹)		15.76	15.74	62.77	59.02
Weighted average equity shares used in computing earnings per equity share	2.17				
Basic		2,285,654,881	2,285,620,957	2,285,639,447	2,285,616,160
Diluted		2,286,652,003	2,285,750,316	2,286,396,745	2,285,718,894

The accompanying notes form an integral part of the consolidated interim financial statements.

As per our report of even date attached

for B S R & Co. LLP

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

Chartered Accountants

Firm's Registration No : 101248W/W-100022

Supreet Sachdev
Partner
Membership No. 205385

R. Seshasayee
Chairman

Dr. Vishal Sikka
Chief Executive Officer and
Managing Director

U. B. Pravin Rao
Chief Operating Officer and
Whole-time Director

Bengaluru
April 13, 2017

Roopa Kudva
Director

M. D. Ranganath
Chief Financial Officer

A.G.S Manikantha
Company Secretary

Consolidated Statements of Changes in Equity

(In ₹ crore except equity share data)								
	Shares ⁽²⁾	Share capital	Share premium	Retained earnings	Other reserves ⁽³⁾	Other components of equity	Cash flow hedge reserve	Total equity attributable to equity holders of the Company
Balance as of April 1, 2015	114,28,05,132	572	2,806	50,978	-	407	-	54,763
Changes in equity for the year ended March 31, 2016								
Increase in share capital on account of bonus issue ⁽¹⁾ (refer to note 2.12)	114,28,05,132	572	-	-	-	-	-	572
Amounts utilized for bonus issue (refer note 2.12) ⁽¹⁾	-	-	(572)	-	-	-	-	(572)
Shares issued on exercise of employee stock options (refer note 2.15)	10,824	-	-	-	-	-	-	-
Transferred to other reserves (refer note 2.12)	-	-	-	(591)	591	-	-	-
Transferred from other reserves on utilisation (refer note 2.12)	-	-	-	591	(591)	-	-	-
Employee stock compensation expense (refer to note 2.15)	-	-	7	-	-	-	-	7
Remeasurement of the net defined benefit liability/asset, net of tax effect (refer note 2.16)	-	-	-	-	-	(12)	-	(12)
Dividends (including corporate dividend tax)	-	-	-	(6,814)	-	-	-	(6,814)
Fair value changes on investments (refer note 2.2 & 2.16)	-	-	-	-	-	41	-	41
Net profit	-	-	-	13,491	-	-	-	13,491
Exchange differences on translation of foreign operations	-	-	-	-	-	303	-	303
Balance as of March 31, 2016	228,56,21,088	1,144	2,241	57,655	-	739	-	61,779
Changes in equity for the year ended March 31, 2017								
Cumulative impact on reversal of unrealised gain on quoted debt securities on adoption of IFRS 9 (Refer note 2.2)	-	-	-	-	-	(35)	-	(35)
Shares issued on exercise of employee stock options (Refer note 2.15)	34,062	-	-	-	-	-	-	-
Income tax benefit arising on exercise of stock options	-	-	1	-	-	-	-	1
Employee stock compensation expense (refer to note 2.15)	-	-	114	-	-	-	-	114
Transferred to other reserves (refer note 2.12)	-	-	-	(953)	953	-	-	-
Transferred from other reserves on utilisation (refer note 2.12)	-	-	-	953	(953)	-	-	-
Fair value changes on cash flow hedge, net of tax effects (Refer note 2.3)	-	-	-	-	-	-	39	39
Equity instruments through other comprehensive income, net of tax effect (Refer note 2.2 & 2.16)	-	-	-	-	-	(5)	-	(5)
Fair value changes on investments, net of tax effect (Refer note 2.2 & 2.16)	-	-	-	-	-	(10)	-	(10)
Remeasurement of the net defined benefit liability/asset, net of tax effect (refer note 2.16)	-	-	-	-	-	(45)	-	(45)
Dividends (including corporate dividend tax)	-	-	-	(6,952)	-	-	-	(6,952)
Net profit	-	-	-	14,353	-	-	-	14,353
Exchange differences on translation of foreign operations	-	-	-	-	-	(257)	-	(257)
Balance as of March 31, 2017	228,56,55,150	1,144	2,356	65,056	-	387	39	68,982

⁽¹⁾ net of treasury shares⁽²⁾ excludes treasury shares of 1,12,89,514 as of March 31, 2017, 1,13,23,576 as of March 31, 2016, and 56,67,200 as of April 1, 2015, held by consolidated trust.⁽³⁾ Represents the Special Economic Zone Re-investment reserve created out of the profit of the eligible SEZ unit 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 terms of the provisions of the Sec 10AA(2) of the Income Tax Act, 1961.

The accompanying notes form an integral part of the consolidated interim financial statements.

As per our report of even date attached

for B S R & Co. LLP

Chartered Accountants

Firm's Registration No : 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

U. B. Pravin Rao
Chief Operating Officer and
Whole-time Director

Bengaluru
April 13, 2017

Roopa Kudva
Director

M. D. Ranganath
Chief Financial Officer

A.G.S Manikantha
Company Secretary

Consolidated Statements of Cash Flows		Year ended March 31,	
	Note	2017	2016
Operating activities:			
Net Profit		14,353	13,491
Adjustments to reconcile net profit to net cash provided by operating activities:			
Depreciation and amortization	2.7 and 2.8	1,703	1,459
Income tax expense	2.16	5,598	5,251
Income on investments		(348)	(176)
Effect of exchange rate changes on assets and liabilities		38	71
Deferred consideration pertaining to acquisition		-	149
Impairment loss on financial assets		132	(52)
Other adjustments		184	169
Changes in working capital			
Trade receivables and unbilled revenue		(1,743)	(1,654)
Prepayments and other assets		(471)	(1,442)
Trade payables		(19)	242
Client deposits		4	1
Unearned revenue		445	280
Other liabilities and provisions		(160)	319
Cash generated from operations		19,716	18,108
Income taxes paid	2.16	(5,653)	(5,865)
Net cash provided by operating activities		14,063	12,243
Investing activities:			
Expenditure on property, plant and equipment net of sale proceeds, including changes in retention money and capital creditors	2.7 and 2.8	(2,760)	(2,723)
Loans to employees		27	(75)
Deposits placed with corporation		(164)	(142)
Income on investments		221	168
Payment for acquisition of business, net of cash acquired	2.9	-	(747)
Payment of contingent consideration pertaining to acquisition of business	2.9	(36)	-
Investment in equity and preference securities		(68)	(82)
Investment in others		(26)	(22)
Investment in quoted debt securities		(4,278)	(302)
Redemption of quoted debt securities		7	-
Investment in certificate of deposits		(7,823)	-
Investment in liquid mutual fund units and fixed maturity plan securities		(54,215)	(24,171)
Redemption of liquid mutual fund units and fixed maturity plan securities		52,041	24,980
Net cash used in investing activities		(17,074)	(3,116)
Financing activities:			
Payment of dividends (includes corporate dividend tax)		(6,939)	(6,813)
Net cash used in financing activities		(6,939)	(6,813)
Effect of exchange rate changes on cash and cash equivalents		(122)	16
Net decrease in cash and cash equivalents		(9,950)	2,314
Cash and cash equivalents at the beginning of the period	2.1	32,697	30,367
Cash and cash equivalents at the end of the period	2.1	22,625	32,697
Supplementary information:			
Restricted cash balance	2.1	572	492

The accompanying notes form an integral part of the consolidated interim financial statements.

As per our report of even date attached

for B S R & Co. LLP

Chartered Accountants

Firm's Registration No : 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

U. B. Pravin Rao
Chief Operating Officer and
Whole-time Director

Bengaluru
April 13, 2017

Roopa Kudva
Director

M. D. Ranganath
Chief Financial Officer

A.G.S Manikantha
Company Secretary

Notes to the Consolidated Financial Statements

1. Company Overview and Significant Accounting Policies

1.1 Company overview

Infosys is a leading provider 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, its banking solution; and offerings in the areas of Analytics, Cloud, and Digital Transformation.

Infosys together with its subsidiaries and controlled trusts is herein after referred to as the "Group".

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

The Group's consolidated interim financial statements are authorized for issue by the company's Board of Directors on April 13, 2017.

1.2 Basis of preparation of financial statements

These consolidated financial statements have been prepared in compliance with International Financial Reporting Standards as issued by the International Accounting Standards Board (IFRS) under the historical cost convention on the accrual basis except for certain financial instruments which have been measured at fair values. Accounting policies have been applied consistently to all periods presented in these consolidated financial statements.

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

1.3 Basis of consolidation

Infosys consolidates entities which it owns or controls. The consolidated financial statements comprise the financial statements of the company, its controlled trusts and its subsidiaries. Control exists when the parent has power over the entity, is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns by using its power over the entity. Power is demonstrated through existing rights that give the ability to direct relevant activities, those which significantly affect the entity's returns. Subsidiaries are consolidated from the date control commences until the date control ceases.

The financial statements of the Group companies are consolidated on a line-by-line basis and intra-group balances and transactions including unrealized gain / loss from such transactions are eliminated upon consolidation. These financial statements are prepared by applying uniform accounting policies in use at the Group. Non-controlling interests which represent part of the net profit or loss and net assets of subsidiaries that are not, directly or indirectly, owned or controlled by the company, are excluded.

Associates are entities over which the group has significant influence but not control. Investments in associates are accounted for using the equity method of accounting. The investment is initially recognized at cost, and the carrying amount is increased or decreased to recognize the investor's share of the profit or loss of the investee after the acquisition date. The group's investment in associates includes goodwill identified on acquisition.

1.4 Use of estimates

The preparation of the financial statements in conformity with IFRS requires management to make estimates, judgments and assumptions. These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the period. Application of accounting policies that require critical accounting estimates involving complex and subjective judgments and the use of assumptions in these financial statements have been disclosed in Note 1.5. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the consolidated financial statements.

1.5 Critical accounting estimates

a. Revenue recognition

The group uses the percentage-of-completion method in accounting for its fixed-price contracts. Use of the percentage-of-completion method requires the group to estimate the efforts or costs expended to date as a proportion of the total efforts or costs to be expended. Efforts or costs expended have been used to measure progress towards completion as there is a direct relationship between input and productivity. Provisions for estimated losses, if any, on uncompleted contracts are recorded in the period in which such losses become probable based on the expected contract estimates at the reporting date.

b. Income taxes

The company's two major tax jurisdictions are India and the U.S., though the company also files tax returns in other overseas jurisdictions. Significant judgments are involved in determining the provision for income taxes, including amount expected to be paid/recovered for uncertain tax positions. Also refer to Note 2.16.

c. Business combinations and intangible assets

Business combinations are accounted for using IFRS 3 (Revised), Business Combinations. IFRS 3 requires the identifiable intangible assets and contingent consideration to be fair valued in order to ascertain the net fair value of identifiable assets, liabilities and contingent liabilities of the acquiree. Significant estimates are required to be made in determining the value of contingent consideration and intangible assets. These valuations are conducted by independent valuation experts.

d. Property, plant and equipment

Property, plant and equipment represent a significant proportion of the asset base of the Group. The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of Group's assets are determined by management at the time the asset is acquired and reviewed periodically, including at each financial year end. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology.

e. Impairment of Goodwill

Goodwill is tested for impairment on an annual basis and whenever there is an indication that the recoverable amount of a cash generating unit is less than its carrying amount based on a number of factors including operating results, business plans, future cash flows and economic conditions. The recoverable amount of cash generating units is determined based on higher of value-in-use and fair value less cost to sell. The goodwill impairment test is performed at the level of the cash-generating unit or groups of cash-generating units which are benefitting from the synergies of the acquisition and which represents the lowest level at which goodwill is monitored for internal management purposes.

Market related information and estimates are used to determine the recoverable amount. Key assumptions on which management has based its determination of recoverable amount include estimated long term growth rates, weighted average cost of capital and estimated operating margins. Cash flow projections take into account past experience and represent management's best estimate about future developments.

1.6 Revenue recognition

The company derives revenues primarily from software development and related services and from the licensing of software products. Arrangements with customers for software 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, fixed-time frame contracts, where there is no uncertainty as to measurement or collectability of consideration, is recognized as per the percentage-of-completion method. When there is uncertainty as to measurement or ultimate collectability, revenue recognition is postponed until such uncertainty is resolved. Efforts or costs expended have been used to measure progress towards completion as there is a direct relationship between input and productivity. Provisions for estimated losses, if any, on uncompleted contracts are recorded in the period in which such losses become probable based on the current contract estimates. Costs and earnings in excess of billings are classified as unbilled revenue while billings in excess of costs and earnings are classified as unearned revenue. Deferred contract costs are amortized over the term of the contract. Maintenance revenue is recognized ratably over the term of the underlying maintenance arrangement.

In arrangements for software development and related services and maintenance services, the company has applied the guidance in IAS 18, Revenue, by applying the revenue recognition criteria for each separately identifiable component of a single transaction. The arrangements generally meet the criteria for considering software development and related services as separately identifiable components. For allocating the consideration, the company has measured the revenue in respect of each separable component of a transaction at its fair value, in accordance with principles given in IAS 18. The price that is regularly charged for an item when sold separately is the best evidence of its fair value. In cases where the company is unable to establish objective and reliable evidence of fair value for the software development and related services, the company has used a residual method to allocate the arrangement consideration. In these cases the balance of the consideration, after allocating the fair values of undelivered components of a transaction has been allocated to the delivered components for which specific fair values do not exist.

License fee revenues are recognized when the general revenue recognition criteria given in IAS 18 are met. Arrangements to deliver software products generally have three elements: license, implementation and Annual Technical Services (ATS). The company has applied the principles given in IAS 18 to account for revenues from these multiple element arrangements. Objective and reliable evidence of fair value has been established for ATS. Objective and reliable evidence of fair value is the price charged when the element is sold separately. When other services are provided in conjunction with the licensing arrangement and objective and reliable evidence of their fair values have been established, the revenue from such contracts are allocated to each component of the contract in a manner, whereby revenue is deferred for the undelivered services and the residual amounts are recognized as revenue for delivered elements. In the absence of objective and reliable evidence of fair value for implementation, the entire arrangement fee for license and implementation is recognized using the percentage-of-completion method as the implementation is performed. Revenue from client training, support and other services arising due to the sale of software products is recognized as the services are performed. ATS revenue is recognized ratably over the period in which the services are rendered.

Advances received for services and products are reported as client deposits until all conditions for revenue recognition are met.

The company accounts for volume discounts and pricing incentives to customers as a reduction of revenue based on the ratable allocation of the discounts/ incentives amount to each of the underlying revenue transaction that results 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 in the period in which the change occurs. The discounts are passed on to the customer either as direct payments or as a reduction of payments due from the customer.

The company presents revenues net of value-added taxes in its statement of comprehensive income.

1.7 Property, plant and equipment

Property, plant and equipment are stated at cost, less accumulated depreciation and impairment, if any. Costs directly attributable to acquisition are capitalized until the property, plant and equipment are ready for use, as intended by management. The group depreciates property, plant and equipment over their estimated useful lives using the straight-line method. The estimated useful lives of assets are as follows:

Building	22-25 years
Plant and machinery	5 years
Computer equipment	3-5 years
Furniture and fixtures	5 years
Vehicles	5 years

Depreciation methods, useful lives and residual values are reviewed periodically, including at each financial year end. (*Refer note 2.7*)

Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date and the cost of assets not put to use before such date are disclosed under 'Capital work-in-progress'. Subsequent expenditures relating to property, plant and equipment is capitalized only when it is probable that future economic benefits associated with these will flow to the Group and the cost of the item can be measured reliably. Repairs and maintenance costs are recognized in net profit in the statement of comprehensive income when incurred. The cost and related accumulated depreciation are eliminated from the financial statements upon sale or retirement of the asset and the resultant gains or losses are recognized in net profit in the statement of comprehensive income. Assets to be disposed off are reported at the lower of the carrying value or the fair value less cost to sell.

1.8 Business combinations

Business combinations have been accounted for using the acquisition method under the provisions of IFRS 3 (Revised), Business Combinations.

The cost of an acquisition is measured at the fair value of the assets transferred, equity instruments issued and liabilities incurred or assumed at the date of acquisition, which is the date on which control is transferred to the Group. The cost of acquisition also includes the fair value of any contingent consideration. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair value on the date of acquisition.

Business combinations between entities under common control is outside the scope of IFRS 3 (Revised), Business Combinations and is accounted for at carrying value.

Transaction costs that the Group incurs in connection with a business combination such as finders' fees, legal fees, due diligence fees, and other professional and consulting fees are expensed as incurred.

1.9 Goodwill

Goodwill represents the cost of business acquisition in excess of the Group's interest in the net fair value of identifiable assets, liabilities and contingent liabilities of the acquiree. When the net fair value of the identifiable assets, liabilities and contingent liabilities acquired exceeds the cost of business acquisition, a gain is recognized immediately in net profit in the statement of comprehensive income. Goodwill is measured at cost less accumulated impairment losses.

1.10 Intangible assets

Intangible assets are stated at cost less accumulated amortization and impairment. Intangible assets are amortized over their respective individual estimated useful lives on a straight-line basis, from the date that they are available for use. The estimated useful life of an identifiable intangible asset is based on a number of factors including the effects of obsolescence, demand, competition, and other economic factors (such as the stability of the industry, and known technological advances), and the level of maintenance expenditures required to obtain the expected future cash flows from the asset. Amortization methods and useful lives are reviewed periodically including at each financial year end.

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. The costs which can be capitalized include the cost of material, direct labour, overhead costs that are directly attributable to preparing the asset for its intended use. Research and development costs and software development costs incurred under contractual arrangements with customers are accounted as cost of sales.

1.11 Financial instruments

Effective April 1, 2016, the group has elected to early adopt IFRS 9 - Financial Instruments considering April 1, 2015 as the date of initial application of the standard even though the stipulated effective date for adoption is April 1, 2018.

As per IFRS 9, the group has classified its financial assets into the following categories based on the business model for managing those assets and the contractual cash flow characteristics:

- Financial assets carried at amortised cost
- Financial assets fair valued through other comprehensive income
- Financial assets fair valued through profit and loss

The adoption of IFRS 9 did not have any other material impact on the consolidated financial statements, hence prior period figures have not been restated. The impact on account of adoption of IFRS 9 is given in Note 2.2.

1.11.1 Initial recognition

The group recognizes financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are recognized at fair value on initial recognition, except for trade receivables which are initially measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities, that are not at fair value through profit or loss, are added to the fair value on initial recognition. Regular way purchase and sale of financial assets are accounted for at trade date.

1.11.2 Subsequent measurement

a. Non-derivative financial instruments

(i) Financial assets carried at amortised cost

A financial asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

(ii) Financial assets at fair value through other comprehensive income

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Further, in cases where the Group has made an irrevocable election based on its business model, for its investments which are classified as equity instruments, the subsequent changes in fair value are recognized in other comprehensive income.

(iii) Financial assets at fair value through profit or loss

A financial asset which is not classified in any of the above categories are subsequently fair valued through profit or loss.

(iv) Financial liabilities

Financial liabilities are subsequently carried at amortized cost using the effective interest method, except for contingent consideration recognized in a business combination which is subsequently measured at fair value through profit and loss. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

b. Derivative financial instruments

The group holds derivative financial instruments such as foreign exchange forward and option contracts to mitigate the risk of changes in exchange rates on foreign currency exposures. The counterparty for these contracts is generally a bank.

(i) Financial assets or financial liabilities, at fair value through profit or loss.

This category has derivative financial assets or liabilities which are not designated as hedges.

Although the group believes that these derivatives constitute hedges from an economic perspective, they may not qualify for hedge accounting under IFRS 9, Financial Instruments. Any derivative that is either not designated a hedge, or is so designated but is ineffective as per IFRS 9, is categorized as a financial asset or financial liability, at fair value through profit or loss.

Derivatives not designated as hedges are recognized initially at fair value and attributable transaction costs are recognized in net profit in the statement of comprehensive income when incurred. Subsequent to initial recognition, these derivatives are measured at fair value through profit or loss and the resulting exchange gains or losses are included in other income. Assets/ liabilities in this category are presented as current assets/current liabilities if they are either held for trading or are expected to be realized within 12 months after the balance sheet date.

(ii) Cash flow hedge

The group designates certain foreign exchange forward and options contracts as cash flow hedges to mitigate the risk of foreign exchange exposure on highly probable forecast cash transactions.

When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative is recognized in other comprehensive income and accumulated in the cash flow hedging reserve. Any ineffective portion of changes in the fair value of the derivative is recognized immediately in the net profit in the statement of comprehensive income. If the hedging instrument no longer meets the criteria for hedge accounting, then hedge accounting is discontinued prospectively. If the hedging instrument expires or is sold, terminated or exercised, the cumulative gain or loss on the hedging instrument recognized in cash flow hedging reserve till the period the hedge was effective remains in cash flow hedging reserve until the forecasted transaction occurs. The cumulative gain or loss previously recognized in the cash flow hedging reserve is transferred to the net profit in the statement of comprehensive income upon the occurrence of the related forecasted transaction. If the forecasted transaction is no longer expected to occur, then the amount accumulated in cash flow hedging reserve is reclassified to net profit in the statement of comprehensive income.

c. Share capital and treasury shares

(i) Ordinary Shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of new ordinary shares and share options are recognized as a deduction from equity, net of any tax effects.

(ii) Treasury Shares

When any entity within the Group purchases the company's ordinary shares, the consideration paid including any directly attributable incremental cost is presented as a deduction from total equity, until they are cancelled, sold or reissued. When treasury shares are sold or reissued subsequently, the amount received is recognized as an increase in equity, and the resulting surplus or deficit on the transaction is transferred to/ from share premium.

1.11.3 Derecognition of financial instruments

The group derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition under IFRS 9. A financial liability (or a part of a financial liability) is derecognized from the group's balance sheet when the obligation specified in the contract is discharged or cancelled or expires.

1.12 Fair value of financial instruments

In determining the fair value of its financial instruments, the group uses a variety of methods and assumptions that are based on market conditions and risks existing at each reporting date. The methods used to determine fair value include discounted cash flow analysis, available quoted market prices and dealer quotes. All methods of assessing fair value result in general approximation of value, and such value may never actually be realized.

For all other financial instruments the carrying amounts approximate fair value due to the short maturity of those instruments.

1.13 Impairment

a. Financial assets

The group recognizes loss allowances using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit or loss. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized is recognized as an impairment gain or loss in profit or loss.

b. Non-financial assets

(i) Goodwill

Goodwill is tested for impairment on an annual basis and whenever there is an indication that goodwill may be impaired, relying on a number of factors including operating results, business plans and future cash flows. For the purpose of impairment testing, goodwill acquired in a business combination is allocated to the Group's cash generating units (CGU) or groups of CGU's expected to benefit from the synergies arising from the business combination. A CGU is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or group of assets. Impairment occurs when the carrying amount of a CGU including the goodwill, exceeds the estimated recoverable amount of the CGU. The recoverable amount of a CGU is the higher of its fair value less cost to sell and its value-in-use. Value-in-use is the present value of future cash flows expected to be derived from the CGU.

Total impairment loss of a CGU is allocated first to reduce the carrying amount of goodwill allocated to the CGU and then to the other assets of the CGU pro-rata on the basis of the carrying amount of each asset in the CGU. An impairment loss on goodwill is recognized in net profit in the statement of comprehensive income and is not reversed in the subsequent period.

(ii) Intangible assets and property, plant and equipment

Intangible assets and property, plant and equipment are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the CGU to which the asset belongs.

If such assets are considered to be impaired, the impairment to be recognized in net profit in the statement of comprehensive income is measured by the amount by which the carrying value of the assets exceeds the estimated recoverable amount of the asset. An impairment loss is reversed in net profit in the statement of comprehensive income if there has been a change in the estimates used to determine the recoverable amount. The carrying amount of the 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.

1.14 Provisions

A provision is recognized if, as a result of a past event, the Group has a present legal or constructive 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 discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

a. Post sales client support

The Group provides its clients with a fixed-period post sales support 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 related revenues are recorded and included in cost of sales. The Group estimates such costs based on historical experience and estimates are reviewed on a periodic basis for any material changes in assumptions and likelihood of occurrence.

b. Onerous contracts

Provisions for onerous contracts are recognized when the expected benefits to be derived by the Group from a contract are lower than the unavoidable costs of meeting the future obligations under the contract. The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established the Group recognizes any impairment loss on the assets associated with that contract.

1.15 Foreign currency

Functional currency

The functional currency of Infosys, Infosys BPO, controlled trusts, EdgeVerve and Skava is the Indian rupee. The functional currencies for Infosys Australia, Infosys China, Infosys Mexico, Infosys Sweden, Infosys Brasil, Infosys Public Services, Infosys Shanghai, Infosys Lodestone, Infosys Americas, Infosys Nova, Panaya, Kallidus and Noah are the respective local currencies. These financial statements are presented in Indian rupees (rounded off to crore; one crore equals ten million).

Transactions and translations

Foreign-currency denominated monetary assets and liabilities are translated into the relevant functional currency at exchange rates in effect at the balance sheet date. The gains or losses resulting from such translations are included in net profit in the consolidated statement of comprehensive income. 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.

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. Revenue, expense and cash-flow items denominated in foreign currencies are translated into the relevant functional currencies using the exchange rate in effect on the date of the transaction.

The translation of financial statements of the foreign subsidiaries to the presentation currency is performed for assets and liabilities using the exchange rate in effect at the balance sheet date and for revenue, expense and cash-flow items using the average exchange rate for the respective periods. The gains or losses resulting from such translation are included in currency translation reserves under other components of equity. When a subsidiary is disposed off, in full, the relevant amount is transferred to net profit in the statement of comprehensive income. However when a change in the parent's ownership does not result in loss of control of a subsidiary, such changes are recorded through equity.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the exchange rate in effect at the balance sheet date.

1.16 Earnings per equity share

Basic earnings per equity share is computed by dividing the net profit attributable to the equity holders of the company by the weighted average number of equity shares outstanding during the period. Diluted earnings per equity share is computed by dividing the net profit attributable to the equity holders of the company by the weighted average number of equity shares considered for deriving basic earnings per equity share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. The dilutive potential equity shares are adjusted for the proceeds receivable had the equity shares been actually issued at fair value (i.e. the average market value of the outstanding equity 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 equity 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 Income taxes

Income tax expense comprises current and deferred income tax. Income tax expense is recognized in net profit in the statement of comprehensive income except to the extent that it relates to items recognized directly in equity, in which case it is recognized in other comprehensive income. Current income tax for current and prior periods is recognized at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. Deferred income tax assets and liabilities are recognized for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements except when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction. Deferred tax assets are reviewed at each reporting period and are recognized to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilized. Deferred income taxes are not provided on the undistributed earnings of subsidiaries and branches where it is expected that the earnings of the subsidiary or branch will not be distributed in the foreseeable future. The Group offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off, and the resulting amount is recognized in the cash flow hedging reserve is transferred to the net profit in the statement of comprehensive income upon the occurrence of the related forecasted transaction. If the forecasted transaction is no longer expected to occur, then the amount accumulated in cash flow hedging reserve is reclassified to net profit in the statement of comprehensive income, and vary the terms of remuneration. Accordingly, the Board based on the recommendation of the audit committee.

Deferred income tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect of changes in tax rates on deferred income tax assets and liabilities is recognized as income or expense in the period that includes the enactment or the substantive enactment date. A deferred income tax asset is recognized to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilized. Deferred income taxes are not provided on the undistributed earnings of subsidiaries and branches where it is expected that the earnings of the subsidiary or branch will not be distributed in the foreseeable future. The Group offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off, and the resulting amount is recognized in the cash flow hedging reserve is transferred to the net profit in the statement of comprehensive income upon the occurrence of the related forecasted transaction. If the forecasted transaction is no longer expected to occur, then the amount accumulated in cash flow hedging reserve is reclassified to net profit in the statement of comprehensive income, and vary the terms of remuneration. Accordingly, the Board based on the recommendation of the audit committee.

1.18 Employee benefits

1.18.1 Gratuity

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

Liabilities with regard to the Gratuity Plan are determined by actuarial valuation, 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). In case of Infosys BPO and EdgeVerve, contributions are made to the Infosys BPO's Employees' Gratuity Fund Trust and EdgeVerve Systems Limited Employees' Gratuity Fund Trust, respectively. Trustees administer contributions made to the Trusts and contributions are invested in a scheme with Life Insurance Corporation of India as permitted by law of India.

The Group recognizes the net obligation of a defined benefit plan in its balance sheet as an asset or liability. Gains and losses through re-measurements of the net defined benefit liability/(asset) are recognized in other comprehensive income. The actual return of the portfolio of plan assets, in excess of the yields computed by applying the discount rate used to measure the defined benefit obligation is recognized in other comprehensive income. The effect of any plan amendments are recognized in net profits in the statement of comprehensive income.

1.18.2 Superannuation

Certain employees of Infosys, Infosys BPO and EdgeVerve are participants in a defined contribution plan. The Group has no further 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.

1.18.3 Provident fund

Eligible employees of Infosys 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.

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

1.18.4 Compensated absences

The Group has a policy on compensated absences which are both accumulating and non-accumulating in nature. The expected cost of accumulating compensated absences is determined by actuarial valuation performed by an independent actuary at each balance sheet date 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.

1.19 Share-based compensation

The Group recognizes compensation expense relating to share-based payments in net profit using fair-value in accordance with IFRS 2, Share-Based Payment. The estimated fair value of awards is charged to income on a straight-line basis over the requisite service period for each separately vesting portion of the award as if the award was in-substance, multiple awards with a corresponding increase to share premium.

1.20 Dividends

Final dividends on shares are recorded as a liability on the date of approval by the shareholders and interim dividends are recorded as a liability on the date of declaration by the company's Board of Directors.

1.21 Operating Profits

Operating Profit for the Group is computed considering the revenues, net of cost of sales, selling and marketing expenses and administrative expenses.

1.22 Other income

Other income is comprised primarily of interest income, dividend income and exchange gain/loss on forward and options contracts and on translation of other assets and liabilities. Interest income is recognized using the effective interest method. Dividend income is recognized when the right to receive payment is established.

1.23 Leases

Leases under which the group assumes substantially all the risks and rewards of ownership are classified as finance leases. When acquired, such assets are capitalized at fair value 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 net profit in the statement of comprehensive income over the lease term.

1.24 Government grants

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

1.25 Recent accounting pronouncements

1.25.1 Standards issued but not yet effective

IFRS 15 Revenue from Contract with Customers: In May 2014, the International Accounting Standards Board (IASB) issued IFRS 15, Revenue from Contract with Customers. The core principle of the new standard is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Further the new standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers.

The standard permits two possible methods of transition:

- Retrospective approach - Under this approach the standard will be applied retrospectively to each prior reporting period presented in accordance with IAS 8- Accounting Policies, Changes in Accounting Estimates and Errors
- Retrospectively with cumulative effect of initially applying the standard recognized at the date of initial application (Cumulative catch - up approach)

The effective date for adoption of IFRS 15 is annual periods beginning on or after January 1, 2018, though early adoption is permitted.

The Group does not plan to early adopt IFRS 15 and will adopt the same on April 1, 2018 by using the full retrospective transition method to restate each prior reporting period presented.

The group derives revenues primarily from software development and related services and from the licensing of software products and is currently evaluating the effect of IFRS 15 on its consolidated financial statements and related disclosures.

IFRS 16 Leases : On January 13, 2016, the International Accounting Standards Board issued the final version of IFRS 16, Leases. IFRS 16 will replace the existing leases Standard, IAS 17 Leases, and related Interpretations. The Standard sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lessor. IFRS 16 introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. Currently, operating lease expenses are charged to the statement of comprehensive income. The Standard also contains enhanced disclosure requirements for lessees. IFRS 16 substantially carries forward the lessor accounting requirements in IAS 17.

The effective date for adoption of IFRS 16 is annual periods beginning on or after January 1, 2019, though early adoption is permitted for companies applying IFRS 15 Revenue from Contracts with Customers. The Group is yet to evaluate the requirements of IFRS 16 and the impact on the consolidated financial statements.

IFRIC 22, Foreign currency transactions and Advance consideration: On December 8, 2016, the IFRS interpretations committee of the International Accounting Standards Board (IASB) issued IFRS interpretation, IFRIC 22, Foreign currency transactions and Advance consideration which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency. The effective date for adoption of IFRIC 22 is annual reporting periods beginning on or after January 1, 2018, though early adoption is permitted. The Group is currently evaluating the effect of IFRIC 22 on the consolidated financial statements.

Amendments to IAS 7, 'Statement of cash flows': In January 2016, the International Accounting Standards Board issued the amendments to IAS 7, requiring the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities, to meet the disclosure requirement. The effective date for adoption of the amendments to IAS 7 is annual reporting periods beginning on or after January 1, 2017, though early adoption is permitted. The Group is evaluating the disclosure requirements of the amendment and the effect on the consolidated financial statements is being evaluated.

Amendments to IFRS 2, 'Share-based payment': In June 2016, the International Accounting Standards Board issued the amendments to IFRS 2, providing specific guidance for measurement of cash-settled awards, modification of cash-settled awards and awards that include a net settlement feature in respect of withholding taxes. It clarifies that the fair value of cash-settled awards is determined on a basis consistent with that used for equity-settled awards. Market-based performance conditions and non-vesting conditions are reflected in the 'fair values', but non-market performance conditions and service vesting conditions are reflected in the estimate of the number of awards expected to vest. Also, the amendment clarifies that if the terms and conditions of a cash-settled share-based payment transaction are modified with the result that it becomes an equity-settled share-based payment transaction, the transaction is accounted for as such from the date of the modification. Further, the amendment requires the award that include a net settlement feature in respect of withholding taxes to be treated as equity-settled in its entirety. The cash payment to the tax authority is treated as if it was part of an equity settlement. The effective date for adoption of the amendments to IFRS 2 is annual reporting periods beginning on or after January 1, 2018, though early adoption is permitted. The Group is evaluating the requirements of the amendment and the impact on the consolidated financial statements is being evaluated.

2. Notes to the consolidated interim financial statements

2.1 Cash and cash equivalents

Cash and cash equivalents consist of the following:

	<i>(In ₹ crore)</i>	
	As of	
	March 31, 2017	March 31, 2016
Cash and bank deposits	14,889	27,420
Deposits with financial institution	7,736	5,277
	22,625	32,697

Cash and cash equivalents as of March 31, 2017 and March 31, 2016 include restricted cash and bank balances of ₹572 crore and ₹492 crore, respectively. The restrictions are primarily on account of cash and bank balances held by irrevocable trusts controlled by the Company, bank balances held as margin money deposits against guarantees and balances held in unpaid dividend bank accounts.

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

The table below provides details of cash and cash equivalents:

	<i>(In ₹ crore)</i>	
	As of	
	March 31, 2017	March 31, 2016
Current Accounts		
ANZ Bank, Taiwan	3	13
Axis Bank, India	1	1
Axis Bank - Unpaid dividend account	2	2
Banamex Bank, Mexico	2	5
Banamex Bank, Mexico (U.S. Dollar account)	8	3
Bank of America, Mexico	54	21
Bank of America, USA	1,030	681
Bank Zachodni WBK S.A, Poland	4	3
Bank of Tokyo-Mitsubishi UFJ, Ltd., Japan	-	1
Barclays Bank, UK	1	19
Bank Leumi, Israel (US Dollar account)	2	17
Bank Leumi, Israel	11	10
BNP Paribas Bank, Norway	17	-
China Merchants Bank, China	9	8
Citibank N.A, China	61	65
Citibank N.A., China (U.S. Dollar account)	11	72
Citibank N.A., Costa Rica	5	2
Citibank N.A., Australia	19	72
Citibank N.A., Brazil	30	5
Citibank N.A., Dubai	1	1
Citibank N.A., Hungary	3	-
Citibank N.A., India	3	1
Citibank N.A., Japan	12	15
Citibank N.A., New Zealand	10	6
Citibank N.A., Portugal	2	2
Citibank N.A., Singapore	2	3
Citibank N.A., South Korea	1	-
Citibank N.A., South Africa	9	5
CitiBank N.A., South Africa (Euro account)	1	1
Citibank N.A., Philippines, (U.S. Dollar account)	1	1
CitiBank N.A., USA	78	60
CitiBank N.A., EEFC (U.S. Dollar account)	1	-
Commerzbank, Germany	18	19
Crédit Industriel et Commercial Bank, France	-	4
Deutsche Bank, India	12	8
Deutsche Bank, Philippines	5	13
Deutsche Bank, Philippines (U.S. Dollar account)	4	1
Deutsche Bank, Poland	12	5
Deutsche Bank, Poland (Euro account)	4	-
Deutsche Bank, EEFC (Australian Dollar account)	38	2
Deutsche Bank, EEFC (Euro account)	25	32
Deutsche Bank, EEFC (Swiss Franc account)	2	5
Deutsche Bank, EEFC (U.S. Dollar account)	76	96
Deutsche Bank, EEFC (United Kingdom Pound Sterling account)	10	9
Deutsche Bank, Belgium	10	59
Deutsche Bank, Malaysia	7	9
Deutsche Bank, Czech Republic	8	14
Deutsche Bank, Czech Republic (Euro account)	7	1

Deutsche Bank, Czech Republic (U.S. Dollar account)	30	28
Deutsche Bank, France	8	10
Deutsche Bank, Germany	48	17
Deutsche Bank, Netherlands	2	6
Deutsche Bank, Russia	3	2
Deutsche Bank, Russia (U.S. Dollar account)	1	1
Deutsche Bank, Singapore	6	4
Deutsche Bank, Spain	-	1
Deutsche Bank, Switzerland	9	1
Deutsche Bank, Switzerland (U.S. Dollar account)	1	-
Deutsche Bank, United Kingdom	26	170
Deutsche Bank, USA	12	-
HDFC Bank - Unpaid dividend account	2	1
HSBC Bank, Brazil	1	5
HSBC Bank, Hong Kong	1	1
ICICI Bank, India	53	72
ICICI Bank, EEFC (Euro account)	1	-
ICICI Bank, EEFC (U.S. Dollar account)	5	10
ICICI Bank, EEFC (United Kingdom Pound Sterling account)	1	-
ICICI Bank - Unpaid dividend account	13	2
ING Bank, Belgium	2	3
Nordbanken, Sweden	33	15
Punjab National Bank, India	6	4
Raiffeisen Bank, Czech Republic	4	5
Raiffeisen Bank, Romania	4	4
Royal Bank of Canada, Canada	83	78
Santander Bank, Argentina	1	-
State Bank of India, India	7	8
Silicon Valley Bank, USA	4	5
Silicon Valley Bank, (Euro account)	19	65
Silicon Valley Bank, (United Kingdom Pound Sterling account)	2	19
Union Bank of Switzerland AG	3	15
Union Bank of Switzerland AG, (Euro account)	4	12
Union Bank of Switzerland AG, (Australian Dollar account)	-	2
Union Bank of Switzerland AG, (U.S. Dollar account)	-	28
Union Bank of Switzerland AG, (United Kingdom Pound Sterling account)	-	4
Wells Fargo Bank N.A., USA	33	23
Westpac, Australia	1	6
	2,061	1,999
Deposit Accounts		
Andhra Bank	-	948
Axis Bank	1,175	1,340
Bank BGZ BNP Paribas S.A	183	-
Bank of India	-	77
Barclays Bank	825	-
Canara Bank	261	2,247
Central Bank of India	-	1,538
Citibank	167	128
Corporation Bank	-	1,285
Deutsche Bank, Poland	71	237
HDFC Bank	469	2,650
HSBC Bank	500	-
ICICI Bank	4,869	4,199
IDBI Bank	1,750	1,900
IDFC Bank	200	-
Indian Overseas Bank	-	1,250
Indusind Bank	191	250
Jammu & Kashmir Bank	-	25
Kotak Mahindra Bank Limited	535	537
National Australia Bank Limited	-	1
Oriental Bank of Commerce	-	1,967
Punjab National Bank	-	18
South Indian Bank	450	23
Standard Chartered Bank	500	-
State Bank of India	-	2,367
Syndicate Bank	49	1,266
Union Bank of India	-	140
Vijaya Bank	-	304
Yes Bank	633	724
	12,828	25,421
Deposits with financial institution		
HDFC Limited	7,036	5,277
LIC Housing Finance Limited	700	-
	7,736	5,277
Total	22,625	32,697

2.2 Investments

The carrying value of the investments are as follows:

	(In ₹ crore)	
	As of	
	March 31, 2017	March 31, 2016
(i) Current		
Amortised Cost		
Quoted debt securities:		
Cost	9	7
Fair value through profit and loss		
Liquid mutual funds		
Fair Value	1,803	68
Fixed maturity plan securities		
Fair Value	151	-
Fair value through other comprehensive income		
Quoted debt securities:		
Fair value	102	-
Certificate of deposits		
Fair value	7,905	-
	9,970	75
Non-current		
Amortised Cost		
Quoted debt securities:		
Cost	1,898	1,696
Fair value through other comprehensive income		
Quoted debt securities:		
Fair value	3,873	-
Unquoted equity and preference securities:		
Fair value	159	93
Fair Value through profit and loss		
Unquoted convertible promissory note		
Fair value	10	-
Fixed maturity plan securities		
Fair Value	407	-
Others:		
Fair value	35	22
	6,382	1,811
Total investments	16,352	1,886
Investments carried at amortised cost	1,907	1,703
Investments carried at fair value through other comprehensive income	12,039	93
Investments carried at fair value through profit and loss	2,406	90

Mutual funds

The cost and fair value of mutual funds as of March 31, 2017 was ₹1,799 crore and ₹1,803 crore, respectively. The cost and fair value of liquid mutual funds as of March 31, 2016 was ₹68 crore. The fair value is based on quoted price.

Fixed maturity plan securities:

The cost and fair value as of March 31, 2017 is ₹555 crore and ₹558 crore, respectively. The fair value is based on market observable inputs.

Quoted debt securities carried at amortized cost:

Investment in quoted debt securities represents the investments made in debt securities issued by government and quasi government organisations. The fair value of quoted debt securities (including interest accrued) as of March 31, 2017 and March 31, 2016 is ₹2,168 crore and ₹1,703 crore, respectively. The fair value is based on quoted prices and market observable inputs.

Quoted debt securities fair valued through other comprehensive income:

Investment in quoted debt securities represents investments made in non-convertible debentures issued by government aided institutions. The cost and fair value of non-convertible debentures (including interest accrued) as of March 31, 2017 is ₹3,982 crore and ₹3,975 crore. The fair value is based on quoted prices and market observable inputs. The unrealised loss of ₹7 crore, net of taxes of less than ₹1 crore, has been recognized in other comprehensive income for each of the three months and year ended March 31, 2017.

Certificate of deposits:

The cost and fair value of certificate of deposits as of March 31, 2017 is ₹7,910 crore and ₹7,905 crore. The fair value is based on market observable inputs. The unrealised loss of ₹3 crore, net of taxes of ₹2 crore, has been recognized in other comprehensive income for each of the three months and year ended March 31, 2017.

Unquoted equity and preference securities:

The amount invested and fair value of unquoted equity and preference securities as of March 31, 2017 is ₹161 crore and ₹159 crore, respectively. The fair value is determined using Level 3 inputs like Discounted cash flows, Market multiple method, Option pricing model, etc.

Impact on account of adoption of IFRS 9

Certain investments which were earlier carried at fair value through other comprehensive income under IAS 39, Financial Instruments: Recognition and measurement are now carried at amortised cost under IFRS 9, where the business model is to hold the asset, in order to collect contractual cash flows and the contractual terms of the financial asset give rise, on specified dates, to cash flows that are solely payments of principal and interest on the principal amount. Further, certain investments carried at fair value through other comprehensive income under IAS 39 are now fair valued through profit and loss under IFRS 9. The impact of such change in measurement did not have a material impact on the financial statements. Hence, the company has not restated the prior period figures and the cumulative impact has been recorded in other comprehensive income for the year ended March 31, 2017.

Accordingly, for the year ended March 31, 2017, the company has recorded, in its other comprehensive income, a reversal of unrealised gain, net of taxes, of ₹35 crore (recorded on quoted debt securities as on April 1, 2016), with a corresponding change in investment and deferred taxes.

Further, under IFRS 9, the impairment of financial assets is measured under the 'Expected Credit Loss' (ECL) model, which uses a dual measurement approach, under which the loss allowance is measured as either 12 month expected credit losses or lifetime expected credit losses. The change in the impairment model did not have a material impact on the financial statements.

Details showing the changes in the classification and the corresponding differences in carrying amounts as of the transition date April 1, 2016

<i>(In ₹ crore)</i>				
Instrument	As per IAS 39		As per IFRS 9	
	Category	Carrying value	Category	Carrying value
(i) Current				
Liquid mutual funds	Available for sale financial assets ⁽¹⁾	68	Fair value through profit or loss	68
Quoted debt securities:	Available for sale financial assets ⁽¹⁾	7	Amortized cost	7
Total		<u>75</u>		<u>75</u>
(ii) Non current				
Quoted debt securities:	Available for sale financial assets ⁽¹⁾	1,696	Amortized cost	1,599
Unquoted equity and preference securities	Available for sale financial assets ⁽¹⁾	93	Fair value through other comprehensive income	93
Others	Available for sale financial assets ⁽¹⁾	22	Fair value through profit or loss	22
Total		<u>1,811</u>		<u>1,714</u>
Total investments		<u>1,886</u>		<u>1,789</u>

⁽¹⁾ Fair value changes through other comprehensive income

Details showing the changes in the classification and the corresponding differences in carrying amounts as of the transition date April 1, 2015

<i>(In ₹ crore)</i>				
Instrument	As per IAS 39		As per IFRS 9	
	Category	Carrying value	Category	Carrying value
(i) Current				
Liquid mutual funds	Available for sale financial assets ⁽¹⁾	842	Fair value through profit or loss	842
Fixed maturity plan securities:	Available for sale financial assets ⁽¹⁾	32	Fair value through profit or loss	32
Total		<u>874</u>		<u>874</u>
(ii) Non current				
Quoted debt securities:	Available for sale financial assets ⁽¹⁾	1,344	Amortized cost	1,304
Unquoted equity and preference securities	Available for sale financial assets ⁽¹⁾	1	Fair value through other comprehensive income	1
Total		<u>1,345</u>		<u>1,305</u>
Total investments		<u>2,219</u>		<u>2,179</u>

⁽¹⁾ Fair value changes through other comprehensive income

2.3 Financial instruments

Financial instruments by category

The carrying value and fair value of financial instruments by categories as of March 31, 2017 were as follows:

						(In ₹ crore)
	Amortised cost	Financial assets/ liabilities at fair value through profit or loss		Financial assets/liabilities at fair value through OCI		Total carrying value
		Designated upon initial recognition	Mandatory	Equity instruments designated upon initial recognition	Mandatory	Total fair value
Assets:						
Cash and cash equivalents (Refer Note 2.1)	22,625	-	-	-	-	22,625
Investments (Refer Note 2.2)						
Liquid mutual funds	-	-	1,803	-	-	1,803
Fixed maturity plan securities	-	-	558	-	-	558
Quoted debt securities	1,907	-	-	-	3,975	5,882
Certificate of deposits	-	-	-	-	7,905	7,905
Unquoted equity and preference securities	-	-	-	159	-	159
Unquoted investments others	-	-	35	-	-	35
Unquoted convertible promissory note	-	-	10	-	-	10
Trade receivables	12,322	-	-	-	-	12,322
Unbilled revenue	3,648	-	-	-	-	3,648
Prepayments and other assets (Refer Note 2.4)	2,658	-	-	-	-	2,658
Derivative financial instruments	-	-	232	-	52	284
Total	43,160	-	2,638	159	11,932	57,889
Liabilities:						
Trade payables	367	-	-	-	-	367
Derivative financial instruments	-	-	2	-	-	2
Client deposits	32	-	-	-	-	32
Other liabilities including contingent consideration (Refer Note 2.5)	4,941	-	85	-	-	5,026
Total	5,340	-	87	-	-	5,427

The carrying value and fair value of financial instruments by categories as of March 31, 2016 were as follows:

						(In ₹ crore)
	Amortised cost	Financial assets/ liabilities at fair value through profit or loss		Financial assets/liabilities at fair value through OCI		Total carrying value
		Designated upon initial recognition	Mandatory	Equity instruments designated upon initial recognition	Mandatory	Total fair value
Assets:						
Cash and cash equivalents (Refer Note 2.1)	32,697	-	-	-	-	32,697
Investments (Refer Note 2.2)						
Liquid mutual funds	-	-	68	-	-	68
Quoted debt securities	1,703	-	-	-	-	1,703
Unquoted equity and preference securities:	-	-	22	93	-	115
Trade receivables	11,330	-	-	-	-	11,330
Unbilled revenue	3,029	-	-	-	-	3,029
Prepayments and other assets (Refer Note 2.4)	2,601	-	-	-	-	2,601
Derivative financial instruments	-	-	116	-	-	116
Total	51,360	-	206	93	-	51,659
Liabilities:						
Trade payables	386	-	-	-	-	386
Derivative financial instruments	-	-	5	-	-	5
Client deposits	28	-	-	-	-	28
Other liabilities including contingent consideration (Refer Note 2.5)	4,880	-	117	-	-	4,997
Total	5,294	-	122	-	-	5,416

* On account of fair value changes including interest accrued

Fair value hierarchy

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

Fair value hierarchy of assets and liabilities as of March 31, 2017:

	As of March 31, 2017	Fair value measurement at end of the reporting period/year using (In ₹ crore)		
		Level 1	Level 2	Level 3
Assets				
Investments in liquid mutual funds (Refer Note 2.2)	1,803	1,803	-	-
Investments in fixed maturity plan securities (Refer Note 2.2)	558	-	558	-
Investments in quoted debt securities (Refer Note 2.2)	6,143	3,662	2,481	-
Investments in certificate of deposits (Refer Note 2.2)	7,905	-	7,905	-
Investments in equity and preference securities (Refer Note 2.2)	159	-	-	159
Investment in Unquoted investments others (Refer Note 2.2)	35	-	-	35
Investment in unquoted convertible promissory note (Refer Note 2.2)	10	-	-	10
Derivative financial instruments - gain on outstanding foreign exchange forward and option contracts	284	-	284	-
Liabilities				
Derivative financial instruments - loss on outstanding foreign exchange forward and option contracts	2	-	2	-
Liability towards contingent consideration (Refer note 2.5)*	85	-	-	85

*Discounted \$14 million (approximately ₹91 crore) at 14.2%

During the year ended March 31, 2017, quoted debt securities of ₹115 crore were transferred from Level 1 to Level 2 of fair value hierarchy, since these were valued based on market observable inputs.

Fair value hierarchy of assets and liabilities measured as of March 31, 2016:

	As of March 31, 2016	Fair value measurement at end of the reporting period/year using (In ₹ crore)		
		Level 1	Level 2	Level 3
Assets				
Investments in liquid mutual fund units (Refer Note 2.2)	68	68	-	-
Investments in quoted debt securities (Refer Note 2.2)	1,703	376	1,327	-
Investments in equity securities and preference securities (Refer Note 2.2)	93	-	-	93
Others (Refer Note 2.2)	22	-	-	22
Derivative financial instruments- gain on outstanding foreign exchange forward and option contracts	116	-	116	-
Liabilities				
Derivative financial instruments- loss on outstanding foreign exchange forward and option contracts	5	-	5	-
Liability towards contingent consideration (Refer note 2.5)*	117	-	-	117

*Discounted \$20 million (approximately ₹132 crore) at 13.7%

A one percentage point change in the unobservable inputs used in fair valuation of the contingent consideration does not have a significant impact in its value.

The movement in contingent consideration as of March 31, 2017 from March 31, 2016 is on account of settlement of contingent consideration of ₹40 crore and change in discount rates and passage of time.

Income from financial assets or liabilities is as follows:

	Three months ended March 31,		Year ended March 31,	
	2017	2016	2017	2016
Interest income from financial assets carried at amortised cost (Refer Note 2.13)	444	640	2,361	2,636
Interest income on financial assets fair valued through other comprehensive income	160	-	190	-
Dividend income from investments carried at fair value through profit or loss (Refer Note 2.13)	-	9	29	63
Gain / (loss) on investments carried at fair value through profit or loss	66	-	119	-
	670	649	2,699	2,699

Financial risk management

Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk. The Group's focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance. The primary market risk to the Group is foreign exchange risk. The Group uses derivative financial instruments to mitigate foreign exchange related risk exposures. The Group's exposure to credit risk is influenced mainly by the individual characteristic of each customer and the concentration of risk from the top few customers.

Market risk

The Group operates internationally and a major portion of the business is transacted in several currencies and consequently the Group is exposed to foreign exchange risk through its sales and services in the United States and elsewhere, and purchases from overseas suppliers in various foreign currencies. The Group holds derivative financial instruments such as foreign exchange forward and option contracts to mitigate the risk of changes in exchange rates on foreign currency exposures. The exchange rate between the Indian rupee and foreign currencies has changed substantially in recent years and may fluctuate substantially in the future. Consequently, the results of the Group's operations are adversely affected as the rupee appreciates/ depreciates against these currencies.

The following table analyzes foreign currency risk from financial instruments as of March 31, 2017:

	U.S. dollars	Euro	United Kingdom Pound Sterling	Australian dollars	Other currencies	(In ₹ crore) Total
Cash and cash equivalents	1,334	131	36	183	700	2,384
Trade receivables	8,345	1,244	775	561	702	11,627
Unbilled revenue	2,439	440	325	123	306	3,633
Other assets	423	95	47	36	97	698
Trade payables	(115)	(32)	(13)	(5)	(158)	(323)
Client deposits	(11)	(3)	(14)	-	(5)	(33)
Accrued Expenses	(954)	(215)	(140)	(39)	(148)	(1,496)
Employee benefit obligations	(556)	(79)	(22)	(150)	(125)	(932)
Other liabilities	(608)	(109)	(35)	(22)	(269)	(1,043)
Net assets / (liabilities)	10,297	1,472	959	687	1,100	14,515

The following table analyzes foreign currency risk from financial instruments as of March 31, 2016:

	U.S. dollars	Euro	United Kingdom Pound Sterling	Australian dollars	Other currencies	(In ₹ crore) Total
Cash and cash equivalents	1,124	167	202	171	601	2,265
Trade receivables	7,558	1,280	721	598	696	10,853
Unbilled revenue	1,871	368	190	114	253	2,796
Other assets	96	37	26	10	84	253
Trade payables	(126)	(75)	(73)	(4)	(76)	(354)
Client deposits	(20)	(2)	-	-	(6)	(28)
Accrued expenses	(788)	(152)	(116)	(35)	(219)	(1,310)
Employee benefit obligations	(573)	(80)	(49)	(166)	(125)	(993)
Other liabilities	(1,049)	(135)	(32)	(42)	(208)	(1,466)
Net assets / (liabilities)	8,093	1,408	869	646	1,000	12,016

For each of the three months ended March 31, 2017 and March 31, 2016, every percentage point depreciation / appreciation in the exchange rate between the Indian rupee and U.S. dollar, has affected the Company's incremental operating margins by approximately 0.50% and 0.49%, respectively.

For each of the year ended March 31, 2017 and March 31, 2016, every percentage point depreciation / appreciation in the exchange rate between the Indian rupee and U.S. dollar, has affected the Company's incremental operating margins by approximately 0.50%.

Sensitivity analysis is computed based on the changes in the income and expenses in foreign currency upon conversion into functional currency, due to exchange rate fluctuations between the previous reporting period and the current reporting period.

Derivative financial instruments

The Group holds derivative financial instruments such as foreign exchange forward and option contracts to mitigate the risk of changes in exchange rates on foreign currency exposures. The counterparty for these contracts is generally a bank. These derivative financial instruments are valued based on quoted prices for similar assets and liabilities in active markets or inputs that are directly or indirectly observable in the marketplace.

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

	As of		As of	
	March 31, 2017		March 31, 2016	
	In million	In ₹ crore	In million	In ₹ crore
Derivatives designated as cash flow hedges				
Forward contracts				
In Euro	95	658	-	-
In United Kingdom Pound Sterling	40	324	-	-
In Australian dollars	130	644	-	-
Option Contracts				
In Euro	40	277	-	-
Other derivatives				
Forward contracts				
In U.S. dollars	526	3,411	510	3,379
In Euro	114	786	100	750
In United Kingdom Pound Sterling	75	609	65	623
In Australian dollars	35	174	55	281
In Swiss Franc	10	65	25	173
In Singapore dollars	5	23	-	-
In Swedish Krona	50	36	-	-
Option Contracts				
In U.S. dollars	195	1,265	125	828
In Euro	25	173	-	-
In United Kingdom Pound Sterling	30	243	-	-
In Canadian dollars	13	65	-	-
Total forwards & options		8,753		6,034

The group recognized a net gain of ₹290 crore and ₹591 crore on derivative financial instruments not designated as cash flow hedges during the three months and year ended March 31, 2017, respectively, as against a net gain of ₹58 crore and ₹29 crore on derivative financial instruments not designated as cash flow hedges during the three months and year ended March 31, 2016, respectively, which are included in other income.

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

	(In ₹ crore)	
	As of	
	March 31, 2017	March 31, 2016
Not later than one month	2,303	1,577
Later than one month and not later than three months	4,316	3,420
Later than three months and not later than one year	2,134	1,037
	8,753	6,034

During the year ended March 31, 2017, the group has designated certain foreign exchange forward contracts as cash flow hedges to mitigate the risk of foreign exchange exposure on highly probable forecast cash transactions. The related hedge transactions for balance in cash flow hedging reserve are expected to occur and reclassified to revenue in the statement of profit or loss within 3 months.

Hedge effectiveness is determined at the inception of the hedge relationship, and through periodic prospective effectiveness assessments to ensure that an economic relationship exists between the hedged item and hedging instrument, including whether the hedging instrument is expected to offset changes in cash flows of hedged items.

If the hedge ratio for risk management purposes is no longer optimal but the risk management objective remains unchanged and the hedge continues to qualify for hedge accounting, the hedge relationship will be rebalanced by adjusting either the volume of the hedging instrument or the volume of the hedged item so that the hedge ratio aligns with the ratio used for risk management purposes. Any hedge ineffectiveness is calculated and accounted for in profit or loss at the time of the hedge relationship rebalancing.

The following table provides the reconciliation of cash flow hedge reserve for the three months and year ended March 31, 2017:

	Three months ended March 31, 2017	Year ended March 31, 2017
Balance at the beginning of the period	28	-
Gain / (Loss) recognised in other comprehensive income during the period	73	121
Amount reclassified to revenue during the period	(59)	(69)
Tax impact on above	(3)	(13)
Balance at the end of the period	39	39

The group offsets a financial asset and a financial liability when it currently has a legally enforceable right to set off the recognized amounts and the group intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

The following table provides quantitative information about offsetting of derivative financial assets and derivative financial liabilities:

	(In ₹ crore)	
	As of	
	March 31, 2017	March 31, 2016
	Derivative financial asset	Derivative financial liability
Gross amount of recognized financial asset/liability	285	(3)
Amount set off	(1)	1
Net amount presented in balance sheet	284	(2)

Credit risk

Credit risk refers to the risk of default on its obligation by the counterparty resulting in a financial loss. The maximum exposure to the credit risk at the reporting date is primarily from trade receivables amounting to ₹12,322 crore and ₹11,330 crore as of March 31, 2017 and March 31, 2016, respectively and unbilled revenue amounting to ₹3,648 crore and ₹3,029 crore as of March 31, 2017 and March 31, 2016, respectively. Trade receivables and unbilled revenue are typically unsecured and are derived from revenue earned from customers primarily located in the United States. Credit risk has always been managed by the group through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Group grants credit terms in the normal course of business. On account of adoption of IFRS 9, the group uses expected credit loss model to assess the impairment loss or gain. The group uses a provision matrix to compute the expected credit loss allowance for trade receivables and unbilled revenues. The provision matrix takes into account available external and internal credit risk factors such as credit default swap quotes, credit ratings from international credit rating agencies and the Group's historical experience for customers.

The following table gives details in respect of percentage of revenues generated from top customer and top five customers:

	Three months ended March 31,		Year ended March 31,	
	2017	2016	2017	2016
Revenue from top customer	3.3	3.6	3.4	3.6
Revenue from top five customers	12.2	13.7	12.6	13.8

Credit risk exposure

The allowance for lifetime expected credit loss on customer balances for the three months and year ended March 31, 2017 was ₹57 crore and ₹132 crore, respectively. The reversal of allowance for lifetime expected credit losses on customer balances for the three months and year ended March 31, 2016 was ₹27 crore and ₹52 crore, respectively

	(In ₹ crore)	
	Three months ended March 31,	
	2017	2016
Balance at the beginning	362	326
Translation differences	(8)	3
Impairment loss recognised/(reversed)	57	(27)
Write-offs	-	(13)
Balance at the end	411	289

The Company's credit period generally ranges from 30-60 days.

(In ₹ crore except otherwise stated)

	As of	
	March 31, 2017	March 31, 2016
Trade receivables	12,322	11,330
Unbilled revenues	3,648	3,029
Days Sales Outstanding- DSO (days)	68	66

Credit risk on cash and cash equivalents is limited as we generally invest in deposits with banks and financial institutions with high credit ratings assigned by international and domestic credit rating agencies. Investments primarily include investment in liquid mutual fund units, fixed maturity plan securities, quoted bonds issued by government and quasi government organizations, non convertible debentures and certificates of deposits.

Liquidity risk

The Group's principal sources of liquidity are cash and cash equivalents and the cash flow that is generated from operations. The group has no outstanding bank borrowings. The group believes that the working capital is sufficient to meet its current requirements.

As of March 31, 2017, the Group had a working capital of ₹39,692 crore including cash and cash equivalents of ₹22,625 crore and current investments of ₹9,970 crore. As of March 31, 2016, the Group had a working capital of ₹38,456 crore including cash and cash equivalents of ₹32,697 crore and current investments of ₹75 crore.

As of March 31, 2017 and March 31, 2016, the outstanding employee benefit obligations were ₹1,359 crore and ₹1,341 crore, respectively, which have been substantially funded. Accordingly, no liquidity risk is perceived.

The table below provides details regarding the contractual maturities of significant financial liabilities as of March 31, 2017:

Particulars	(In ₹ crore)				
	Less than 1 year	1-2 years	2-4 years	4-7 years	Total
Trade payables	367	-	-	-	367
Client deposits	32	-	-	-	32
Other liabilities (excluding liability towards acquisition) - (Refer Note 2.5)	4,911	31	-	-	4,942
Liability towards acquisitions on an undiscounted basis (including contingent consideration) - (Refer Note 2.5)	45	46	-	-	91

The table below provides details regarding the contractual maturities of significant financial liabilities as of March 31, 2016:

Particulars	(In ₹ crore)				
	Less than 1 year	1-2 years	2-4 years	4-7 years	Total
Trade payables	386	-	-	-	386
Client deposits	28	-	-	-	28
Other liabilities (excluding liabilities towards acquisition) - (Refer Note 2.5)	4,847	25	9	-	4,881
Liability towards acquisitions on an undiscounted basis (including contingent consideration) - (Refer Note 2.5)	86	46	-	-	132

2.4 Prepayments and other assets

Prepayments and other assets consist of the following:

	(In ₹ crore)	
	As of	
	March 31, 2017	March 31, 2016
Current		
Rental deposits	9	13
Security deposits	10	7
Loans to employees	272	303
Prepaid expenses ⁽¹⁾	441	201
Interest accrued and not due	576	704
Withholding taxes and others ⁽¹⁾	1,886	1,799
Advance payments to vendors for supply of goods ⁽¹⁾	131	110
Deposit with corporations	1,416	1,238
Deferred contract cost ⁽¹⁾	78	48
Other assets	37	25
	4,856	4,448
Non-current		
Loans to employees	29	25
Deposit with corporations	48	62
Rental deposits	175	146
Security deposits	86	78
Deferred contract cost ⁽¹⁾	284	333
Prepaid expenses ⁽¹⁾	96	87
Prepaid gratuity ⁽¹⁾	79	4
	797	735
	5,653	5,183
Financial assets in prepayments and other assets	2,658	2,601

⁽¹⁾ Non financial assets

Withholding taxes and others primarily consist of input tax credits. Other assets primarily represent travel advances and other recoverables. Security deposits relate principally to leased telephone lines and electricity supplies. Deferred contract costs are upfront cost incurred for the contract and are amortised over the term of the contract.

Deposit with corporations represents amounts deposited to settle certain employee-related obligations as and when they arise during the normal course of business.

2.5 Other liabilities

Other liabilities comprise the following :

	(In ₹ crore)	
	As of	
	March 31, 2017	March 31, 2016
Current		
Accrued compensation to employees	1,881	2,265
Accrued expenses	2,585	2,189
Withholding taxes and others ⁽¹⁾	1,226	1,296
Retainage	220	80
Liabilities of controlled trusts	145	167
Deferred income - government grant on land use rights ⁽¹⁾	1	1
Accrued gratuity ⁽¹⁾	1	-
Liability towards contingent consideration (Refer note 2.9)	45	81
Deferred rent ⁽¹⁾	2	-
Others	80	146
	6,186	6,225
Non-current		
Liability towards contingent consideration (Refer note 2.9)	40	36
Accrued compensation to employees	30	33
Deferred income - government grant on land use rights ⁽¹⁾	41	46
Deferred income ⁽¹⁾	42	-
	153	115
	6,339	6,340
Financial liabilities included in other liabilities	5,026	4,997
Financial liability towards acquisitions on an undiscounted basis (including contingent consideration) - Refer note 2.9	91	132

⁽¹⁾ Non financial liabilities

Accrued expenses primarily relates to cost of technical sub-contractors, telecommunication charges, legal and professional charges, brand building expenses, overseas travel expenses and office maintenance. Others include unpaid dividend balances and capital creditors.

2.6 Provisions

Provisions comprise the following:

	(In ₹ crore)	
	As of	
	March 31, 2017	March 31, 2016
Provision for post sales client support and other provisions	405	512
	405	512

Provision for post sales client support and other provisions represents cost associated with providing post sales support services which are accrued at the time of recognition of revenues and are expected to be utilized over a period of 6 months to 1 year. The movement in the provision for post sales client support and other provisions is as follows:

	(In ₹ crore)	
	Three months ended March 31, 2017	Year ended March 31, 2017
Balance at the beginning	412	512
Provision recognized/ (reversed)	23	94
Provision utilized	(12)	(195)
Translation difference	(18)	(6)
Balance at the end	405	405

Provision for post sales client support and other provisions is included in cost of sales in the statement of comprehensive income.

As of March 31, 2017 and March 31, 2016, claims against the company, not acknowledged as debts, net of amounts paid (excluding demands from Indian Income tax authorities- Refer note 2.16) amounted to ₹301 crore and ₹277 crore, respectively.

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

2.7 Property, plant and equipment

Following are the changes in the carrying value of property, plant and equipment for the three months ended March 31, 2017:

	(In ₹ crore)						
	Land	Buildings	Plant and machinery	Computer equipment	Furniture and fixtures	Vehicles	Total
Gross carrying value as of January 1, 2017	1,682	6,907	2,945	4,467	1,688	32	17,721
Additions	82	399	87	145	86	1	800
Deletions	-	-	(7)	(64)	(74)	(2)	(147)
Translation difference	-	(27)	(2)	(7)	(6)	-	(42)
Gross carrying value as of March 31, 2017	1,764	7,279	3,023	4,541	1,694	31	18,332
Accumulated depreciation as of January 1, 2017	(26)	(2,375)	(1,862)	(2,955)	(1,105)	(18)	(8,341)
Depreciation	(1)	(65)	(98)	(167)	(63)	(1)	(395)
Accumulated depreciation on deletions	-	-	7	64	73	2	146
Translation difference	-	-	1	6	2	-	9
Accumulated depreciation as of March 31, 2017	(27)	(2,440)	(1,952)	(3,052)	(1,093)	(17)	(8,581)
Capital work-in progress as of March 31, 2017							1,965
Carrying value as of March 31, 2017	1,737	4,839	1,071	1,489	601	14	11,716
Capital work-in progress as of January 1, 2017							2,030
Carrying value as of January 1, 2017	1,656	4,532	1,083	1,512	583	14	11,410

Following are the changes in the carrying value of property, plant and equipment for the three months ended March 31, 2016:

	(In ₹ crore)						
	Land	Buildings	Plant and machinery	Computer equipment	Furniture and fixtures	Vehicles	Total
Gross carrying value as of January 1, 2016	1,607	6,241	2,477	3,865	1,324	33	15,547
Additions	13	84	121	328	117	2	665
Deletions	-	-	(2)	(127)	-	(7)	(136)
Translation difference	-	-	2	6	3	1	12
Gross carrying value as of March 31, 2016	1,620	6,325	2,598	4,072	1,444	29	16,088
Accumulated depreciation as of January 1, 2016	(20)	(2,144)	(1,520)	(2,577)	(939)	(19)	(7,219)
Depreciation	(2)	(57)	(88)	(161)	(45)	(1)	(354)
Accumulated depreciation on deletions	-	-	2	126	-	3	131
Translation difference	-	-	(2)	(5)	(2)	-	(9)
Accumulated depreciation as of March 31, 2016	(22)	(2,201)	(1,608)	(2,617)	(986)	(17)	(7,451)
Capital work-in progress as of March 31, 2016							1,893
Carrying value as of March 31, 2016	1,598	4,124	990	1,455	458	12	10,530
Capital work-in progress as of January 1, 2016							1,711
Carrying value as of January 1, 2016	1,587	4,097	957	1,288	385	14	10,039

Following are the changes in the carrying value of property, plant and equipment for the year ended March 31, 2017:

	Land	Buildings	Plant and machinery	Computer equipment	Furniture and fixtures	Vehicles	Total
Gross carrying value as of April 1, 2016	1,620	6,325	2,598	4,072	1,444	29	16,088
Additions	144	981	487	801	379	8	2,800
Deletions	-	-	(56)	(315)	(113)	(6)	(490)
Translation difference	-	(27)	(6)	(17)	(16)	-	(66)
Gross carrying value as of March 31, 2017	1,764	7,279	3,023	4,541	1,694	31	18,332
Accumulated depreciation as of April 1, 2016	(22)	(2,201)	(1,608)	(2,617)	(986)	(17)	(7,451)
Depreciation	(5)	(239)	(380)	(678)	(210)	(5)	(1,517)
Accumulated depreciation on	-	-	31	230	92	5	358
Translation difference	-	-	5	13	11	-	29
Accumulated depreciation as of March 31, 2017	(27)	(2,440)	(1,952)	(3,052)	(1,093)	(17)	(8,581)
Capital work-in progress as of March 31, 2017							1,965
Carrying value as of March 31, 2017	1,737	4,839	1,071	1,489	601	14	11,716
Capital work-in progress as of April 1, 2016							1,893
Carrying value as of April 1, 2016	1,598	4,124	990	1,455	458	12	10,530

Following are the changes in the carrying value of property, plant and equipment for the year ended March 31, 2016:

	(In ₹ crore)						
	Land	Buildings	Plant and machinery	Computer equipment	Furniture and fixtures	Vehicles	Total
Gross carrying value as of April 1, 2015	1,562	5,881	2,104	3,347	1,179	34	14,107
Acquisition through Business Combination (Refer note 2.9)	-	-	1	2	1	-	4
Additions	58	444	499	1,103	265	6	2,375
Deletions	-	-	(8)	(396)	(7)	(12)	(423)
Translation difference	-	-	2	16	6	1	25
Gross carrying value as of March 31, 2016	1,620	6,325	2,598	4,072	1,444	29	16,088
Accumulated depreciation as of April 1, 2015	(16)	(1,982)	(1,293)	(2,287)	(825)	(19)	(6,422)
Accumulated Depreciation on acquired assets (Refer note 2.9)	-	-	(1)	(1)	-	-	(2)
Depreciation	(6)	(219)	(320)	(553)	(161)	(5)	(1,264)
Accumulated depreciation on deletions	-	-	7	237	4	7	255
Translation difference	-	-	(1)	(13)	(4)	-	(18)
Accumulated depreciation as of March 31, 2016	(22)	(2,201)	(1,608)	(2,617)	(986)	(17)	(7,451)
Capital work-in progress as of March 31, 2016							1,893
Carrying value as of March 31, 2016	1,598	4,124	990	1,455	458	12	10,530
Capital work-in progress as of April 1, 2015							1,440
Carrying value as of April 1, 2015	1,546	3,899	811	1,060	354	15	9,125

The depreciation expense is included in cost of sales in the consolidated statement of comprehensive income.

Carrying value of land includes ₹644 crore and ₹628 crore as of March 31, 2017 and March 31, 2016, respectively, towards amounts paid under certain lease-cum-sale agreements to acquire land including agreements where the Company has an option to purchase or renew the properties on expiry of the lease period. The contractual commitments for capital expenditure were ₹1,149 crore and ₹1,486 crore, as of March 31, 2017 and March 31, 2016, respectively.

2.8 Goodwill and other intangible assets

Following is a summary of changes in the carrying amount of goodwill:

	(In ₹ crore)	
	As of March 31, 2017	As of March 31, 2016
Carrying value at the beginning	3,764	3,091
Goodwill on Kallidus d.b.a Skava acquisition (Refer note 2.9)	-	452
Goodwill on Noah acquisition (Refer note 2.9)	-	30
Translation differences	(112)	191
Carrying value at the end	3,652	3,764

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to the cash generate units (CGU) or groups of CGU's, which benefit from the synergies of the acquisition. The chief operating decision maker reviews the goodwill for any impairment at the operating segment level, which is represented through groups of CGU's.

During the year ended March 31, 2016, the Company reorganized some of its segments to enhance executive customer relationships, improve focus of sales investments and increase management oversight. Consequent to these internal reorganizations there were changes effected in the segments based on the "management approach" as defined in IFRS 8, Operating Segments. (Refer Note 2.19). Accordingly the goodwill has been allocated to the new operating segments as at March 31, 2016:

The following table gives the break up of allocation of goodwill to operating segments as at March 31, 2017 and March 31, 2016

Segment	(In ₹ crore)	
	As of March 31, 2017	As of March 31, 2016
Financial services	826	851
Manufacturing	409	423
Retail, Consumer packaged goods and Logistics	556	573
Life Sciences, Healthcare and Insurance	638	656
Energy & Utilities, Communication and Services	765	789
	3,194	3,292
Operating segments without significant goodwill	458	472
Total	3,652	3,764

The entire goodwill relating to Infosys BPO's acquisition of McCamish has been allocated to the groups of CGU's which are represented by the Life Sciences, Healthcare and Insurance segment.

The goodwill relating to Infosys Lodestone, Portland, Panaya and Kallidus d.b.a Skava acquisitions has been allocated to the groups of CGU's which are represented by a majority of the entity's operating segment.

The entire goodwill relating to Noah acquisition has been allocated to the group of CGU's which is represented by the Energy & Utilities, Communication and Services segment.

The recoverable amount of a CGU is the higher of its fair value less cost to sell and its value-in-use. The fair value of a CGU is determined based on the market capitalization. The value-in-use is determined based on specific calculations. These calculations use pre-tax cash flow projections over a period of five years. An average of the range of each assumption used is mentioned below. As of March 31, 2017 and March 31, 2016, the estimated recoverable amount of the CGU exceeded its carrying amount. The recoverable amount was computed based on the fair value being higher than value-in-use and the carrying amount of the CGU was computed by allocating the net assets to operating segments for the purpose of impairment testing. The key assumptions used for the calculations are as follows:

	(in %)	
	March 31, 2017	March 31, 2016
Long term growth rate	8-10	8-10
Operating margins	17-20	17-20
Discount rate	14.4	14.2

The above discount rate is based on the Weighted Average Cost of Capital (WACC) of the Company. These estimates are likely to differ from future actual results of operations and cash flows.

Following are the changes in the carrying value of acquired intangible assets for the three months ended March 31, 2017:

	In ₹ crore							
	Customer related	Software related	Sub-contracting rights related	Intellectual property rights related	Land use-rights related	Brand or Trademark Related	Others	Total
Gross carrying value as of January 1, 2017	777	424	21	1	69	94	64	1,450
Additions during the period	-	-	-	-	-	-	-	-
Deletions during the period	-	-	-	-	-	-	-	-
Translation difference	(27)	(19)	-	-	(3)	(4)	(2)	(55)
Gross carrying value as of March 31, 2017	750	405	21	1	66	90	62	1,395
Accumulated amortization as of January 1, 2017	(371)	(106)	(21)	(1)	(7)	(48)	(35)	(589)
Amortization expense	(22)	(20)	-	-	-	(4)	(5)	(51)
Deletion during the period	-	-	-	-	-	-	-	-
Translation differences	11	5	-	-	-	3	2	21
Accumulated amortization as of March 31, 2017	(382)	(121)	(21)	(1)	(7)	(49)	(38)	(619)
Carrying value as of January 1, 2017	406	318	-	-	62	46	29	861
Carrying value as of March 31, 2017	368	284	-	-	59	41	24	776

Following are the changes in the carrying value of acquired intangible assets for the three months ended March 31, 2016:

	In ₹ crore							
	Customer related	Software related	Sub-contracting rights related	Intellectual property rights related	Land use-rights related	Brand or Trademark Related	Others	Total
Gross carrying value as of January 1, 2016	764	411	21	1	72	92	63	1,424
Additions during the period	-	2	-	-	-	-	-	2
Deletions during the period	-	-	-	-	-	-	-	-
Translation difference	11	1	-	-	-	1	-	13
Gross carrying value as of March 31, 2016	775	414	21	1	72	93	63	1,439
Accumulated amortization as of January 1, 2016	(253)	(50)	(21)	(1)	(6)	(34)	(19)	(384)
Amortization expense	(47)	(11)	-	-	-	(3)	(4)	(65)
Deletions during the period	-	-	-	-	-	-	-	-
Translation differences	(3)	(1)	-	-	-	(1)	-	(5)
Accumulated amortization as of March 31, 2016	(303)	(62)	(21)	(1)	(6)	(38)	(23)	(454)
Carrying value as of January 1, 2016	511	361	-	-	66	58	44	1,040
Carrying value as of March 31, 2016	472	352	-	-	66	55	40	985

Following are the changes in the carrying value of acquired intangible assets for the year ended March 31, 2017:

	Customer related	Software related	Sub-contracting rights related	Intellectual property rights related	Land use-rights related	Brand or Trademark Related	Others	In ₹ crore Total
Gross carrying value as of April 1, 2016	775	414	21	1	72	93	63	1,439
Additions during the period	-	-	-	-	-	-	-	-
Deletions during the period	-	-	-	-	-	-	-	-
Translation difference	(25)	(9)	-	-	(6)	(3)	(1)	(44)
Gross carrying value as of March 31, 2017	750	405	21	1	66	90	62	1,395
Accumulated amortization as of April 1, 2016	(303)	(62)	(21)	(1)	(6)	(38)	(23)	(454)
Amortization expense	(91)	(63)	-	-	(1)	(14)	(17)	(186)
Deletion during the period	-	-	-	-	-	-	-	-
Translation differences	12	4	-	-	-	3	2	21
Accumulated amortization as of March 31, 2017	(382)	(121)	(21)	(1)	(7)	(49)	(38)	(619)
Carrying value as of April 1, 2016	472	352	-	-	66	55	40	985
Carrying value as of March 31, 2017	368	284	-	-	59	41	24	776
Estimated Useful Life (in years)	3-10	5-8	-	-	50	3-10	3-5	
Estimated Remaining Useful Life (in years)	1-6	3-6	-	-	44	1-8	1-4	

Following are the changes in the carrying value of acquired intangible assets for the year ended March 31, 2016:

	Customer related	Software related	Sub-contracting rights related	Intellectual property rights related	Land use-rights related	Brand or Trademark Related	Others	In ₹ crore Total
Gross carrying value as of April 1, 2015	448	261	21	11	71	49	34	895
Additions through business combinations (Refer Note 2.3)	294	130	-	-	-	41	27	492
Additions	-	2	-	-	-	-	-	2
Deletions	-	-	-	(10)	-	-	-	(10)
Translation difference	33	21	-	-	1	3	2	60
Gross carrying value as of March 31, 2016	775	414	21	1	72	93	63	1,439
Accumulated amortization as of April 1, 2015	(162)	(21)	(21)	(11)	(5)	(28)	(9)	(257)
Amortization expense	(132)	(40)	-	-	(1)	(9)	(13)	(195)
Deletions during the period	-	-	-	10	-	-	-	10
Translation differences	(9)	(1)	-	-	-	(1)	(1)	(12)
Accumulated amortization as of March 31, 2016	(303)	(62)	(21)	(1)	(6)	(38)	(23)	(454)
Carrying value as of April 1, 2015	286	240	-	-	66	21	25	638
Carrying value as of March 31, 2016	472	352	-	-	66	55	40	985
Estimated Useful Life (in years)	3-10	8-10	-	-	50	3-10	3-5	
Estimated Remaining Useful Life (in years)	1-7	7-9	-	-	45	2-9	2-5	

The amortization expense has been included in cost of sales in the consolidated statement of comprehensive income.

During the quarter ended December 31, 2016, the management based on an internal evaluation reassessed the remaining useful life of certain technology assets acquired as a part of business combinations. Accordingly, the remaining useful life of the said asset which was 8 years has been revised to 3 years. Amortisation expense for the three months and year ended March 31, 2017 is higher by ₹9 crore and ₹19 crore, respectively due to the revision.

Research and development expense recognized in net profit in the consolidated statement of comprehensive income for the three months ended March 31, 2017 and March 31, 2016 is ₹193 crore and ₹202 crore respectively and ₹789 crore and ₹712 crore for the year ended March 31, 2017 and March 31, 2016 respectively.

2.9 Business combinations

Noah Consulting LLC

On November 16, 2015, Infosys has acquired 100% membership interest in Noah Consulting, LLC (Noah), 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 of upto \$5 million (approximately ₹33 crore on acquisition date) and an additional consideration of upto \$32 million (approximately ₹212 crore on acquisition date), referred to as retention bonus, payable to the employees of Noah at each anniversary year following the acquisition date over the next three years, subject to their continuous employment with the group at each anniversary.

This acquisition combines Noah's industry knowledge, information strategy planning, data governance and architecture capabilities with Infosys' ability to provide technology and outsourcing services on a global scale to oil and gas clients. The excess of the purchase consideration paid over the fair value of assets acquired has been attributed to goodwill.

The purchase price has been allocated based on management's estimates and independent appraisal of fair values as follows:

			(in ₹ crore)
Component	Acquiree's carrying amount	Fair value adjustments	Purchase price allocated
Net assets ^(*)	39	-	39
Intangible assets – technical know-how	-	27	27
Intangible assets – trade name	-	27	27
Intangible assets - customer contracts and relationships	-	119	119
	39	173	212
Goodwill			30
Total purchase price			242

**Includes cash and cash equivalents acquired of ₹18 crore*

Goodwill of ₹4 crore is tax deductible.

The gross amount of trade receivables acquired and its fair value is ₹29 crore and the amounts have been fully collected.

The acquisition date fair value of each major class of consideration as of the acquisition date is as follows:

		(in ₹ crore)
Component		Consideration
Cash paid		216
Fair value of contingent consideration		26
Total purchase price		242

The fair value of contingent consideration is determined by discounting the estimated amount payable to the sellers of Noah on achievement of certain financial targets. At acquisition date, the key inputs used in determination of the fair value of contingent consideration are the discount rate of 32% and the probabilities of achievement of the financial targets. During the year end March 31, 2016, based on an assessment of Noah achieving the targets for the year ending December 31, 2015 and December 31, 2016, the entire contingent consideration has been reversed in the statement of comprehensive income.

The retention bonus is treated as a post-acquisition employee remuneration expense as per IFRS 3R. Post-acquisition employee remuneration expense of ₹95 crore has been recorded in the statement of comprehensive income for the year ended March 31, 2017.

The transaction costs of ₹11 crore related to the acquisition have been included under administrative expenses in the statement of comprehensive income for the year ended March 31, 2016.

Finacle and Edge Services

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, a wholly owned subsidiary, 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.

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. During the year ended March 31, 2017, EdgeVerve had repaid ₹420 crore by redeeming proportionate number of debentures

The transfer of assets and liabilities was accounted for at carrying values and did not have any impact on the consolidated financial statements.

Kallidus Inc. (d.b.a Skava)

On June 2, 2015, Infosys acquired 100% of the voting interests in Kallidus Inc., US (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 \$91 million (approximately ₹578 crore) and a contingent consideration of up to \$20 million (approximately ₹128 crore on acquisition date).

Infosys expects to help its clients bring new digital experiences to their customers through IP-led technology offerings, new automation tools and skill and expertise in these new emerging areas. The excess of the purchase consideration paid over the fair value of assets acquired has been attributed to goodwill.

The purchase price has been allocated based on management's estimates and independent appraisal of fair values as follows:

(in ₹ crore)			
Component	Acquiree's carrying amount	Fair value adjustments	Purchase price allocated
Net assets ^(*)	35	–	35
Intangible assets – technology	–	130	130
Intangible assets – trade name	–	14	14
Intangible assets - customer contracts and relationships	–	175	175
Deferred tax liabilities on intangible assets	–	(128)	(128)
	35	191	226
Goodwill			452
Total purchase price			678

**Includes cash and cash equivalents acquired of ₹29 crore*

The goodwill is not tax deductible.

The gross amount of trade receivables acquired and its fair value is ₹57 crore and the amounts has been fully collected.

The acquisition date fair value of each major class of consideration as of the acquisition date is as follows:

(in ₹ crore)	
Component	Consideration
Cash paid	578
Fair value of contingent consideration	100
Total purchase price	678

The payment of contingent consideration to sellers of Kallidus is dependent upon the achievement of certain financial targets by Kallidus over a period of 3 years ending on December 31, 2017.

The fair value of contingent consideration is determined by discounting the estimated amount payable to the sellers of Kallidus on achievement of certain financial targets. At acquisition date, the key inputs used in determination of the fair value of contingent consideration are the discount rate of 14% and the probabilities of achievement of the financial targets.

During the year ended March 31, 2017 contingent consideration of ₹40 crore was paid to the sellers of Kallidus on the achievement of the certain financial targets. The balance contingent consideration as of March 31, 2017 and March 31, 2016 is ₹91 crore and ₹132 crore respectively, on an undiscounted basis.

The transaction costs of ₹12 crore related to the acquisition have been included under administrative expenses in the statement of comprehensive income for the year ended March 31, 2016.

Panaya

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.

Panaya's CloudQuality™ suite positions Infosys to bring automation to several of its service lines via an agile SaaS model, and helps mitigate risk, reduce costs and shorten time to market for clients. The excess of the purchase consideration paid over the fair value of net assets acquired has been attributed to goodwill.

The purchase price has been allocated based on Management's estimates and independent appraisal of fair values as follows:

(In ₹ crore)			
Component	Acquiree's carrying amount	Fair value adjustments	Purchase price allocated
Property, plant and equipment	9	–	9
Net current assets *	38	–	38
Intangible assets – technology	–	243	243
Intangible assets – trade name	–	21	21
Intangible assets - customer contracts and relationships	–	82	82
Intangible assets – non compete agreements	–	26	26
Deferred tax liabilities on intangible assets	–	(99)	(99)
	47	273	320
Goodwill			1,078
Total purchase price			1,398

** Includes cash and cash equivalents acquired of ₹116 crore*

The goodwill is not tax deductible.

The gross amount of trade receivables acquired and its fair value is ₹58 crore and the amounts have been largely collected.

The fair value of total cash consideration as at the acquisition date was ₹1,398 crore.

The transaction costs of ₹22 crore related to the acquisition have been included under administrative expenses in the statement of comprehensive income for the year ended March 31, 2015.

Infosys Consulting Holding AG (formerly Lodestone Holding AG)

On October 22, 2012, Infosys acquired 100% of the voting interests in Lodestone Holding AG, a global management consultancy firm headquartered in Zurich. The business acquisition was conducted by entering into a share purchase agreement for a cash consideration of ₹1,187 crore and an additional consideration of upto ₹608 crore, which the company refers to as deferred purchase price, estimated on the date of acquisition, payable to the selling shareholders of Lodestone Holding AG who are continuously employed or otherwise engaged by the Group during the three year period following the date of the acquisition.

This transaction was treated as post acquisition employee remuneration expense as per IFRS 3R. For the three months and year ended March 31, 2016, a post-acquisition employee remuneration expense of Nil and ₹149 crore respectively, is recorded in cost of sales in the statement of comprehensive income. The liability towards post-acquisition employee remuneration expense was settled during the year ended March 31, 2016.

2.10 Expenses by nature

(In ₹ crore)

	Three months ended March 31,		Year ended March 31,	
	2017	2016	2017	2016
Employee benefit costs (Refer Note 2.11.4)	9,309	9,024	37,659	34,406
Deferred purchase price pertaining to acquisition (Refer Note 2.9)	-	-	-	149
Depreciation and amortization charges (Refer Note 2.7 and 2.8)	446	419	1,703	1,459
Travelling costs	474	595	2,235	2,263
Consultancy and professional charges	229	213	763	779
Cost of Software packages for own use	218	196	795	740
Third party items bought for service delivery to clients	260	134	802	534
Communication costs	149	117	549	449
Cost of technical sub-contractors	1,000	925	3,833	3,531
Power and fuel	46	52	228	217
Repairs and maintenance	340	311	1,282	1,054
Rates and taxes	30	29	148	109
Insurance charges	16	17	56	60
Commission to non-whole time directors	2	2	10	9
Branding and marketing expenses	76	75	342	288
Provision for post-sales client support	16	22	80	8
Impairment loss recognised / (reversed) on financial assets (Refer Note 2.3)	58	(24)	140	(46)
Contribution towards Corporate Social Responsibility	44	45	230	216
Operating lease payments (Refer Note 2.14)	134	98	491	360
Others	61	80	237	236
Total cost of sales, selling and marketing expenses and administrative expenses	12,908	12,330	51,583	46,821

2.10.1 Break-up of expenses

Cost of sales

(In ₹ crore)

	Three months ended March 31,		Year ended March 31,	
	2017	2016	2017	2016
Employee benefit costs	8,260	7,960	33,471	30,405
Deferred purchase price pertaining to acquisition (Refer note 2.9)	-	-	-	149
Depreciation and amortization (Refer note 2.7 & 2.8)	446	419	1,703	1,459
Travelling costs	341	425	1,649	1,637
Cost of Software packages for own use	218	195	793	726
Consultancy and professional charges	6	6	28	24
Third party items bought for service delivery to clients	260	134	802	534
Cost of technical sub-contractors	1,000	925	3,833	3,530
Operating lease payments	74	66	307	242
Communication costs	75	46	260	179
Repairs and maintenance	68	58	305	187
Provision for post-sales client support	16	22	80	8
Others	6	6	22	18
Total	10,770	10,262	43,253	39,098

Selling and marketing expenses

(In ₹ crore)

	Three months ended March 31,		Year ended March 31,	
	2017	2016	2017	2016
Employee benefit costs	677	695	2,715	2,645
Travelling costs	81	99	351	356
Branding and marketing	76	75	342	286
Operating lease payments	19	11	68	44
Communication costs	8	6	22	19
Consultancy and professional charges	15	9	49	49
Others	13	14	44	32
Total	889	909	3,591	3,431

Administrative expenses

(In ₹ crore)

	Three months ended March 31,		Year ended March 31,	
	2017	2016	2017	2016
Employee benefit costs	372	369	1,473	1,356
Consultancy and professional charges	208	198	686	706
Repairs and maintenance	271	252	971	863
Power and fuel	46	52	227	217
Communication costs	66	65	267	251
Travelling costs	52	71	235	270
Impairment loss recognised / (reversed) on financial assets	58	(24)	140	(46)
Rates and taxes	30	29	148	109
Insurance charges	16	17	55	60
Operating lease payments	41	21	116	74
Commission to non-whole time directors	2	2	10	9
Contribution towards Corporate Social Responsibility	44	45	230	216
Others	43	62	181	207
Total	1,249	1,159	4,739	4,292

2.11 Employee benefits

2.11.1 Gratuity

The following tables set out the funded status of the gratuity plans and the amounts recognized in the Group's financial statements as of March 31, 2017 and March 31, 2016:

	(In ₹ crore)	
	As of	
	March 31, 2017	March 31, 2016
Change in benefit obligations		
Benefit obligations at the beginning	944	816
Service cost	129	118
Interest expense	69	61
Addition through business combination	-	1
Remeasurements - Actuarial (gains)/ losses	67	23
Curtailment gain	(3)	-
Benefits paid	(89)	(75)
Benefit obligations at the end	1,117	944
Change in plan assets		
Fair value of plan assets at the beginning	947	836
Interest income	79	66
Remeasurements- Return on plan assets excluding amounts included in interest income	12	9
Contributions	246	111
Benefits paid	(89)	(75)
Fair value of plan assets at the end	1,195	947
Funded status	78	3
Prepaid gratuity benefit	79	4
Accrued gratuity	1	(1)

Amount for the three months and year ended March 31, 2017 and March 31, 2016 recognized in net profit in the statement of comprehensive income:

	(In ₹ crore)			
	Three months ended March 31,		Year ended March 31,	
	2017	2016	2017	2016
Service cost	32	29	129	118
Net interest on the net defined benefit liability/asset	(6)	(1)	(10)	(5)
Curtailment gain	-	-	(3)	-
Net gratuity cost	26	28	116	113

Amount for the three months and year ended March 31, 2017 and March 31, 2016 recognized in statement of other comprehensive income:

	(In ₹ crore)			
	Three months ended March 31,		Year ended March 31,	
	2017	2016	2017	2016
Remeasurements of the net defined benefit liability/ (asset)				
Actuarial (gains) / losses	(14)	6	67	23
(Return) / loss on plan assets excluding amounts included in the net interest on the net defined benefit liability/(asset)	(8)	(3)	(12)	(9)
	(22)	3	55	14

	(In ₹ crore)			
	Three months ended March 31,		Year ended March 31,	
	2017	2016	2017	2016
(Gain) / loss from change in demographic assumptions	-	-	-	-
(Gain) / loss from change in financial assumptions	(18)	5	56	-
	(18)	5	56	-

Amounts recognized in statement of comprehensive income has been apportioned between cost of sales, selling and marketing expenses and administrative expenses on the basis of direct employee cost as follows:

	(In ₹ crore)			
	Three months ended March 31,		Year ended March 31,	
	2017	2016	2017	2016
Cost of sales	23	25	103	100
Selling and marketing expenses	2	2	8	9
Administrative expenses	1	1	5	4
	26	28	116	113

The weighted-average assumptions used to determine benefit obligations as of March 31, 2017 and March 31, 2016 are set out below:

	As of	
	March 31, 2017	March 31, 2016
Discount rate	6.9%	7.8%
Weighted average rate of increase in compensation levels	8.0%	8.0%

The weighted-average assumptions used to determine net periodic benefit cost for the three months and year ended March 31, 2017 and March 31, 2016 are set out below:

	Three months ended March 31,		Year ended March 31,	
	2017	2016	2017	2016
Discount rate	7.8%	7.8%	7.8%	7.8%
Weighted average rate of increase in compensation levels	8.0%	8.0%	8.0%	8.0%
Weighted average duration of defined benefit obligation	6.1 years	6.4 years	6.1 years	6.4 years

Gratuity is applicable only to employees drawing a salary in Indian rupees and there are no other foreign defined benefit gratuity plans.

The Company contributes all ascertained liabilities towards gratuity to the Infosys Limited Employees' Gratuity Fund Trust. In case of Infosys BPO and EdgeVerve, contributions are made to the Infosys BPO Employees' Gratuity Fund Trust and EdgeVerve Systems Limited Employees Gratuity Fund Trust, respectively. Trustees administer contributions made to the trust. As of March 31, 2017 and March 31, 2016, the plan assets have been primarily invested in insurer managed funds.

Actual return on assets for the three months ended March 31, 2017 and March 31, 2016 were ₹30 crore and ₹19 crore, respectively and ₹91 crore and ₹75 crore for the year ended March 31, 2017 and March 31, 2016, respectively.

The Company assesses these assumptions with its projected long-term plans of growth and prevalent industry standards. The discount rate is based on the government securities yield.

As of March 31, 2017, every percentage point increase / decrease in discount rate will affect our gratuity benefit obligation by approximately ₹57 crore.

As of March 31, 2017, every percentage point increase / decrease in weighted average rate of increase in compensation levels will affect our gratuity benefit obligation by approximately ₹49 crore.

The Group expects to contribute ₹100 crore to the gratuity trusts during the fiscal 2018.

Maturity profile of defined benefit obligation:

	(in ₹ crore)
Within 1 year	159
1-2 year	165
2-3 year	171
3-4 year	186
4-5 year	198
5-10 years	958

Sensitivity for significant actuarial assumptions is computed by varying one actuarial assumption used for the valuation of the defined benefit obligation by one percentage, keeping all other actuarial assumptions constant.

Assumptions regarding future mortality experience are set in accordance with the published statistics by the Life Insurance Corporation of India.

2.11.2 Superannuation

The Group contributed ₹43 crore and ₹61 crore to the superannuation plan during the three months ended March 31, 2017 and March 31, 2016, respectively and ₹168 crore and ₹234 crore during the year ended March 31, 2017 and March 31, 2016, respectively.

Superannuation contributions have been apportioned between cost of sales, selling and marketing expenses and administrative expenses on the basis of direct employee cost as follows:

	Three months ended March 31,		Year ended March 31,	
	2017	2016	2017	2016
Cost of sales	38	54	149	207
Selling and marketing expenses	3	5	12	18
Administrative expenses	2	2	7	9
	43	61	168	234

2.11.3 Provident fund

Infosys has an obligation to fund any shortfall on the yield of the trust's investments over the administered interest rates on an annual basis. These administered rates are determined annually predominantly considering the social rather than economic factors and in most cases the actual return earned by the Company has been higher in the past years. The actuary has provided a valuation for provident fund liabilities on the basis of guidance issued by Actuarial Society of India and based on the below provided assumptions there is no shortfall as at March 31, 2017 and March 31, 2016, respectively.

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

	(In ₹ crore)	
	As of	
	March 31, 2017	March 31, 2016
Plan assets at period end, at fair value	4,459	3,808
Present value of benefit obligation at period end	4,459	3,808
Asset recognized in balance sheet	-	-

The plan assets have been primarily invested in government securities.

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

	As of	
	March 31, 2017	March 31, 2016
Government of India (GOI) bond yield	6.90%	7.80%
Remaining term to maturity of portfolio	6 years	7 years
Expected guaranteed interest rate- First year:	8.60%	8.75%
- Thereafter:	8.60%	8.60%

The Group contributed ₹117 crore and ₹105 crore to the provident fund during the three months ended March 31, 2017 and March 31, 2016, respectively and ₹462 crore and ₹413 crore during the year ended March 31, 2017 and March 31, 2016 respectively.

Provident fund contributions have been apportioned between cost of sales, selling and marketing expenses and administrative expenses on the basis of direct employee cost as follows:

	Three months ended March 31,		Year ended March 31,	
	2017	2016	2017	2016
Cost of sales	104	93	411	365
Selling and marketing expenses	8	8	33	32
Administrative expenses	5	4	18	16
	117	105	462	413

2.11.4 Employee benefit costs include:

	Three months ended March 31,		Year ended March 31,	
	2017	2016	2017	2016
Salaries and bonus*	9,123	8,830	36,913	33,646
Defined contribution plans	64	78	252	302
Defined benefit plans	122	116	494	458
	9,309	9,024	37,659	34,406

* Includes stock compensation expense of ₹45 crore and ₹2 crore for the three months ended March 31, 2017 and March 31, 2016, respectively and ₹117 crore and ₹7 crore for the year ended March 31, 2017 and March 31, 2016, respectively.

The gratuity and provident plans are applicable only to employees drawing a salary in Indian rupees and there are no other significant foreign defined benefit plans.

The employee benefit cost is recognized in the following line items in the statement of comprehensive income:

	Three months ended March 31,		Year ended March 31,	
	2017	2016	2017	2016
Cost of sales	8,260	7,960	33,471	30,405
Selling and marketing expenses	677	695	2,715	2,645
Administrative expenses	372	369	1,473	1,356
	9,309	9,024	37,659	34,406

2.12 Equity

Share capital and share premium

The Company has only one class of shares referred to as equity shares having a par value of ₹5/-. The Company has allotted 114,84,72,332 fully paid up equity shares of face value ₹5/- each during the three months ended June 30, 2015 pursuant to a bonus issue approved by the shareholders through postal ballot. Book closure date fixed by the Board was June 17, 2015. 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. 1,12,89,514 and 1,13,23,576 shares were held by controlled trust, as of March 31, 2017 and March 31, 2016, respectively.

The amount received in excess of the par value has been classified as share premium. Additionally, share-based compensation recognized in net profit in the consolidated statement of comprehensive income is credited to share premium. Amounts have been utilized for bonus issue from share premium account.

Retained Earnings

Retained earnings represent the amount of accumulated earnings of the Group.

Other Reserves

The Special Economic Zone Re-investment reserve has been created out of the profit of the eligible SEZ unit 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 terms of the provisions of the Sec 10AA(2) of the Income Tax Act, 1961.

Other components of equity

Other components of equity consist of currency translation, re-measurement of net defined benefit liability / asset, cumulative impact on reversal of unrealized gain on quoted debt securities on adoption of IFRS 9, equity instruments fair valued through other comprehensive income, changes on fair valuation of investments and changes in fair value of derivatives designated as cash flow hedges, net of taxes.

The Company's objective when managing capital is to safeguard its ability to continue as a going concern and to maintain an optimal capital structure so as to maximize shareholder value. In order to maintain or achieve an optimal capital structure, the Company may adjust the amount of dividend payment, return capital to shareholders, issue new shares or buy back issued shares. As of March 31, 2017, the Company has only one class of equity shares and has no debt. Consequent to the above capital structure there are no externally imposed capital requirements

The rights of equity shareholders are set out below.

2.12.1 Voting

Each holder of equity shares is entitled to one vote per share. The equity shares represented by American Depositary Shares (ADS) carry similar rights to voting and dividends as the other equity shares. Each ADS represents one underlying equity share.

2.12.2 Dividends

The Company declares and pays dividends in Indian rupees. The remittance of dividends outside India is governed by Indian law on foreign exchange and is subject to applicable distribution taxes.

The amount of per share dividend recognized as distributions to equity shareholders for the year ended March 31, 2017 includes final dividend of ₹14.25/- per equity share and an interim dividend of ₹11/- per equity share. The amount of per share dividend recognized as distributions to equity shareholders for the year ended March 31, 2016 includes final dividend of ₹29.50/- per equity share (not adjusted for June 17, 2015 bonus issue) and an interim dividend of ₹10/- per equity share.

The board of directors in their meeting on October 14, 2016 declared an interim dividend of ₹11/- per equity share, which resulted in cash outflow of ₹3,029 crore, (excluding dividend paid on treasury shares) inclusive of corporate dividend tax

The Board of Directors, in its meeting on April 13, 2017, have proposed a final dividend of ₹14.75/- per equity share for the financial year ended March 31, 2017. The proposal is subject to the approval of shareholders at the Annual General Meeting to be held on June 24, 2017 and if approved would result in a cash outflow of approximately ₹ 4,0 crore (excluding dividend paid on treasury shares), including corporate dividend tax.

2.12.3 Liquidation

In the event of liquidation of the Company, the holders of shares shall be entitled to receive any of the remaining assets of the Company, after distribution of all preferential amounts. However, no such preferential amounts exist currently, other than the amounts held by irrevocable controlled trusts. The amount distributed will be in proportion to the number of equity shares held by the shareholders. For irrevocable controlled trusts, the corpus would be settled in favour of the beneficiaries.

2.12.4 Share Options

There are no voting, dividend or liquidation rights to the holders of options issued under the Company's share option plans

2.13 Other income

Other income consists of the following:

	Three month ended March 31,		Year ended March 31,	
	2017	2016	2017	2016
Interest income on financial assets carried at amortized cost	444	640	2,361	2,636
Interest income on financial assets fair valued through other comprehensive income	160	-	190	-
Dividend income on investments carried at fair value through profit or loss	-	9	29	63
Gain/(loss) on investments carried at fair value through profit or loss	66	-	119	-
Exchange gains / (losses) on forward and options contracts	290	58	591	29
Exchange gains / (losses) on translation of other assets and liabilities	(262)	16	(359)	140
Others	48	49	149	257
	746	772	3,080	3,125

2.14 Operating leases

The Group has various operating leases, mainly for office buildings, that are renewable on a periodic basis. Rental expense for operating leases for the three months ended March 31, 2017 and March 31, 2016 was ₹134 crore and ₹98 crore, respectively and ₹491 crore and ₹360 crore for the year ended March 31, 2017 and March 31, 2016, respectively.

The schedule of future minimum rental payments in respect of non-cancellable operating leases is set out below:

	As of	
	March 31, 2017	March 31, 2016
Within one year of the balance sheet date	462	372
Due in a period between one year and five years	1,217	873
Due after five years	945	442

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.

2.15 Employees' Stock Option Plans (ESOP)

2015 Stock Incentive Compensation Plan (the 2015 Plan): SEBI issued the Securities and Exchange Board of India (Share based Employee Benefits) Regulations, 2014 ('SEBI Regulations') which replaced the SEBI ESOP Guidelines, 1999. The 2011 Plan (as explained below) was required to be amended and restated in accordance with the SEBI Regulations. Consequently, to effect this change and to further introduce stock options/ADR's and other stock incentives, the Company put forth the 2015 Stock Incentive Compensation Plan (the 2015 Plan) for approval to the shareholders of the Company. Pursuant to the approval by the shareholders through postal ballot which ended on March 31, 2016, the Board of Directors have been authorised to introduce, offer, issue and allot share-based incentives to eligible employees of the Company and its subsidiaries under the 2015 Plan. The maximum number of shares under the 2015 plan shall not exceed 2,40,38,883 equity shares (this includes 1,12,23,576 equity shares which were held by the Trust towards the 2011 Plan as at March 31, 2016). 1,70,38,883 equity shares will be issued as RSUs at par value and 70,00,000 equity shares will be issued as stock options at market price. These instruments will vest over a period of 4 years and the Company expects to grant the instruments under the 2015 Plan over the period of 4 to 7 years.

On August 1, 2016, the company granted 17,83,615 RSUs (includes equity shares and equity shares represented by ADS) at par value, to employees upto mid management (excluding grants made to Dr. Vishal Sikka). Further, the company granted 73,020 Incentive Units (cash-settled) to eligible employees. These instruments will vest equally over a period of 4 years and are subject to continued service.

On November 1, 2016, the company granted 9,70,375 RSUs (includes equity shares and equity shares represented by ADS) at par value, 12,05,850 employee stock options (ESOPs) (including equity shares and equity shares represented by ADS) to be exercised at market price at the time of grant, to certain employees at the senior management level. Further the company granted 20,640 incentive units (cash-settled) to certain employees at the senior management level. These instruments will vest equally over a period of 4 years and are subject to continued service.

On February 1, 2017, the company granted 18,550 incentive units (cash-settled) to certain employees at the senior management level. These instruments will vest equally over a period of 4 years and are subject to continued service.

As of March 31, 2017, 1,12,89,514 shares are held by the trust towards 2015 Plan. As of March 31, 2017, 106,845 incentive units were outstanding (net of forfeitures) and the carrying value of the cash liability is ₹3 crore.

Pursuant to the approval from the shareholders through postal ballot on March 31, 2016, Dr. Vishal Sikka is eligible to receive under the 2015 Plan, an annual grant of RSU's of fair value \$2 million which vest over time, subject to continued service, and an annual grant of performance based equity and stock options of \$5 million subject to achievement of performance targets set by the Board or its committee, which vest over time. \$2 million of fair value in RSUs for financial year 2017 was granted on August 1, 2016 amounting to 120,700 RSUs in equity shares represented by ADS.

The Nomination and Remuneration Committee in its meeting held on October 14, 2016 recommended a grant of 27,250 RSUs and 43,000 ESOPs to U.B.Pravin Rao, Chief Operating Officer (COO), under the 2015 Plan and the same was approved by the shareholders through postal ballot on March 31, 2017. These RSUs and ESOPs will be granted w.e.f May 2, 2017. These RSUs and stock options would vest over a period of 4 years and shall be exercisable within the period as approved by the Committee. The exercise price of the RSU's will be equal to the par value of the shares and the exercise price of the stock options would be the market price as on the date of grant, as approved by the shareholders. Though these RSUs and ESOPs have not been granted as of March 31, 2017, in accordance with IFRS 2 Share-based Payment, the company has recorded employee stock based compensation expense for the same.

2011 RSU Plan (the 2011 Plan) now called 2015 Stock Incentive Compensation Plan (the 2015 Plan): The Company had a 2011 RSU Plan which provided for the grant of restricted stock units (RSUs) to eligible employees of the Company. The Board of Directors recommended the 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 was 1,13,34,400 as on date of approval of plan adjusted for bonus shares and the plan was expected to continue in effect for a term of 10 years from the date of initial grant under the plan. Awards have been granted to Dr Vishal Sikka under the 2011 RSU plan as detailed below. Further the Company has earmarked 1,00,000 equity shares for welfare activities of the employees, approved by the shareholders vide postal ballot which ended on March 31, 2016. The equity shares as of March 31, 2016 held under this plan, i.e. 1,12,23,576 equity shares (this includes the aggregate number of equity shares that may be awarded under the 2011 Plan as reduced by 10,824 equity shares already exercised by Dr. Vishal Sikka and 1,00,000 equity shares which have been earmarked for welfare activities of the employees) have been subsumed under the 2015 Plan.

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 Officer and Managing Director. The Board in its meeting held on June 22, 2015, on recommendation of Nomination and Remuneration Committee, further granted 1,24,061 RSUs to Dr. Vishal Sikka. These RSUs are vesting 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.

The award granted to Dr. Vishal Sikka on June 22, 2015 was modified by the Nomination and remuneration committee on April 14, 2016. There is no modification or change in the total number of RSUs granted or the vesting period (which is four years). The modifications relate to the criteria of vesting for each of the years. Based on the modification, the first tranche of the RSUs will vest subject to achievement of certain key performance indicators for the year ended March 31, 2016. Subsequent vesting of RSU's for each of the remaining years would be subject to continued employment.

The activity in the 2015 Plan (formerly 2011 RSU Plan) for equity-settled share based payment transactions during the three months and year ended March 31, 2017 is set out below:

Particulars	Three months ended March 31, 2017		Year ended March 31, 2017	
	Shares arising out of options	Weighted average exercise price (₹)	Shares arising out of options	Weighted average exercise price (₹)
2015 Plan (Formerly 2011 Plan): Indian Equity Shares (RSU - IES)				
Outstanding at the beginning*	2,030,758	5	221,505	5
Granted	-	-	1,878,025	5
Forfeited and expired	23,410	5	61,540	5
Exercised	3,420	5	34,062	5
Outstanding at the end	2,003,928	5	2,003,928	5
Exercisable at the end	-	-	-	-
2015 Plan (Formerly 2011 Plan): Employee Stock Options (ESOPs- IES)				
Outstanding at the beginning	309,650	998	-	-
Granted	-	-	309,650	998
Forfeited and expired	-	-	-	-
Exercised	-	-	-	-
Outstanding at the end	309,650	998	309,650	998
Exercisable at the end	-	-	-	-

*adjusted for bonus issues (Refer note 2.15)

Particulars	Three months ended March 31, 2017		Year ended March 31, 2017	
	Shares arising out of options	Weighted average exercise price (\$)	Shares arising out of options	Weighted average exercise price (\$)
2015 Plan (Formerly 2011 Plan): American Depository Shares (RSU - ADS)				
Outstanding at the beginning	975,130	0.07	-	-
Granted	-	-	996,665	0.07
Forfeited and expired	17,685	0.07	39,220	0.07
Exercised	-	-	-	-
Outstanding at the end	957,445	0.07	957,445	0.07
Exercisable at the end	-	-	-	-
2015 Plan (Formerly 2011 Plan): Employee Stock Options (ESOPs- ADS)				
Outstanding at the beginning	896,200	15.26	-	-
Granted	-	-	896,200	15.26
Forfeited and expired	8,200	15.26	8,200	15.26
Exercised	-	-	-	-
Outstanding at the end	888,000	15.26	888,000	15.26
Exercisable at the end	-	-	-	-

The activity in the 2015 Plan (formerly 2011 RSU Plan) for equity-settled share based payment transactions during the three months and year ended March 31, 2016 is set out below:

Particulars	Three months ended March 31, 2016		Year ended March 31, 2016	
	Shares arising out of options	Weighted average exercise price (₹)	Shares arising out of options	Weighted average exercise price (₹)
2015 Plan (Formerly 2011 Plan): Indian Equity Shares (IES)				
Outstanding at the beginning*	223,213	5	108,268	5
Granted	-	-	124,061	5
Forfeited and expired	-	-	-	-
Exercised*	1,708	5	10,824	5
Outstanding at the end	221,505	5	221,505	5
Exercisable at the end	-	-	-	-

*adjusted for bonus issues (Refer note 2.15)

During the three months ended March 31, 2017, the weighted average share price of options exercised under the 2015 Plan on the date of exercise was ₹972/-

During the year ended March 31, 2017 and March 31, 2016, the weighted average share price of options exercised under the 2015 Plan on the date of exercise was ₹1,084/- and ₹1,088/-

The following table summarizes information about equity settled RSUs and ESOPs outstanding as of March 31, 2017:

Range of exercise prices per share (₹)	Options outstanding		
	No. of shares arising out of options	Weighted average remaining contractual life	Weighted average exercise price (₹)
2015 Plan: ADS and IES			
0 - 5 (RSU)	2,961,373	1.88	5.00
900 - 1100 (ESOP)	1,197,650	7.09	1,026.50
	4,159,023	3.38	299.16

The weighted average remaining contractual life of RSUs outstanding as of March 31, 2016 under the 2015 Plan was 1.98 years.

The fair value of each equity settled RSU is estimated on the date of grant using the Black-Scholes-Merton model with the following assumptions:

Particulars	For options granted in			
	Fiscal 2017- Equity Shares- RSU	Fiscal 2017- Equity shares ESOP	Fiscal 2017- ADS-RSU	Fiscal 2017- ADS- ESOP
Grant date	1-Nov-16	1-Nov-16	1-Nov-16	1-Nov-16
Weighted average share price (₹) / (\$- ADS)	989	989	15.26	15.26
Exercise price (₹) / (\$- ADS)	5.00	998	0.07	15.26
Expected volatility (%)	24-29	27-29	26-29	27-31
Expected life of the option (years)	1 - 4	3 - 7	1 - 4	3 - 7
Expected dividends (%)	2.37	2.37	2.29	2.29
Risk-free interest rate (%)	6- 7	6- 7	1 - 2	1 - 2
Weighted average fair value as on grant date (₹) / (\$- ADS)	929	285	14.35	3.46

Particulars	For options granted in			
	Fiscal 2017- Equity Shares- RSU	Fiscal 2017- ADS-RSU	Fiscal 2016- Equity Shares-RSU	Fiscal 2015- Equity Shares- RSU
Grant date	1-Aug-16	1-Aug-16	22-Jun-15	21-Aug-14
Weighted average share price (₹) / (\$- ADS)*	1,085	16.57	1,024	3,549
Exercise price (₹) / (\$- ADS)*	5.00	0.07	5.00	5.00
Expected volatility (%)	25-29	26-30	28-36	30-37
Expected life of the option (years)	1 - 4	1 - 4	1 - 4	1 - 4
Expected dividends (%)	2.37	2.29	2.43	1.84
Risk-free interest rate (%)	6- 7	0.5 - 1	7- 8	8- 9
Weighted average fair value as on grant date (₹) / (\$- ADS)*	1,019	15.59	948	3,355

* Data for Fiscal 2015 is not adjusted for bonus issues

The expected term of the RSU / ESOP is estimated based on the vesting term and contractual term of the RSU / ESOP, as well as expected exercise behaviour of the employee who receives the RSU / ESOP. Expected volatility during the expected term of the RSU / ESOP 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 / ESOP.

The company recorded an employee stock compensation expense in the statement of comprehensive income for the three months ended March 31, 2017 and March 31, 2016 of ₹45 crore and ₹2 crore, respectively and ₹117 crore and ₹7 crore for the year ended March 31, 2017 and March 31, 2016, respectively. The cash settled stock compensation expense for each of the three months and year ended March 31, 2017 was ₹1 crore and ₹3 crore.

2.16 Income taxes

Income tax expense in the consolidated statement of comprehensive income comprises:

	<i>(In ₹ crore)</i>	
	Three month ended March 31,	Year ended March 31,
	2017	2016
Current taxes	2017	2016
Domestic taxes	860	1,083
Foreign taxes	389	343
	1,249	1,426
Deferred taxes	2017	2016
Domestic taxes	39	(6)
Foreign taxes	42	(26)
	81	(32)
Income tax expense	1,330	1,394

Income tax expense includes reversals (net of provisions) pertaining to prior periods of ₹91 crore and ₹69 crore for the three months ended March 31, 2017 and March 31, 2016 respectively, and as of ₹152 crore and ₹309 crore, for the year ended March 31, 2017 and March 31, 2016 respectively.

Entire deferred income tax for the three months and year ended March 31, 2017 and March 31, 2016 relates to origination and reversal of temporary differences.

A reconciliation of the income tax provision to the amount computed by applying the statutory income tax rate to the income before income taxes is summarized below:

	<i>(In ₹ crore)</i>	
	Three month ended March 31,	Year ended March 31,
	2017	2016
Profit before income taxes	4,933	4,991
Enacted tax rates in India	34.61%	34.61%
Computed expected tax expense	1,707	1,727
Tax effect due to non-taxable income for Indian tax purposes	(433)	(496)
Overseas taxes	137	205
Tax provision (reversals), overseas and domestic	(91)	(69)
Effect of exempt non-operating income	(8)	(32)
Effect of unrecognized deferred tax assets	32	42
Effect of differential overseas tax rates	35	1
Effect of non-deductible expenses	(47)	18
Additional deduction on research and development expense	(14)	(7)
Others	12	5
Income tax expense	1,330	1,394

The applicable Indian statutory tax rates for fiscal 2017 and fiscal 2016 is 34.61%.

During the year ended March 31, 2017, the Group has claimed weighted tax deduction on eligible research and development expenditure based on the approval received from Department of Scientific and Industrial Research (DSIR) which is valid upto March 31, 2017. The weighted tax deduction is equal to 200% of such expenditure incurred. The company has applied for renewal of the R&D recognition with DSIR.

During year ended March 31, 2016 Infosys had claimed weighted tax deduction on eligible research and development till July 31, 2015 based on the approval received from Department of Scientific and Industrial Research (DSIR) on November 23, 2011 which was renewed effective April 2014. With effect from August 1, 2015 the business of Finacle, including the R&D activities, was transferred to its wholly owned subsidiary Edgeverve Systems Limited. However the approval for Edgeverve was effective April 2016.

The foreign tax expense is due to income taxes payable overseas, principally in the United States. In India, the Company has benefited from certain tax incentives that the Government of India has provided to the export of software for the units registered under the Special Economic Zones Act, 2005 (SEZ). SEZ units which began the provision of services on or after April 1, 2005 are eligible for a deduction of 100 percent of profits or gains derived from the export of services for the first five years from the financial year in which the unit commenced the provision of services and 50 percent of such profits or gains for further five years. Up to 50% of such profits or gains is also available for a further five years subject to creation of a Special Economic Zone Reinvestment Reserve out of the profit for the eligible SEZ units and utilization of such reserve by the Company for acquiring new plant and machinery for the purpose of its business as per the provisions of the Income Tax Act, 1961.

Infosys is subject to a 15% Branch Profit Tax (BPT) in the U.S. to the extent its U.S. branch's net profit during the year is greater than the increase in the net assets of the U.S. branch during the year, computed in accordance with the Internal Revenue Code. As of March 31, 2017, Infosys' U.S. branch net assets amounted to approximately ₹5,995 crore. As of March 31, 2017, the Company has provided for branch profit tax of ₹327 crore for its U.S branch, as the Company estimates that these branch profits are expected to be distributed in the foreseeable future. The change in provision for branch profit tax includes ₹7 crore movement on account of exchange rate during the year ended March 31, 2017.

Deferred income tax liabilities have not been recognized on temporary differences amounting to ₹5,309 crore and ₹4,195 crore as of March 31, 2017 and March 31, 2016, respectively, associated with investments in subsidiaries and branches as it is probable that the temporary differences will not reverse in the foreseeable future.

The following table provides the details of income tax assets and income tax liabilities as of March 31, 2017 and March 31, 2016:

	<i>In ₹ crore</i>	
	As at	
	March 31, 2017	March 31, 2016
Income tax assets	5,716	5,230
Current income tax liabilities	3,885	3,410
Net current income tax asset/ (liability) at the end	1,831	1,820

The gross movement in the current income tax asset/ (liability) for the three months and year ended March 31, 2017 and March 31, 2016 is as follows:

	Three months ended March 31,		Year ended March 31,	
	2017	2016	2017	2016
Net current income tax asset/ (liability) at the beginning	1,454	1,783	1,820	1,271
Translation differences	-	(12)	-	-
Income tax paid	1,628	1,475	5,653	5,865
Current income tax expense (Refer Note 2.16)	(1,249)	(1,426)	(5,653)	(5,318)
Income tax benefit arising on exercise of stock options	-	-	1	2
Income tax on other comprehensive income	(2)	-	10	-
Net current income tax asset/ (liability) at the end	1,831	1,820	1,831	1,820

The tax effects of significant temporary differences that resulted in deferred income tax assets and liabilities are as follows:

	As at	
	March 31, 2017	March 31, 2016
Deferred income tax assets		
Property, plant and equipment	138	178
Computer software	40	50
Accrued compensation to employees	57	68
Trade receivables	136	89
Compensated absences	374	389
Post sales client support	97	77
Intangibles	22	4
Others	143	55
Total deferred income tax assets	1,007	910
Deferred income tax liabilities		
Intangible asset	(206)	(252)
Temporary difference related to branch profits	(327)	(334)
Others	(141)	(44)
Total deferred income tax liabilities	(674)	(630)
Deferred income tax assets after set off	540	536
Deferred income tax liabilities after set off	(207)	(256)

Deferred tax assets and deferred tax liabilities have been offset wherever the Group 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 deferred income tax assets and deferred income tax liabilities recoverable within and after 12 months are as follows:

	As of	
	March 31, 2017	March 31, 2016
Deferred income tax assets to be recovered after 12 months	529	409
Deferred income tax assets to be recovered within 12 months	478	501
Total deferred income tax assets	1,007	910
Deferred income tax liabilities to be settled after 12 months	(312)	(450)
Deferred income tax liabilities to be settled within 12 months	(362)	(180)
Total deferred income tax liabilities	(674)	(630)

In assessing the reliability of deferred income tax assets, management considers whether some portion or all of the deferred income tax assets will not be realized. The ultimate realization of deferred income tax assets is dependent upon the generation of future taxable income during the periods in which the temporary differences become deductible. Management considers the scheduled reversals of deferred income tax liabilities, projected future taxable income, and tax planning strategies in making this assessment. Based on the level of historical taxable income and projections for future taxable income over the periods in which the deferred income tax assets are deductible, management believes that the Group will realize the benefits of those deductible differences. The amount of the deferred income tax assets considered realizable, however, could be reduced in the near term if estimates of future taxable income during the carry forward period are reduced.

The gross movement in the deferred income tax account for the three months and year ended March 31, 2017 and March 31, 2016, is as follows:

	Three months ended March 31,		Year ended March 31,	
	2017	2016	2017	2016
Net deferred income tax asset at the beginning	396	251	280	377
Impact on adoption of IFRS 9 (refer to Note 2.2)	-	-	4	-
Addition through business combination (Refer note 2.9)	-	-	-	(128)
Translation differences	21	(1)	7	(32)
Credits / (charge) relating to temporary differences (Refer Note 2.16)	(81)	32	55	67
Temporary differences on other comprehensive income	(3)	(2)	(13)	(4)
Net deferred income tax asset at the end	333	280	333	280

The charge relating to temporary differences during the year ended March 31, 2017 are primarily on account of property plant and equipment and compensated absences partially offset by trade receivables and post sales client support. The credits relating to temporary differences during the year ended March 31, 2016 are primarily on account of accrued compensation to employees and compensated absences partially offset by reversal of credits pertaining to property, plant and equipment and trade receivables.

As of March 31, 2017 and March 31, 2016, claims against the group not acknowledged as debts from the Indian Income tax authorities (net of amount paid to statutory authorities of ₹4,682 crore and ₹4,383 crore) amounted to ₹1,696 crore and ₹7 crore, respectively.

Payment of ₹4,682 crore (₹4,383 crore) includes demands from the Indian Income tax authorities of ₹6,122 crore (₹4,135 crore), including interest of ₹1,885 crore (₹1,224 crore) upon completion of their tax assessment for fiscal 2007, fiscal 2008, fiscal 2009, fiscal 2010, fiscal 2011, fiscal 2012 and fiscal 2013.

Demand for fiscal 2007, fiscal 2008 and fiscal 2009 includes disallowance of a 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. Demand for fiscal 2007, fiscal 2008, fiscal 2009, fiscal 2010, fiscal 2011, fiscal 2012 and fiscal 2013 also includes disallowance of portion of profit earned outside India from the STP units under section 10A of the Income Tax Act and disallowance of profits earned from SEZ units under section 10AA of the Income Tax Act. Demand for fiscal 2012 & fiscal 2013 includes disallowance of certain expenses incurred in foreign currency being reduced from export turnover but not reduced from total turnover and disallowance of profits earned from SEZ units which commenced operations before April 1, 2009 under section 10AA of the Income Tax Act and also others. The matters for fiscal 2007, fiscal 2008, fiscal 2009 and fiscal 2013 are pending before the Commissioner of Income Tax (Appeals) Bangalore. The matter for fiscal 2010, fiscal 2011 and fiscal 2012 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.

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

The following is a reconciliation of the equity shares used in the computation of basic and diluted earnings per equity share:

	Three month ended March 31,		Year ended March 31,	
	2017	2016	2017	2016
Basic earnings per equity share - weighted average number of equity shares outstanding ⁽¹⁾⁽²⁾	228,56,54,881	228,56,20,957	228,56,39,447	228,56,16,160
Effect of dilutive common equivalent shares - share options outstanding	997,122	129,359	757,298	102,734
Diluted earnings per equity share - weighted average number of equity shares and common equivalent shares outstanding	228,66,52,003	228,57,50,316	228,63,96,745	228,57,18,894

⁽¹⁾ Excludes treasury shares

⁽²⁾ adjusted for bonus issues. Refer note 2.15

For the three months and year ended March 31, 2017, 259,526 and 112,190 number of options to purchase equity shares had an anti-dilutive effect. For the three months and year ended March 31, 2016, no outstanding option to purchase equity shares had an anti-dilutive effect.

2.18 Related party transactions

List of related parties:

Name of subsidiaries	Country	Holdings as at	
		March 31, 2017	March 31, 2016
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 Poland, Sp z.o.o (formerly Infosys BPO Poland, Sp z.o.o) ⁽¹⁾	Poland	99.98%	99.98%
Infosys BPO S.DE.R.L.DE.C.V. ⁽¹⁾⁽¹³⁾	Mexico	-	-
Infosys McCamish Systems LLC ⁽¹⁾	U.S.	99.98%	99.98%
Portland Group Pty Ltd ⁽¹⁾	Australia	99.98%	99.98%
Infosys BPO Americas LLC. ⁽¹⁾⁽¹²⁾	U.S.	99.98%	-
Infosys Technologies (Australia) Pty. Limited (Infosys Australia) ⁽²⁾	Australia	100%	100%
EdgeVerve Systems Limited (EdgeVerve)	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%
Infosys Management Consulting Pty Limited (formerly Lodestone Management Consultants Pty Limited) ⁽³⁾	Australia	100%	100%
Infosys Consulting AG (formerly Lodestone Management Consultants AG) ⁽³⁾	Switzerland	100%	100%
Lodestone Augmentis AG ⁽⁵⁾⁽¹⁴⁾	Switzerland	100%	100%
Lodestone GmbH (formerly Hafner Bauer & Ödman GmbH) ⁽³⁾⁽¹⁶⁾	Switzerland	100%	100%
Infosys Consulting (Belgium) NV (formerly 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) ⁽¹⁷⁾	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%
Infy Consulting Company Ltd. (formerly Lodestone Management Consultants Ltd.) ⁽³⁾	U.K.	100%	100%
Infy Consulting B.V. (Lodestone Management Consultants B.V.) ⁽³⁾	Netherlands	100%	100%
Infosys Consulting Ltda. (formerly Lodestone Management Consultants Ltda.) ⁽⁴⁾	Brazil	99.99%	99.99%
Infosys Consulting Sp. z.o.o (formerly 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. ⁽⁶⁾	Canada	-	-
Infosys Nova Holdings LLC. (Infosys Nova)	U.S.	100%	100%
Panaya Inc. (Panaya)	U.S.	100%	100%
Panaya Ltd. ⁽⁷⁾	Israel	100%	100%
Panaya GmbH ⁽⁷⁾	Germany	100%	100%
Panaya Pty Ltd. ⁽⁷⁾⁽¹⁵⁾	Australia	-	-
Panaya Japan Co. Ltd. ⁽⁷⁾	Japan	100%	100%
Skava Systems Pvt. Ltd. (Skava Systems) ⁽⁸⁾	India	100%	100%
Kallidus Inc. (Kallidus) ⁽⁹⁾	U.S.	100%	100%
Noah Consulting LLC (Noah) ⁽¹⁰⁾	U.S.	100%	100%
Noah Information Management Consulting Inc. (Noah Canada) ⁽¹¹⁾	Canada	100%	100%

⁽¹⁾ Wholly owned subsidiary 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 Infosys Consulting AG (formerly Lodestone Management Consultants AG)

⁽⁶⁾ Wholly owned subsidiary of Infosys Public Services, Inc.

⁽⁷⁾ Wholly owned subsidiary of Panaya Inc.

⁽⁸⁾ On June 2, 2015, Infosys acquired 100% of the voting interest in Skava Systems

⁽⁹⁾ On June 2, 2015, Infosys acquired 100% of the voting interest in Kallidus Inc.

⁽¹⁰⁾ On November 16, 2015, Infosys acquired 100% of the membership interests in Noah

⁽¹¹⁾ Wholly owned subsidiary of Noah

⁽¹²⁾ Incorporated effective November 20, 2015

⁽¹³⁾ Liquidated effective March 15, 2016

⁽¹⁴⁾ Liquidated effective October 5, 2016

⁽¹⁵⁾ Liquidated effective November 16, 2016

⁽¹⁶⁾ Liquidated effective December 21, 2016

⁽¹⁷⁾ Wholly owned subsidiary of Infosys

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

Name of Associates	Country	Holdings as at	
		March 31, 2017	March 31, 2016
DWA Nova LLC ⁽¹⁾	U.S.	16%	16%

⁽¹⁾ Associate of Infosys Nova Holding LLC

Share of associate's profit/(loss) & others for the three months and year ended March 31, 2017 includes an impairment loss of ₹18 crore on investment in DWA Nova LLC.

List of other related party

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 BPO Limited Employees' Superannuation Fund Trust	India	Post-employment benefit plan of Infosys BPO
Infosys BPO Limited Employees' Gratuity Fund Trust	India	Post-employment benefit plan of Infosys BPO
EdgeVerve Systems Limited Employees' Gratuity Fund Trust	India	Post-employment benefit plan of EdgeVerve
EdgeVerve Systems Limited Employees' Superannuation Fund Trust	India	Post-employment benefit plan of EdgeVerve
Infosys Limited Employees' Welfare Trust	India	Controlled trust
Infosys Employee Benefits Trust	India	Controlled trust
Infosys Science Foundation	India	Controlled trust

Refer Note 2.11 for information on transactions with post-employment benefit plans mentioned above.

List of key management personnel

Whole time directors

U. B. Pravin Rao
Dr. Vishal Sikka

Non-whole-time directors

K.V.Kamath (resigned effective June 5, 2015)
Prof. Jeffrey S. Lehman
R. Seshasayee
Ravi Venkatesan
Kiran Mazumdar Shaw
Carol M. Browner (resigned effective November 23, 2015)
Prof. John W. Etchemendy
Roopa Kudva
Dr. Punita Kumar-Sinha (appointed effective January 14, 2016)
D. N. Prahlad (appointed effective October 14, 2016)

Executive Officers

M. D. Ranganath, Chief Financial Officer (effective October 12, 2015)
David D. Kennedy, General Counsel and Chief Compliance Officer (till December 31, 2016)
Rajiv Bansal, Chief Financial Officer (till October 12, 2015)
Mohit Joshi , President (effective October 13, 2016)
Rajesh K. Murthy, President (effective October 13, 2016)
Ravi Kumar S, President and Deputy Chief Operating Officer (effective October 13, 2016)
Sandeep Dadlani, President (effective October 13, 2016)
Krishnamurthy Shankar, Group Head - Human Resources (effective October 13, 2016)
Gopi Krishnan Radhakrishnan - Acting General Counsel (effective December 31, 2016)

Company Secretary

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

Transaction with key management personnel:

During the year ended March 31, 2017, the company has additionally identified its Presidents - Mohit Joshi, Sandeep Dadlani, Rajesh K Murthy, Ravi Kumar S, and Group Head - Human Resources - Krishnamurthy Shankar as key managerial personnel as defined under IAS 24 – Related Party Disclosures w.e.f from October 14, 2016. The Company's Deputy General Counsel, Gopi Krishnan Radhakrishnan has assumed the responsibilities as acting General Counsel w.e.f. December 31, 2016

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

Particulars	in ₹ crore			
	Three months ended March 31,		Year ended March 31,	
	2017	2016	2017	2016
Salaries and other employee benefits to whole-time directors and executive officers (1)(2)(3)(4)(5)	18	40	84	101
Commission and other benefits to non-executive/independent directors	3	2	11	10
Total	21	42	95	111

(1) Includes stock compensation expense of ₹12 crore and ₹2 crore for three months ended March 31, 2017 and March 31, 2016, respectively and ₹36 crore and ₹7 crore for the year ended March 31, 2017 and March 31, 2016, respectively towards key managerial personnel. Refer note 2.15

(2) Year ended March 31, 2017 includes ₹6 crore payable under severance agreement to David D. Kennedy, who stepped down as General counsel and Chief compliance officer w.e.f December 31, 2016

(3) Year ended March 31, 2016 includes ₹17.38 crore payable under severance agreement to Rajiv Bansal who stepped down as Chief Financial officer w.e.f October 12, 2015

(4) The Board based on the recommendations of the Nominations committee approved on April 13, 2017, \$0.82 million as variable pay to CEO for the year ended March 31, 2017. The shareholders vide postal ballot had approved a variable pay of \$3 million at target.

Pursuant to the approval from the shareholders through postal ballot on March 31, 2016, Dr. Vishal Sikka is eligible to receive under the 2015 Plan, an annual grant of RSUs of fair value \$2 million which vest over time, subject to continued service and an annual grant of performance based equity and stock options of \$5 million subject to achievement of performance targets set by the Board or its committee, which vest over time. The Board based on the recommendations of the nominations committee approved on April 13, 2017, RSUs amounting to \$1.9 Mn and ESOP's amounting to \$ 0.96 Mn representing the performance based equity and stock options for the financial year 2017. Further, the Board also approved the annual time based vesting grant for financial year 2018 amounting to RSUs of \$2 million.

The year ended March 31, 2016 includes provision for variable pay amounting to \$4.33 million (approximately ₹29 crore) to CEO. The shareholders in the EGM dated July 30, 2014 had approved a variable pay of \$4.18 million (approximately ₹28 crore at current exchange rate) at a target level and also authorized the Board to alter and vary the terms of remuneration. Accordingly, the Board based on the recommendations of the Nominations committee approved on April 15, 2016, \$4.33 million (approximately ₹29 crore) as variable pay for the year ended March 31, 2016.

(5) On March 31, 2017, the shareholders vide postal ballot approved a revision in the salary of U.B. Pravin Rao, whole-time director and COO.

2.19 Segment reporting

IFRS 8 establishes standards for the way that public business enterprises report information about operating segments and related disclosures about products and services, geographic areas, and major customers. The Group's operations predominantly relate to providing end-to-end business solutions to enable clients to enhance business performance. During the quarter ended March 31, 2016, the Group reorganized some of its segments to enhance executive customer relationships, improve focus of sales investments and increase management oversight consequent to which, erstwhile manufacturing segment is now being reviewed as Hi-Tech, Manufacturing and others included in ECS. Additionally, Infosys Public services (IPS) is being reviewed separately by the Chief Operating Decision Maker (CODM). Consequent to the internal reorganizations, there were changes effected in the reportable business segments based on the "management approach" as defined in IFRS 8, Operating Segments. The CODM evaluates the Group's performance and allocates resources based on an analysis of various performance indicators by business segments and geographic segments. Accordingly, information has been presented both along business segments and geographic segments. 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.

Business segments of the Group are primarily enterprises in Financial Services (FS), enterprises in Manufacturing (MFG), enterprises in Retail, Consumer packaged goods and Logistics (RCL), enterprises in the Energy & utilities, Communication and Services (ECS), enterprises in Hi-tech (Hi-TECH), enterprises in Life Sciences, Healthcare and Insurance (HILIFE) and all other segments. The FS reportable segments has been aggregated to include the Financial Services operating segment and the Finacle operating segment. All other segments represents the operating segments of businesses in India, Japan and China and IPS. 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. Consequent to the above changes in the composition of reportable business segments, the prior period comparatives have been restated.

Revenue and identifiable operating expenses in relation to segments are categorized based on items that are individually identifiable to that segment. Revenue for "all other segments" represents revenue generated by IPS and revenue generated from customers located in India, Japan and China. Allocated expenses of segments include expenses incurred for rendering services from the Company's offshore software development centres 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 Group.

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

Geographical information on revenue and business segment revenue information is collated based on individual customers invoiced or in relation to which the revenue is otherwise recognized.

2.19.1 Business segments

Three months ended March 31, 2017 and March 31, 2016

								(In ₹ crore)
Particulars	FS	MFG	ECS	RCL	HILIFE	HI-TECH	All other segments	Total
Revenues	4,655	1,918	3,963	2,710	2,148	1,211	515	17,120
	4,522	1,748	3,635	2,727	2,083	1,327	508	16,550
Identifiable operating expenses	2,319	1,006	1,934	1,305	1,059	642	328	8,593
	2,215	891	1,631	1,288	943	636	278	7,882
Allocated expenses	1,008	440	909	621	493	278	117	3,866
	1,058	431	896	672	514	327	125	4,023
Segment profit	1,328	472	1,120	784	596	291	70	4,661
	1,249	426	1,108	767	626	364	105	4,645
Unallocable expenses								449
								425
Operating profit								4,212
								4,220
Other income, net								746
								772
Share in Associate's profit / (loss) and others								(25)
								(1)
Profit before income taxes								4,933
								4,991
Income tax expense								1,330
								1,394
Net profit								3,603
								3,597
Depreciation and amortization								446
								419
Non-cash expenses other than depreciation and amortization								3
								6

Year ended March 31, 2017 and March 31, 2016

(In ₹ crore)

Particulars	FS	MFG	ECS	RCL	HILIFE	HI-TECH	All other segments	Total
Revenues	18,555	7,507	15,430	11,225	8,437	5,122	2,208	68,484
	17,024	6,948	13,547	10,226	8,090	4,891	1,715	62,441
Identifiable operating expenses	9,271	3,922	7,430	5,378	4,178	2,659	1,406	34,244
	8,199	3,684	6,196	4,878	3,841	2,391	1,035	30,224
Allocated expenses	4,075	1,737	3,569	2,598	1,951	1,186	510	15,626
	3,986	1,704	3,322	2,508	1,984	1,199	421	15,124
Segment profit	5,209	1,848	4,431	3,249	2,308	1,277	292	18,614
	4,839	1,560	4,029	2,840	2,265	1,301	259	17,093
Unallocable expenses								1,713
								1,473
Operating profit								16,901
								15,620
Other income, net								3,080
								3,125
Share in Associate's profit / (loss) and others								(30)
								(3)
Profit before income taxes								19,951
								18,742
Income tax expense								5,598
								5,251
Net profit								14,353
								13,491
Depreciation and amortization								1,703
								1,459
Non-cash expenses other than depreciation and amortization								10
								14

2.19.2 Geographic segments

Three months ended March 31, 2017 and March 31, 2016

(In ₹ crore)

Particulars	North America	Europe	India	Rest of the World	Total
Revenues	10,666	3,784	546	2,124	17,120
	10,235	3,878	498	1,939	16,550
Identifiable operating expenses	5,464	1,917	234	978	8,593
	4,954	1,845	207	876	7,882
Allocated expenses	2,441	864	107	454	3,866
	2,521	952	103	447	4,023
Segment profit	2,761	1,003	205	692	4,661
	2,760	1,081	188	616	4,645
Unallocable expenses					449
					425
Operating profit					4,212
					4,220
Other income, net					746
					772
Share in Associate's profit / (loss) and others					(25)
					(1)
Profit before income taxes					4,933
					4,991
Income tax expense					1,330
					1,394
Net profit					3,603
					3,597
Depreciation and amortization					446
					419
Non-cash expenses other than depreciation and amortization					3
					6

Year ended March 31, 2017 and March 31, 2016

Particulars					(In ₹ crore)
	North America	Europe	India	Rest of the World	Total
Revenues	42,408	15,392	2,180	8,504	68,484
	39,139	14,373	1,623	7,306	62,441
Identifiable operating expenses	21,618	7,694	1,002	3,930	34,244
	19,283	6,966	711	3,264	30,224
Allocated expenses	9,799	3,548	442	1,837	15,626
	9,591	3,510	338	1,685	15,124
Segment profit	10,991	4,150	736	2,737	18,614
	10,265	3,897	574	2,357	17,093
Unallocable expenses					1,713
					1,473
Operating profit					16,901
					15,620
Other income, net					3,080
					3,125
Share in Associate's profit / (loss) and others					(30)
					(3)
Profit before income taxes					19,951
					18,742
Income tax expense					5,598
					5,251
Net profit					14,353
					13,491
Depreciation and amortization					1,703
					1,459
Non-cash expenses other than depreciation and amortization					10
					14

2.19.3 Significant clients

No client individually accounted for more than 10% of the revenues in the three months and year ended March 31, 2017 and March 31, 2016.

As per our report of even date attached

for B S R & Co. LLP

Chartered Accountants

Firm's Registration No : 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

U. B. Pravin Rao

Chief Operating Officer and

Whole-time Director

Bengaluru

April 13, 2017

Roopa Kudva

Director

M. D. Ranganath

Chief Financial Officer

A.G.S Manikantha

Company Secretary

Infosys Limited and Subsidiaries
Unaudited Condensed Consolidated Balance Sheets as of

		<i>(Dollars in millions except equity share)</i>	
	Note	March 31, 2017	March 31, 2016
ASSETS			
Current assets			
Cash and cash equivalents	2.1	3,489	4,935
Current investments	2.2	1,538	11
Trade receivables		1,900	1,710
Unbilled revenue		562	457
Prepayments and other current assets	2.4	749	672
Derivative financial instruments	2.3	44	17
Total current assets		8,282	7,802
Non-current assets			
Property, plant and equipment	2.7	1,807	1,589
Goodwill	2.8	563	568
Intangible assets		120	149
Investment in associate		11	16
Non-current investments	2.2	984	273
Deferred income tax assets		83	81
Income tax assets		881	789
Other non-current assets	2.4	123	111
Total Non-current assets		4,572	3,576
Total assets		12,854	11,378
LIABILITIES AND EQUITY			
Current liabilities			
Trade payables		57	58
Derivative financial instruments	2.3	-	1
Current income tax liabilities		599	515
Client deposits		5	4
Unearned revenue		274	201
Employee benefit obligations		209	202
Provisions	2.6	63	77
Other current liabilities	2.5	954	940
Total current liabilities		2,161	1,998
Non-current liabilities			
Deferred income tax liabilities		32	39
Other non-current liabilities	2.5	24	17
Total liabilities		2,217	2,054
Equity			
Share capital - ₹5/- (\$0.16) par value 2,400,000,000 (2,400,000,000) equity shares authorized, issued and outstanding 2,285,655,150 (2,285,621,088) net of 11,289,514 (11,323,576) treasury shares, as of March 31, 2017 (March 31, 2016), respectively		199	199
Share premium		587	570
Retained earnings		12,190	11,083
Cash flow hedge reserve		6	-
Other reserves		-	-
Other components of equity		(2,345)	(2,528)
Total equity attributable to equity holders of the company		10,637	9,324
Non-controlling interests		-	-
Total equity		10,637	9,324
Total liabilities and equity		12,854	11,378

The accompanying notes form an integral part of the unaudited condensed consolidated financial statements.

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

R. Seshasayee
Chairman

Dr. Vishal Sikka
Chief Executive Officer and
Managing Director

U. B. Pravin Rao
Chief Operating Officer and
Whole-time Director

Bengaluru
April 13, 2017

Roopa Kudva
Director

M. D. Ranganath
Chief Financial Officer

A.G.S Manikantha
Company Secretary

Infosys Limited and Subsidiaries

Unaudited Condensed Consolidated Statements of Comprehensive Income

(Dollars in millions except equity share and per equity share data)

	Note	Year ended March 31,	
		2017	2016
Revenues		10,208	9,501
Cost of sales	2.15	6,446	5,950
Gross profit		3,762	3,551
Operating expenses:			
Selling and marketing expenses	2.15	535	522
Administrative expenses	2.15	707	654
Total operating expenses		1,242	1,176
Operating profit		2,520	2,375
Other income, net		459	476
Share in associate's profit / (loss) and others		(5)	-
Profit before income taxes		2,974	2,851
Income tax expense	2.11	834	799
Net profit		2,140	2,052
Other comprehensive income			
<i>Items that will not be reclassified subsequently to profit or loss:</i>			
Re-measurements of the net defined benefit liability/asset		(7)	(2)
Cumulative impact on reversal of unrealised gain on quoted debt securities on adoption of IFRS 9	2.2	(5)	-
Equity instruments through other comprehensive income		(1)	-
		(13)	(2)
<i>Items that will be reclassified subsequently to profit or loss:</i>			
Fair value changes on investments	2.2	(2)	6
Fair value changes on derivatives designated as cash flow hedge, net		6	-
Foreign currency translation		198	(436)
		202	(430)
Total other comprehensive income, net of tax		189	(432)
Total comprehensive income		2,329	1,620
Profit attributable to:			
Owners of the company		2,140	2,052
Non-controlling interests		-	-
		2,140	2,052
Total comprehensive income attributable to:			
Owners of the company		2,329	1,620
Non-controlling interests		-	-
		2,329	1,620
Earnings per equity share			
Basic (\$)		0.94	0.90
Diluted (\$)		0.94	0.90
Weighted average equity shares used in computing earnings per equity share	2.12		
Basic		2,285,639,447	2,285,616,160
Diluted		2,286,396,745	2,285,718,894

The accompanying notes form an integral part of the unaudited condensed consolidated financial statements.

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

R. Seshasayee
Chairman

Dr. Vishal Sikka
Chief Executive Officer
and Managing Director

U. B. Pravin Rao
Chief Operating Officer and
Whole-time Director

Bengaluru
April 13, 2017

Roopa Kudva
Director

M. D. Ranganath
Chief Financial Officer

A.G.S Manikantha
Company Secretary

Infosys Limited and Subsidiaries

Unaudited Condensed Consolidated Statements of Changes in Equity

(Dollars in millions except equity share data)

	Shares ⁽²⁾	Share capital	Share premium	Retained earnings	Other reserves ⁽³⁾	Cash flow hedge reserve	Other components of equity	Total equity attributable to equity holders of the company
Balance as of April 1, 2015	1,142,805,132	109	659	10,090	-	-	(2,096)	8,762
Changes in equity for the year ended March 31, 2016								
Shares issued on exercise of employee stock options	10,824	-	-	-	-	-	-	-
Increase in share capital on account of bonus issue ⁽¹⁾ (Refer Note 2.17)	1,142,805,132	90	-	-	-	-	-	90
Amount utilized for bonus issue ⁽¹⁾ (Refer Note 2.17)	-	-	(90)	-	-	-	-	(90)
Transfer to other reserves	-	-	-	(89)	89	-	-	-
Transfer from other reserves on utilization	-	-	-	89	(89)	-	-	-
Employee stock compensation expense (Refer note 2.10)	-	-	1	-	-	-	-	1
Fair value of investments (Refer note 2.2)	-	-	-	-	-	-	6	6
Remeasurement of the net defined benefit liability/asset, net of tax effect	-	-	-	-	-	-	(2)	(2)
Dividends (including corporate dividend tax)	-	-	-	(1,059)	-	-	-	(1,059)
Net profit	-	-	-	2,052	-	-	-	2,052
Foreign currency translation	-	-	-	-	-	-	(436)	(436)
Balance as of March 31, 2016	2,285,621,088	199	570	11,083	-	-	(2,528)	9,324
Changes in equity for the year ended March 31, 2017								
Cumulative impact of Reversal of unrealized gain on quoted debt securities on adoption of IFRS 9 (Refer note 2.2)	-	-	-	-	-	-	(5)	(5)
Shares issued on exercise of employee stock options (Refer note 2.10)	34,062	-	-	-	-	-	-	-
Transfer to other reserves	-	-	-	(142)	142	-	-	-
Transfer from other reserves on utilization	-	-	-	142	(142)	-	-	-
Employee stock compensation expense (Refer note 2.10)	-	-	17	-	-	-	-	17
Fair value changes on derivatives designated as cash flow hedge, net of taxes (Refer note 2.3)	-	-	-	-	-	6	-	6
Equity instruments through other comprehensive income, net of taxes (Refer note 2.2)	-	-	-	-	-	-	(1)	(1)
Fair valuation of investments, net of taxes (Refer note 2.2)	-	-	-	-	-	-	(2)	(2)
Remeasurement of the net defined benefit liability/asset, net of tax effect	-	-	-	-	-	-	(7)	(7)
Dividends (including corporate dividend tax)	-	-	-	(1,033)	-	-	-	(1,033)
Net profit	-	-	-	2,140	-	-	-	2,140
Foreign currency translation	-	-	-	-	-	-	198	198
Balance as of March 31, 2017	2,285,655,150	199	587	12,190	-	6	(2,345)	10,637

⁽¹⁾ net of treasury shares

⁽²⁾ excludes treasury shares of 11,289,514 as of March 31, 2017, 11,323,576 as of March 31, 2016 and 5,667,200 as of April 1, 2015, held by consolidated trust

⁽³⁾ Represents the Special Economic Zone Re-investment reserve created out of the profit of the eligible SEZ unit 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 terms of the provisions of the Sec 10AA(2) of the Income Tax Act, 1961.

The accompanying notes form an integral part of the unaudited condensed consolidated financial statements.

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

R. Seshasayee
Chairman

Dr. Vishal Sikka
Chief Executive Officer
and Managing Director

U. B. Pravin Rao
Chief Operating Officer and
Whole-time Director

Roopa Kudva
Director

M. D. Ranganath
Chief Financial Officer

A.G.S Manikantha
Company Secretary

Bengaluru
April 13, 2017

Infosys Limited and Subsidiaries
Unaudited Condensed Consolidated Statements of Cash Flows
(Dollars in millions)

	Note	Year ended March 31,	
		2017	2016
Operating activities:			
Net Profit		2,140	2,052
Adjustments to reconcile net profit to net cash provided by operating activities :			
Depreciation and amortisation	2.15	254	222
Income on investments		(51)	(27)
Income tax expense	2.11	834	799
Effect of exchange rate changes on assets and liabilities		6	10
Deferred consideration pertaining to acquisition		-	23
Impairment loss on financial assets		20	(7)
Other adjustments		29	26
Changes in Working Capital			
Trade receivables and unbilled revenue		(260)	(252)
Prepayments and other assets		(70)	(220)
Trade payables		(3)	37
Client deposits		1	-
Unearned revenue		66	43
Other liabilities and provisions		(24)	48
Cash generated from operations		2,942	2,754
Income taxes paid		(843)	(892)
Net cash provided by operating activities		2,099	1,862
Investing activities:			
Expenditure on property, plant and equipment, net of sale proceeds, including changes in retention money and capital creditors		(411)	(413)
Loans to employees		4	(11)
Deposits placed with corporation		(25)	(22)
Income on investments		32	26
Payment for acquisition of business, net of cash acquired	2.9	-	(117)
Payment of contingent consideration pertaining to acquisition of business		(5)	-
Investment in equity and preference securities		(10)	(12)
Investment in others		(4)	(3)
Investment in quoted debt securities		(638)	(46)
Redemption of quoted debt securities		1	-
Investment in certificate of deposits		(1,167)	
Investment in liquid mutual fund units and fixed maturity plan securities		(8,083)	(3,676)
Redemption of liquid mutual fund units and fixed maturity plan securities		7,759	3,800
Net cash used in investing activities		(2,547)	(474)
Financing activities:			
Payment of dividend (includes corporate dividend tax)		(1,032)	(1,059)
Net cash used in financing activities		(1,032)	(1,059)
Effect of exchange rate changes on cash and cash equivalents		34	(253)
Net (decrease) in cash and cash equivalents		(1,480)	329
Cash and cash equivalents at the beginning of the period	2.1	4,935	4,859
Cash and cash equivalents at the end of the period	2.1	3,489	4,935
Supplementary information:			
Restricted cash balance	2.1	88	74

The accompanying notes form an integral part of the unaudited condensed consolidated financial statements
for and on behalf of the Board of Directors of Infosys Limited

R. Seshasayee
Chairman

Dr. Vishal Sikka
Chief Executive Officer
and Managing Director

U. B. Pravin Rao
Chief Operating Officer
and Whole-time Director

Notes to the Unaudited Condensed Consolidated Financial Statements

1. Company Overview and Significant Accounting Policies

1.1 Company overview

Infosys is a leading provider 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, its banking solution; and offerings in the areas of Analytics, Cloud, and Digital Transformation.

Infosys together with its subsidiaries and controlled trusts is herein after referred to as the "Group".

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

The Group's unaudited condensed consolidated financial statements are authorized for issue by the company's Board of Directors on April 13, 2017.

1.2 Basis of preparation of financial statements

These condensed consolidated financial statements have been prepared in compliance with International Financial Reporting Standards as issued by the International Accounting Standards Board (IFRS) and in accordance with IAS 34, Interim Financial Reporting, under the historical cost convention on the accrual basis except for certain financial instruments which have been measured at fair values. Accordingly, these condensed consolidated financial statements do not include all the information required for a complete set of financial statements. These condensed consolidated financial statements should be read in conjunction with the consolidated financial statements and related notes included in the company's Annual Report on Form 20-F for the year ended March 31, 2017. Accounting policies have been applied consistently to all periods presented in these unaudited condensed consolidated financial statements.

1.3 Basis of consolidation

Infosys consolidates entities which it owns or controls. The consolidated financial statements comprise the financial statements of the company, its controlled trusts and its subsidiaries. Control exists when the parent has power over the entity, is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns by using its power over the entity. Power is demonstrated through existing rights that give the ability to direct relevant activities, those which significantly affect the entity's returns. Subsidiaries are consolidated from the date control commences until the date control ceases.

The financial statements of the Group companies are consolidated on a line-by-line basis and intra-group balances and transactions including unrealized gain / loss from such transactions are eliminated upon consolidation. These financial statements are prepared by applying uniform accounting policies in use at the Group. Non-controlling interests which represent part of the net profit or loss and net assets of subsidiaries that are not, directly or indirectly, owned or controlled by the company, are excluded.

Associates are entities over which the group has significant influence but not control. Investments in associates are accounted for using the equity method of accounting. The investment is initially recognized at cost, and the carrying amount is increased or decreased to recognize the investor's share of the profit or loss of the investee after the acquisition date. The group's investment in associates includes goodwill identified on acquisition.

1.4 Use of estimates

The preparation of the financial statements in conformity with IFRS requires management to make estimates, judgments and assumptions. These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the period. Application of accounting policies that require critical accounting estimates involving complex and subjective judgments and the use of assumptions in these financial statements have been disclosed in Note 1.5. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the consolidated financial statements.

1.5 Critical accounting estimates

a. Revenue recognition

The group uses the percentage-of-completion method in accounting for its fixed-price contracts. Use of the percentage-of-completion method requires the group to estimate the efforts or costs expended to date as a proportion of the total efforts or costs to be expended. Efforts or costs expended have been used to measure progress towards completion as there is a direct relationship between input and productivity. Provisions for estimated losses, if any, on uncompleted contracts are recorded in the period in which such losses become probable based on the expected contract estimates at the reporting date.

b. Income taxes

The company's two major tax jurisdictions are India and the U.S., though the company also files tax returns in other overseas jurisdictions. Significant judgments are involved in determining the provision for income taxes, including amount expected to be paid/recovered for uncertain tax positions (also refer to note 2.11).

c. Business combinations and intangible assets

Business combinations are accounted for using IFRS 3 (Revised), Business Combinations. IFRS 3 requires the identifiable intangible assets and contingent consideration to be fair valued in order to ascertain the net fair value of identifiable assets, liabilities and contingent liabilities of the acquiree. Significant estimates are required to be made in determining the value of contingent consideration and intangible assets. These valuations are conducted by independent valuation experts.

d. Property, plant and equipment

Property, plant and equipment represent a significant proportion of the asset base of the Group. The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of Group's assets are determined by management at the time the asset is acquired and reviewed periodically, including at each financial year end. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology.

e. Impairment of Goodwill

Goodwill is tested for impairment on an annual basis and whenever there is an indication that the recoverable amount of a cash generating unit is less than its carrying amount based on a number of factors including operating results, business plans, future cash flows and economic conditions. The recoverable amount of cash generating units is determined based on higher of value-in-use and fair value less cost to sell. The goodwill impairment test is performed at the level of the cash-generating unit or groups of cash-generating units which are benefitting from the synergies of the acquisition and which represents the lowest level at which goodwill is monitored for internal management purposes

Market related information and estimates are used to determine the recoverable amount. Key assumptions on which management has based its determination of recoverable amount include estimated long term growth rates, weighted average cost of capital and estimated operating margins. Cash flow projections take into account past experience and represent management's best estimate about future developments.

1.6 Revenue recognition

The company derives revenues primarily from software development and related services and from the licensing of software products. Arrangements with customers for software 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, fixed-timeframe contracts, where there is no uncertainty as to measurement or collectability of consideration, is recognized as per the percentage-of-completion method. When there is uncertainty as to measurement or ultimate collectability, revenue recognition is postponed until such uncertainty is resolved. Efforts or costs expended have been used to measure progress towards completion as there is a direct relationship between input and productivity. Provisions for estimated losses, if any, on uncompleted contracts are recorded in the period in which such losses become probable based on the current contract estimates. Costs and earnings in excess of billings are classified as unbilled revenue while billings in excess of costs and earnings are classified as unearned revenue. Deferred contract costs are amortized over the term of the contract. Maintenance revenue is recognized ratably over the term of the underlying maintenance arrangement.

In arrangements for software development and related services and maintenance services, the company has applied the guidance in IAS 18, Revenue, by applying the revenue recognition criteria for each separately identifiable component of a single transaction. The arrangements generally meet the criteria for considering software development and related services as separately identifiable components. For allocating the consideration, the company has measured the revenue in respect of each separable component of a transaction at its fair value, in accordance with principles given in IAS 18. The price that is regularly charged for an item when sold separately is the best evidence of its fair value. In cases where the company is unable to establish objective and reliable evidence of fair value for the software development and related services, the company has used a residual method to allocate the arrangement consideration. In these cases the balance of the consideration, after allocating the fair values of undelivered components of a transaction has been allocated to the delivered components for which specific fair values do not exist.

License fee revenues are recognized when the general revenue recognition criteria given in IAS 18 are met. Arrangements to deliver software products generally have three elements: license, implementation and Annual Technical Services (ATS). The company has applied the principles given in IAS 18 to account for revenues from these multiple element arrangements. Objective and reliable evidence of fair value has been established for ATS. Objective and reliable evidence of fair value is the price charged when the element is sold separately. When other services are provided in conjunction with the licensing arrangement and objective and reliable evidence of their fair values have been established, the revenue from such contracts are allocated to each component of the contract in a manner, whereby revenue is deferred for the undelivered services and the residual amounts are recognized as revenue for delivered elements. In the absence of objective and reliable evidence of fair value for implementation, the entire arrangement fee for license and implementation is recognized using the percentage-of-completion method as the implementation is performed. Revenue from client training, support and other services arising due to the sale of software products is recognized as the services are performed. ATS revenue is recognized ratably over the period in which the services are rendered.

Advances received for services and products are reported as client deposits until all conditions for revenue recognition are met.

The company accounts for volume discounts and pricing incentives to customers as a reduction of revenue based on the ratable allocation of the discounts/ incentives amount to each of the underlying revenue transaction that results 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 in the period in which the change occurs. The discounts are passed on to the customer either as direct payments or as a reduction of payments due from the customer.

The company presents revenues net of value-added taxes in its statement of comprehensive income.

1.7 Property, plant and equipment

Property, plant and equipment are stated at cost, less accumulated depreciation and impairment, if any. Costs directly attributable to acquisition are capitalized until the property, plant and equipment are ready for use, as intended by management. The group depreciates property, plant and equipment over their estimated useful lives using the straight-line method. The estimated useful lives of assets are as follows:

Building	22-25 years
Plant and machinery	5 years
Computer equipment	3-5 years
Furniture and fixtures	5 years
Vehicles	5 years

Depreciation methods, useful lives and residual values are reviewed periodically, including at each financial year end.

Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date and the cost of assets not put to use before such date are disclosed under 'Capital work-in-progress'. Subsequent expenditures relating to property, plant and equipment is capitalized only when it is probable that future economic benefits associated with these will flow to the Group and the cost of the item can be measured reliably. Repairs and maintenance costs are recognized in net profit in the statement of comprehensive income when incurred. The cost and related accumulated depreciation are eliminated from the financial statements upon sale or retirement of the asset and the resultant gains or losses are recognized in net profit in the statement of comprehensive income. Assets to be disposed off are reported at the lower of the carrying value or the fair value less cost to sell.

1.8 Business combinations

Business combinations have been accounted for using the acquisition method under the provisions of IFRS 3 (Revised), Business Combinations.

The cost of an acquisition is measured at the fair value of the assets transferred, equity instruments issued and liabilities incurred or assumed at the date of acquisition, which is the date on which control is transferred to the Group. The cost of acquisition also includes the fair value of any contingent consideration. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair value on the date of acquisition.

Business combinations between entities under common control is outside the scope of IFRS 3 (Revised), Business Combinations and is accounted for at carrying value.

Transaction costs that the Group incurs in connection with a business combination such as finders' fees, legal fees, due diligence fees, and other professional and consulting fees are expensed as incurred.

1.9 Financial instruments

Effective April 1, 2016, the group has elected to early adopt IFRS 9 - Financial Instruments considering April 1, 2015 as the date of initial application of the standard even though the stipulated effective date for adoption is April 1, 2018.

As per IFRS 9, the group has classified its financial assets into the following categories based on the business model for managing those assets and the contractual cash flow characteristics:

- Financial assets carried at amortised cost
- Financial assets fair valued through other comprehensive income
- Financial assets fair valued through profit and loss

The adoption of IFRS 9 did not have any other material impact on the consolidated financial statements, hence prior period figures have not been restated. The impact on account of adoption of IFRS 9 is given in Note 2.2.

1.9.1 Initial recognition

The group recognizes financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are recognized at fair value on initial recognition, except for trade receivables which are initially measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities, that are not at fair value through profit or loss, are added to the fair value on initial recognition. Regular way purchase and sale of financial assets are accounted for at trade date.

1.9.2 Subsequent measurement

a. Non-derivative financial instruments

(i) Financial assets carried at amortised cost

A financial asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

(ii) Financial assets at fair value through other comprehensive income

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Further, in cases where the Group has made an irrevocable election based on its business model, for its investments which are classified as equity instruments, the subsequent changes in fair value are recognized in other comprehensive income.

(iii) Financial assets at fair value through profit or loss

A financial asset which is not classified in any of the above categories are subsequently fair valued through profit or loss.

(iv) Financial liabilities

Financial liabilities are subsequently carried at amortized cost using the effective interest method, except for contingent consideration recognized in a business combination which is subsequently measured at fair value through profit and loss. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

b. Derivative financial instruments

The group holds derivative financial instruments such as foreign exchange forward and option contracts to mitigate the risk of changes in exchange rates on foreign currency exposures. The counterparty for these contracts is generally a bank.

(i) Financial assets or financial liabilities, at fair value through profit or loss.

This category has derivative financial assets or liabilities which are not designated as hedges.

Although the group believes that these derivatives constitute hedges from an economic perspective, they may not qualify for hedge accounting under IFRS 9, Financial Instruments. Any derivative that is either not designated a hedge, or is so designated but is ineffective as per IFRS 9, is categorized as a financial asset or financial liability, at fair value through profit or loss.

Derivatives not designated as hedges are recognized initially at fair value and attributable transaction costs are recognized in net profit in the statement of comprehensive income when incurred. Subsequent to initial recognition, these derivatives are measured at fair value through profit or loss and the resulting exchange gains or losses are included in other income. Assets/ liabilities in this category are presented as current assets/current liabilities if they are either held for trading or are expected to be realized within 12 months after the balance sheet date.

(ii) Cash flow hedge

The group designates certain foreign exchange forward and options contracts as cash flow hedges to mitigate the risk of foreign exchange exposure on highly probable forecast cash transactions.

When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative is recognized in other comprehensive income and accumulated in the cash flow hedging reserve. Any ineffective portion of changes in the fair value of the derivative is recognized immediately in the net profit in the statement of comprehensive income. If the hedging instrument no longer meets the criteria for hedge accounting, then hedge accounting is discontinued prospectively. If the hedging instrument expires or is sold, terminated or exercised, the cumulative gain or loss on the hedging instrument recognized in cash flow hedging reserve till the period the hedge was effective remains in cash flow hedging reserve until the forecasted transaction occurs. The cumulative gain or loss previously recognized in the cash flow hedging reserve is transferred to the net profit in the statement of comprehensive income upon the occurrence of the related forecasted transaction. If the forecasted transaction is no longer expected to occur, then the amount accumulated in cash flow hedging reserve is reclassified to net profit in the statement of comprehensive income.

c. Share capital and treasury shares

(i) Ordinary Shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of new ordinary shares and share options are recognized as a deduction from equity, net of any tax effects.

(ii) Treasury Shares

When any entity within the Group purchases the company's ordinary shares, the consideration paid including any directly attributable incremental cost is presented as a deduction from total equity, until they are cancelled, sold or reissued. When treasury shares are sold or reissued subsequently, the amount received is recognized as an increase in equity, and the resulting surplus or deficit on the transaction is transferred to/ from share premium.

1.9.3 Derecognition of financial instruments

The group derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition under IFRS 9. A financial liability (or a part of a financial liability) is derecognized from the group's balance sheet when the obligation specified in the contract is discharged or cancelled or expires.

1.10 Fair value of financial instruments

In determining the fair value of its financial instruments, the group uses a variety of methods and assumptions that are based on market conditions and risks existing at each reporting date. The methods used to determine fair value include discounted cash flow analysis, available quoted market prices and dealer quotes. All methods of assessing fair value result in general approximation of value, and such value may never actually be realized.

For all other financial instruments the carrying amounts approximate the fair value due to the short maturity of those instruments.

1.11 Impairment

a. Financial assets

The group recognizes loss allowances using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit or loss. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised is recognized as an impairment gain or loss in profit or loss

b. Non-financial assets

(i) Goodwill

Goodwill is tested for impairment on an annual basis and whenever there is an indication that goodwill may be impaired, relying on a number of factors including operating results, business plans and future cash flows. For the purpose of impairment testing, goodwill acquired in a business combination is allocated to the Group's cash generating units (CGU) or groups of CGU's expected to benefit from the synergies arising from the business combination. A CGU is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or group of assets. Impairment occurs when the carrying amount of a CGU including the goodwill, exceeds the estimated recoverable amount of the CGU. The recoverable amount of a CGU is the higher of its fair value less cost to sell and its value-in-use. Value-in-use is the present value of future cash flows expected to be derived from the CGU.

Total impairment loss of a CGU is allocated first to reduce the carrying amount of goodwill allocated to the CGU and then to the other assets of the CGU pro-rata on the basis of the carrying amount of each asset in the CGU. An impairment loss on goodwill is recognized in net profit in the statement of comprehensive income and is not reversed in the subsequent period.

(ii) Intangible assets and property, plant and equipment

Intangible assets and property, plant and equipment are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the CGU to which the asset belongs.

If such assets are considered to be impaired, the impairment to be recognized in net profit in the statement of comprehensive income is measured by the amount by which the carrying value of the assets exceeds the estimated recoverable amount of the asset. An impairment loss is reversed in net profit in the statement of comprehensive income if there has been a change in the estimates used to determine the recoverable amount. The carrying amount of the 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.

1.12 Employee benefits

1.12.1 Gratuity

The Group provides for gratuity, a defined benefit retirement plan ('the Gratuity Plan') covering eligible employees of Infosys and its Indian subsidiaries. The Gratuity Plan provides a lump-sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment with the group

Liabilities with regard to the Gratuity Plan are determined by actuarial valuation, 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). In case of Infosys BPO and EdgeVerve, contributions are made to the Infosys BPO's Employees' Gratuity Fund Trust and EdgeVerve Systems Limited Employees' Gratuity Fund Trust, respectively. Trustees administer contributions made to the Trusts and contributions are invested in a scheme with Life Insurance Corporation of India as permitted by law of India.

The Group recognizes the net obligation of a defined benefit plan in its balance sheet as an asset or liability. Gains and losses through re-measurements of the net defined benefit liability/asset are recognized in other comprehensive income and are not reclassified to profit or loss in the subsequent periods. The actual return of the portfolio of plan assets, in excess of the yields computed by applying the discount rate used to measure the defined benefit obligation is recognized in other comprehensive income. The effect of any plan amendments are recognized in net profits in the statement of comprehensive income.

1.12.2 Superannuation

Certain employees of Infosys, Infosys BPO and EdgeVerve are participants in a defined contribution plan. The Group has no further 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.

1.12.3 Provident fund

Eligible employees of Infosys 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.

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

1.12.4 Compensated absences

The Group has a policy on compensated absences which are both accumulating and non-accumulating in nature. The expected cost of accumulating compensated absences is determined by actuarial valuation performed by an independent actuary at each balance sheet date 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.

1.13 Share - based compensation

The Group recognizes compensation expense relating to share-based payments in net profit using fair-value in accordance with IFRS 2, Share-Based Payment. The estimated fair value of awards is charged to income on a straight-line basis over the requisite service period for each separately vesting portion of the award as if the award was in-substance, multiple awards with a corresponding increase to share premium.

1.14 Earnings per equity share

Basic earnings per equity share is computed by dividing the net profit attributable to the equity holders of the company by the weighted average number of equity shares outstanding during the period. Diluted earnings per equity share is computed by dividing the net profit attributable to the equity holders of the company by the weighted average number of equity shares considered for deriving basic earnings per equity share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. The dilutive potential equity shares are adjusted for the proceeds receivable had the equity shares been actually issued at fair value (i.e. the average market value of the outstanding equity 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 equity shares and potentially dilutive equity shares are adjusted retrospectively for all periods presented for any share splits and bonus shares issues including for changes effected prior to the approval of the financial statements by the Board of Directors.

1.15 Recent accounting pronouncements

1.15.1 Standards issued but not yet effective

IFRS 15 Revenue from Contract with Customers: In May 2014, the International Accounting Standards Board (IASB) issued IFRS 15, Revenue from Contract with Customers. The core principle of the new standard is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Further the new standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers.

The standard permits two possible methods of transition:

- Retrospective approach - Under this approach the standard will be applied retrospectively to each prior reporting period presented in accordance with IAS 8- Accounting Policies, Changes in Accounting Estimates and Errors
- Retrospectively with cumulative effect of initially applying the standard recognized at the date of initial application (Cumulative catch - up approach)

The effective date for adoption of IFRS 15 is annual periods beginning on or after January 1, 2018, though early adoption is permitted.

The Group does not plan to early adopt IFRS 15 and will adopt the same on April 1, 2018 by using the full retrospective transition method to restate each prior reporting period presented.

The group derives revenues primarily from software development and related services and from the licensing of software products and is currently evaluating the effect of IFRS 15 on its consolidated financial statements and related disclosures.

IFRS 16 Leases : On January 13, 2016, the International Accounting Standards Board issued the final version of IFRS 16, Leases. IFRS 16 will replace the existing leases Standard, IAS 17 Leases, and related Interpretations. The Standard sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lessor. IFRS 16 introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. Currently, operating lease expenses are charged to the statement of comprehensive income. The Standard also contains enhanced disclosure requirements for lessees. IFRS 16 substantially carries forward the lessor accounting requirements in IAS 17.

The effective date for adoption of IFRS 16 is annual periods beginning on or after January 1, 2019, though early adoption is permitted for companies applying IFRS 15 Revenue from Contracts with Customers. The Group is yet to evaluate the requirements of IFRS 16 and the impact on the consolidated financial statements.

IFRIC 22, Foreign currency transactions and Advance consideration: On December 8, 2016, the IFRS interpretations committee of the International Accounting Standards Board (IASB) issued IFRS interpretation, IFRIC 22, Foreign currency transactions and Advance consideration which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency. The effective date for adoption of IFRIC 22 is annual reporting periods beginning on or after January 1, 2018, though early adoption is permitted. The Group is currently evaluating the effect of IFRIC 22 on the consolidated financial statements.

Amendments to IAS 7, 'Statement of cash flows': In January 2016, the International Accounting Standards Board issued the amendments to IAS 7, requiring the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities, to meet the disclosure requirement. The effective date for adoption of the amendments to IAS 7 is annual reporting periods beginning on or after January 1, 2017, though early adoption is permitted. The Group is evaluating the disclosure requirements of the amendment and the effect on the consolidated financial statements is being evaluated.

Amendments to IFRS 2, 'Share-based payment': In June 2016, the International Accounting Standards Board issued the amendments to IFRS 2, providing specific guidance for measurement of cash-settled awards, modification of cash-settled awards and awards that include a net settlement feature in respect of withholding taxes. It clarifies that the fair value of cash-settled awards is determined on a basis consistent with that used for equity-settled awards. Market-based performance conditions and non-vesting conditions are reflected in the 'fair values', but non-market performance conditions and service vesting conditions are reflected in the estimate of the number of awards expected to vest. Also, the amendment clarifies that if the terms and conditions of a cash-settled share-based payment transaction are modified with the result that it becomes an equity-settled share-based payment transaction, the transaction is accounted for as such from the date of the modification. Further, the amendment requires the award that includes a net settlement feature in respect of withholding taxes to be treated as equity-settled in its entirety. The cash payment to the tax authority is treated as if it was part of an equity settlement. The effective date for adoption of the amendments to IFRS 2 is annual reporting periods beginning on or after January 1, 2018, though early adoption is permitted. The Group is evaluating the requirements of the amendment and the impact on the consolidated financial statements is being evaluated.

2. Notes to the Unaudited Condensed Consolidated Financial Statements

2.1 Cash and cash equivalents

Cash and cash equivalents consist of the following:

	<i>(Dollars in millions)</i>	
	As of	
	March 31, 2017	March 31, 2016
Cash and bank deposits	2,296	4,139
Deposits with financial institutions	1,193	796
	3,489	4,935

Cash and cash equivalents as of March 31, 2017 and March 31, 2016 include restricted cash and bank balances of \$88 million and \$74 million, respectively. The restrictions are primarily on account of cash and bank balances held by irrevocable trusts controlled by the company, bank balances held as margin money deposits against guarantees and balances held in unpaid dividend bank accounts.

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

The table below provides details of cash and cash equivalents :

	<i>(Dollars in millions)</i>	
	As of	
	March 31, 2017	March 31, 2016
Current accounts		
ANZ Bank, Taiwan	-	2
Banamex Bank, Mexico	-	1
Banamex Bank, Mexico (U.S. Dollar account)	1	-
Bank of America, Mexico	8	3
Bank of America, USA	159	103
Bank Zachodni WBK S.A, Poland	1	1
Barclays Bank, UK	-	3
Bank Leumi, Israel (US Dollar account)	-	3
Bank Leumi, Israel	2	2
BNP Paribas Bank, Norway	3	-
China Merchants Bank, China	1	1
Citibank N.A, China	10	10
Citibank N.A., China (U.S. Dollar account)	2	11
Citibank N.A., Costa Rica	1	-
Citibank N.A., Australia	3	11
Citibank N.A., Brazil	5	1
Citibank N.A., Japan	2	2
Citibank N.A., New Zealand	2	1
Citibank N.A., South Africa	2	1
CitiBank N.A., USA	12	9
Commerzbank, Germany	3	3
Crédit Industriel et Commercial Bank, France	-	1
Deutsche Bank, India	2	1
Deutsche Bank, Philippines	1	2
Deutsche Bank, Philippines (U.S. Dollar account)	1	-
Deutsche Bank, Poland	2	1
Deutsche Bank, Poland (Euro account)	1	-
Deutsche Bank, EEFC (Australian Dollar account)	6	-
Deutsche Bank, EEFC (Euro account)	4	5
Deutsche Bank, EEFC (Swiss Franc account)	-	1
Deutsche Bank, EEFC (U.S. Dollar account)	12	15
Deutsche Bank, EEFC (United Kingdom Pound Sterling account)	2	1
Deutsche Bank, Belgium	2	9
Deutsche Bank, Malaysia	1	1
Deutsche Bank, Czech Republic	1	2
Deutsche Bank, Czech Republic (Euro account)	1	-
Deutsche Bank, Czech Republic (U.S. Dollar account)	5	4
Deutsche Bank, France	1	2
Deutsche Bank, Germany	8	3
Deutsche Bank, Netherlands	-	1
Deutsche Bank, Singapore	1	1
Deutsche Bank, Switzerland	1	-
Deutsche Bank, United Kingdom	4	26

Deutsche Bank, USA	2	-
HSBC Bank, Brazil	-	1
ICICI Bank, India	8	11
ICICI Bank, EEFC (U.S. Dollar account)	1	2
ICICI Bank - Unpaid dividend account	2	-
Nordbanken, Sweden	5	2
Punjab National Bank, India	1	1
Raiffeisen Bank, Czech Republic	1	1
Raiffeisen Bank, Romania	1	1
Royal Bank of Canada, Canada	13	12
State Bank of India, India	1	1
Silicon Valley Bank, USA	1	1
Silicon Valley Bank, (Euro account)	3	10
Silicon Valley Bank, (United Kingdom Pound Sterling account)	-	3
Union Bank of Switzerland AG	-	2
Union Bank of Switzerland AG, (Euro account)	1	2
Union Bank of Switzerland AG, (U.S. Dollar account)	-	4
Union Bank of Switzerland AG, (United Kingdom Pound Sterling account)	-	1
Wells Fargo Bank N.A., USA	5	3
Westpac, Australia	-	1
	318	303
Deposit accounts		
Andhra Bank	-	143
Axis Bank	181	202
Bank BGZ BNP Paribas S.A	28	-
Bank of India	-	11
Barclays Bank	127	-
Canara Bank	40	339
Central Bank of India	-	232
Citibank	26	19
Corporation Bank	-	194
Deutsche Bank, Poland	11	36
HDFC Bank	72	400
HSBC Bank	77	-
ICICI Bank	751	634
IDBI Bank	270	287
IDFC Bank	31	-
Indian Overseas Bank	-	189
Indusind Bank	29	38
Jammu & Kashmir Bank	-	4
Kotak Mahindra Bank Limited	83	81
Oriental Bank of Commerce	-	297
Punjab National Bank	-	3
South Indian Bank	69	3
Standard Chartered Bank	77	-
State Bank of India	-	357
Syndicate Bank	8	191
Union Bank of India	-	21
Vijaya Bank	-	46
Yes Bank	98	109
	1,978	3,836
Deposits with financial institutions		
HDFC Limited, India	1,085	796
LIC Housing Finance Limited	108	-
	1,193	796
Total	3,489	4,935

2.2 Investments

The carrying value of investments are as follows:

(Dollars in millions)		
	As of	
	March 31, 2017	March 31, 2016
(i) Current		
Amortised cost		
Quoted debt securities:		
Cost	2	1
Fair value through profit and loss		
Liquid mutual funds		
Fair Value	278	10
Fixed maturity plan securities		
Fair Value	23	-
Fair Value through Other comprehensive income		
Quoted debt securities:		
Fair value	16	-
Certificate of deposits		
Fair value	1,219	-
	1,538	11
(ii) Non-current		
Amortised cost		
Quoted debt securities:		
Cost	293	256
Fair value through Other comprehensive income		
Quoted debt securities:		
Fair value	597	-
Unquoted equity and preference securities:		
Fair value	25	14
Fair value through profit and loss		
Unquoted convertible promissory note		
Fair value	1	-
Fixed maturity plan securities		
Fair Value	63	-
Others:		
Fair value	5	3
	984	273
Total investments	2,522	284
Investment carried at amortized cost	295	257
Investments carried at fair value through other comprehensive income	1,857	17
Investments carried at fair value through profit and loss	370	10

Liquid Mutual fund:

The cost and fair value of liquid mutual funds as of March 31, 2017 was \$277 million and \$278 million, respectively and as of March 31, 2016 was \$10 million. The fair value is based on quoted prices.

Fixed maturity plan securities:

The cost and fair value as of March 31, 2017 is \$86 million. The fair value is based on market observable inputs.

Quoted debt securities carried at amortised cost:

Investment in quoted debt securities represents the investments made in debt securities issued by government and quasi government organisations. The fair value of quoted debt securities (including interest accrued) as on March 31, 2017 and March 31, 2016 was \$334 million and \$257 million, respectively. The fair value is based on the quoted prices and market observable inputs.

Quoted debt securities fair valued through other comprehensive income:

Investment in quoted debt securities represents investments made in non-convertible debentures issued by government aided institutions. The cost and fair value of non-convertible debentures (including interest accrued) as of March 31, 2017 is \$614 million and \$613 million. The fair value is based on quoted prices and market observable inputs. The unrealised loss of \$1 million, net of taxes of less than \$1 million, has been recognized in other comprehensive income for the year ended March 31, 2017.

Certificate of deposits:

The cost and fair value of certificate of deposits as of March 31, 2017 is \$1,220 million and \$1,219 million. The fair value is based on market observable inputs. The unrealised loss of \$1 million, net of taxes of less than \$1 million, has been recognized in other comprehensive income for the year ended March 31, 2017.

Unquoted equity and preference securities:

The invested amount and fair value of unquoted equity and preference securities of March 31, 2017 is \$25 million each. The fair value is determined using Level 3 inputs like Discounted cash flows method, Market multiples method, Option pricing model, etc.

Impact on account of adoption of IFRS 9

Certain investments which were earlier carried at fair value through other comprehensive income under IAS 39, Financial Instruments: Recognition and measurement are now carried at amortised cost under IFRS 9, where the business model is to hold the asset, in order to collect contractual cash flows and the contractual terms of the financial asset give rise, on specified dates, to cash flows that are solely payments of principal and interest on the principal amount. Further, certain investments carried at fair value through other comprehensive income under IAS 39 are now fair valued through profit and loss under IFRS 9. The impact of such change in measurement did not have a material impact on the financial statements. Hence, the company has not restated the prior period figures and the cumulative impact has been recorded in other comprehensive income for the year ended March 31, 2017.

Accordingly, for the year ended March 31, 2017, the company has recorded, in its other comprehensive income, a reversal of unrealised gain, net of taxes, of \$ 5 million (recorded on quoted debt securities as on April, 1, 2016), with a corresponding change in investment and deferred taxes.

Further, under IFRS 9, the impairment of financial assets is measured under the 'Expected Credit Loss' (ECL) model, which uses a dual measurement approach, under which the loss allowance is measured as either twelve month expected credit losses or lifetime expected credit losses. The change in the impairment model did not have a material impact on the financial statements.

Details showing the changes in the classification and the corresponding differences on transition, in carrying value as of April 1, 2016:

(Dollars in millions)				
Instrument	As per IAS 39		As per IFRS 9	
	Category	Carrying value	Category	Carrying value
(i) Current				
Liquid mutual funds	Available for sale financial assets ⁽¹⁾	10	Fair value through profit or loss	10
Quoted debt securities:	Available for sale financial assets ⁽¹⁾	1	Amortized cost	1
Total		11		11
(ii) Non current				
Quoted debt securities:	Available for sale financial assets ⁽¹⁾	256	Amortized cost	241
Unquoted equity and preference securities	Available for sale financial assets ⁽¹⁾	14	Fair value through other comprehensive income	14
Others	Available for sale financial assets ⁽¹⁾	3	Fair value through profit or loss	3
Total		273		258
Total investments		284		269

⁽¹⁾ Fair value changes through other comprehensive income

Details showing the changes in the classification and the corresponding differences on transition, in carrying value as of April 1, 2015:

(Dollars in millions)

Instrument	As per IAS 39		As per IFRS 9	
	Category	Carrying value	Category	Carrying value
(i) Current				
Liquid mutual funds	Available for sale financial assets ⁽¹⁾	135	Fair value through profit or loss	135
Fixed maturity plan securities:	Available for sale financial assets ⁽¹⁾	5	Fair value through profit or loss	5
Total		<u>140</u>		<u>140</u>
(ii) Non current				
Quoted debt securities:	Available for sale financial assets ⁽¹⁾	215	Amortized cost	208
Unquoted equity and preference securities	Available for sale financial assets ⁽¹⁾	-	Fair value through other comprehensive income	-
Total		<u>215</u>		<u>208</u>
Total investments		<u>355</u>		<u>348</u>

⁽¹⁾ Fair value changes through other comprehensive income

2.3 Financial instruments

Financial instruments by category

The carrying value and fair value of financial instruments by categories as of March 31, 2017 were as follows:

(Dollars in millions)

	Amortised cost	Financial assets/ liabilities at fair value through profit or loss		Financial assets/liabilities at fair value through OCI		Total carrying value	Total fair value
		Designated upon initial recognition	Mandatory	Equity instruments designated upon initial recognition	Mandatory		
Assets:							
Cash and cash equivalents (Refer Note 2.1)	3,489	-	-	-	-	3,489	3,489
Investments (Refer Note 2.2)							
Liquid mutual funds	-	-	278	-	-	278	278
Fixed maturity plans	-	-	86	-	-	86	86
Quoted debt securities	295	-	-	-	613	908	947 ⁽¹⁾
Certificate of deposits	-	-	-	-	1,219	1,219	1,219
Unquoted equity and preference securities:	-	-	-	25	-	25	25
Unquoted investments others	-	-	5	-	-	5	5
Unquoted convertible promissory note:	-	-	1	-	-	1	1
Trade receivables	1,900	-	-	-	-	1,900	1,900
Unbilled revenue	562	-	-	-	-	562	562
Prepayments and other assets (Refer Note 2.4)	410	-	-	-	-	410	410
Derivative financial instruments	-	-	36	-	8	44	44
Total	6,656	-	406	25	1,840	8,927	
Liabilities:							
Trade payables	57	-	-	-	-	57	57
Derivative financial instruments	-	-	-	-	-	-	-
Client deposits	5	-	-	-	-	5	5
Other liabilities including contingent consideration (Refer Note 2.5)	763	-	13	-	-	776	776
Total	825	-	13	-	-	838	

The carrying value and fair value of financial instruments by categories as of March 31, 2016 were as follows:

(Dollars in millions)

	Amortised cost	Financial assets/ liabilities at fair value through profit or loss		Financial assets/liabilities at fair value through OCI		Total carrying value	Total fair value
		Designated upon initial recognition	Mandatory	Equity instruments designated upon initial recognition	Mandatory		
Assets:							
Cash and cash equivalents (Refer Note 2.1)	4,935	-	-	-	-	4,935	4,935
Investments (Refer Note 2.2)							
Liquid mutual funds	-	-	10	-	-	10	10
Quoted debt securities	257	-	-	-	-	257	257 ⁽¹⁾
Unquoted equity and preference securities:	-	-	-	17	-	17	17
Trade receivables	1,710	-	-	-	-	1,710	1,710
Unbilled revenue	457	-	-	-	-	457	457
Prepayments and other assets (Refer Note 2.4)	393	-	-	-	-	393	393
Derivative financial instruments	-	-	17	-	-	17	17
Total	7,752	-	27	17	-	7,796	
Liabilities:							
Trade payables	58	-	-	-	-	58	58
Derivative financial instruments	-	-	1	-	-	1	1
Client deposits	4	-	-	-	-	4	4
Other liabilities including contingent consideration (Refer Note 2.5)	737	-	17	-	-	754	754
Total	799	-	18	-	-	817	

⁽¹⁾ On account of fair value changes including interest accrued

Fair value hierarchy

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

Fair value hierarchy of assets and liabilities as of March 31, 2017:

(Dollars in millions)

	As of March 31, 2017	Fair value measurement at end of the reporting period / year		
		Level 1	Level 2	Level 3
Assets				
Investments in liquid mutual fund units (Refer Note 2.2)	278	278	-	-
Investments in fixed maturity plans (Refer Note 2.2)	86	-	86	-
Investments in quoted debt securities (Refer Note 2.2)	947	565	382	-
Investments in certificate of deposit (Refer Note 2.2)	1,219	-	1,219	-
Investments in equity and preference securities (Refer Note 2.2)	25	-	-	25
Investment in unquoted investments others (Refer Note 2.2)	5	-	-	5
Investments in convertible promissory note (Refer Note 2.2)	1	-	-	1
Derivative financial instruments- gain on outstanding foreign exchange forward and option contracts	44	-	44	-
Liabilities				
Derivative financial instruments- loss on outstanding foreign exchange forward and option contracts	-	-	-	-
Liability towards contingent consideration (Refer Note 2.5)*	13	-	-	13

During the year ended March 31, 2017, quoted debt securities of \$17 million were transferred from Level 1 to Level 2 of fair value hierarchy, since these were valued based on market observable inputs.

*Discounted \$14 million at 14.2%.

A one percentage point change in the unobservable inputs used in fair valuation of the contingent consideration does not have a significant impact in its value.

Fair value hierarchy of assets and liabilities as of March 31, 2016:

(Dollars in millions)

	As of March 31, 2016	Fair value measurement at end of the reporting period / year using		
		Level 1	Level 2	Level 3
Assets				
Investments in liquid mutual fund units (Refer Note 2.2)	10	10	-	-
Investments in quoted debt securities (Refer Note 2.2)	257	57	200	-
Investments in equity and preference securities (Refer Note 2.2)	14	-	-	14
Others (Refer Note 2.2)	3	-	-	3
Derivative financial instruments- gain on outstanding foreign exchange forward and option contracts	17	-	17	-
Liabilities				
Derivative financial instruments- loss on outstanding foreign exchange forward and option contracts	1	-	1	-
Liability towards contingent consideration (Refer Note 2.5)*	17	-	-	17

*Discounted \$20 million at 13.7%.

A one percentage point change in the unobservable inputs used in fair valuation of the contingent consideration does not have a significant impact in its value.

The movement in contingent consideration as of March 31, 2017 from March 31, 2016 is on account of settlement of contingent consideration of \$6 million and change in discount rates and passage of time.

Income from financial assets or liabilities is as follows:

(Dollars in millions)

	As of	
	March 31, 2017	March 31, 2016
Interest income on financial assets carried at amortized cost	352	402
Interest income on financial assets fair valued through other comprehensive income	28	-
Dividend income on investments carried at fair value through profit or loss	4	10
Gain / (loss) on investments carried at fair value through profit or loss	18	-
	402	412

Financial risk management

Financial risk factors

The Group's activities expose it to a variety of financial risks - market risk, credit risk and liquidity risk. The Group's focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance. The primary market risk to the Group is foreign exchange risk. The Group uses derivative financial instruments to mitigate foreign exchange related risk exposures. The Group's exposure to credit risk is influenced mainly by the individual characteristic of each customer and the concentration of risk from the top few customers.

Market risk

The Group operates internationally and a major portion of the business is transacted in several currencies and consequently the Group is exposed to foreign exchange risk through its sales and services in the United States and elsewhere, and purchases from overseas suppliers in various foreign currencies. The Group holds derivative financial instruments such as foreign exchange forward and option contracts to mitigate the risk of changes in exchange rates on foreign currency exposures. The exchange rate between the rupee and foreign currencies has changed substantially in recent years and may fluctuate substantially in the future. Consequently, the results of the Group's operations are adversely affected as the Indian rupee appreciates / depreciates against these currencies.

The following table analyses foreign currency risk from financial instruments as of March 31, 2017:

(Dollars in millions)

	U.S. dollars	Euro	United Kingdom Pound Sterling	Australian dollars	Other currencies	Total
Cash and cash equivalents	206	20	6	28	108	368
Trade receivables	1,287	192	119	87	108	1,793
Unbilled revenue	376	68	50	19	47	560
Other assets	65	15	7	6	15	108
Trade payables	(18)	(5)	(2)	(1)	(24)	(50)
Client deposits	(2)	-	(2)	-	(1)	(5)
Accrued expenses	(147)	(33)	(22)	(6)	(23)	(231)
Employee benefit obligation	(86)	(13)	(3)	(23)	(19)	(144)
Other liabilities	(94)	(17)	(5)	(3)	(42)	(161)
Net assets / (liabilities)	1,587	227	148	107	169	2,238

The following table analyses foreign currency risk from financial instruments as of March 31, 2016:

(Dollars in millions)

	U.S. dollars	Euro	United Kingdom Pound Sterling	Australian dollars	Other currencies	Total
Cash and cash equivalents	170	25	30	26	91	342
Trade receivables	1,141	193	109	90	105	1,638
Unbilled revenue	282	56	29	17	38	422
Other assets	14	6	4	2	12	38
Trade payables	(19)	(11)	(11)	(1)	(11)	(53)
Client deposits	(3)	-	-	-	(1)	(4)
Accrued expenses	(119)	(23)	(18)	(5)	(33)	(198)
Employee benefit obligation	(87)	(12)	(7)	(25)	(19)	(150)
Other liabilities	(159)	(20)	(5)	(6)	(32)	(222)
Net assets / (liabilities)	1,220	214	131	98	150	1,813

For the years ended March 31, 2017 and 2016, every percentage point depreciation / appreciation in the exchange rate between the Indian rupee and the U.S. dollar has affected the company's incremental operating margins by approximately 0.50%.

Sensitivity analysis is computed based on the changes in the income and expenses in foreign currency upon conversion into functional currency, due to exchange rate fluctuations between the previous reporting period and the current reporting period.

Derivative financial instruments

The Group holds derivative financial instruments such as foreign exchange forward and option contracts to mitigate the risk of changes in exchange rates on foreign currency exposures. The counterparty for these contracts is generally a bank. These derivative financial instruments are valued based on quoted prices for similar assets and liabilities in active markets or inputs that are directly or indirectly observable in the marketplace. The following table gives details in respect of outstanding foreign exchange forward and options contracts:

	(In millions)	
	As of	
	March 31, 2017	March 31, 2016
Derivatives designated as cash flow hedges		
Forward contracts		
In Euro	95	-
In United Kingdom Pound Sterling	40	-
In Australian dollars	130	-
Option Contracts		
In Euro	40	-
In United Kingdom Pound Sterling	-	-
In Australian dollars	-	-
Other derivatives		
Forward contracts		
In U.S. dollars	526	510
In Euro	114	100
In United Kingdom Pound Sterling	75	65
In Australian dollars	35	55
In Swiss Franc	10	25
In Singapore dollars	5	-
In Swedish Krona	50	-
Options contracts		
In U.S. dollars	195	125
In Euro	25	-
In United Kingdom Pound Sterling	30	-
In Canadian dollars	13	-

The Group recognized a net gain of \$89 million and a net gain of \$4 million on derivative financial instruments for the year ended March 31, 2017 and 2016, respectively, which are included under other income.

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

	(Dollars in millions)	
	As of	
	March 31, 2017	March 31, 2016
Not later than one month	355	238
Later than one month and not later than three months	666	516
Later than three months and not later than one year	329	157
	1,350	911

During the year ended March 31, 2017, the group has designated certain foreign exchange forward contracts as cash flow hedges to mitigate the risk of foreign exchange exposure on highly probable forecast cash transactions. The related hedge transactions for balance in cash flow hedging reserve are expected to occur and reclassified to revenue in the statement of profit or loss within 3 months.

Hedge effectiveness is determined at the inception of the hedge relationship, and through periodic prospective effectiveness assessments to ensure that an economic relationship exists between the hedged item and hedging instrument, including whether the hedging instrument is expected to offset changes in cash flows of hedged items.

If the hedge ratio for risk management purposes is no longer optimal but the risk management objective remains unchanged and the hedge continues to qualify for hedge accounting, the hedge relationship will be rebalanced by adjusting either the volume of the hedging instrument or the volume of the hedged item so that the hedge ratio aligns with the ratio used for risk management purposes. Any hedge ineffectiveness is calculated and accounted for in profit or loss at the time of the hedge relationship rebalancing.

The following table provides the reconciliation of cash flow hedge reserve for the year ended March 31, 2017:

	(Dollars in millions)	
	Year ended March	
	31, 2017	
Gain / (Loss)		
Balance at the beginning of the period		-
Gain / (Loss) recognised in other comprehensive income during the period		18
Amount reclassified to revenue during the period		(10)
Tax impact on above		(2)
Balance at the end of the period		6

The group offsets a financial asset and a financial liability when it currently has a legally enforceable right to set off the recognized amounts and the group intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

The following table provides quantitative information about offsetting of derivative financial assets and derivative financial liabilities:

	(Dollars in millions)			
	As of			
	March 31, 2017		March 31, 2016	
	Derivative financial asset	Derivative financial liability	Derivative financial asset	Derivative financial liability
Gross amount of recognized financial asset/liability	44	-	18	(2)
Amount set off	-	-	(1)	1
Net amount presented in balance sheet	44	-	17	(1)

Credit risk

Credit risk refers to the risk of default on its obligation by the counterparty resulting in a financial loss. The maximum exposure to the credit risk at the reporting date is primarily from trade receivables amounting to \$1,900 million and \$1,710 million as of March 31, 2017 and March 31, 2016, respectively and unbilled revenue amounting to \$562 million and \$457 million as of March 31, 2017 and March 31, 2016, respectively. Trade receivables and unbilled revenue are typically unsecured and are derived from revenue earned from customers primarily located in the United States. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Group grants credit terms in the normal course of business. The group uses a provision matrix to compute the expected credit loss allowance for trade receivables and unbilled revenues. The provision matrix takes into account available external and internal credit risk factors such as credit default swap quotes, credit ratings from international credit rating agencies and the Group's historical experience for customers.

The following table gives details in respect of percentage of revenues generated from top customer and top five customers:

	(In %)	
	Year ended March 31,	
	2017	2016
Revenue from top customer	3.4	3.6
Revenue from top five customers	12.6	13.8

Credit risk exposure

The allowance for lifetime expected credit loss on customer balances for the year ended March 31, 2017 was \$20 million. The reversal of allowance for lifetime expected credit loss on customer balances for the year ended March 31, 2016 was \$7 million.

(Dollars in millions)		
	Year ended March 31,	
	2017	2016
Balance at the beginning	44	59
Translation differences	(1)	(3)
Impairment loss recognized/(reversed)	20	(7)
Write offs	-	(5)
Balance at the end	63	44

The Company's credit period generally ranges from 30-60 days.

(Dollars in millions except otherwise stated)		
	As of	
	March 31, 2017	March 31, 2016
Trade receivables	1,900	1,710
Unbilled revenues	562	457
Days Sales Outstanding- DSO (days)	68	66

Credit risk on cash and cash equivalents is limited as we generally invest in deposits with banks and financial institutions with high credit ratings assigned by international and domestic credit rating agencies. Investments primarily include investment in liquid mutual fund units, fixed maturity plans, quoted bonds issued by government and quasi government organizations, non convertible debentures and certificates of deposits.

Liquidity risk

The Group's principal sources of liquidity are cash and cash equivalents and the cash flow that is generated from operations. The Group has no outstanding bank borrowings. The Group believes that the working capital is sufficient to meet its current requirements.

As of March 31, 2017, the Group had a working capital of \$6,121 million including cash and cash equivalents of \$3,489 million and current investments of \$1,538 million. As of March 31, 2016, the Group had a working capital of \$5,804 million including cash and cash equivalents of \$4,935 million and current investments of \$11 million.

As of March 31, 2017 and March 31, 2016, the outstanding employee benefit obligations were \$209 million and \$202 million, respectively, which have been substantially funded. Accordingly, no liquidity risk is perceived.

The table below provides details regarding the contractual maturities of significant financial liabilities as of March 31, 2017:

(Dollars in millions)					
Particulars	Less than 1 year	1-2 years	2-4 years	4-7 years	Total
Trade payables	57	-	-	-	57
Client deposits	5	-	-	-	5
Other liabilities (excluding liability towards contingent consideration - Refer Note 2.5)	758	5	-	-	763
Liability towards contingent consideration on an undiscounted basis -Refer Note 2.5	7	7	-	-	14

The table below provides details regarding the contractual maturities of significant financial liabilities as of March 31, 2016:

(Dollars in millions)					
Particulars	Less than 1 year	1-2 years	2-4 years	4-7 years	Total
Trade payables	58	-	-	-	58
Client deposits	4	-	-	-	4
Other liabilities (excluding liability towards acquisition - Refer Note 2.5)	732	4	1	-	737
Liability towards acquisitions on an undiscounted basis (Refer Note 2.5)	13	7	-	-	20

2.4 Prepayments and other assets

Prepayments and other assets consist of the following:

(Dollars in millions)		
	As of	
	March 31, 2017	March 31, 2016
Current		
Rental deposits	1	2
Security deposits	2	1
Loans to employees	42	46
Prepaid expenses ⁽¹⁾	68	30
Interest accrued and not due	89	106
Withholding taxes and others ⁽¹⁾	291	272
Advance payments to vendors for supply of goods ⁽¹⁾	20	17
Deposit with corporations	218	187
Deferred contract cost ⁽¹⁾	12	7
Other assets	6	4
	749	672
Non-current		
Loans to employees	5	4
Security deposits	13	12
Deposit with corporations	7	9
Prepaid gratuity ⁽²⁾	12	1
Prepaid expenses ⁽¹⁾	15	13
Deferred contract cost ⁽¹⁾	44	50
Rental Deposits	27	22
	123	111
	872	783
Financial assets in prepayments and other assets	410	393

⁽¹⁾ Non financial assets

Withholding taxes and others primarily consist of input tax credits. Other assets primarily represent travel advances and other recoverable. Security deposits relate principally to leased telephone lines and electricity supplies. Deferred contract costs are upfront costs incurred for the contract and are amortised over the term of the contract.

Deposit with corporation represents amounts deposited to settle certain employee-related obligations as and when they arise during the normal course of business.

2.5 Other liabilities

Other liabilities comprise the following:

(Dollars in millions)		
	As of	
	March 31, 2017	March 31, 2016
Current		
Accrued compensation to employees	290	342
Accrued expenses	399	331
Withholding taxes and others ⁽¹⁾	189	196
Retainage	34	12
Liabilities of controlled trusts	22	25
Liability towards contingent consideration (Refer note 2.9)	7	12
Others	13	22
	954	940
Non-Current		
Liability towards contingent consideration (Refer note 2.9)	6	5
Accrued compensation to employees	5	5
Deferred income - government grant on land use rights ⁽²⁾	6	7
Deferred income ⁽¹⁾	7	-
	24	17
	978	957
Financial liabilities included in other liabilities	776	754
Contingent consideration on undiscounted basis	14	20

⁽¹⁾ Non financial liabilities

Accrued expenses primarily relate to cost of technical sub-contractors, telecommunication charges, legal and professional charges, brand building expenses, overseas travel expenses and office maintenance. Others include unpaid dividend balances and capital creditors.

2.6 Provisions

Provisions comprise the following:

(Dollars in millions)		
	As of	
	March 31, 2017	March 31, 2016
Provision for post sales client support and other provisions	63	77
	63	77

Provision for post sales client support and other provisions represents costs associated with providing sales support services which are accrued at the time of recognition of revenues and are expected to be utilized over a period of 6 months to 1 year. The movement in the provision for post sales client support and other provisions is as follows:

(Dollars in millions)	
	Year ended March 31, 2017
Balance at the beginning	77
Translation differences	-
Provision recognized/(reversed)	15
Provision utilized	(29)
Balance at the end	63

Provision for post sales client support and other provisions is included in cost of sales in the statement of comprehensive income.

As of March 31, 2017 and March 31, 2016, claims against the company, not acknowledged as debts, net of amounts paid (excluding demands from Indian income tax authorities- Refer to Note 2.11) amounted to \$46 million (₹301 crore) and \$42 million (₹277 crore), respectively.

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.

2.7 Property, plant and equipment

Following are the changes in the carrying value of property, plant and equipment for the year ended March 31, 2017:

	(Dollars in millions)						
	Land	Buildings	Plant and machinery	Computer equipment	Furniture and fixtures	Vehicles	Total
Gross carrying value as of April 1, 2016	244	955	392	615	218	4	2,428
Additions	22	147	73	120	57	1	420
Deletions	-	-	(8)	(47)	(17)	(1)	(73)
Translation difference	6	21	9	12	3	1	52
Gross carrying value as of March 31, 2017	272	1,123	466	700	261	5	2,827
Accumulated depreciation as of April 1, 2016	(3)	(332)	(243)	(395)	(149)	(3)	(1,125)
Depreciation	(1)	(35)	(57)	(101)	(31)	(1)	(226)
Accumulated depreciation on deletions	-	-	5	34	14	1	54
Translation difference	-	(9)	(6)	(9)	(2)	-	(26)
Accumulated depreciation as of March, 2017	(4)	(376)	(301)	(471)	(168)	(3)	(1,323)
Capital work-in progress as of March 31, 2017							303
Carrying value as of March 31, 2017	268	747	165	229	93	2	1,807
Capital work-in progress as of April 1, 2016							286
Carrying value as of April 1, 2016	241	623	149	220	69	1	1,589

Following are the changes in the carrying value of property, plant and equipment for the year ended March 31, 2016:

	(Dollars in millions)						
	Land	Buildings	Plant and machinery	Computer equipment	Furniture and fixtures	Vehicles	Total
Gross carrying value as of April 1, 2015	250	940	337	535	189	6	2,257
Additions	9	68	76	168	40	1	362
Deletions	-	-	(1)	(60)	(1)	(2)	(64)
Translation difference	(15)	(53)	(20)	(28)	(10)	(1)	(127)
Gross carrying value as of March 31, 2016	244	955	392	615	218	4	2,428
Accumulated depreciation as of April 1, 2015	(3)	(317)	(207)	(365)	(132)	(3)	(1,027)
Depreciation	(1)	(33)	(49)	(84)	(24)	(1)	(192)
Accumulated depreciation on deletions	-	-	1	36	1	1	39
Translation difference	1	18	12	18	6	-	55
Accumulated depreciation as of March 31, 2016	(3)	(332)	(243)	(395)	(149)	(3)	(1,125)
Capital work-in progress as of March 31, 2016							286
Carrying value as of March 31, 2016	241	623	149	220	69	1	1,589
Capital work-in progress as of April 1, 2015							230
Carrying value as of April 1, 2015	247	623	130	170	57	3	1,460

The depreciation expense is included in cost of sales in the statement of comprehensive income.

During the year ended March 31, 2017, the management based on an internal evaluation reassessed the remaining useful life of certain technology assets acquired as a part of business combinations. Accordingly, the remaining useful life of the said asset which was 8 years has been revised to 3 years. Amortisation expense for the year ended March 31, 2017 is higher by \$3 million due to the revision.

Carrying value of land includes \$99 million and \$95 million as of March 31, 2017 and March 31, 2016, respectively, towards deposits paid under certain lease-cum-sale agreements to acquire land, including agreements where the company has an option to either purchase the properties or renew the lease on expiry of the lease period.

The contractual commitments for capital expenditure were \$179 million and \$224 million as of March 31, 2017 and March 31, 2016, respectively.

2.8 Goodwill

Following is a summary of changes in the carrying amount of goodwill:

	(Dollars in millions)	
	As of	
	March 31, 2017	March 31, 2016
Carrying value at the beginning	568	495
Goodwill on Kallidus d.b.a Skava acquisition (Refer note 2.9)	-	71
Goodwill on Noah acquisition (Refer note 2.9)	-	5
Translation differences	(5)	(3)
Carrying value at the end	563	568

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to the cash generating units (CGU) or groups of CGU's, which benefit from the synergies of the acquisition. The chief operating decision maker reviews the goodwill for any impairment at the operating segment level, which is represented through groups of CGU's.

During the year ended March 31, 2016, the Company reorganized some of its segments to enhance executive customer relationships, improve focus of sales investments and increase management oversight. Consequent to these internal reorganizations there were changes effected in the segments based on the "management approach" as defined in IFRS 8, Operating Segments. (Refer Note 2.14). Accordingly the goodwill has been allocated to the new operating segments as at March 31, 2016.

The following table presents the allocation of goodwill to operating segments as at March 31, 2017 and March 31, 2016:

	(Dollars in millions)	
	As of	
Segment	March 31, 2017	March 31, 2016
Financial services	127	128
Manufacturing	63	64
Retail, Consumer packaged goods and Logistics	86	87
Life Sciences, Healthcare and Insurance	98	99
Energy & utilities, Communication and Services	118	119
	492	497
Operating segments without significant goodwill	71	71
Total	563	568

The entire goodwill relating to Infosys BPO's acquisition of McCamish has been allocated to the group of CGU's which is represented by the Life Sciences, Healthcare and Insurance segment.

The goodwill relating to Infosys Lodestone, Portland, Panaya and Kallidus d.b.a Skava acquisitions has been allocated to the groups of CGU's which are represented by the entity's operating segment.

The entire goodwill relating to Noah acquisition has been allocated to the group of CGU's which is represented by the Energy & utilities, Communication and Services segment.

The recoverable amount of a CGU is the higher of its fair value less cost to sell and its value-in-use. The fair value of a CGU is determined based on the market capitalization. The value-in-use is determined based on specific calculations. These calculations use pre-tax cash flow projections over a period of five years. As of March 31, 2016, the estimated recoverable amount of the CGU exceeded its carrying amount. The recoverable amount was computed based on the fair value being higher than value-in-use and the carrying amount of the CGU was computed by allocating the net assets to operating segments for the purpose of impairment testing. The key assumptions used for the calculations are as follows:

	<i>In %</i>	
	As of	
	March 31, 2017	March 31, 2016
Long term growth rate	8-10	8-10
Operating margins	17-20	17-20
Discount rate	14.4	14.2

The above discount rate is based on the Weighted Average Cost of Capital (WACC) of the Company. These estimates are likely to differ from future actual results of operations and cash flows.

2.9 Business combination

Noah Consulting LLC

On November 16, 2015, Infosys has acquired 100% membership interest in Noah Consulting, LLC (Noah), 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, contingent consideration of upto \$5 million and an additional consideration of upto \$32 million, referred to as retention bonus payable to the employees of Noah at each anniversary year following the acquisition date for the next three years, subject to their continuous employment with the group at each anniversary.

This acquisition combines Noah's industry knowledge, information strategy planning, data governance and architecture capabilities with Infosys' ability to provide technology and outsourcing services on a global scale to oil and gas clients. The excess of the purchase consideration paid over the fair value of assets acquired has been attributed to goodwill.

The purchase price has been allocated based on management's estimates and independent appraisal of fair values as follows:

(Dollars in millions)			
Component	Acquiree's carrying amount	Fair value adjustments	Purchase price allocated
Net assets ^(*)	6	—	6
Intangible assets – technical knowhow	—	4	4
Intangible assets – trade name	—	4	4
Intangible assets - customer contracts and relationships	—	18	18
	6	26	32
Goodwill			5
Total purchase price			37

*Includes cash and cash equivalents acquired of \$3 million.

Goodwill of \$1 million is tax deductible.

The gross amount of trade receivables acquired and its fair value is \$4 million and the amounts have been fully collected.

The acquisition date fair value of each major class of consideration as of the acquisition date is as follows:

(Dollars in millions)	
Component	Consideration
Cash paid	33
Fair value of contingent consideration	4
Total purchase price	37

The fair value of contingent consideration is determined by discounting the estimated amount payable to the sellers of Noah on achievement of certain financial targets. At acquisition date, the key inputs used in determination of the fair value of contingent consideration are the discount rate of 32% and the probabilities of achievement of the financial targets. During year ending March 31, 2016, based on an assessment of Noah achieving the targets for the year ending December 31, 2015 and December 31, 2016, the entire contingent consideration has been reversed in the statement of comprehensive income

The retention bonus is treated as a post-acquisition employee remuneration expense as per IFRS 3. For fiscal 2017, \$14 million has been recorded as post-acquisition remuneration expense in the statement of comprehensive income.

The transaction costs of \$2 million related to the acquisition have been included under administrative expenses in the statement of comprehensive income for the year ended March 31, 2016.

Finacle and Edge Services

On April 24, 2015, the Board of Directors of Infosys authorized the Company to execute a Business Transfer Agreement and related documents with EdgeVerve, a wholly owned subsidiary, 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 had undertaken an enterprise valuation by an independent valuer and accordingly the business were transferred for a consideration of ₹3,222 crore (approximately \$491 million) and ₹177 crore (approximately \$27 million) for Finacle and Edge Services, respectively.

The consideration was settled through issue of 85,00,00,000 equity shares amounting to ₹850 crore (approximately \$129 million) and 25,49,00,000 non-convertible redeemable debentures amounting to ₹2,549 crore (approximately \$389 million) in EdgeVerve, post the requisite approval from shareholders on December 11, 2015. During the year ended March 31, 2016, EdgeVerve has repaid ₹420 crore (approximately \$63 million) by redeeming proportionate number of debentures.

The transfer of assets and liabilities was accounted for at carrying values and did not have any impact on the consolidated financial statements.

Kallidus Inc. (d.b.a Skava)

On June 2, 2015, Infosys acquired 100% of the voting interests in Kallidus Inc., US (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, an affiliate of Kallidus. The business acquisition was conducted by entering into a share purchase agreement for cash consideration of \$91 million and a contingent consideration of up to \$20 million.

Infosys expects to help its clients bring new digital experiences to their customers through IP-led technology offerings, new automation tools and skill and expertise in these new emerging areas. The excess of the purchase consideration paid over the fair value of assets acquired has been attributed to goodwill.

The purchase price has been allocated based on management's estimates and independent appraisal of fair values as follows:

<i>(Dollars in millions)</i>			
Component	Acquiree's carrying amount	Fair value adjustments	Purchase price allocated
Net assets ^(*)	6	–	6
Intangible assets – technology	–	21	21
Intangible assets – trade name	–	2	2
Intangible assets - customer contracts and relationships	–	27	27
Deferred tax liabilities on Intangible assets	–	(20)	(20)
	6	30	36
Goodwill			71
Total purchase price			107

**Includes cash and cash equivalents acquired of \$4 million.*

The goodwill is not tax deductible.

The gross amount of trade receivables acquired and its fair value is \$9 million and the amounts have been fully collected.

The acquisition date fair value of each major class of consideration as of the acquisition date is as follows:

<i>(Dollars in millions)</i>	
Component	Consideration
Cash paid	91
Fair value of contingent consideration	16
Total purchase price	107

The payment of contingent consideration to sellers of Kallidus is dependent upon the achievement of certain financial targets by Kallidus over a period of 3 years ending on December 31, 2017.

The fair value of contingent consideration is determined by discounting the estimated amount payable to the sellers of Kallidus on achievement of certain financial targets. At the acquisition date, the key inputs used in determination of the fair value of contingent consideration are the discount rate of 14% and the probabilities of achievement of the financial targets.

During the year ended March 31, 2017 contingent consideration of \$6 million was paid to the sellers of Kallidus on the achievement of certain financial targets. The balance contingent consideration as of March 31, 2017 and March 31, 2016 is \$14 million and \$20 million on an undiscounted basis.

The transaction costs of \$2 million related to the acquisition have been included under administrative expenses in the statement of comprehensive income for the year ended March 31, 2016.

2.10 Employees' Stock Option Plans (ESOP)

2015 Stock Incentive Compensation Plan (the 2015 Plan): SEBI issued the Securities and Exchange Board of India (Share based Employee Benefits) Regulations, 2014 ('SEBI Regulations') which replaced the SEBI ESOP Guidelines, 1999. The 2011 Plan (as explained below) was required to be amended and restated in accordance with the SEBI Regulations. Consequently, to effect this change and to further introduce stock options/ADR's and other stock incentives, the Company put forth the 2015 Stock Incentive Compensation Plan (the 2015 Plan) for approval to the shareholders of the Company. Pursuant to the approval by the shareholders through postal ballot which ended on March 31, 2016, the Board of Directors have been authorised to introduce, offer, issue and allot share-based incentives to eligible employees of the Company and its subsidiaries under the 2015 Plan. The maximum number of shares under the 2015 plan shall not exceed 2,40,38,883 equity shares (this includes 1,12,23,576 equity shares which were held by the Trust towards the 2011 Plan as at March 31, 2016). 1,70,38,883 equity shares will be issued as RSUs at par value and 70,00,000 equity shares will be issued as stock options at market price. These instruments will vest over a period of 4 years and the Company expects to grant the instruments under the 2015 Plan over the period of 4 to 7 years.

On August 1, 2016, the company granted 17,83,615 RSUs (includes equity shares and equity shares represented by ADS) at par value, to employees upto mid management (excluding grants made to Dr. Vishal Sikka). Further, the company granted 73,020 Incentive Units (cash-settled) to eligible employees. These instruments will vest equally over a period of 4 years and are subject to continued service.

Further on November 1, 2016, the company granted 9,70,375 RSUs (includes equity shares and equity shares represented by ADS) at par value, 12,05,850 employee stock options (ESOPs) (including equity shares and equity shares represented by ADS) to be exercised at market price at the time of grant, to certain employees at the senior management level. Further the company granted 20,640 incentive units (cash-settled) to certain employees at the senior management level. These instruments will vest equally over a period of 4 years and are subject to continued service.

Additionally, on February 1, 2017, the company granted 18,550 incentive units (cash-settled) to certain employees at the senior management level. These instruments will vest equally over a period of 4 years and are subject to continued service.

As of March 31, 2017, 11,289,514 shares are held by the trust towards 2015 Plan. As of March 31, 2017, 106,845 incentive units were outstanding (net of forfeitures) and the carrying value of the cash liability is less than \$1 million.

Pursuant to the approval from the shareholders through postal ballot on March 31, 2016, Dr. Vishal Sikka is eligible to receive under the 2015 Plan, an annual grant of RSU's of fair value \$2 million which vest over time, subject to continued service, and an annual grant of performance based equity and stock options of \$5 million subject to achievement of performance targets set by the Board or its committee, which vest over time. \$2 million of fair value in RSUs for financial year 2017 was granted on August 1, 2016 amounting to 120,700 RSUs in equity shares represented by ADS.

The Nomination and Remuneration Committee in its meeting held on October 14, 2016 recommended a grant of 27,250 RSUs and 43,000 ESOPs to U.B.Pravin Rao, Chief Operating Officer (COO), under the 2015 Plan and the same was approved by the shareholders through postal ballot on March 31, 2017. These RSUs and ESOPs will be granted w.e.f May 2, 2017. These RSUs and stock options would vest over a period of 4 years and shall be exercisable within the period as approved by the Committee. The exercise price of the RSU's will be equal to the par value of the shares and the exercise price of the stock options would be the market price as on the date of grant, as approved by the shareholders. Though these RSUs and ESOPs have not been granted as of March 31, 2017, in accordance with IFRS 2 Share-based Payment, the company has recorded employee stock based compensation expense for the same.

2011 RSU Plan (the 2011 Plan) now called 2015 Stock Incentive Compensation Plan (the 2015 Plan): The Company had a 2011 RSU Plan which provided for the grant of restricted stock units (RSUs) to eligible employees of the Company. The Board of Directors recommended the 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 was 1,13,34,400 as on date of approval of plan adjusted for bonus shares and the plan was expected to continue in effect for a term of 10 years from the date of initial grant under the plan. Awards have been granted to the Dr Vishal Sikka under the 2011 RSU plan as detailed below. Further the Company has earmarked 1,00,000 equity shares for welfare activities of the employees, approved by the shareholders vide postal ballot which ended on March 31, 2016. The equity shares as of March 31, 2016 held under this plan, i.e. 1,12,23,576 equity shares (this includes the aggregate number of equity shares that may be awarded under the 2011 Plan as reduced by 10,824 equity shares already exercised by Dr. Vishal Sikka and 1,00,000 equity shares which have been earmarked for welfare activities of the employees) have been subsumed under the 2015 Plan.

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 Officer and Managing Director. The Board in its meeting held on June 22, 2015, on recommendation of Nomination and Remuneration Committee, further granted 1,24,061 RSUs to Dr. Vishal Sikka. These RSUs are vesting 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.

The award granted to Dr. Vishal Sikka on June 22, 2015 was modified by the Nomination and remuneration committee on April 14, 2016. There is no modification or change in the total number of RSUs granted or the vesting period (which is four years). The modifications relate to the criteria of vesting for each of the years. Based on the modification, the first tranche of the RSUs will vest subject to achievement of certain key performance indicators for the year ended March 31, 2016. Subsequent vesting of RSU's for each of the remaining years would be subject to continued employment.

The activity in the 2015 Plan (formerly 2011 RSU Plan) for equity-settled share based payment transaction during the year ended March 31, 2017 is set out below:

Particulars	Year ended March 31, 2017	
	Shares arising out of options	Weighted average exercise price (₹)
2015 Plan (Formerly 2011 Plan): Indian equity shares (RSU - IES)		
Outstanding at the beginning*	221,505	5
Granted	1,878,025	5
Forfeited and expired	61,540	5
Exercised	34,062	5
Outstanding at the end	2,003,928	5
Exercisable at the end	-	-
2015 Plan (Formerly 2011 Plan): Employee Stock Options (ESOPs- IES)		
Outstanding at the beginning	-	-
Granted	309,650	998
Forfeited and expired	-	-
Exercised	-	-
Outstanding at the end	309,650	998
Exercisable at the end	-	-

*adjusted for bonus issues (Refer note 2.17)

Particulars	Year ended March 31, 2017	
	Shares arising out of options	Weighted average exercise price (\$)
2015 Plan (Formerly 2011 Plan): American Depository Shares (RSU - ADS)		
Outstanding at the beginning	-	-
Granted	996,665	0.07
Forfeited and expired	39,220	0.07
Exercised	-	-
Outstanding at the end	957,445	0.07
Exercisable at the end	-	-
2015 Plan (Formerly 2011 Plan): Employee Stock Options (ESOPs- ADS)		
Outstanding at the beginning	-	-
Granted	896,200	15.26
Forfeited and expired	8,200	15.26
Exercised	-	-
Outstanding at the end	888,000	15.26
Exercisable at the end	-	-

The activity in the 2015 Plan (formerly 2011 RSU Plan) for equity-settled share based payment transaction during the year ended March 31, 2016 is set out below:

Particulars	Year ended March 31, 2016	
	Shares arising out of options	Weighted average exercise price (₹)
2015 Plan (Formerly 2011 Plan): Indian equity shares (IES)		
Outstanding at the beginning*	108,268	5
Granted	124,061	5
Forfeited and expired	-	-
Exercised*	10,824	5
Outstanding at the end	221,505	5
Exercisable at the end	-	-

*adjusted for bonus issues (Refer note 2.17)

During the year ended March 31, 2017 and March 31, 2016, the weighted average share price of options exercised under the 2015 Plan on the date of exercise was \$16.10 and \$16.

The following table summarizes information about equity settled RSUs and ESOPs outstanding as of March 31, 2017

Range of exercise prices per share (\$)	Options outstanding		
	No. of shares arising out of options	Weighted average remaining contractual life	Weighted average exercise price (\$)
2015 Plan: ADS and IES			
0.07 (RSU)	2,961,373	1.88	0.07
14 - 16 (ESOP)	1,197,650	7.09	15.83
	4,159,023	3.38	4.61

The weighted average remaining contractual life of RSUs outstanding as of March 31, 2016 under the 2015 Plan was 1.98 years.

The fair value of each equity settled RSU is estimated on the date of grant using the Black-Scholes-Merton model with the following assumptions:

Particulars	For options granted in			
	Fiscal 2017- Equity Shares- RSU	Fiscal 2017- Equity shares ESOP	Fiscal 2017- ADS-RSU	Fiscal 2017- ADS- ESOP
Grant date	1-Nov-16	1-Nov-16	1-Nov-16	1-Nov-16
Weighted average share price (₹) / (\$- ADS)	989	989	15.26	15.26
Exercise price (₹) / (\$- ADS)	5.00	998	0.07	15.26
Expected volatility (%)	24-29	27-29	26-29	27-31
Expected life of the option (years)	1 - 4	3 - 7	1 - 4	3 - 7
Expected dividends (%)	2.37	2.37	2.29	2.29
Risk-free interest rate (%)	6- 7	6- 7	1 - 2	1 - 2
Weighted average fair value as on grant date (₹) / (\$- ADS)	929	285	14.35	3.46

Particulars	For options granted in			
	Fiscal 2017- Equity Shares	Fiscal 2017- ADS	Fiscal 2016- Equity Shares	Fiscal 2015- Equity Shares
Grant date	1-Aug-16	1-Aug-16	22-Jun-15	21-Aug-14
Weighted average share price (₹) / (\$- ADS)*	1,085	16.57	1,024	3,549
Exercise price (₹) / (\$- ADS)*	5.00	0.07	5.00	5.00
Expected volatility (%)	25-29	26-30	28-36	30-37
Expected life of the option (years)	1 - 4	1 - 4	1 - 4	1 - 4
Expected dividends (%)	2.37	2.29	2.43	1.84
Risk-free interest rate (%)	6- 7	0.5 - 1	7- 8	8- 9
Weighted average fair value as on grant date (₹) / (\$- ADS)*	1,019	15.59	948	3,355

* Data for Fiscal 2015 is not adjusted for bonus issues

The expected term of the RSU / ESOP is estimated based on the vesting term and contractual term of the RSU / ESOP, as well as expected exercise behaviour of the employee who receives the RSU / ESOP. Expected volatility during the expected term of the RSU / ESOP 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 / ESOP.

The company recorded an employee stock compensation expense in the statement of comprehensive income for the year ended March 31, 2017 and March 31, 2016 of \$17 million and \$1 million, respectively. The cash settled stock compensation expense for the year ended March 31, 2017 was less than \$1 million.

2.11 Income taxes

Income tax expense in the consolidated statement of comprehensive income comprises:

<i>(Dollars in millions)</i>		
	Year ended March 31,	
	2017	2016
Current taxes		
Domestic taxes	616	642
Foreign taxes	226	167
	842	809
Deferred taxes		
Domestic taxes	(1)	3
Foreign taxes	(7)	(13)
	(8)	(10)
Income tax expense	834	799

Income tax expense for the year ended March 31, 2017 and March 31, 2016 includes reversals (net of provisions) of \$23 million and \$47 million, respectively, pertaining to earlier periods.

Entire deferred income tax for fiscal 2017 and 2016 relates to origination and reversal of temporary differences.

A reconciliation of the income tax provision to the amount computed by applying the statutory income tax rate to the income before income taxes is summarized below:

<i>(Dollars in millions)</i>		
	Year ended March 31,	
	2017	2016
Profit before income taxes	2,974	2,851
Enacted tax rates in India	34.61%	34.61%
Computed expected tax expense	1,029	987
Tax effect due to non-taxable income for Indian tax purposes	(295)	(268)
Overseas taxes	112	109
Tax provision (reversals), overseas and domestic	(23)	(47)
Effect of differential overseas tax rates	10	1
Effect of exempt non operating income	(10)	(13)
Effect of unrecognized deferred tax assets	14	9
Effect of non-deductible expenses	4	30
Additional deduction on research and development expense	(8)	(9)
Others	1	-
Income tax expense	834	799

The applicable Indian statutory tax rate for fiscal 2017 and fiscal 2016 is 34.61%.

During the year ended March 31, 2017, the Group has claimed weighted tax deduction on eligible research and development expenditure based on the approval received from Department of Scientific and Industrial Research (DSIR) which is valid upto March 31, 2017. The weighted tax deduction is equal to 200% of such expenditure incurred. The company has applied for renewal of the R&D recognition with DSIR.

During year ended March 31, 2016 Infosys had claimed weighted tax deduction on eligible research and development till July 31, 2015 based on the approval received from Department of Scientific and Industrial Research (DSIR) on November 23, 2011 which was renewed effective April 2014. With effect from August 1, 2015 the business of Finacle, including the R&D activities, was transferred to its wholly owned subsidiary Edgeverve Systems Limited. However the approval for Edgeverve was effective April 2016.

The foreign tax expense is due to income taxes payable overseas, principally in the United States. In India, the Company has benefited from certain tax incentives that the Government of India has provided to the export of software for the units registered under the Special Economic Zones Act, 2005 (SEZ). SEZ units which began the provision of services on or after April 1, 2005 are eligible for a deduction of 100 percent of profits or gains derived from the export of services for the first five years from the financial year in which the unit commenced the provision of services and 50 percent of such profits or gains for further five years. Up to 50% of such profits or gains is also available for a further five years subject to creation of a Special Economic Zone Reinvestment Reserve out of the profit for the eligible SEZ units and utilization of such reserve by the Company for acquiring new plant and machinery for the purpose of its business as per the provisions of the Income Tax Act, 1961.

As of March 31, 2017, claims against the group not acknowledged as debts from the Indian Income tax authorities net of amount paid to statutory authorities of \$722 million (₹4682 crore) amounted to \$262 million (₹1,696 crore).

As of March 31, 2016, claims against the group not acknowledged as debts from the Indian Income tax authorities net of amount paid to statutory authorities of \$662 million (₹4,383 crore) amounted to \$1 million (₹7 crore).

Payment of \$722 million (₹4,682 crore) includes demands from the Indian Income tax authorities of \$944 million (₹6,122 crore), including interest of \$291 million (₹1,885 crore) upon completion of their tax assessment for fiscal 2007, fiscal 2008, fiscal 2009, fiscal 2010, fiscal 2011, fiscal 2012 and fiscal 2013. The company has filed an appeal with the income tax appellate authorities.

Demand for fiscal 2007, fiscal 2008 and fiscal 2009 includes disallowance of a 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. Demand for fiscal 2007, fiscal 2008, fiscal 2009, fiscal 2010, fiscal 2011, fiscal 2012 and fiscal 2013 also includes disallowance of portion of profit earned outside India from the STP units under section 10A of the Income Tax Act and disallowance of profits earned from SEZ units under section 10AA of the Income Tax Act. Demand for fiscal 2012 & fiscal 2013 includes disallowance of certain expenses incurred in foreign currency being reduced from export turnover but not reduced from total turnover and disallowance of profits earned from SEZ units which commenced operations before 1st April 2009 under section 10AA of the Income Tax Act and also others. The matters for fiscal 2007, fiscal 2008, fiscal 2009 and fiscal 2013 are pending before the Commissioner of Income Tax (Appeals) Bangalore. The matter for fiscal 2010, fiscal 2011 and fiscal 2012 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.

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

The following is a reconciliation of the equity shares used in the computation of basic and diluted earnings per equity share:

	Year ended March 31,	
	2017	2016
Basic earnings per equity share - weighted average number of equity shares outstanding ⁽¹⁾⁽²⁾	2,285,639,447	2,285,616,160
Effect of dilutive common equivalent shares	757,298	102,734
Diluted earnings per equity share - weighted average number of equity shares and common equivalent shares outstanding	2,286,396,745	2,285,718,894

⁽¹⁾ excludes treasury shares

⁽²⁾ adjusted for bonus issues (Refer note 2.17)

For the year ended March 31, 2017, 112,190 number of options to purchase equity shares had an anti-dilutive effect.

For the year ended March 31, 2016, there was no outstanding options to purchase equity shares which had an anti-dilutive effect

2.13 Related party transactions

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

Transactions with key management personnel

During the year ended March 31, 2017, the company has additionally identified its Presidents - Mohit Joshi, Sandeep Dadlani, Rajesh K Murthy, Ravi Kumar S, and Group Head - Human Resources - Krishnamurthy Shankar as key managerial personnel as defined under IAS 24 – Related Party Disclosures w.e.f from October 14, 2016. The Company's Deputy General Counsel, Gopi Krishnan Radhakrishnan has assumed the responsibilities as acting General Counsel w.e.f. December 31, 2016.

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

	(Dollars in millions)	
	Year ended March 31,	
	2017	2016
Salaries and other employee benefits to whole-time directors and executive officers ⁽¹⁾⁽²⁾⁽³⁾⁽⁴⁾⁽⁵⁾	12	15
Commission and other benefits to non-executive/ independent directors	2	2
Total	14	17

⁽¹⁾ Includes employee stock compensation expense of \$5 million and \$1 million for the year ended March 31, 2017 and March 31, 2016, respectively towards key management personnel. Refer to note 2.10

⁽²⁾ Year ended March 31, 2017 includes \$0.87 million payable payable under severance agreement to David Kennedy, who stepped down as General counsel and Chief compliance officer w.e.f December 31, 2016.

⁽³⁾ Year ended March 31, 2016 includes \$2.58 million payable under severance agreement to Rajiv Bansal who stepped down as Chief Financial officer w.e.f October 12, 2015

⁽⁴⁾ The Board based on the recommendations of the Nominations committee approved on April 13, 2017, \$0.82 million as variable pay to CEO for the year ended March 31, 2017. The shareholders vide postal ballot had approved a variable pay of \$3 million at target.

Pursuant to the approval from the shareholders through postal ballot on March 31, 2016, Dr. Vishal Sikka is eligible to receive under the 2015 Plan, an annual grant of RSU's of fair value \$2 million which vest over time, subject to continued service and an annual grant of performance based equity and stock options of \$5 million subject to achievement of performance targets set by the Board or its committee, which vest over time. The Board based on the recommendations of the nominations committee approved on April 13, 2017, RSUs amounting to \$1.9 Mn and ESOP's amounting to \$ 0.96 Mn representing the performance based equity and stock options for the financial year 2017. Further, the Board also approved the annual time based vesting grant for financial year 2018 amounting to RSU's of \$2 million.

The year ended March 31, 2016 includes provision for variable pay amounting to \$4.33 million to CEO. The shareholders in the EGM dated July 30, 2014 had approved a variable pay of \$4.18 million at a target level and also authorized the Board to alter and vary the terms of remuneration. Accordingly, the Board based on the recommendations of the Nominations committee approved on April 15, 2016, \$4.33 million as variable pay for the year ended March 31, 2016.

⁽⁵⁾ On March 31, 2017, the shareholders vide postal ballot approved a revision in the salary of U.B. Pravin Rao, whole-time director and COO.

Investment in Associate

Share of associate profit/loss & others for the year ended March 31, 2017 includes an impairment loss of \$3million on investment in DWA Nova LLC.

2.14 Segment Reporting

IFRS 8 establishes standards for the way that public business enterprises report information about operating segments and related disclosures about products and services, geographic areas, and major customers. The group's operations predominantly relate to providing end-to-end business solutions to enable clients to enhance business performance. During the quarter ended March 31, 2016, the Group reorganized some of its segments to enhance executive customer relationships, improve focus of sales investments and increase management oversight consequent to which, erstwhile manufacturing segment is now being reviewed as Hi-Tech, Manufacturing and others included in ECS. Additionally, Infosys Public services (IPS) is being reviewed separately by the Chief Operating Decision Maker (CODM). Consequent to the internal reorganizations, there were changes effected in the reportable business segments based on the "management approach" as defined in IFRS 8, Operating Segments. The CODM evaluates the Company's performance and allocates resources based on an analysis of various performance indicators by business segments and geographic segments. Accordingly, information has been presented both along business segments and geographic segments. 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.

Business segments of the Group are primarily enterprises in Financial Services (FS), enterprises in Manufacturing (MFG), enterprises in Retail, Consumer packaged goods and Logistics (RCL), enterprises in the Energy & utilities, Communication and Services (ECS), enterprises in Hi-Tech (Hi-Tech), enterprises in Life Sciences, Healthcare and Insurance (HILIFE) and all other segments. The FS reportable segments has been aggregated to include the Financial Services operating segment and the Finacle operating segment. All other segments represents the operating segments of businesses in India, Japan and China and IPS. 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. Consequent to the above changes in the composition of reportable business segments, the prior period comparatives have been restated.

Revenue and identifiable operating expenses in relation to segments are categorized based on items that are individually identifiable to that segment. Revenue for "all other segments" represents revenue generated by IPS and revenue generated from customers located in India, Japan and China. Allocated expenses of segments include expenses incurred for rendering services from the Company's offshore software development centres 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 Group.

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

Geographical information on revenue and business segment revenue information is collated based on individual customers invoiced or in relation to which the revenue is otherwise recognized.

2.14.1 Business Segments

Year ended March 31, 2017 and March 31, 2016

(Dollars in millions)

	FS	MFG	ECS	RCL	HILIFE	Hi-Tech	All other segments	Total
Revenues	2,765	1,119	2,300	1,673	1,258	763	330	10,208
	2,590	1,047	2,061	1,556	1,231	756	260	9,501
Identifiable operating expenses	1,382	584	1,107	802	623	396	210	5,104
	1,248	555	944	742	585	371	156	4,601
Allocated expenses	607	259	532	387	291	177	76	2,329
	606	257	505	381	302	185	65	2,301
Segment profit	776	276	661	484	344	190	44	2,775
	736	235	612	433	344	200	39	2,599
Unallocable expenses								255
								224
Operating profit								2,520
								2,375
Other income, net								459
								476
Share in associate's profit / (loss)								(5)
								-
Profit before Income taxes								2,974
								2,851
Income tax expense								834
								799
Net profit								2,140
								2,052
Depreciation and amortisation								254
								222
Non-cash expenses other than depreciation and amortisation								1
								2

2.14.2 Geographic Segments

Year ended March 31, 2017 and March 31, 2016

(Dollars in millions)

	North America	Europe	India	Rest of the World	Total
Revenues	6,320	2,295	325	1,268	10,208
	5,957	2,186	246	1,112	9,501
Identifiable operating expenses	3,222	1,147	149	586	5,104
	2,936	1,060	109	496	4,601
Allocated expenses	1,460	529	66	274	2,329
	1,459	534	51	257	2,301
Segment profit	1,638	619	110	408	2,775
	1,562	592	86	359	2,599
Unallocable expenses					255
					224
Operating profit					2,520
					2,375
Other income, net					459
					476
Share in associate's profit / (loss)					(5)
					-
Profit before Income taxes					2,974
					2,851
Income Tax expense					834
					799
Net profit					2,140
					2,052
Depreciation and amortisation					254
					222
Non-cash expenses other than depreciation and amortisation					1
					2

2.14.3 Significant clients

No client individually accounted for more than 10% of the revenues for the year ended March 31, 2017 and March 31, 2016.

2.15 Break-up of expenses

Cost of sales

	<i>(Dollars in millions)</i>	
	Year ended March 31,	
	2017	2016
Employee benefit costs	4,987	4,627
Deferred purchase price pertaining to acquisition	-	23
Depreciation and amortisation (refer to note 2.7)	254	222
Travelling costs	246	250
Cost of technical sub-contractors	571	537
Cost of software packages for own use	118	111
Third party items bought for service delivery to clients	120	81
Operating lease payments	46	37
Consultancy and professional charges	4	3
Communication costs	39	27
Repairs and maintenance	46	28
Provision for post-sales client support	12	1
Others	3	3
Total	6,446	5,950

Sales and marketing expenses

	<i>(Dollars in millions)</i>	
	Year ended March 31,	
	2017	2016
Employee benefit costs	405	403
Travelling costs	52	54
Branding and marketing	51	44
Operating lease payments	10	7
Consultancy and professional charges	7	7
Communication costs	3	3
Others	7	4
Total	535	522

Administrative expenses

	<i>(Dollars in millions)</i>	
	Year ended March 31,	
	2017	2016
Employee benefit costs	220	206
Consultancy and professional charges	103	107
Repairs and maintenance	145	131
Power and fuel	34	33
Communication costs	40	38
Travelling costs	35	41
Rates and taxes	22	17
Operating lease payments	17	11
Insurance charges	8	9
Impairment loss recognised/(reversed) on financial assets	21	(7)
Commission to non-whole time directors	2	1
Contributions towards Corporate Social Responsibility	34	33
Others	26	34
Total	707	654

2.16 Dividends

The Company declares and pays dividends in Indian rupees. The remittance of dividends outside India is governed by Indian law on foreign exchange and is subject to applicable distribution taxes.

The amount of per share dividend recognized as distributions to equity shareholders for the year ended March 31, 2017 includes final dividend of ₹14.25/- per equity share (approximately \$0.22 per equity share) and an interim dividend of ₹11/- per equity share (\$0.17 per equity share). The amount of per share dividend recognized as distributions to equity shareholders for the year ended March 31, 2016 includes final dividend of ₹29.50/- per equity share (\$0.47 per equity share) (not adjusted for June 17, 2015 bonus issue) and an interim dividend of ₹10/- per equity share (\$0.15 per equity share).

The Board of Directors, in their meeting on October 14, 2016, declared an interim dividend of ₹11/- per equity share (\$0.17 per equity share), which resulted in a net cash outflow of approximately \$453 million, (excluding dividend paid on treasury shares) inclusive of corporate dividend tax.

The Board of Directors, in its meeting on April 13, 2017, have proposed a final dividend of ₹14.75/- per equity share (\$0.23 per equity share) for the financial year ended March 31, 2017. The proposal is subject to the approval of shareholders at the Annual General Meeting to be held on June 24, 2017 and if approved would result in a cash outflow of approximately \$626 million (excluding dividend paid on treasury shares), including corporate dividend tax.

2.17 Share capital and share premium

The Company has only one class of shares referred to as equity shares having a par value of ₹5/-. The Company has allotted 1,148,472,332 fully paid up equity shares of face value ₹5/- each during the three months ended June 30, 2015 pursuant to a bonus issue approved by the shareholders through postal ballot. Book closure date fixed by the Board was June 17, 2015. 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. 11,289,514 and 11,323,576 shares were held by controlled trust, as of March 31, 2017 and March 31, 2016, respectively.

The amount received in excess of the par value has been classified as share premium. Additionally, share-based compensation recognized in net profit in the consolidated statement of comprehensive income is credited to share premium. Amounts have been utilised for bonus issue from share premium account.

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

R. Seshasayee
Chairman

Dr. Vishal Sikka
*Chief Executive Officer
and Managing Director*

U. B. Pravin Rao
*Chief Operating Officer and
Whole-time Director*

Bengaluru
April 13, 2017

Roopa Kudva
Director

M. D. Ranganath
Chief Financial Officer

A.G.S Manikantha
Company Secretary

Infosys Limited and Subsidiaries
Unaudited Condensed Consolidated Interim Statements of Comprehensive Income for the three months ended March 31,
(Dollars in millions except equity share and per equity share data)

	2017	2016
Revenues	2,569	2,446
Cost of sales	1,614	1,516
Gross profit	955	930
Operating expenses:		
Selling and marketing expenses	133	134
Administrative expenses	188	171
Total operating expenses	321	305
Operating profit	634	625
Other income, net	112	114
Share in associate's profit/ (loss) and others	(4)	-
Profit before income taxes	742	739
Income tax expense	199	206
Net profit	543	533
Other comprehensive income		
<i>Items that will not be reclassified to profit or loss:</i>		
Re-measurements of the net defined benefit liability/asset	3	-
Equity instruments through other comprehensive income	(1)	-
	2	-
<i>Items that may be reclassified subsequently to profit or loss:</i>		
Fair valuation of investments	(2)	3
Fair value changes on derivatives designated as cash flow hedge, net	2	-
Foreign currency translation	441	11
	441	14
Total other comprehensive income, net of tax	443	14
Total comprehensive income	986	547
Profit attributable to:		
Owners of the company	543	533
Non-controlling interests	-	-
	543	533
Total comprehensive income attributable to:		
Owners of the company	986	547
Non-controlling interests	-	-
	986	547
Earnings per equity share		
Basic (\$)	0.24	0.23
Diluted (\$)	0.24	0.23
Weighted average equity shares used in computing earnings per equity share		
Basic	2,285,654,881	2,285,620,957
Diluted	2,286,652,003	2,285,750,316

Infosys (NSE, BSE: INFY) Announces Results for the Quarter and Year ended March 31, 2017
Bangalore, India – April 13, 2017

1. Highlights

FY 17 revenues crossed \$10 billion, at \$10,208 million

FY 17 revenues grew 9.7% to ₹68,484 crore in INR terms; 8.3% in constant currency terms

FY 17 operating margin at 24.7% as compared to 25.0% in FY 16

FY 17 Basic EPS at ₹62.80, a growth of 6.4% YoY

Q4 revenues declined by 0.9% QoQ in INR terms; flat in constant currency terms

Q4 operating margin at 24.6% and Basic EPS at ₹15.77

Liquid assets including cash & cash equivalents and investments at ₹38,773 crore as on March 31, 2017

FY 18 revenue guidance at 6.5%-8.5% in constant currency. FY 18 operating margin guidance at 23%-25%

2. Dividend for Financial Year 2017

For Financial Year 2017, the Board announced a final dividend of ₹14.75 per share amounting to ₹4,078 crore. After including the interim dividend of ₹11 per share, the aggregate dividend for Financial Year 2017 amounts to ₹25.75 per share resulting in total payout of ₹7,119 crore. The total payout amounts to 49.6% of post-tax profits and 63.0% of free cash flow* for Financial Year 2017.

3. Capital Allocation Policy

The Board reviewed and approved a revised Capital Allocation Policy of the Company after taking into consideration the strategic and operational cash requirements of the Company in the medium term.

The key aspects of the Capital Allocation Policy are:

1. The Company's current policy is to pay dividends of up to 50% of post-tax profits of the Financial Year. Effective from Financial Year 2018, the Company expects to payout up to 70% of the free cash flow* of the corresponding Financial Year in such manner (including by way of dividend and/or share buyback) as may be decided by the Board from time to time, subject to applicable laws and requisite approvals, if any.

2. In addition to the above, the Board has identified an amount of upto ₹13,000 crore (\$2 billion)** to be paid out to shareholders during Financial Year 2018, in such manner (including by way of dividend and/or share buyback), to be decided by the Board, subject to applicable laws and requisite approvals, if any.

Further announcements in this regard will be made, as appropriate, in due course.

* Free cash flow is defined as net cash provided by operating activities less capital expenditure as per the consolidated statement of cash flows prepared under IFRS

**USD/INR exchange rate as on March 31, 2017

Dividend payout includes Dividend Distribution Tax

This announcement contains insider information

4. Board Changes

The Board, at its meeting held on 13th April, 2017 appointed Mr. Ravi Venkatesan, Independent Director as Co-Chairman of the Board. Ravi Venkatesan, who has been on the Board of Infosys since April, 2011 has made valuable contribution to the development of strategic direction of the Company during his tenure.

“Ravi will help me enhance the board engagement in supporting the Management in execution of company’s strategy”, said **R. Seshasayee, Chairman of the Board**. “This is an exciting time for the technology industry and I am delighted to have the opportunity to work more closely with Sesh and with Vishal and his leadership team in their transformational journey”, said **Ravi Venkatesan, Co-Chairman**.

Financial Highlights

Consolidated results under International Financial Reporting Standards (IFRS) for the quarter and year ended March 31, 2017

Year ended March 31, 2017

- Revenues were ₹68,484 crore for the year ended March 31, 2017; YoY growth of 9.7%
- Operating profit was ₹16,901 crore for the year ended March 31, 2017; YoY growth of 8.2%
- Net profit was ₹14,353 crore for the year ended March 31, 2017; YoY growth of 6.4%

Quarter ended March 31, 2017

- Revenues were ₹17,120 crore for the quarter ended March 31, 2017
QoQ decline of 0.9%; YoY growth of 3.4%
- Operating profit was ₹4,212 crore for the quarter ended March 31, 2017
QoQ decline of 2.8%; YoY decline of 0.2%
- Net profit was ₹3,603 crore for the quarter ended March 31, 2017
QoQ decline of 2.8%; YoY growth of 0.2%

5. Outlook

The Company’s outlook (consolidated) for the fiscal year ending March 31, 2018, under IFRS is as follows:

- Revenues are expected to grow 6.5%-8.5% in constant currency*;
- Revenues are expected to grow 2.5%-4.5% in INR terms based on the exchange rates as of March 31, 2017**

*FY 17 constant currency rates - AUD/USD – 0.75; Euro/USD – 1.09; GBP/USD – 1.30

**Currency rates as of March 31, 2017 – 1 US\$ = Rs. 64.85

“Unanticipated execution challenges and distractions in a seasonally soft quarter affected our overall performance. At the same time, we continued to see many positive signs of our strategy execution; our software-led offerings continued to show strong momentum and client success, with continued adoption of Mana, our AI platform; Zero Distance marked its 2-year anniversary as a grassroots cultural movement for innovation with

strong client resonance, and our employee engagement continued to drive down attrition, especially with top performers,” **said Dr. Vishal Sikka, CEO**. “Looking ahead, it is imperative that we increase our resilience to the dynamics of our environment and we remain resolute in executing our strategy, our path to transform Infosys, and to drive long term value for all stakeholders.”

“Attrition declined during the quarter reflecting our focus on better employee engagement. Utilization during Q4 reached 82% which is the highest in Q4 over the past several years”, **said U. B. Pravin Rao, COO**.

“In FY 17, operating margins were steady as we continued our sharp focus on operational efficiencies. Cash provided by operating activities during the year was robust and exceeded \$2 billion, a new high”, **said M. D. Ranganath, CFO**. “Our capital allocation policy is aimed at balancing the strategic and operational needs of the company as well as enhancing shareholder returns”.

6. BUSINESS HIGHLIGHTS

In Q4, and in FY17, we continued to help clients drive automation and innovation into the core of their businesses, through our renewed services, our new software and services, and our culture of learning and education.

RENEW

In Q4, we worked closely with clients on their embrace of new digital and cloud technologies, new data and analytics capabilities and modernizing their mainframe landscapes. We also continued to drive grassroots innovation in every project through our Zero Distance (ZD) initiative, and in doing so, we continued to fuel the cultural transformation of Infosys. In March, we celebrated the two-year anniversary of ZD, and the implementation of 2,000 innovation ideas – among these innovation ideas were key engagements with Aon Affinity and Colony Brands.

“Infosys helped us focus on driving performance improvements to our annual processes for PLUS, one of Aon’s key business units, and some of our monthly financial reconciliation processes. With **Zero Distance**, Infosys came up with an idea to help us significantly reduce the entire process cycle time for PLUS renewals by 80 percent, which was phenomenal. Additionally, Infosys developed some in-house tools to partially automate some of the major finance processes which earlier took an entire day to complete. These processes are now completed in 90 minutes, which has resulted in highly impactful productivity improvements for us and led to cost-saving due to effort-saving. We greatly appreciate the support provided by Infosys for streamlining these key processes at AON enabling us to complete the entire renewal processes well ahead of schedule.” – **James Branan, IT PM Aon Affinity**.

Colony Brands, a billion-dollar catalog and multi-channel marketing powerhouse, has partnered with Infosys to migrate its mainframe applications to Amazon Web Services cloud. “To boost elasticity, better scale to meet peak seasonal demand, and drive down operational costs, we partnered with Infosys to define our **mainframe modernization** approach and migration strategy to AWS cloud. This strategy called for a combination of re-platforming and reengineering of core business processes such as customer management, manufacturing, warehouse management, mail-order processing and receivables. Now in the midst of executing this migration, we have every confidence in Infosys’ expertise, capabilities, and performance, cementing a critical IT partnership for the long-term.” - **Steve Cretney, VP/CIO, SC Data Center, Inc., an affiliate of Colony Brands**

NEW

In new software and services, we continued to drive new value for clients, helping them to find new kinds of opportunities, leverage data in new ways, drive measurable improvements in operational efficiencies through automation and capture the insights and knowledge of complex systems. In addition, we continued to bring Design Thinking services to clients to help them find and solve their most important business challenges.

"Intelligent applications based on cognitive computing, artificial intelligence and deep learning are the next wave of technology transforming how consumers and enterprises work, learn and play. The release of Infosys Mana and its use by a wide-ranging variety of clients and customers is showing that the cognitive/AI industry is transforming from research only to commercialization and Infosys Mana is a commercially viable platform for

cognitive/AI-enabled solutions within the marketplace. IDC recommends that organizations actively evaluate cognitive/AI software platforms like Infosys Mana for suitability and feasibility in areas such as process automation, digital transformation, automated customer service, IT automation, and automated advisory services." - **Dave Schubmehl, Research Director and Lead Analyst, IDC's Cognitive Systems and Content Analytics research, in the report [Infosys Mana: An Integrated AI Platform for the Enterprise](#)**

With a vision to improve the experience of a world in motion, **Adient** is the global leader in multi industrial seating, producing seats and components for 25,000,000 vehicles each year across all major automakers and vehicle classes. "We are creating a digital ecosystem to accelerate growth and deliver more value to our automotive customers. Infosys Mana, a knowledge-based Artificial Intelligence Platform, will help us with robotic process automation and cognitive automation. By identifying and capturing the know-how within our complex systems, Infosys Mana will help us further improve agility and boost innovation, efficiency, and excellence across our enterprise." **Randy Urban, Vice President, Digital Office, Adient**

CSX, a leading US transportation and logistics provider, is committed to being the safest and most progressive railroad in North America. As part of its business transformation strategy to create the CSX of Tomorrow, CSX has partnered with Infosys to implement innovative, leading-edge IT infrastructure solutions that drive the company's competitive advantage. "We have collaborated with our strategic partner, Infosys, to deliver infrastructure solutions that will modernize and optimize our IT operations. These solutions will enable us to transform our IT Infrastructure, delivering process simplification and efficiencies in our core IT operations, as Technology supports CSX in becoming a highly automated railroad and further improving its safety, resource efficiency and service." - **Caroline Crawford, Assistant Vice President and head of IT Infrastructure, CSX.**

"Globe is at the forefront of transforming the telecoms industry in the Philippines by being a Digital Service Provider, well-equipped to serve the needs of Filipinos in living out their digital lifestyle. Once again we are changing the game by adopting Artificial Intelligence concepts and technologies that would give more than 68 million customers of Globe improved service while being cost-efficient. When we decided to demonstrate the potential and applicability of Cognitive Digital Agent through TM Forum's Catalyst program, we partnered with Infosys because of its leadership position in Telco industry and the richness of Infosys' Artificial Intelligence and Machine Learning platform. I am happy to see that our partner ecosystem with Infosys, Amdocs and Huawei were able to demonstrate this potential value to our industry and what it can do for our customers which has been appreciated by TMF." - **Pebbles Sy-Manalang, Chief Information Officer, Globe Telecom.**

In **EdgeVerve**, we delivered strong performance with **30 wins** and **26 go-lives** from Finacle and Edge suite of solutions across various regions.

The Housing Bank, one of the most respected banks in the Middle East, selected the Finacle suite of solutions to power the bank's operations in Algeria. "As a private bank in the Algerian market, we are continuously looking to offer our customers with new products and services. We recognize today's challenges and competition. Our strategy is to benefit from information technology evolution by empowering and complementing the bank's business, sales and marketing. We believe that these Finacle Solutions will support us in our mission and help us enhance our customer's banking experience, and above all inspire us to innovate." - **Houcine Hannachi, General Manager, Housing Bank Algeria**

Among other offerings, a South Asia-based farming and agriculture major chose the EdgeVerve Blockchain Framework to bring transparency into its supply chain processes. A leading global fashion brand chose TradeEdge to gain visibility into sales data across its channel partners in North America.

INVESTMENTS & ECOSYSTEM

We continue to deepen our partnerships, invest in technology and expertise that complements our strategy, and participate with clients and partners in the technical communities that drive value for clients and create new opportunities for Infosys.

Together with Salesforce, Infosys recently announced plans to create a new practice focused on building and providing implementation services for Salesforce's Analytics Cloud applications. This implementation partnership will help business users access, explore and act on their organizational intelligence faster. Infosys will be among the first Analytics Cloud partners to bring both systems integrator leadership as well as a proven independent software vendor (ISV) capability. "Salesforce Analytics Cloud is seeing rapid global adoption, as companies everywhere look to transform the way they explore data, find answers and take action. Partners

such as Infosys provide the best practices, industry experience and expertise that make it easier than ever for Salesforce customers to extend Analytics Cloud for every business need." - **Bob Stutz, CEO of Marketing Cloud and Chief Analytics Officer at Salesforce.**

Infosys achieved Cloud Elite status in the **Oracle PartnerNetwork (OPN)**, to help Oracle customers achieve their cloud transformation roadmaps non-disruptively. "Infosys' achievement of the Oracle PartnerNetwork Cloud Elite designation is a demonstration of its commitment to delivering industry leading use case solutions that reduce our joint customers' implementation timelines in their journey to the cloud. Infosys' industry-led cloud offerings deliver pre-built integrations, enhanced customer experience, personalization and ROI-based outcomes that simplify these companies' cloud transformations." - **Camillo Speroni, Vice President, Worldwide Strategic Alliances, Oracle.**

CULTURE

Education continues to be the foundation for driving Infosys' strategy of Automation and Innovation, while enabling its transformation as a company. Through this quarter, we have advanced our investments in our infrastructure for life-long learning among our employees. We continue to enhance our capabilities, beginning with the ongoing adoption of Design Thinking and the innovator's mindset, which has now covered 134,738 employees across the organization. Beyond this, we are bringing new, immersive, hands-on approaches to learning across our curricula, such as in the launch of a new class for Power Programmers on Scala/AKKA using the 'flight simulator' model. And we continue to expand our learning for the digital age through digital platforms: both the Digital Tutor social learning platform (which has now been made available on cloud and is accessible on mobile devices) and the Infosys Learning Platform have gained momentum with additional courses added on various topics across technologies and business effectiveness.

AWARDS & RECOGNITION

- **Leader** In Gartner Magic Quadrant for SAP® Application Services, North America
- **Leader** In Gartner Magic Quadrant for SAP® Application Services, EMEA
- **Leader** In Gartner Magic Quadrant for Oracle Application Services, North America
- **Leader** In Gartner Magic Quadrant for Oracle Application Services, EMEA
- **Leader** in NelsonHall NEAT Big Data and Analytics
- **Winner's Circle** in the Horses for Sources Blueprint on Managed Security Service Providers
- **Leader** in IDC MarketScape: Worldwide Omni-Channel Engagement IT Implementation Services 2017 Vendor Assessment
- **Leader**, Infosys Finacle, in Digital Banking Solutions, rated by Ovum
- Finacle won the Best Core Banking Project – Africa with United Bank of Africa, and Best Core Banking Project - Middle East with Emirates Islamic Bank at the Asian Banker Technology Innovation Awards, 2017
- Infosys won the 2017 IBM Beacon Award, which recognizes partners delivering exceptional solutions to drive business value and transform the way clients and industries operate.
- In the recent report: The Forrester Wave(TM): Robotic Process Automation, Q1 2017, AssistEdge was ranked among the Strong Performers with competitive options. According to Forrester: 'EdgeVerve Systems brings a combined services and product approach. AssistEdge takes a broader services approach compared with the rest of the field.
- Infosys Mana is positioned as a **leading player** in the HfS Research Intelligent Automation Continuum. Source: Augmenting Automation Through AI (Webinar) March 2017

BEYOND BUSINESS

In fiscal 2017, we have invested our resources and applied our expertise to bring about a meaningful difference to the communities around us.

In Q4, Infosys Foundation committed to the construction of sanitation facilities at Government schools and training centers in Tamil Nadu, Telangana and Karnataka. It also partnered with The Akshaya Patra Foundation to provide sanitation kits along with counselling to 20,000 school going girl children in Jaipur for a year. An

endowment to Sri Ramakrishna Sevashrama during this quarter by the Foundation has provided drinking water and fodder to remote villages in and around Pavagada, Karnataka.

During the quarter, Infosys Science Foundation (ISF) honored six top researchers in science and humanities with the Infosys Prize 2016 at an awards ceremony in Bangalore and celebrated their inspiring journey and contributions to science and research.

Infosys Foundation USA announced new teacher training grants for Bootstrap, Exploring Computer Science, UTeach, Beauty and Joy of Computing, and Mobile CS Principles. This will enable 500 public school educators nationwide to attend free high quality computer science (CS) professional development in the US. Including earlier commitments to Code.org and DonorsChoose.org, the 1,000 educators supported in summer 2017 will double the number of teachers we helped in 2016 and bring Computer Science education to tens of thousands of new students. In addition, the Foundation will continue to support Hispanic Heritage Foundation (HHF) and its summer 2017 LOFT Coder Summit at Stanford University, enabling more Latinx students and young professionals to explore careers in computing.

About Infosys Ltd.

Infosys is a global leader in technology services and consulting. We enable clients in more than 50 countries to create and execute strategies for their digital transformation. From engineering to application development, knowledge management and business process management, we help our clients find the right problems to solve, and to solve these effectively. Our team of 200,000+ innovators, across the globe, is differentiated by the imagination, knowledge and experience, across industries and technologies that we bring to every project we undertake.

Visit www.infosys.com to see how Infosys (NYSE: INFY) can help your enterprise thrive in the digital age.

Safe Harbor

Certain statements in this release concerning our future growth prospects are forward-looking statements regarding our future business expectations intended to qualify for the 'safe harbor' under the Private Securities Litigation Reform Act of 1995, which involve a number of risks and uncertainties that could cause actual results to differ materially from those in such forward-looking statements. The risks and uncertainties relating to these statements include, but are not limited to, risks and uncertainties regarding fluctuations in earnings, fluctuations in foreign exchange rates, our ability to manage growth, intense competition in IT services including those factors which may affect our cost advantage, wage increases in India, our ability to attract and retain highly skilled professionals, time and cost overruns on fixed-price, fixed-time frame contracts, client concentration, restrictions on immigration, industry segment concentration, our ability to manage our international operations, reduced demand for technology in our key focus areas, disruptions in telecommunication networks or system failures, our ability to successfully complete and integrate potential acquisitions, liability for damages on our service contracts, the success of the companies in which Infosys has made strategic investments, withdrawal or expiration of governmental fiscal incentives, political instability and regional conflicts, legal restrictions on raising capital or acquiring companies outside India, and unauthorized use of our intellectual property and general economic conditions affecting our industry. Additional risks that could affect our future operating results are more fully described in our United States Securities and Exchange Commission filings including our Annual Report on Form 20-F for the fiscal year ended March 31, 2016. These filings are available at www.sec.gov. Infosys may, from time to time, make additional written and oral forward-looking statements, including statements contained in the company's filings with the Securities and Exchange Commission and our reports to shareholders. In addition, please note that the date of this press release is mentioned at the beginning of the release, and any forward-looking statements contained herein are based on assumptions that we believe to be reasonable as of this date. The company does not undertake to update any forward-looking statements that may be made from time to time by or on behalf of the company unless it is required by law.

Contact

Investor
Relations Sandeep Mahindroo
 +91 80 3980 1018
 Sandeep_Mahindroo@infosys.com

Media Relations	Sarah Vanita Gideon +91 80 4156 3998 Sarah_Gideon@infosys.com	Chiku Somaiya +1 408 375 2722 Chiku.Somaiya@infosys.com

Infosys Limited and subsidiaries

Consolidated Balance Sheets as of

(In ₹ crore except share data)

	March 31, 2017	March 31, 2016
ASSETS		
Current assets		
Cash and cash equivalents	22,625	32,697
Current investments	9,970	75
Trade receivables	12,322	11,330
Unbilled revenue	3,648	3,029
Prepayments and other current assets	4,856	4,448
Derivative financial instruments	284	116
Total current assets	53,705	51,695
Non-current assets		
Property, plant and equipment	11,716	10,530
Goodwill	3,652	3,764
Intangible assets	776	985
Investment in associate	71	103
Non-current investments	6,382	1,811
Deferred income tax assets	540	536
Income tax assets	5,716	5,230
Other non-current assets	797	735
Total non-current assets	29,650	23,694
Total assets	83,355	75,389
LIABILITIES AND EQUITY		
Current liabilities		
Trade payables	367	386
Derivative financial instruments	2	5
Current income tax liabilities	3,885	3,410
Client deposits	32	28
Unearned revenue	1,777	1,332
Employee benefit obligations	1,359	1,341
Provisions	405	512
Other current liabilities	6,186	6,225
Total current liabilities	14,013	13,239
Non-current liabilities		
Deferred income tax liabilities	207	256
Other non-current liabilities	153	115
Total liabilities	14,373	13,610
Equity		
Share capital- ₹5 par value 240,00,00,000 (240,00,00,000) equity shares authorized, issued and outstanding 228,56,55,150 (228,56,21,088), net of 1,12,89,514 (1,13,23,576) treasury shares, as of March 31, 2017 (March 31, 2016), respectively	1,144	1,144
Share premium	2,356	2,241
Retained earnings	65,056	57,655
Cash flow hedge reserves	39	-
Other components of equity	387	739
Total equity attributable to equity holders of the company	68,982	61,779
Non-controlling interests	-	-
Total equity	68,982	61,779
Total liabilities and equity	83,355	75,389

Infosys Limited and subsidiaries

Consolidated Interim Statements of Comprehensive Income

(In ₹ crore except share and per equity share data)

	Three months ended March 31, 2017	Three months ended March 31, 2016	Year ended March 31, 2017	Year ended March 31, 2016
Revenues	17,120	16,550	68,484	62,441
Cost of sales	10,770	10,262	43,253	39,098
Gross profit	6,350	6,288	25,231	23,343
Operating expenses:				
Selling and marketing expenses	889	909	3,591	3,431
Administrative expenses	1,249	1,159	4,739	4,292
Total operating expenses	2,138	2,068	8,330	7,723
Operating profit	4,212	4,220	16,901	15,620
Other income, net	746	772	3,080	3,125
Share in associate's profit/(loss) and others	(25)	(1)	(30)	(3)
Profit before income taxes	4,933	4,991	19,951	18,742
Income tax expense	1,330	1,394	5,598	5,251
Net profit	3,603	3,597	14,353	13,491
Other comprehensive income				
<i>Items that will not be reclassified subsequently to profit or loss:</i>				
Re-measurement of the net defined benefit liability/asset	20	(3)	(45)	(12)
Cumulative impact on reversal of unrealized gain on quoted debt securities on adoption of IFRS 9	-	-	(35)	-
Equity instruments through other comprehensive income, net	(5)	-	(5)	-
<i>Items that will be reclassified subsequently to profit or loss:</i>				
Fair value changes on derivative designated as cash flow hedge, net	11	-	39	-
Exchange differences on translation of foreign operations	(197)	96	(257)	303
Fair value changes on investments, net	(10)	19	(10)	41
Total other comprehensive income, net of tax	(181)	112	(313)	332
Total comprehensive income	3,422	3,709	14,040	13,823
Profit attributable to:				
Owners of the company	3,603	3,597	14,353	13,491
Non-controlling interests	-	-	-	-
	3,603	3,597	14,353	13,491
Total comprehensive income attributable to:				
Owners of the company	3,422	3,709	14,040	13,823
Non-controlling interests	-	-	-	-
	3,422	3,709	14,040	13,823
Earnings per equity share				
Basic (₹)	15.77	15.74	62.80	59.03
Diluted (₹)	15.76	15.74	62.77	59.02
Weighted average equity shares used in computing earnings per equity share				
Basic	2,285,654,881	2,285,620,957	2,285,639,447	2,285,616,160
Diluted	2,286,652,003	2,285,750,316	2,286,396,745	2,285,718,894

NOTE:

1. The audited **Consolidated Balance sheets and Consolidated Interim Statements of Comprehensive Income** for the three months and year ended March 31, 2017 have been taken on record at the Board meeting held on April 13, 2017
2. A Fact Sheet providing the operating metrics of the company can be downloaded from www.infosys.com

Infosys (NYSE: INFY) Announces Results for the Quarter and Year ended March 31, 2017

Bangalore, India – April 13, 2017

1. Highlights

FY 17 revenues crossed \$10 billion, at \$10,208 million

FY 17 revenues grew 7.4% in USD terms; 8.3% in constant currency terms

FY 17 operating margin at 24.7% as compared to 25.0% in FY 16

FY 17 Basic EPS at \$0.94, a growth of 4.3% YoY

Q4 revenues grew 0.7% QoQ in USD terms; flat in constant currency terms

Q4 operating margin at 24.7% and Basic EPS at \$0.24

Liquid assets including cash & cash equivalents and investments at \$5,979 million as on March 31, 2017

FY 18 revenue guidance at 6.5%-8.5% in constant currency. FY 18 operating margin guidance at 23%-25%

2. Dividend for Financial Year 2017

For Financial Year 2017, the Board announced a final dividend of ₹14.75 per share (\$0.23 per ADS*) amounting to ₹4,078 crore (\$ 628 million). After including the interim dividend of ₹11 per share (\$0.17 per ADS), the aggregate dividend for Financial Year 2017 amounts to ₹25.75 per share resulting in total payout of ₹7,119 crore (\$1,085 million). The total payout amounts to 49.6% of post-tax profits and 63.0% of free cash flow** for Financial Year 2017.

3. Capital Allocation Policy

The Board reviewed and approved a revised Capital Allocation Policy of the Company after taking into consideration the strategic and operational cash requirements of the Company in the medium term.

The key aspects of the Capital Allocation Policy are:

1. The Company's current policy is to pay dividends of up to 50% of post-tax profits of the Financial Year. Effective from Financial Year 2018, the Company expects to payout up to 70% of the free cash flow** of the corresponding Financial Year in such manner (including by way of dividend and/or share buyback) as may be decided by the Board from time to time, subject to applicable laws and requisite approvals, if any.

2. In addition to the above, the Board has identified an amount of upto ₹13,000 crore (\$2 billion)* to be paid out to shareholders during Financial Year 2018, in such manner (including by way of dividend and/or share buyback), to be decided by the Board, subject to applicable laws and requisite approvals, if any.

Further announcements in this regard will be made, as appropriate, in due course.

*USD/INR exchange rate as on March 31, 2017

** Free cash flow is defined as net cash provided by operating activities less capital expenditure as per the consolidated statement of cash flows prepared under IFRS

Dividend payout includes Dividend Distribution Tax

This announcement contains insider information

4. Board Changes

The Board, at its meeting held on 13th April, 2017 appointed Mr. Ravi Venkatesan, Independent Director as Co-Chairman of the Board. Ravi Venkatesan, who has been on the Board of Infosys since April, 2011 has made valuable contribution to the development of strategic direction of the Company during his tenure.

“Ravi will help me enhance the board engagement in supporting the Management in execution of company’s strategy”, said **R. Seshasayee, Chairman of the Board**. “This is an exciting time for the technology industry and I am delighted to have the opportunity to work more closely with Sesh and with Vishal and his leadership team in their transformational journey”, said **Ravi Venkatesan, Co-Chairman**.

5. Financial Highlights

Consolidated results under International Financial Reporting Standards (IFRS) for the quarter and year ended March 31, 2017.

Year ended March 31, 2017

- Revenues were \$10,208 million for the year ended March 31, 2017
YoY growth of 7.4% in reported terms; 8.3% in constant currency terms
- Operating profit was \$2,520 million for the year ended March 31, 2017; YoY growth of 6.1%
- Net profit was \$2,140 million for the year ended March 31, 2017; YOY growth of 4.3%

Quarter ended March 31, 2017

- Revenues were \$2,569 million for the quarter ended March 31, 2017
QoQ growth of 0.7% in reported terms; flat in constant currency terms
YoY growth of 5.0% in reported terms; 5.3% in constant currency terms
- Operating profit was \$634 million for the quarter ended March 31, 2017
QoQ decline of 0.9%;YoY growth of 1.5%
- Net profit was \$543 million for the quarter ended March 31, 2017
QoQ decline of 0.8%;YoY growth of 1.8%

6. Outlook

The Company’s outlook (consolidated) for the fiscal year ending March 31, 2018, under IFRS is as follows:

- Revenues are expected to grow 6.5%-8.5% in constant currency*;
- Revenues are expected to grow 6.1%-8.1% in USD terms based on the exchange rates as of March 31, 2017**

*FY 17 constant currency rates - AUD/USD – 0.75; Euro/USD – 1.09; GBP/USD – 1.30

**Currency rates as of March 31, 2017 - AUD/USD – 0.76; Euro/USD – 1.07; GBP/USD – 1.25

“Unanticipated execution challenges and distractions in a seasonally soft quarter affected our overall performance. At the same time, we continued to see many positive signs of our strategy execution; our software-led offerings continued to show strong momentum and client success, with continued adoption of Mana, our AI platform; Zero Distance marked its 2-year anniversary as a grassroots cultural movement for innovation with strong client resonance, and our employee engagement continued to drive down attrition, especially with top performers,” said **Dr. Vishal Sikka, CEO**. “Looking ahead, it is imperative that we increase our resilience to the

dynamics of our environment and we remain resolute in executing our strategy, our path to transform Infosys, and to drive long term value for all stakeholders.”

“Attrition declined during the quarter reflecting our focus on better employee engagement. Utilization during Q4 reached 82% which is the highest in Q4 over the past several years”, **said U. B. Pravin Rao, COO.**

“In FY 17, operating margins were steady as we continued our sharp focus on operational efficiencies. Cash provided by operating activities during the year was robust and exceeded \$2 billion, a new high”, **said M. D. Ranganath, CFO.** “Our capital allocation policy is aimed at balancing the strategic and operational needs of the company as well as enhancing shareholder returns”.

7. BUSINESS HIGHLIGHTS

In Q4, and in FY17, we continued to help clients drive automation and innovation into the core of their businesses, through our renewed services, our new software and services, and our culture of learning and education.

RENEW

In Q4, we worked closely with clients on their embrace of new digital and cloud technologies, new data and analytics capabilities and modernizing their mainframe landscapes. We also continued to drive grassroots innovation in every project through our Zero Distance (ZD) initiative, and in doing so, we continued to fuel the cultural transformation of Infosys. In March, we celebrated the two-year anniversary of ZD, and the implementation of 2,000 innovation ideas – among these innovation ideas were key engagements with Aon Affinity and Colony Brands.

“Infosys helped us focus on driving performance improvements to our annual processes for PLUS, one of Aon’s key business units, and some of our monthly financial reconciliation processes. With **Zero Distance**, Infosys came up with an idea to help us significantly reduce the entire process cycle time for PLUS renewals by 80 percent, which was phenomenal. Additionally, Infosys developed some in-house tools to partially automate some of the major finance processes which earlier took an entire day to complete. These processes are now completed in 90 minutes, which has resulted in highly impactful productivity improvements for us and led to cost-saving due to effort-saving. We greatly appreciate the support provided by Infosys for streamlining these key processes at AON enabling us to complete the entire renewal processes well ahead of schedule.” – **James Branan, IT PM Aon Affinity.**

Colony Brands, a billion-dollar catalog and multi-channel marketing powerhouse, has partnered with Infosys to migrate its mainframe applications to Amazon Web Services cloud. “To boost elasticity, better scale to meet peak seasonal demand, and drive down operational costs, we partnered with Infosys to define our **mainframe modernization** approach and migration strategy to AWS cloud. This strategy called for a combination of re-platforming and reengineering of core business processes such as customer management, manufacturing, warehouse management, mail-order processing and receivables. Now in the midst of executing this migration, we have every confidence in Infosys’ expertise, capabilities, and performance, cementing a critical IT partnership for the long-term.” - **Steve Cretney, VP/CIO, SC Data Center, Inc., an affiliate of Colony Brands**

NEW

In new software and services, we continued to drive new value for clients, helping them to find new kinds of opportunities, leverage data in new ways, drive measurable improvements in operational efficiencies through automation, and capture the insights and knowledge of complex systems. In addition, we continued to bring Design Thinking services to clients to help them find and solve their most important business challenges.

"Intelligent applications based on cognitive computing, artificial intelligence, and deep learning are the next wave of technology transforming how consumers and enterprises work, learn, and play. The release of Infosys Mana and its use by a wide-ranging variety of clients and customers is showing that the cognitive/AI industry is transforming from research only to commercialization, and Infosys Mana is a commercially viable platform for cognitive/AI-enabled solutions within the marketplace. IDC recommends that organizations actively evaluate cognitive/AI software platforms like Infosys Mana for suitability and feasibility in areas such as process automation, digital transformation, automated customer service, IT automation, and automated advisory

services." - **Dave Schubmehl, Research Director and Lead Analyst, IDC's Cognitive Systems and Content Analytics research, in the report [Infosys Mana: An Integrated AI Platform for the Enterprise](#)**

With a vision to improve the experience of a world in motion, **Adient** is the global leader in multi industrial seating, producing seats and components for 25,000,000 vehicles each year across all major automakers and vehicle classes. "We are creating a digital ecosystem to accelerate growth and deliver more value to our automotive customers. Infosys Mana, a knowledge-based Artificial Intelligence Platform, will help us with robotic process automation and cognitive automation. By identifying and capturing the know-how within our complex systems, Infosys Mana will help us further improve agility and boost innovation, efficiency, and excellence across our enterprise." **Randy Urban, Vice President, Digital Office, Adient**

CSX, a leading US transportation and logistics provider, is committed to being the safest and most progressive railroad in North America. As part of its business transformation strategy to create the CSX of Tomorrow, CSX has partnered with Infosys to implement innovative, leading-edge IT infrastructure solutions that drive the company's competitive advantage. "We have collaborated with our strategic partner, Infosys, to deliver infrastructure solutions that will modernize and optimize our IT operations. These solutions will enable us to transform our IT Infrastructure, delivering process simplification and efficiencies in our core IT operations, as Technology supports CSX in becoming a highly automated railroad and further improving its safety, resource efficiency and service." - **Caroline Crawford, Assistant Vice President and head of IT Infrastructure, CSX.**

"Globe is at the forefront of transforming the telecoms industry in the Philippines by being a Digital Service Provider, well-equipped to serve the needs of Filipinos in living out their digital lifestyle. Once again we are changing the game by adopting Artificial Intelligence concepts and technologies that would give more than 68 million customers of Globe improved service while being cost-efficient. When we decided to demonstrate the potential and applicability of Cognitive Digital Agent through TM Forum's Catalyst program, we partnered with Infosys because of its leadership position in Telco industry and the richness of Infosys' Artificial Intelligence and Machine Learning platform. I am happy to see that our partner ecosystem with Infosys, Amdocs and Huawei were able to demonstrate this potential value to our industry and what it can do for our customers which has been appreciated by TMF." - **Pebbles Sy-Manalang, Chief Information Officer, Globe Telecom.**

In **EdgeVerve**, we delivered strong performance with **30 wins** and **26 go-lives** from Finacle and Edge suite of solutions across various regions.

The Housing Bank, one of the most respected banks in the Middle East, selected the Finacle suite of solutions to power the bank's operations in Algeria. "As a private bank in the Algerian market, we are continuously looking to offer our customers with new products and services. We recognize today's challenges and competition. Our strategy is to benefit from information technology evolution by empowering and complementing the bank's business, sales and marketing. We believe that these Finacle Solutions will support us in our mission and help us enhance our customer's banking experience, and above all inspire us to innovate." - **Houcine Hannachi, General Manager, Housing Bank Algeria**

Among other offerings, a South Asia-based farming and agriculture major chose the EdgeVerve Blockchain Framework to bring transparency into its supply chain processes. A leading global fashion brand chose TradeEdge to gain visibility into sales data across its channel partners in North America.

INVESTMENTS & ECOSYSTEM

We continue to deepen our partnerships, invest in technology and expertise that complements our strategy, and participate with clients and partners in the technical communities that drive value for clients and create new opportunities for Infosys.

Together with Salesforce, Infosys recently announced plans to create a new practice focused on building and providing implementation services for Salesforce's Analytics Cloud applications. This implementation partnership will help business users access, explore and act on their organizational intelligence faster. Infosys will be among the first Analytics Cloud partners to bring both systems integrator leadership as well as a proven independent software vendor (ISV) capability. "Salesforce Analytics Cloud is seeing rapid global adoption, as companies everywhere look to transform the way they explore data, find answers and take action. Partners such as Infosys provide the best practices, industry experience and expertise that make it easier than ever for Salesforce customers to extend Analytics Cloud for every business need." - **Bob Stutz, CEO of Marketing Cloud and Chief Analytics Officer at Salesforce.**

Infosys achieved Cloud Elite status in the **Oracle PartnerNetwork (OPN)**, to help Oracle customers achieve their cloud transformation roadmaps non-disruptively. "Infosys' achievement of the Oracle PartnerNetwork Cloud Elite designation is a demonstration of its commitment to delivering industry leading use case solutions that reduce our joint customers' implementation timelines in their journey to the cloud. Infosys' industry-led cloud offerings deliver pre-built integrations, enhanced customer experience, personalization and ROI-based outcomes that simplify these companies' cloud transformations." - **Camillo Speroni, Vice President, Worldwide Strategic Alliances, Oracle.**

CULTURE

Education continues to be the foundation for driving Infosys' strategy of Automation and Innovation, while enabling its transformation as a company. Through this quarter, we have advanced our investments in our infrastructure for life-long learning among our employees. We continue to enhance our capabilities, beginning with the ongoing adoption of Design Thinking and the innovator's mindset, which has now covered 134,738 employees across the organization. Beyond this, we are bringing new, immersive, hands-on approaches to learning across our curricula, such as in the launch of a new class for Power Programmers on Scala/AKKA using the 'flight simulator' model. And we continue to expand our learning for the digital age through digital platforms: both the Digital Tutor social learning platform (which has now been made available on cloud and is accessible on mobile devices) and the Infosys Learning Platform have gained momentum with additional courses added on various topics across technologies and business effectiveness.

AWARDS & RECOGNITION

- **Leader** In Gartner Magic Quadrant for SAP® Application Services, North America
- **Leader** In Gartner Magic Quadrant for SAP® Application Services, EMEA
- **Leader** In Gartner Magic Quadrant for Oracle Application Services, North America
- **Leader** In Gartner Magic Quadrant for Oracle Application Services, EMEA
- **Leader** in NelsonHall NEAT Big Data and Analytics
- **Winner's Circle** in the Horses for Sources Blueprint on Managed Security Service Providers
- **Leader** in IDC MarketScape: Worldwide Omni-Channel Engagement IT Implementation Services 2017 Vendor Assessment
- **Leader**, Infosys Finacle, in Digital Banking Solutions, rated by Ovum
- Finacle won the Best Core Banking Project – Africa with United Bank of Africa, and Best Core Banking Project - Middle East with Emirates Islamic Bank at the Asian Banker Technology Innovation Awards, 2017
- Infosys won the 2017 IBM Beacon Award, which recognizes partners delivering exceptional solutions to drive business value and transform the way clients and industries operate.
- In the recent report: The Forrester Wave(TM): Robotic Process Automation, Q1 2017, AssistEdge was ranked among the Strong Performers with competitive options. According to Forrester: 'EdgeVerve Systems brings a combined services and product approach. AssistEdge takes a broader services approach compared with the rest of the field.
- Infosys Mana is positioned as a **leading player** in the HfS Research Intelligent Automation Continuum. Source: Augmenting Automation Through AI (Webinar) March 2017

BEYOND BUSINESS

In fiscal 2017, we have invested our resources and applied our expertise to bring about a meaningful difference to the communities around us.

In Q4, Infosys Foundation committed to the construction of sanitation facilities at Government schools and training centers in Tamil Nadu, Telangana and Karnataka. It also partnered with The Akshaya Patra Foundation to provide sanitation kits along with counselling to 20,000 school going girl children in Jaipur for a year. An endowment to Sri Ramakrishna Sevashrama during this quarter by the Foundation has provided drinking water and fodder to remote villages in and around Pavagada, Karnataka.

During the quarter, Infosys Science Foundation (ISF) honored six top researchers in science and humanities with the Infosys Prize 2016 at an awards ceremony in Bangalore and celebrated their inspiring journey and contributions to science and research.

Infosys Foundation USA announced new teacher training grants for Bootstrap, Exploring Computer Science, UTeach, Beauty and Joy of Computing, and Mobile CS Principles. This will enable 500 public school educators nationwide to attend free high quality computer science (CS) professional development in the US. Including earlier commitments to Code.org and DonorsChoose.org, the 1,000 educators supported in summer 2017 will double the number of teachers we helped in 2016 and bring Computer Science education to tens of thousands of new students. In addition, the Foundation will continue to support Hispanic Heritage Foundation (HHF) and its summer 2017 LOFT Coder Summit at Stanford University, enabling more Latinx students and young professionals to explore careers in computing.

About Infosys Ltd.

Infosys is a global leader in technology services and consulting. We enable clients in more than 50 countries to create and execute strategies for their digital transformation. From engineering to application development, knowledge management and business process management, we help our clients find the right problems to solve, and to solve these effectively. Our team of 200,000+ innovators, across the globe, is differentiated by the imagination, knowledge and experience, across industries and technologies that we bring to every project we undertake.

Visit www.infosys.com to see how Infosys (NYSE: INFY) can help your enterprise thrive in the digital age.

Safe Harbor

Certain statements in this release concerning our future growth prospects are forward-looking statements regarding our future business expectations intended to qualify for the 'safe harbor' under the Private Securities Litigation Reform Act of 1995, which involve a number of risks and uncertainties that could cause actual results to differ materially from those in such forward-looking statements. The risks and uncertainties relating to these statements include, but are not limited to, risks and uncertainties regarding fluctuations in earnings, fluctuations in foreign exchange rates, our ability to manage growth, intense competition in IT services including those factors which may affect our cost advantage, wage increases in India, our ability to attract and retain highly skilled professionals, time and cost overruns on fixed-price, fixed-time frame contracts, client concentration, restrictions on immigration, industry segment concentration, our ability to manage our international operations, reduced demand for technology in our key focus areas, disruptions in telecommunication networks or system failures, our ability to successfully complete and integrate potential acquisitions, liability for damages on our service contracts, the success of the companies in which Infosys has made strategic investments, withdrawal or expiration of governmental fiscal incentives, political instability and regional conflicts, legal restrictions on raising capital or acquiring companies outside India, and unauthorized use of our intellectual property and general economic conditions affecting our industry. Additional risks that could affect our future operating results are more fully described in our United States Securities and Exchange Commission filings including our Annual Report on Form 20-F for the fiscal year ended March 31, 2016. These filings are available at www.sec.gov. Infosys may, from time to time, make additional written and oral forward-looking statements, including statements contained in the company's filings with the Securities and Exchange Commission and our reports to shareholders. In addition, please note that the date of this press release is mentioned at the beginning of the release, and any forward-looking statements contained herein are based on assumptions that we believe to be reasonable as of this date. The company does not undertake to update any forward-looking statements that may be made from time to time by or on behalf of the company unless it is required by law.

Contact

Investor
Relations Sandeep Mahindroo
 +91 80 3980 1018
 Sandeep_Mahindroo@infosys.com

Media Relations	Sarah Vanita Gideon +91 80 4156 3998 Sarah_Gideon@infosys.com	Chiku Somaiya +1 408 375 2722 Chiku.Somaiya@infosys.com

Infosys Limited and subsidiaries

Unaudited Condensed Consolidated Balance Sheets as of

(Dollars in millions except equity share data)

	March 31, 2017	March 31, 2016
ASSETS		
Current assets		
Cash and cash equivalents	3,489	4,935
Current investments	1,538	11
Trade receivables	1,900	1,710
Unbilled revenue	562	457
Prepayments and other current assets	749	672
Derivative financial instruments	44	17
Total current assets	8,282	7,802
Non-current assets		
Property, plant and equipment	1,807	1,589
Goodwill	563	568
Intangible assets	120	149
Investment in Associate	11	16
Non-current investments	984	273
Deferred income tax assets	83	81
Income tax assets	881	789
Other non-current assets	123	111
Total non-current assets	4,572	3,576
Total assets	12,854	11,378
LIABILITIES AND EQUITY		
Current liabilities		
Trade payables	57	58
Derivative Financial Instruments	-	1
Current income tax liabilities	599	515
Client deposits	5	4
Unearned revenue	274	201
Employee benefit obligations	209	202
Provisions	63	77
Other current liabilities	954	940
Total current liabilities	2,161	1,998
Non-current liabilities		
Deferred income tax liabilities	32	39
Other non-current liabilities	24	17
Total liabilities	2,217	2,054
Equity		
Share capital- ₹5 (\$0.16) par value 2,400,000,000 (2,400,000,000) equity shares authorized, issued and outstanding 2,285,655,150 (2,285,621,088), net of 11,289,514 (11,323,576) treasury shares as of March 31, 2017 (March 31, 2016), respectively	199	199
Share premium	587	570
Retained earnings	12,190	11,083
Cash flow hedge reserve	6	-
Other reserves	-	-
Other components of equity	(2,345)	(2,528)
Total equity attributable to equity holders of the company	10,637	9,324
Non-controlling interests	-	-
Total equity	10,637	9,324
Total liabilities and equity	12,854	11,378

Infosys Limited and subsidiaries

Unaudited Condensed Consolidated Interim Statements of Comprehensive Income

(Dollars in millions except share and per equity share data)

	Three months ended March 31, 2017	Three months ended March 31, 2016	Year ended March 31, 2017	Year ended March 31, 2016
Revenues	2,569	2,446	10,208	9,501
Cost of sales	1,614	1,516	6,446	5,950
Gross profit	955	930	3,762	3,551
Operating expenses:				
Selling and marketing expenses	133	134	535	522
Administrative expenses	188	171	707	654
Total operating expenses	321	305	1,242	1,176
Operating profit	634	625	2,520	2,375
Other income, net	112	114	459	476
Share in associate's profit / (loss) and others	(4)	-	(5)	-
Profit before income taxes	742	739	2,974	2,851
Income tax expense	199	206	834	799
Net profit	543	533	2,140	2,052
Other comprehensive income				
<i>Items that will not be reclassified subsequently to profit or loss:</i>				
Re-measurements of the net defined benefit liability/asset	3	-	(7)	(2)
Cumulative impact on reversal of unrealized gain on quoted debt securities on adoption of IFRS 9	-	-	(5)	-
Equity instruments through other comprehensive income	(1)	-	(1)	-
<i>Items that will be reclassified subsequently to profit or loss:</i>				
Fair valuation of investments	(2)	3	(2)	6
Fair value changes on derivatives designated as cash flow hedge, net	2	-	6	-
Foreign currency translation	441	11	198	(436)
Total other comprehensive income, net of tax	443	14	189	(432)
Total comprehensive income	986	547	2,329	1,620
Profit attributable to:				
Owners of the company	543	533	2,140	2,052
Non-controlling interests	-	-	-	-
	543	533	2,140	2,052
Total comprehensive income attributable to:				
Owners of the company	986	547	2,329	1,620
Non-controlling interests	-	-	-	-
	986	547	2,329	1,620
Earnings per equity share				
Basic (\$)	0.24	0.23	0.94	0.90
Diluted (\$)	0.24	0.23	0.94	0.90
Weighted average equity shares used in computing earnings per equity share				
Basic	2,285,654,881	2,285,620,957	2,285,639,447	2,285,616,160
Diluted	2,286,652,003	2,285,750,316	2,286,396,745	2,285,718,894

NOTE:

1. The unaudited **Condensed Consolidated Balance sheets and Condensed Interim Consolidated Statements of Comprehensive Income** for the three months and year ended March 31, 2017 have been taken on record at the Board meeting held on April 13, 2017
2. A Fact Sheet providing the operating metrics of the company can be downloaded from www.infosys.com

Statement of Comprehensive Income for three months ended,

(As per IFRS)

In ₹ crore, except share data

Particulars	Mar 31,		Growth % Q4 17 over Q4 16	Dec 31, 2016	Growth % Q4 17 over Q3 17
	2017	2016			
Revenues	17,120	16,550	3.4	17,273	(0.9)
Cost of sales	10,770	10,262	5.0	10,840	(0.6)
Gross Profit	6,350	6,288	1.0	6,433	(1.3)
Operating Expenses:					
<i>Selling and marketing expenses</i>	889	909	(2.2)	885	0.5
<i>Administrative expenses</i>	1,249	1,159	7.8	1,214	2.9
Total Operating Expenses	2,138	2,068	3.4	2,099	1.9
Operating Profit	4,212	4,220	(0.2)	4,334	(2.8)
Other Income, net	746	772	(3.4)	820	(9.0)
Share in associate's profit/(loss) and Others	(25)	(1)	-	-	-
Profit before income taxes	4,933	4,991	(1.2)	5,154	(4.3)
Income tax expense	1,330	1,394	(4.6)	1,446	(8.0)
Net Profit	3,603	3,597	0.2	3,708	(2.8)
Earnings per equity share					
Basic (₹)	15.77	15.74	0.2	16.22	(2.8)
Diluted (₹)	15.76	15.74	0.1	16.22	(2.8)

Statement of Comprehensive Income for year ended,

(As per IFRS)

In ₹ crore, except share data

Particulars	Mar 31,		Growth %
	2017	2016	
Revenues	68,484	62,441	9.7
Cost of sales	43,253	39,098	10.6
Gross Profit	25,231	23,343	8.1
Operating Expenses:			
<i>Selling and marketing expenses</i>	3,591	3,431	4.7
<i>Administrative expenses</i>	4,739	4,292	10.4
Total Operating Expenses	8,330	7,723	7.9
Operating Profit	16,901	15,620	8.2
Other Income, net	3,080	3,125	(1.4)
Share in associate's profit/(loss) and Others	(30)	(3)	-
Profit before income taxes	19,951	18,742	6.5
Income tax expense	5,598	5,251	6.6
Net Profit	14,353	13,491	6.4
Earnings per equity share			
Basic (₹)	62.80	59.03	6.4
Diluted (₹)	62.77	59.02	6.4

Statement of Comprehensive Income for three months ended,

(As per IFRS)

In US \$ million, except share data

Particulars	Mar 31,		Growth % Q4 17 over Q4 16	Dec 31, 2016	Growth % Q4 17 over Q3 17
	2017	2016			
Revenues	2,569	2,446	5.0	2,551	0.7
Cost of sales	1,614	1,516	6.5	1,601	0.8
Gross Profit	955	930	2.7	950	0.5
Operating Expenses:					
<i>Selling and marketing expenses</i>	133	134	(0.7)	131	1.5
<i>Administrative expenses</i>	188	171	9.9	179	5.0
Total Operating Expenses	321	305	5.2	310	3.5
Operating Profit	634	625	1.5	640	(0.9)
Other Income, net	112	114	(1.8)	121	(7.4)
Share in associate's profit/(loss) and Others	(4)	-	-	-	-
Profit before income taxes	742	739	0.4	761	(2.5)
Income tax expense	199	206	(3.4)	214	(7.0)
Net Profit	543	533	1.8	547	(0.8)
Earnings per equity share					
Basic (\$)	0.24	0.23	1.8	0.24	(0.8)
Diluted (\$)	0.24	0.23	1.8	0.24	(0.8)

Statement of Comprehensive Income for year ended,

(As per IFRS)

In US \$ million, except share data

Particulars	Mar 31,		Growth %
	2017	2016	
Revenues	10,208	9,501	7.4
Cost of sales	6,446	5,950	8.3
Gross Profit	3,762	3,551	5.9
Operating Expenses:			
<i>Selling and marketing expenses</i>	535	522	2.5
<i>Administrative expenses</i>	707	654	8.1
Total Operating Expenses	1,242	1,176	5.6
Operating Profit	2,520	2,375	6.1
Other Income, net	459	476	(3.6)
Share in associate's profit/(loss) and Others	(5)	-	-
Profit before income taxes	2,974	2,851	4.3
Income tax expense	834	799	4.4
Net Profit	2,140	2,052	4.3
Earnings per equity share			
Basic (\$)	0.94	0.90	4.3
Diluted (\$)	0.94	0.90	4.3

Revenues by Client Geography

(In %)

	Quarter ended			Year Ended	
	Mar 31, 2017	Dec 31, 2016	Mar 31, 2016	Mar 31, 2017	Mar 31, 2016
North America	62.3	62.0	61.9	61.9	62.7
Europe	22.1	22.2	23.4	22.5	23.0
India	3.2	3.4	3.0	3.2	2.6
Rest of the world	12.4	12.4	11.7	12.4	11.7
Total	100.0	100.0	100.0	100.0	100.0

Revenues by Service Offering

(in %)

	Quarter ended			Year Ended	
	Mar 31, 2017	Dec 31, 2016	Mar 31, 2016	Mar 31, 2017	Mar 31, 2016
Business IT Services	61.9	62.0	61.6	62.3	61.8
Application Development	15.3	15.5	13.7	15.2	14.0
Application Maintenance	16.8	17.0	19.7	17.9	19.6
Infrastructure Management Services	8.5	8.6	8.0	8.4	8.1
Testing Services	9.0	9.1	9.0	9.1	9.0
Product Engineering Services	4.0	3.9	3.4	3.8	3.4
Business Process Management	5.1	4.9	5.0	5.0	4.9
Others	3.2	3.0	2.8	2.9	2.8
Consulting, Package Implementation & Others	32.6	32.4	33.2	32.3	33.2
Products, Platforms and Others	5.5	5.6	5.2	5.4	5.0
Products	3.1	3.2	3.2	3.1	3.1
Platforms	1.9	1.9	1.6	1.9	1.5
Others	0.5	0.5	0.4	0.4	0.4
Total	100.0	100.0	100.0	100.0	100.0

Revenues by Project Type *

(in %)

	Quarter ended			Year Ended	
	Mar 31, 2017	Dec 31, 2016	Mar 31, 2016	Mar 31, 2017	Mar 31, 2016
Fixed Price	49.4	49.5	45.1	48.0	44.0
Time & Materials	50.6	50.5	54.9	52.0	56.0
Total	100.0	100.0	100.0	100.0	100.0

* Excluding products

Revenues by Client Industry

(in %)

	Quarter ended			Year Ended	
	Mar 31, 2017	Dec 31, 2016	Mar 31, 2016	Mar 31, 2017	Mar 31, 2016
Banking & Financial Services, Insurance	33.5	33.3	32.8	33.2	33.0
Banking & financial services	27.4	27.2	27.4	27.3	27.3
Insurance	6.1	6.1	5.4	5.9	5.7
Manufacturing & Hi-Tech	22.4	22.5	22.7	22.6	23.3
Retail & Life Sciences	22.7	23.5	24.5	23.4	24.4
Retail & CPG	14.1	14.6	15.0	14.7	14.9
Transport & Logistics	2.0	2.0	1.8	2.0	1.8
Life Sciences	4.6	4.6	5.7	4.6	5.8
Healthcare	2.0	2.3	2.0	2.1	1.9
Energy, Utilities, Communications & Services	21.4	20.7	20.0	20.8	19.3
Energy & Utilities	5.0	5.0	5.2	4.9	4.8
Telecom	9.9	9.1	8.6	9.4	8.2
Others	6.5	6.6	6.2	6.5	6.3
Total	100.0	100.0	100.0	100.0	100.0

Client Data

	Quarter ended			Year ended	
	Mar 31, 2017	Dec 31, 2016	Mar 31, 2016	Mar 31, 2017	Mar 31, 2016
Number of Clients					
Active	1,162	1,152	1,092	1,162	1,092
Added during the period (gross)	71	77	89	321	325
Number of million dollar clients*					
1 Million dollar +	598	591	558	598	558
5 Million dollar +	282	275	268	282	268
10 Million dollar +	189	195	177	189	177
25 Million dollar +	91	90	88	91	88
50 Million dollar +	56	54	52	56	52
75 Million dollar +	31	32	31	31	31
100 Million dollar +	19	18	14	19	14
200 Million dollar +	6	6	6	6	6
300 Million dollar +	1	1	1	1	1
Client contribution to revenues					
Top client	3.3%	3.1%	3.6%	3.4%	3.6%
Top 5 clients	12.2%	12.3%	13.7%	12.6%	13.8%
Top 10 clients	20.2%	20.1%	21.8%	21.0%	22.5%
Repeat business	96.2%	96.7%	95.8%	97.3%	97.1%
Days Sales Outstanding	68	69	66	68	66

*LTM (Last twelve months) Revenues

Effort and Utilization - Consolidated IT Services

(in %)

	Quarter ended			Year Ended	
	Mar 31, 2017	Dec 31, 2016	Mar 31, 2016	Mar 31, 2017	Mar 31, 2016
Effort					
Onsite	30.0	29.8	29.6	29.8	29.4
Offshore	70.0	70.2	70.4	70.2	70.6
Revenues					
Onsite	56.7	56.5	56.5	56.8	56.3
Offshore	43.3	43.5	43.5	43.2	43.7
Utilization					
Including trainees	78.2	77.8	74.7	77.6	75.0
Excluding trainees	82.0	81.9	80.1	81.7	80.6

Person Months Data - Consolidated IT Services

	Quarter ended			Year Ended	
	Mar 31, 2017	Dec 31, 2016	Mar 31, 2016	Mar 31, 2017	Mar 31, 2016
Billed – Onsite	110,574	108,562	101,419	431,824	386,235
– Offshore	258,408	256,197	241,040	1,015,978	927,788
TOTAL	368,982	364,759	342,459	1,447,802	1,314,023
Non Billable	80,799	80,813	84,915	323,638	317,121
Trainee	22,044	22,976	31,329	95,310	121,200
Sales & Support	27,737	28,530	27,765	114,707	105,432
TOTAL	499,562	497,078	486,468	1,981,457	1,857,776

Effort and Revenues - Consolidated IT Services

	Quarter ended						Year Ended			
	Mar 31, 2017	Sequential growth %	Dec 31, 2016	Sequential growth %	Mar 31, 2016	Sequential growth %	Mar 31, 2017	Year on Year growth %	Mar 31, 2016	Year on Year growth %
Effort - (Person months)										
Onsite	110,574	1.9	108,562	0.6	101,419	2.7	431,824	11.8	386,235	16.8
Offshore	258,408	0.9	256,197	0.1	241,040	2.3	1,015,978	9.5	927,788	13.6
Total	368,982	1.2	364,759	0.2	342,459	2.4	1,447,802	10.2	1,314,023	14.5
Revenues – (\$ million)										
Onsite	1,316.48	1.3	1,299.39	(2.9)	1,248.52	1.3	5,237.78	8.2	4,842.62	12.1
Offshore	1,004.79	0.4	1,000.69	(0.7)	960.24	1.3	3,981.98	6.0	3,756.23	5.4
Total	2,321.27	0.9	2,300.08	(2.0)	2,208.76	1.3	9,219.76	7.2	8,598.85	9.1

Revenue per Employee

(In US \$ K)

	Quarter ended			Year Ended	
	Mar 31, 2017	Dec 31, 2016	Mar 31, 2016	Mar 31, 2017	Mar 31, 2016
Revenue per Employee - Consolidated	51.4	51.2	50.7	51.4	50.7

Employee Metrics

(Nos.)

	Quarter ended			Year ended	
	Mar 31, 2017	Dec 31, 2016	Mar 31, 2016	Mar 31, 2017	Mar 31, 2016
Total employees	2,00,364	1,99,763	1,94,044	2,00,364	1,94,044
S/W professionals	1,88,665	1,87,919	1,82,329	1,88,665	1,82,329
Billable	1,78,474	1,78,548	171,109	1,78,474	1,71,109
Banking product group	4,753	4,941	5,122	4,753	5,122
Trainees	5,438	4,430	6,098	5,438	6,098
Sales & Support	11,699	11,844	11,715	11,699	11,715
Gross addition	9,130	9,120	9,034	44,235	52,545
Of which lateral addition	3,967	4,000	5,266	18,979	24,719
Attrition	8,529	9,186	8,373	37,915	34,688
Net addition	601	(66)	661	6,320	17,857
Attrition % (Annualized Standalone)	13.5%	14.9%	12.6%	15.0%	13.6%
Attrition % (Annualized Consolidated)	17.1%	18.4%	17.3%	19.2%	18.7%

Infrastructure (as on Mar 31, 2017)

	Completed		Work in progress		Land acquired during the Quarter (acres)
	Built-up area (Sq. Ft.)	No. of seats	Built-up area (Sq. Ft.)	No. of seats	
Bengaluru	5,679,021	39,668	2,350,820	11,666	-
Pune	7,338,366	42,391	360,000	-	-
Chennai	4,335,292	26,007	-	-	-
Hyderabad	5,082,180	26,141	1,378,956	11,120	-
Bhubaneswar	1,266,732	6,252	752,788	2,152	-
Mangaluru	1,945,636	6,891	604,064	4,800	-
Mysuru (including ILI)*	11,585,593	15,751	815,424	6,035	-
Chandigarh	1,306,483	7,665	-	-	-
Trivandrum	1,989,655	7,068	750,000	6,995	-
Delhi/ NCR	151,104	1,330	200,861	839	1.6
Jaipur	778,245	6,994	-	-	-
Nagpur	26,900	202	385,000	3,000	-
Indore	19,430	186	350,000	3,000	-
Mohali	19,430	186	-	-	-
Huballi	73,356	161	321,496	3,000	-
Global centers	2,930,819	24,785	9,731	-	-
Total	44,528,242	211,678	8,279,140	52,607	1.6

*Infosys Leadership Institute

Rupee Dollar Rate (₹)

	Quarter ended			Year ended	
	Mar 31, 2017	Dec 31, 2016	Mar 31, 2016	Mar 31, 2017	Mar 31, 2016
Period closing rate	64.85	67.93	66.26	64.85	66.26
Period average rate	66.73	67.70	67.72	67.11	65.69

Constant Currency Reporting

Reported revenues	Q4 17	Q3 17	Q2 17	Q1 17	Q4 16
Revenues (\$ mn)	2,569	2,551	2,587	2,501	2,446
Sequential growth (%)	0.7	(1.4)	3.5	2.2	1.6
YoY growth (%)	5.0	6.0	8.2	10.9	13.3

Constant currency – Q o Q	Q4 17	Q3 17	Q2 17	Q1 17	Q4 16
Revenues (\$ mn)	2,552	2,579	2,599	2,489	2,452
Sequential growth (%)	0.0	(0.3)	3.9	1.7	1.9

Constant currency – Y o Y	Q4 17	Q3 17	Q2 17	Q1 17	Q4 16
Revenues (\$ mn)	2,576	2,582	2,605	2,529	2,484
YoY growth (%)	5.3	7.3	8.9	12.1	15.0

Notes:

Basis of computation

1. Foreign exchange rates are as per FEDAI.
2. Average rates for major global currencies:

Average rate of USD	FY 17	Q4 17	Q3 17	Q2 17	Q1 17	FY 16
AUD	0.75	0.76	0.74	0.76	0.74	0.73
EURO	1.09	1.07	1.07	1.12	1.12	1.10
GBP	1.30	1.25	1.23	1.31	1.43	1.51

3. Proportion of revenues from major global currencies:

Revenue by currency (%)	FY 17	Q4 17	Q3 17	Q2 17	Q1 17	FY 16
AUD	7.3	7.3	7.1	7.5	7.3	6.9
EURO	9.6	9.5	10.0	9.6	9.4	9.3
GBP	5.8	5.3	5.1	6.0	6.6	6.6

Q4 2017

Geographical segment – growth

North America grew by 1.3% sequentially; and by 1.2% in constant currency

Europe was flat sequentially; and declined by 1.6% in constant currency

India declined by 5.4% sequentially; and 6.9% in constant currency

Rest of the world grew by 0.8% sequentially; and declined by 1.3% in constant currency

Industry segment – growth

FSI grew by 1.3% sequentially; and 0.5% in constant currency

MFG & Hi-Tech grew by 0.4% sequentially; and was flat in constant currency

RCL declined by 2.7% sequentially; and 3.1% in constant currency

ECS grew by 3.9% sequentially; and 2.8% in constant currency

B S R & Co. LLP

Chartered Accountants

Maruthi Info-Tech Centre
11-12/1 Inner Ring Road
Koramangala
Bangalore 560 071 India

Telephone: + 91 80 3980 6000
Fax: + 91 80 3980 6999

Auditor's Report on Quarterly and Year to Date Standalone Financial Results of Infosys Limited Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To
The Board of Directors of Infosys Limited

We have audited the quarterly standalone financial results of Infosys Limited ('the Company') for the quarter ended 31 March 2017 and the year to date standalone financial results for the period from 1 April 2016 to 31 March 2017, attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

These standalone quarterly as well as year to date financial results have been prepared on the basis of the standalone Ind AS interim financial statements, which are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial results based on our audit of such standalone Ind AS interim financial statements, which have been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard, Interim Financial Reporting (Ind AS 34), prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India.

We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial results are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts disclosed as financial results. An audit also includes assessing the accounting principles used and significant estimates made by the management. We believe that our audit provides a reasonable basis for our opinion.

In our opinion and to the best of our information and according to the explanations given to us, these quarterly and year to date standalone financial results:

- (i) have been presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and SEBI circular dated 5 July 2016 in this regard; and

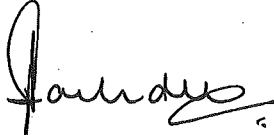
B S R & Co. LLP

- (ii) give a true and fair view of the financial performance including other comprehensive income and other financial information for the quarter ended 31 March 2017 as well as the year to date results for the period from 1 April 2016 to 31 March 2017.

for **B S R & Co. LLP**

Chartered Accountants

Firm's registration number: 101248W/ W-100022



Supreet Sachdev

Partner

Membership number: 205385

Bengaluru

13 April 2017

B S R & Co. LLP

Chartered Accountants

Maruthi Info-Tech Centre
11-12/1 Inner Ring Road
Koramangala
Bangalore 560 071 India

Telephone: + 91 80 3980 6000
Fax: + 91 80 3980 6999

Auditor's Report on Quarterly and Year to Date Consolidated Financial Results of Infosys Limited Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To

The Board of Directors of Infosys Limited

We have audited the quarterly consolidated financial results of Infosys Limited ('the Company') and its subsidiaries (collectively referred to as 'the Group') for the quarter ended 31 March 2017 and the year to date consolidated financial results for the period from 1 April 2016 to 31 March 2017, attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

These consolidated quarterly as well as year to date financial results have been prepared from the consolidated Ind AS interim financial statements, which are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial results based on our audit of such consolidated Ind AS interim financial statements, which have been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard, Interim Financial Reporting (Ind AS 34), prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India.

We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial results are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts disclosed as financial results. An audit also includes assessing the accounting principles used and significant estimates made by management. We believe that our audit provides a reasonable basis for our opinion.

In our opinion and to the best of our information and according to the explanations given to us, these quarterly and year to date consolidated financial results:

(i) include the quarterly and year to date financial results of the following entities:

- (a) Infosys Limited;
- (b) Infosys BPO Limited;
- (c) Infosys (Czech Republic) Limited s.r.o.;
- (d) Infosys Tecnologia Do Brasil LTDA.;
- (e) Infosys Technologies (Australia) Pty Limited;
- (f) Infosys Technologies (China) Co. Limited;
- (g) Infosys McCamish Systems, LLC.;
- (h) Infosys Public Services, Inc.;
- (i) Infosys Technologies S. de R.L.de C.V.;
- (j) Infosys Technologies (Sweden) AB;
- (k) Infosys Poland Sp z.o.o.;
- (l) Infosys Technologies (Shanghai) Company Limited;

B S R & Co. LLP

- (m) Infosys Americas Inc.;
- (n) Portland Group Pty Ltd.;
- (o) EdgeVerve Systems Limited;
- (p) Infosys Consulting Holding AG;
- (q) Lodestone Management Consultants Inc.;
- (r) Infosys Management Consulting Pty Limited;
- (s) Infosys Consulting AG;
- (t) Lodestone Augmentis AG;
- (u) Lodestone GmbH;
- (v) Infosys Consulting (Belgium) NV;
- (w) Infosys Consulting GmbH;
- (x) Infy Consulting Company Ltd.;
- (y) Infy Consulting B.V.;
- (z) Infosys Consulting Ltda.;
- (aa) Infosys Consulting Sp. z.o.o.;
- (ab) Lodestone Management Consultants Portugal, Unipessoal, Lda.;
- (ac) S.C. Infosys Consulting S.R.L.;
- (ad) Infosys Consulting Pte Ltd.;
- (ae) Infosys Consulting SAS;
- (af) Infosys Consulting s.r.o.;
- (ag) Lodestone Management Consultants Co., Ltd.;
- (ah) Lodestone Management Consultants GmbH;
- (ai) Infosys Consulting S. R. L.;
- (aj) Infosys BPO, S de R.L. de C.V.;
- (ak) Infosys Limited Employees' Welfare Trust;
- (al) Infosys Science Foundation;
- (am) Panaya Inc.;
- (an) Panaya Ltd.;
- (ao) Panaya GmbH;
- (ap) Panaya Pty Ltd.
- (aq) Panaya Japan Co. Ltd.;
- (ar) Infosys Nova Holdings LLC.;
- (as) DWA Nova LLC.;
- (at) Kallidus Inc.;
- (au) Skava Systems Private Limited;
- (av) Noah Consulting LLC;
- (aw) Noah Information Management Consulting, Inc.;
- (ax) Infosys Canada Public Services Ltd.;
- (ay) Infosys Employee Benefits Trust; and
- (az) Infosys BPO Americas LLC.



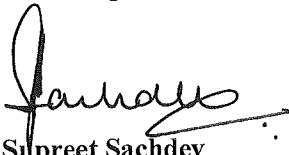
B S R & Co. LLP

- (ii) have been presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and SEBI circular dated 5 July 2016 in this regard; and
- (iii) give a true and fair view of the consolidated financial performance including other comprehensive income and other financial information for the quarter ended 31 March 2017 as well as the year to date results for the period from 1 April 2016 to 31 March 2017.

for **B S R & Co. LLP**

Chartered Accountants

Firm's registration number: 101248W/ W-100022



Supreet Sachdev

Partner

Membership number: 205385

Bengaluru

13 April 2017

TO ALL STOCK EXCHANGES

**BSE LIMITED
NATIONAL STOCK EXCHANGE OF INDIA LIMITED**

April 13, 2017

Dear Sirs/Madam,

Sub: Declaration pursuant to Regulation 33(3)(d) of the Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2016.

DECLARATION

I, M.D. Ranganath, Chief Financial Officer of Infosys Limited (CIN: L85110KA1981PLC013115) having its Registered Office at Electronics City, Hosur Road, Bangalore 560 100, India, hereby declare that, the Statutory Auditors of the Company, B S R & Co. LLP (FRN: 101248W/W100022) have issued an Audit Report with unmodified opinion on Audited Financial Results of the Company (Standalone & Consolidated) for the quarter and year ended on 31 March, 2017.

This Declaration is given in compliance to Regulation 33(3)(d) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended by the SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2016, vide notification No. SEBI/LAD-NRO/GN/201 6-17/001 dated May 25, 2016 and Circular no. CIR/CFD/CMD/56/2016 dated May 27, 2016.

Kindly take this declaration on your records.

Yours Sincerely,

For Infosys Limited



M.D. Ranganath
Chief Financial Officer

INFOSYS LIMITED

CIN: L85110KA1981PLC013115
44, Infosys Avenue
Electronics City, Hosur Road
Bengaluru 560 100, India
T 91 80 2852 0261
F 91 80 2852 0362
investors@infosys.com
www.infosys.com