Independent Auditors' Report

To the Members of Infosys Limited

Report on the Consolidated Ind AS Financial Statements

We have audited the accompanying consolidated Ind AS financial statements of Infosys Limited ('the Holding Company') and its subsidiaries (collectively referred to as 'the Company' or 'the Group'), which comprise the Consolidated Balance Sheet as at 31 March 2017, the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity for the year then ended and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as 'the consolidated Ind AS financial statements').

Management's Responsibility for the Consolidated Ind AS Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated Ind AS financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as 'the Act') that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated changes in equity of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards (Ind AS) prescribed under Section 133 of the Act read with relevant rules issued thereunder. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated Ind AS financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated Ind AS financial statements.

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the consolidated Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS, of the consolidated financial position of the Group, as at 31 March 2017 and its consolidated financial performance including other comprehensive income, its consolidated cash flows and the consolidated changes in equity for the year then ended.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, we report, that:

   a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated Ind AS financial statements.

   b. In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated Ind AS financial statements have been kept so far as it appears from our examination of those books.

   c. The consolidated Balance Sheet, the consolidated Statement of Profit and Loss, the Consolidated Statement of Cash Flows and Consolidated Statement of Changes in Equity dealt with by this report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements.

   d. In our opinion, the aforesaid consolidated Ind AS financial statements comply with the accounting standards specified under Section 133 of the Act, read with relevant rules issued thereunder.

   e. On the basis of the written representations received from the directors of the Holding Company as on 31 March 2017 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies incorporated in India, none of the Directors of the Group companies incorporated in India is disqualified as on 31 March 2017 from being appointed as a Director of that company in terms of Section 164(2) of the Act.

   f. With respect to the adequacy of the internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate report in 'Annexure A'; and

   g. With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

      i. the consolidated Ind AS financial statements disclose the impact of pending litigations on the consolidated financial position of the Group. Refer to Note 2.24 to the consolidated Ind AS financial statements;

      ii. provision has been made in the consolidated Ind AS financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivatives contracts. Refer to Note 2.16 to the consolidated financial statements;

      iii. there has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiary companies incorporated in India; and

      iv. the Company has provided requisite disclosures in its consolidated Ind AS financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8 November, 2016 to 30 December, 2016 and these are in accordance with the books of accounts maintained by the Company. Refer to Note 2.28 to the consolidated Ind AS financial statements.

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

Annexure A to the Auditors' Report

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')

In conjunction with our audit of the consolidated Ind AS financial statements of the Company as of and for the year ended 31 March 2017, we have audited the internal financial controls over financial reporting of Infosys Limited ('the Holding Company') and its subsidiary companies which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding Company and its subsidiary companies, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting ('the Guidance Note') issued by ICAI and the Standards on Auditing, issued by ICAI and deemed to be prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Holding Company and its subsidiary companies, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

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

Consolidated Balance Sheet

in ₹ crore

Particulars	Note	As at March 31, 2017	As at March 31, 2016	As at 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 number : 101248W/W-100022

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

Supreet Sachdev
Partner
Membership number : 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 Statement of Profit and Loss

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

Particulars	Note	For the 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 amortization expenses	2.4 & 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 loss of associate		19,981	18,743
Share in net 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			
Items that will not be reclassified subsequently to profit or loss			
Remeasurement of the net defined benefit liability / asset		(45)	(12)
Equity instruments through other comprehensive income		(5)	–
		(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	39	–
Exchange differences on translation of foreign operations		(257)	303
Fair value changes on investments, net		(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		2,28,56,39,447	2,28,56,16,160
Diluted		2,28,63,96,745	2,28,57,18,894

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 number : 205385

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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

Particulars	Equity share capital (1)	OTHER EQUITY – Reserves and surplus: Securities premium reserve	Retained earnings	Capital reserve	General reserve	Share options outstanding account	Special Economic Zone Re-investment Reserve (2)	Other reserves (3)	OTHER EQUITY – Other comprehensive income: 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	Total equity attributable to equity holders of the Company
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 ended March 31, 2016													
Increase in share capital on account of bonus issue (1) (*Refer to Note 2.13*)	572	–	–	–	–	–	–	–	–	–	–	–	572
Amounts utilized for bonus issue (*Refer to Note 2.13*) (1)	–	(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 to Notes 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	Equity share capital (1)	OTHER EQUITY											Total equity attributable to equity holders of the Company
		Reserves and surplus							Other comprehensive income				
		Securities premium reserve	Retained earnings	Capital reserve	General reserve	Share options outstanding account	Special Economic Zone Re-investment Reserve (2)	Other reserves (3)	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 ended 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 to Notes 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

Notes: The non-controlling interest for each of the above periods is less than ₹ 1 crore

(1) Net of treasury shares

(2) The Special Economic Zone Re-investment Reserve has been created out of the profit of eligible SEZ units in terms of the provisions of Section 10AA (1) (ii) of the 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 Section 10AA (2) of the Income-tax Act, 1961.

(3) 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 number: 101248W/W-100022

Supreet Sachdev
Partner
Membership number: 205385

Bengaluru
April 13, 2017

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

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Roopa Kudva
Director

M. D. Ranganath
Chief Financial Officer

A. G. S. Manikantha
Company Secretary

Consolidated Statement of Cash Flows

in ₹ crore

Particulars	For the year ended March 31, 2017	2016
Cash flows 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 number : 101248W/W-100022

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

Supreet Sachdev
Partner
Membership number :205385
Bengaluru
April 13, 2017

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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 ('the Company') is a leading provider of 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 hereinafter referred to as 'the Group'.

The Company is a public limited company incorporated and domiciled in India and has its registered office in Bengaluru, Karnataka, India. The Company has its primary listings on the BSE Limited and National Stock Exchange of India Limited in India. The Company's American Depositary Shares (ADSs) 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 the 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 ('the 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 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 have been summarized in Notes 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 quarterly and yearly figures are taken from the source and rounded to the nearest digits, the figures already reported for all the quarters during the year might not always add up to the year figures reported in this statement.

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 the 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 the Management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the 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. The 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 2.17.

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 the Group's assets are determined by the 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 (CGU) 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 CGUs is determined based on the higher of value-in-use and fair value less cost to sell. The goodwill impairment test is performed at the level of the CGU or groups of CGUs which are benefiting from the synergies of the acquisition and which represent 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 the 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 the 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 the measurement or collectability of consideration, is recognized as per the percentage-of-completion method. When there is uncertainty as to the 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 rateably 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 is 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 rateably 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 rateable 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 the 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 :

Buildings [1]	22-25 years
Plant and machinery [1]	5 years
Office equipment	5 years
Computer equipment [1]	3-5 years
Furniture and fixtures [1]	5 years
Vehicles [1]	5 years

[1] Based on technical evaluation, the Management believes that the useful lives as given above best represent the period over which the 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 are 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 of 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 are 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 labor, 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 in the Statement of Profit and Loss.

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 amortized cost

A financial asset is subsequently measured at amortized 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 (FVOCI)

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 (OCI).

(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 options 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 as 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.

Refer to Note 2.12 in for the disclosure on carrying value and fair value of financial assets and liabilities. For financial assets and liabilities maturing within one year from the Balance Sheet date and which are not carried at fair value, the carrying amounts approximate fair value due to the short maturity of these 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, ECLs 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 ECL (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 the Statement of Profit and 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 CGUs or groups of CGUs 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, Infosys Consulting Pte Ltd., 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 of, 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 share 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. 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 the Life Insurance Corporation of India as permitted by Indian law.

The Group recognizes the net obligation of a defined benefit plan in its Balance Sheet as an asset or liability. Gains and losses through remeasurements 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 is 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

The final dividend on shares is 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, gain / loss on investments 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 has evaluated the disclosure requirements of the amendment and the effect on the consolidated financial statements is not expected to be material.

Amendment to Ind AS 102

The amendment to Ind AS 102 provides specific guidance for the 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.

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

2.1 First-time adoption of Ind AS

These consolidated 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 Standards*, 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 Notes 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 combinations

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 itself of this exemption and apply the requirements of Ind AS 102 to all such grants under the 2015 Stock Incentive Compensation Plan ('the 2015 Plan', formerly 'the 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.

2.2 Reconciliations

The following reconciliations provide 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		7,685	–	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

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
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
Liabilities							
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 the reconciliation of the 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 amortization expenses and exchange gains and losses.

(b) 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 OCI in Ind AS, as compared to being carried at cost under IGAAP.

(c) Deferred taxes

Deferred taxes in relation to business combinations have been recognized under Ind AS.

(d) Other financial liabilities

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

(e) 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*, requires such gains and losses to be adjusted to retained earnings. They also reflect 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

1. Adjustments to retained earnings and other comprehensive income have been made in accordance with Ind AS, for the above-mentioned line items.
2. 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	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 amortization 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 loss of associate		18,982	(239)	18,743
Share in net loss of associate and others		(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				
Items that will not be reclassified subsequently to profit or loss				
Remeasurement of the net defined benefit liability / asset	(h)	–	(12)	(12)
Equity instruments through other comprehensive income		–	–	–
		–	(12)	(12)
Items that will be reclassified subsequently to profit or loss				
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 the 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 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.

(i) Adjustments reflect impact of discounting pertaining to deferred and contingent consideration payable for business combinations.

(j) Adjustment reflects impact of amortization 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 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 US $33 million (approximately ₹216 crore), contingent consideration of up to US $ 5 million (approximately ₹33 crore on acquisition date) and an additional consideration of up to US $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 the 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 [1]	39	–	39
Intangible assets			
Technical know-how	–	27	27
Trade name	–	27	27
Customer contracts and relationships	–	119	119
	39	173	212
Goodwill			30
Total purchase price			242

[1] 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 the 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 years ended December 31, 2015 and 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.

The transaction costs of ₹11 crore related to the acquisition was recognized 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 a 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 businesses were transferred for a consideration of ₹3,222 crore and ₹177 crore for Finacle and Edge Services, respectively.

The consideration was settled through the 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 a 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 a cash consideration of US $91 million (approximately ₹578 crore) and a contingent consideration of up to US $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 the 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 [(1)]	35	–	35
Intangible assets			
Technology	–	130	130
Trade name	–	14	14
Customer contracts and relationships	–	175	175
Deferred tax liabilities on intangible assets	–	(128)	(128)
	35	191	226
Goodwill			452
Total purchase price			678

(1) 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 three 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, a 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 was ₹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 the 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 [(1)]	38	–	38
Intangible assets			
Technology	–	243	243
Trade name	–	21	21
Customer contracts and relationships	–	82	82
Non-compete agreements	–	26	26
Deferred tax liabilities on intangible assets	–	(99)	(99)
	47	273	320
Goodwill			1,078
Total purchase price			1,398

(1) 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 up to ₹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 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

The changes in the carrying value of property, plant and equipment for the year ended March 31, 2017 were as follows:

in ₹ crore

Particulars	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

The changes in the carrying value of property, plant and equipment for the year ended March 31, 2016 were as follows:

in ₹ crore

Particulars	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 to 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)

Particulars	Land – Freehold	Land – Leasehold	Buildings [1]	Plant and machinery	Office equipment	Computer equipment	Furniture and fixtures	Vehicles	Total
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

[1] Buildings include ₹250 being the value of five shares of ₹50 each in Mittal Towers Premises Co-operative Society Limited.

[2] Includes CSR spend amounting to ₹25 crore for the year ended March 31, 2017

Gross carrying value 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 amortization expense in the consolidated Statement of Profit and Loss.

2.5 Goodwill and other intangible assets

A summary of changes in the carrying amount of goodwill is as follows:

in ₹ crore

Particulars	As of March 31,	
	2017	2016
Carrying value at the beginning	3,764	3,091
Goodwill on Kallidus d.b.a Skava acquisition (*Refer to Note 2.3*)	–	452
Goodwill on Noah acquisition (*Refer to 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 CGUs or groups of CGUs, 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 CGUs.

The break-up of allocation of goodwill to operating segments as at April 1, 2015 is as follows:

in ₹ crore

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, 2016 and March 31, 2017.

in ₹ crore

Segment	As of March 31,	
	2017	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 CGUs which are represented by the Life Sciences, Healthcare and Insurance segment.

The goodwill relating to Infosys BPO, Infosys Lodestone, Portland, Panaya and Kallidus (d.b.a Skava) has been allocated to the groups of CGUs 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 CGUs 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 CGUs 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 %

Particulars	As of March 31,		As at April 1,
	2017	2016	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.

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

in ₹ crore

Particulars	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 March 31, 2017	368	284	–	–	59	41	24	776
Carrying value as of April 1, 2016	472	352	–	–	66	55	40	985
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 year ended March 31, 2017, the Management, based on an internal evaluation, reassessed the remaining useful life of certain software technology assets acquired as a part of business combinations. Accordingly, the remaining useful life of the said asset which was eight years has been revised to three years. Amortization expense for the year ended March 31, 2017 is higher by ₹19 crore due to the revision.

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

in ₹ crore

Particulars	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 to 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 March 31, 2016	472	352	–	–	66	55	40	985
Carrying value as of April 1, 2015	286	240	–	–	66	21	25	638
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 amortization expense in the consolidated Statement of Profit and Loss.

Research and development expenditure

Research and development expense recognized in net profit in the consolidated Statement of Profit and Loss for the years ended March 31, 2017 and March 31, 2016 is ₹789 crore and ₹712 crore, respectively.

in ₹ crore

Particulars	Year ended March 31,	
	2017	2016
Expenditure at the Department of Scientific and Industrial Research (DSIR) approved R&D centres (eligible for weighted deduction) [(1)]		
Capital expenditure	–	–
Revenue expenditure	163	174
Other R&D expenditure		
Capital expenditure	–	31
Revenue expenditure	626	538
Total R&D expenditure		
Capital expenditure	–	31
Revenue expenditure	789	712

(1) 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 up to March 31, 2017. An application has been filed for renewal of the R&D recognition with DSIR. The weighted tax deduction is equal to 200% of such expenditure incurred.

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 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. The approval for EdgeVerve was effective April 2016.

The eligible R&D revenue and capital expenditure are ₹163 crore and nil for the year ended March 31, 2017 and ₹174 crore and nil for the year ended March 31, 2016.

2.6 Investments

in ₹ crore

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Non-current			
Unquoted			
Investments carried at fair value through other comprehensive income (*Refer to 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 to Note 2.6.1*)			
Convertible promissory note	10	–	–
Others	35	22	–
	45	22	–
Quoted			
Investment carried at amortized cost (*Refer to 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 to Note 2.6.3*)			
Fixed maturity plan securities	407	–	–
	407	–	–
Investments carried at fair value through other comprehensive income (*Refer to 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 to 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 to Note 2.6.4*)			
Certificates of deposit	7,905	–	–
	7,905	–	–
Quoted			
Investment carried at amortized cost (*Refer to Note 2.6.2*)			
Government bonds	9	7	–
	9	7	–
Investments carried at fair value through profit or loss (*Refer to Note 2.6.3*)			
Fixed maturity plan securities	151	–	32
	151	–	32
Investments carried at fair value through other comprehensive income (*Refer to 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 associate)	9,983	286	936
Aggregate amount of impairment made for non-current unquoted investments (including associate)	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:

in ₹ crore, except otherwise stated

Particulars	As at March 31,	
	2017	2016
Preference securities		
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
25,59,290 (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		
Equity instruments		
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		
Unsilo A / S	14	–
69,894 (Nil) equity shares, fully paid up, par value DKK 1 each		
Others		
Stellaris Venture Partners India I	3	–
Vertex Ventures US Fund L.L.P	32	22
Convertible promissory note		
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:

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	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

Particulars	Face value ₹	As at March 31, 2017		As at March 31, 2016	
		Units	Amount	Units	Amount
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:

in ₹ crore, except as otherwise stated

Particulars	Face value PHP	As at March 31, 2017		As at March 31, 2016	
		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	–	–	2,00,000	3
Treasury Notes PHY6972FWG18 MAT Date 22 Feb 2017	100	–	–	1,60,000	2
Treasury Notes PHY6972FWQ99 MAT Date 07 June 2017	100	3,40,000	4	–	–
Treasury Notes PIBl1217CO56 MAT Date 14 Mar 2018	100	4,00,000	5	–	–
		7,40,000	9	4,70,000	7

2.6.3 Details of investments in liquid mutual fund units and fixed maturity plan securities

The balances held in liquid mutual fund units as at March 31, 2017 and March 31, 2016 are 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	1,45,22,491	380	–	–
Birla Sun Life Cash Manager – Regular Plan	–	–	3,89,089	14
BSL Cash Manager – Growth	2,66,264	11	–	–
ICICI Prudential Liquid – Direct Plan – Daily Dividend	–	–	16,07,064	16
ICICI Prudential Liquid Direct Plan Growth	1,03,88,743	250	–	–
IDFC Cash Fund Growth (Direct Plan)	12,65,679	250	–	–
Kotak Low Duration Fund Direct Growth (Ultra Short-Term)	15,02,564	305	–	–
L&T Liquid Fund Direct Plan Growth	6,72,806	150	–	–
Reliance Liquid Fund Cash Plan	28,305	7	2	–
Reliance Liquid Fund – Treasury Plan – Direct Growth Plan – Growth Option	8,82,465	350	2,07,283	31
Reliance Money Manage Fund	–	–	32,925	7
SBI Premier Liquid Fund Direct Plan Growth	3,91,909	100	–	–
	2,99,21,226	1,803	22,36,363	68

The balances held in fixed maturity plan securities as at March 31, 2017 are as follows:

in ₹ crore, except as otherwise stated

Particulars	As at March 31, 2017	
	Units	Amount
Birla Sun Life Fixed Term Plan – Series OD 1145 Days – GR direct	6,00,00,000	61
Birla Sun Life Fixed Term Plan – series OE 1153 days – GR direct	2,50,00,000	25
HDFC FMP 1155D Feb 2017– Direct Growth Series 37	3,80,00,000	38
HDFC FMP 1169D Feb 2017 – Direct-Quarterly Dividend – Series 37	4,50,00,000	45
ICICI FMP Series 80-1194 D Plan F Div.	5,50,00,000	55
ICICI Prudential Fixed Maturity Plan Series 80 – 1187 Days Plan G direct Plan	4,20,00,000	42
ICICI Prudential Fixed Maturity Plan series 80 – 1253 Days Plan J Direct Plan	3,00,00,000	30
IDFC Fixed Term Plan Series 129 direct Plan – Growth 1147 Days	1,00,00,000	10
IDFC Fixed Term Plan Series 131 direct Plan – Growth 1139 Days	1,50,00,000	15
Kotak FMP Series 199 Direct – Growth	3,50,00,000	36
Reliance Fixed Horizon Fund – XXXII Series 8 – Dividend Plan	5,00,00,000	50
Reliance Yearly Interval Fund Series – 1 – Direct Plan – Growth Plan	10,69,06,898	151
	51,19,06,898	558

2.6.4 Details of investments in non-convertible debentures and certificates of deposit

The balances held in non-convertible debenture units as at March 31, 2017 are 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	1,00,00,000	50	52
7.58% LIC Housing Finance Ltd 11JUN2020	10,00,000	500	51
7.58% LIC Housing Finance Ltd 28FEB2020	10,00,000	1,000	100
7.59% LIC Housing Finance Ltd 14OCT2021	10,00,000	3,000	309
7.75% LIC Housing Finance Ltd 27AUG2021	10,00,000	1,250	129
7.79% LIC Housing Finance Ltd 19JUN2020	10,00,000	500	52
7.80% Housing Development Finance Corporation Ltd 11NOV2019	1,00,00,000	150	155
7.81% LIC Housing Finance Ltd 27APR2020	10,00,000	2,000	208
7.95% Housing Development Finance Corporation Ltd 23SEP2019	1,00,00,000	50	53
8.02% LIC Housing Finance Ltd 18FEB2020	10,00,000	500	51
8.26% Housing Development Finance Corporation Ltd 12AUG2019	1,00,00,000	100	106
8.34% Housing Development Finance Corporation Ltd 06MAR2019	1,00,00,000	200	217
8.37% LIC Housing Finance Ltd 03OCT2019	10,00,000	2,000	218
8.37% LIC Housing Finance Ltd 10MAY2021	10,00,000	500	55
8.43% IDFC Bank Limited 30JAN2018	10,00,000	1,000	102
8.46% Housing Development Finance Corporation Ltd 11MAR2019	1,00,00,000	50	54
8.47% LIC Housing Finance Ltd 21JAN2020	10,00,000	500	52
8.49% Housing Development Finance Corporation Ltd 27APR2020	5,000	900	49
8.50% Housing Development Finance Corporation Ltd 31AUG2020	1,00,00,000	100	108
8.54% IDFC Bank Limited 30MAY2018	10,00,000	1,500	182
8.59% Housing Development Finance Corporation Ltd 14JUN2019	1,00,00,000	50	51
8.60% LIC Housing Finance Ltd 22JUL2020	10,00,000	1,000	108
8.60% LIC Housing Finance Ltd 29JUL2020	10,00,000	1,750	190
8.61% LIC Housing Finance Ltd 11DEC2019	10,00,000	1,000	104
8.66% IDFC Bank Limited 27DEC2018	10,00,000	400	49
8.66% IDFC Bank Limited 25JUN2018	10,00,000	1,520	184
8.72% Housing Development Finance Corporation Ltd 15APR2019	1,00,00,000	75	77
8.75% Housing Development Finance Corporation Ltd 13JAN2020	5,00,000	5,000	260
8.75% LIC Housing Finance Ltd 14JAN2020	10,00,000	1,070	112
8.75% LIC Housing Finance Ltd 21DEC2020	10,00,000	1,000	104
8.97% LIC Housing Finance Ltd 29OCT2019	10,00,000	500	53
9.45% Housing Development Finance Corporation Ltd 21AUG2019	10,00,000	3,000	327
9.65% Housing Development Finance Corporation Ltd 19JAN2019	10,00,000	500	53
		32,715	3,975

The balances held in certificates of deposit as at March 31, 2017 are as follows:

in ₹ crore, except as otherwise stated

Particulars	As at March 31, 2017		
	Face value ₹	Units	Amount
Andhra Bank	1,00,000	35,000	344
Axis Bank	1,00,000	3,05,600	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	1,40,000	1,328
IndusInd Bank	1,00,000	1,06,400	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
		8,27,500	7,905

2.7 Loans

in ₹ crore

Particulars	As at March 31, 2017	As at 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	As at 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 represent deposits with financial institutions to settle employee-related obligations as and when they arise during the normal course of business.

Security deposits relate principally to leased telephone lines and electricity supplies. Other assets primarily represent travel advances and other recoverables.

2.9 Trade receivables (1)

in ₹ crore

Particulars	As at March 31, 2017	As at 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) Includes dues from companies where directors are interested	1	1	6

2.10 Cash and cash equivalents

in ₹ crore

Particulars	As at March 31,		April 1,
	2017	2016	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-month 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 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	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 (U.S. 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

Particulars	As at March 31,	
	2017	2016
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
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

Particulars	As at March 31,	
	2017	2016
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,		April 1,
	2017	2016	2015
Non-current			
Capital advances	600	933	664
Advances other than capital advances			
Prepaid gratuity (*Refer to 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

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

in ₹ crore

Particulars	Amortized 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 to Note 2.10*)	22,625	–	–	–	–	22,625	22,625
Investments (*Refer to Note 2.6*)							
Equity and preference securities	–	–	–	159	–	159	159
Tax-free bonds and government bonds	1,907	–	–	–	–	1,907	(1) 2,168
Liquid mutual fund units	–	–	1,803	–	–	1,803	1,803
Non-convertible debentures	–	–	–	–	3,975	3,975	3,975
Certificates of deposit	–	–	–	–	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 to Note 2.9*)	12,322	–	–	–	–	12,322	12,322
Loans (*Refer to Note 2.7*)	301	–	–	–	–	301	301
Other financial assets (*Refer to 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 to Note 2.14*)	4,973	–	87	–	–	5,060	5,060
Total	5,340	–	87	–	–	5,427	

(1) Changes in fair values including interest accrued

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

in ₹ crore

Particulars	Amortized 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 to Note 2.10*)	32,697	–	–	–	–	32,697	32,697
Investments (*Refer to Note 2.6*)							
Equity, preference and other securities	–	–	22	93	–	115	115
Tax-free bonds and government bonds	1,606	–	–	–	–	1,606	(1) 1,703
Liquid mutual fund units	–	–	68	–	–	68	68
Trade receivables (*Refer to Note 2.9*)	11,330	–	–	–	–	11,330	11,330
Loans (*Refer to Note 2.7*)	328	–	–	–	–	328	328
Other financial assets (*Refer to 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 to Note 2.14*)	4,908	–	122	–	–	5,030	5,030
Total	5,294	–	122	–	–	5,416	

(1) Changes in fair values including interest accrued

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

in ₹ crore

Particulars	Amortized 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 to Note 2.10*)	30,367	–	–	–	–	30,367	30,367
Investments (*Refer to Note 2.6*)							
Equity, preference and other securities	–	–	–	1	–	1	1
Tax-free bonds and government bonds	1,304	–	–	–	–	1,304	[1] 1,344
Liquid mutual fund units	–	–	842	–	–	842	842
Fixed maturity plan securities	–	–	32	–	–	32	32
Trade receivables (*Refer to Note 2.9*)	9,713	–	–	–	–	9,713	9,713
Loans (*Refer to Note 2.7*)	253	–	–	–	–	253	253
Other financial assets (*Refer to 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 to Note 2.14*)	4,911	–	3	–	–	4,914	4,914
Total	5,051	–	3	–	–	5,054	

[1] 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 fair value hierarchy of assets and liabilities measured at fair value as of March 31, 2017 is as follows:

in ₹ crore

Particulars	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 to Note 2.6*)	1,803	1,803	–	–
Investments in tax-free bonds (*Refer to Note 2.6*)	2,159	282	1,877	–
Investments in government bonds (*Refer to Note 2.6*)	9	9	–	–
Investments in equity instruments (*Refer to Note 2.6*)	15	–	–	15
Investments in preference securities (*Refer to Note 2.6*)	144	–	–	144
Investments in non-convertible debentures (*Refer to Note 2.6*)	3,975	3,371	604	–
Investments in certificates of deposit (*Refer to Note 2.6*)	7,905	–	7,905	–
Investments in fixed maturity plan securities (*Refer to Note 2.6*)	558	–	558	–
Investments in convertible promissory note (*Refer to Note 2.6*)	10	–	–	10
Others (*Refer to Note 2.6*)	35	–	–	35
Derivative financial instruments – gain on outstanding foreign currency forward and options contracts (*Refer to Note 2.8*)	284	–	284	–
Liabilities				
Derivative financial instruments – loss on outstanding foreign currency forward and options contracts (*Refer to Note 2.14*)	2	–	2	–
Liability towards contingent consideration (*Refer to Note 2.14*) [1]	85	–	–	85

[1] Discounted US $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 fair value hierarchy of assets and liabilities measured at fair value on a recurring basis as of March 31, 2016 was as follows:

in ₹ crore

Particulars	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 to Note 2.6*)	68	68	–	–
Investments in bonds (*Refer to Note 2.6*)	1,696	369	1,327	–
Investments in government bonds (*Refer to Note 2.6*)	7	7	–	–
Investments in equity instruments (*Refer to Note 2.6*)	1	–	–	1
Investments in preference securities (*Refer to Note 2.6*)	92	–	–	92
Others (*Refer to Note 2.6*)	22	–	–	22
Derivative financial instruments – gain on foreign currency forward and options contracts (*Refer to Note 2.8*)	116	–	116	–
Liabilities				
Derivative financial instruments – loss on foreign currency forward and options contracts (*Refer to Note 2.14*)	5	–	5	–
Liability towards contingent consideration (*Refer to Note 2.14*) [(1)]	117	–	–	117

(1) Discounted US$20 million (approximately ₹132 crore) at 13.7%

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

in ₹ crore

Particulars	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 to Note 2.6*)	842	842	–	–
Investments in fixed maturity plan securities (*Refer to Note 2.6*)	32	–	32	–
Investments in bonds (*Refer to Note 2.6*)	1,340	604	736	–
Investments in government bonds (*Refer to Note 2.6*)	4	4	–	–
Investments in equity instruments (*Refer to Note 2.6*)	1	–	–	1
Derivative financial instruments – gain on foreign currency forward and options contracts (*Refer to Note 2.8*)	101	–	101	–
Liabilities				
Derivative financial instruments – loss on foreign currency forward and options contracts (*Refer to Note 2.14*)	3	–	3	–

A one percentage point change in the unobservable inputs used in fair valuation of Level 3 assets and liabilities 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 the settlement of a contingent consideration of ₹40 crore and change in discount rate and passage of time.

The movement in Level 3 investments from fiscal 2016 to fiscal 2017 is on account of purchase of additional investments during the year and change in fair value.

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 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 ₹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 options 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 foreign currency risk from financial instruments as of March 31, 2017 was as follows :

in ₹ crore

Particulars	USD	Euro	GBP	AUD	Other currencies	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 foreign exchange risk from financial instruments as of March 31, 2016 was as follows :

in ₹ crore

Particulars	USD	Euro	GBP	AUD	Other currencies	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 each of the years ended March 31, 2017 and March 31, 2016, every percentage point depreciation / appreciation in the exchange rate between the Indian rupee and US 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 options 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 details in respect of outstanding foreign currency forward and options contracts are as follows :

Particulars	As of March 31,			
	2017		2016	
	In million	In ₹ crore	In million	In ₹ crore
Derivatives designated as cash flow hedges				
Forward contracts				
In Euro	95	658	–	–
In GBP	40	324	–	–
In AUD	130	644	–	–
Options contracts				
In Euro	40	277	–	–
In GBP	–	–	–	–
In AUD	–	–	–	–
Other derivatives				
Forward contracts				
In USD	526	3,411	510	3,379

Particulars	As of March 31,			
	2017		2016	
	In million	In ₹ crore	In million	In ₹ crore
In Euro	114	786	100	750
In GBP	75	609	65	623
In AUD	35	174	55	281
In CHF	10	65	25	173
In SGD	5	23	–	–
In SEK	50	36	–	–
Options contracts				
In USD	195	1,265	125	828
In Euro	25	173	–	–
In GBP	30	243	–	–
In CAD	13	65	–	–
Total forwards and options		8,753		6,034

The foreign exchange forward and options contracts mature within 12 months. The table below analyzes the derivative financial instruments into relevant maturity groupings based on the remaining period as of the Balance Sheet date:

in ₹ crore

Particulars	As of March 31,	
	2017	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 and Loss within three 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 reconciliation of cash flow hedge reserve for the year ended March 31, 2017 is as follows:

in ₹ crore

Particulars	Year ended March 31, 2017
Balance at the beginning of the period	–
Gain / (Loss) recognized 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 realize the asset and settle the liability simultaneously.

The quantitative information about offsetting of derivative financial assets and derivative financial liabilities is as follows:

in ₹ crore

Particulars	As of March 31, 2017		As of 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 ECL model to assess the impairment loss or gain. The Group uses a provision matrix to compute the ECL 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 details in respect of the percentage of revenues generated from top customer and top five customers are as follows:

in %

Particulars	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 ECL on customer balances for the year ended March 31, 2017 was ₹132 crore. The reversal of provision of allowance for lifetime ECL on customer balances for the year ended March 31, 2016 was ₹52 crore.

in ₹ crore

Particulars	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

Particulars	As of March 31,	
	2017	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.

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 details regarding the contractual maturities of significant financial liabilities as of March 31, 2017 are as follows:

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 to Note 2.14*)	4,943	31	–	–	4,974
Liability towards acquisitions on an undiscounted basis (including contingent consideration) (*Refer to Note 2.14*)	45	46	–	–	91

The details regarding the contractual maturities of significant financial liabilities as of March 31, 2016 are as follows:

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 to Note 2.14*)	4,875	25	9	–	4,909
Liability towards acquisitions on an undiscounted basis (including contingent consideration) (*Refer to Note 2.14*)	86	46	–	–	132

2.13 Equity

Share capital

in ₹ crore, except as otherwise stated

Particulars	As at March 31		April 1,
	2017	2016	2015
Authorized			
Equity shares, ₹5 par value 2,40,00,00,000 (2,40,00,00,000 [3]) equity shares	1,200	1,200	600
Issued, subscribed and paid up			
Equity shares, ₹5 par value [1] 2,28,56,55,150 (2,28,56,21,088 [3]) equity shares fully paid up [2]	1,144	1,144	572
	1,144	1,144	572

Notes: Forfeited shares amounted to ₹1,500 (₹1,500)

(1) Refer to Note 2.23 for details of basic and diluted shares.

(2) Net of treasury shares 1,12,89,514 (1,13,23,576)

(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 ADSs 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 ('the Board') 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 1,14,84,72,332 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 a postal ballot. For both the bonus issues, a bonus share of one equity share for every equity share held, and a stock dividend of one ADS for every ADS held, respectively, has been allotted. Consequently, the ratio of equity shares underlying the ADSs held by an American Depositary Receipt (ADR) holder remains unchanged. Options granted under the restricted stock unit (RSU) plan have been adjusted for bonus shares.

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

The Board, in its meeting on April 15, 2016, recommended 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 to 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, in its 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, in its meeting on April 13, 2017, has recommended 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 favor of the beneficiaries.

The details of shareholders holding more than 5% shares as at March 31, 2017 and March 31, 2016 are as follows:

Name of the shareholder	As at March 31, 2017		As at March 31, 2016	
	No. of shares	% held	No. of shares	% held
Deutsche Bank Trust Company Americas (Depository of ADRs – 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 as follows:

in ₹ crore, except as stated otherwise

Particulars	As at March 31, 2017		As at March 31, 2016	
	No. of shares	Amount	No. of shares	Amount
At the beginning of the period	2,28,56,21,088	1,144	1,14,28,05,132	572
Add: Bonus shares issued (including bonus on treasury shares)	–	–	1,14,84,72,332	574
Add: Shares issued on exercise of employee stock options	34,062	–	10,824	–
Less: Increase in treasury shares consequent to bonus issue	–	–	56,67,200	2
At the end of the period	2,28,56,55,150	1,144	2,28,56,21,088	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 Plan for approval to the shareholders of the Company.

Pursuant to the approval by the shareholders through a postal ballot which ended on March 31, 2016, the Board of Directors has been authorized 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). Of this, 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 four years and the Company expects to grant the instruments under the 2015 Plan over the period of four to seven years.

On August 1, 2016, the Company granted 17,83,615 RSUs (including equity shares and equity shares represented by ADSs) at par value, to employees up to 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 four years and are subject to continued service.

On November 1, 2016, the Company granted 9,70,375 RSUs (including equity shares and equity shares represented by ADSs) at par value, 12,05,850 ESOPs (including equity shares and equity shares represented by ADSs) 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 four 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 four 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, out of which 1,00,000 shares have been earmarked for welfare activities of employees. As of March 31, 2017, 1,06,845 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 a postal ballot on March 31, 2016, Dr. Vishal Sikka, Chief Executive Officer and Managing Director (CEO & MD), is eligible to receive under the 2015 Plan, an annual grant of RSUs of fair value US $2 million which will vest over time, subject to continued service, and an annual grant of performance-based equity and stock options of US $5 million subject to the achievement of performance targets set by the Board or its committee, which will vest over time. US $2 million of fair value in RSUs for fiscal 2017 was granted on August 1, 2016 amounting to 1,20,700 RSUs in equity shares represented by ADSs.

The Board, based on the recommendations of the nomination and remuneration committee, approved on April 13, 2017, performance-based equity and stock options for fiscal 2017 comprising RSUs amounting to US $1.9 million and ESOPs amounting to US $0.96 million. Further, the Board also approved the annual time-based vesting grant for fiscal 2018 amounting to RSUs of US $2 million. These RSUs and ESOPs will be granted w.e.f. May 2, 2017. Though the performance-based RSUs and stock options for fiscal 2017 and time-based RSUs for the remaining employment term 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. The Company has recorded employee stock-based compensation expense of ₹28 crore and ₹7 crore during the year ended March 31, 2017 and March 31, 2016 respectively, towards CEO compensation.

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 a 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 four 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 during the year ended March 31, 2017.

2011 RSU Plan ('the 2011 Plan', now called 'the 2015 Plan'): The Company had a 2011 RSU Plan which provided for the grant of RSUs to eligible employees of the Company. The Board recommended the establishment of the 2011 Plan to the shareholders on August 30, 2011 and the shareholders approved the recommendation of the Board 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 the 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 a 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 RSUs (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 the recommendation of the 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 the 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 the 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 the 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: Indian equity shares (RSU – IES)		
Outstanding at the beginning [1]	2,21,505	5
Granted	18,78,025	5
Forfeited and expired	61,540	5
Exercised	34,062	5
Outstanding at the end	20,03,928	5
Exercisable at the end	–	–
2015 Plan: Employee Stock Options (ESOPs – IES)		
Outstanding at the beginning	–	–
Granted	3,09,650	998
Forfeited and expired	–	–
Exercised	–	–
Outstanding at the end	3,09,650	998
Exercisable at the end	–	–

[1] Adjusted for bonus issues (*Refer to Note 2.13 above*)

Particulars	Year ended March 31, 2017	
	Shares arising out of options	Weighted average exercise price ($)
2015 Plan: American Depository Shares (RSU – ADS)		
Outstanding at the beginning	–	–
Granted	9,96,665	0.07
Forfeited and expired	39,220	0.07
Exercised	–	–
Outstanding at the end	9,57,445	0.07
Exercisable at the end	–	–
2015 Plan: Employee Stock Options (ESOPs – ADS)		
Outstanding at the beginning	–	–
Granted	8,96,200	15.26
Forfeited and expired	8,200	15.26
Exercised	–	–
Outstanding at the end	8,88,000	15.26
Exercisable at the end	–	–

The activity in the 2015 Plan (formerly the 2011 RSU Plan) for equity-settled, share-based payment transactions during the year ended March 31, 2016 was as follows:

Particulars	Year ended March 31, 2016	
	Shares arising out of options	Weighted average exercise price (₹)
2015 Plan: Indian equity shares (IES)		
Outstanding at the beginning [1]	1,08,268	5
Granted	1,24,061	5
Forfeited and expired	–	–
Exercised [1]	10,824	5
Outstanding at the end	2,21,505	5
Exercisable at the end	–	–

[1] Adjusted for bonus issues (*Refer to Note 2.13 above*)

During the years ended March 31, 2017 and March 31, 2016, the weighted average share prices of options exercised under the 2015 Plan on the date of exercise were ₹1,084 and ₹1,088 respectively.

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)	29,61,373	1.88	5.00
900-1,100 (ESOP)	11,97,650	7.09	1,026.50
	41,59,023	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	01-Aug-16	01-Aug-16	22-Jun-15	21-Aug-14
Weighted average share price (₹) / ($ – ADS) [1]	1,085	16.57	1,024	3,549
Exercise price (₹) / ($ – ADS) [1]	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]	1,019	15.59	948	3,355

[1] Data for fiscal 2015 is not adjusted for bonus issues

Particulars	For options granted in fiscal 2017			
	Equity shares		ADSs	
	RSU	ESOP	RSU	ESOP
Grant date	01-Nov-16	01-Nov-16	01-Nov-16	01-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 behavior 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 years 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, which includes cash-settled stock compensation expense of ₹3 crore and nil, respectively.

2.14 Other financial liabilities

in ₹ crore

Particulars	As at March 31, 2017	As at March 31, 2016	April 1, 2015
Non-current			
Others			
Accrued compensation to employees (1)	30	33	–
Payable for acquisition of business (*Refer to 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 to Note 2.3*) (1)	–	–	487
Contingent consideration (*Refer to 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	–

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.

2.15 Other liabilities

in ₹ crore

Particulars	As at March 31, 2017	As at 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 to 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
	3,090	2,675	2,011

2.16 Provisions

in ₹ crore

Particulars	As at March 31, 2017	As at 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

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 six months to one year.

2.17 Income taxes

Income tax expense in the consolidated Statement of Profit and Loss comprises:

in ₹ crore

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Current taxes	5,653	5,318
Deferred taxes	(55)	(67)
Income tax expense	5,598	5,251

Income tax expense for the years ended March 31, 2017 and March 31, 2016 includes reversals (net of provisions) of ₹152 crore and ₹309 crore, respectively, pertaining to prior periods.

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

During the years ended March 31, 2017 and March 31, 2016, a current tax credit of ₹10 crore and ₹2 crore respectively have been recorded in other comprehensive income pertaining to remeasurement of defined benefit plan asset.

During the year ended March 31, 2017, a deferred tax liability of ₹13 crore has been recorded in other comprehensive income pertaining to unrealized gains on derivatives designated as cash flow hedges.

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

Particulars	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 fiscals 2017 and 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 up to March 31, 2017. The weighted tax deduction is equal to 200% of such expenditure incurred. An application has been filed for a 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 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 (SEZs) Act, 2005. SEZ units which began the provision of services on or after April 1, 2005 are eligible for a deduction of 100% 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% 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 details of income tax assets and income tax liabilities as of March 31, 2017, March 31, 2016 and April 1, 2015 are as follows:

in ₹ crore

Particulars	As at March 31,		April 1,
	2017	2016	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 years ended March 31, 2017 and March 31, 2016 was as follows:

in ₹ crore

Particulars	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 to Note 2.17*)	(5,653)	(5,318)

Particulars	Year ended March 31,	
	2017	2016
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

Particulars	As at March 31,		April 1,
	2017	2016	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

Particulars	As of March 31,	
	2017	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, the 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. The 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, the 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 years ended March 31, 2017 and March 31, 2016, was as follows:

in ₹ crore

Particulars	Year ended March 31,	
	2017	2016
Net deferred income tax asset at the beginning	284	377
Addition through business combination (*Refer to Note 2.3*)	–	(128)
Translation differences	7	(32)
Credits / (charge) relating to temporary differences (*Refer to 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

in ₹ crore

Particulars	Year ended March 31,	
	2017	2016
Revenue from software services	66,383	60,528
Revenue from software products	2,101	1,913
	68,484	62,441

2.19 Other income

in ₹ crore

Particulars	Year ended March 31, 2017	2016
Interest received on financial assets carried at amortized cost		
Bonds and government bonds	128	113
Deposits with banks 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

in ₹ crore

Particulars	Year ended March 31, 2017	2016
Employee benefit expenses		
Salaries including bonus	36,557	33,549
Contribution to provident and other funds	770	648
Share-based payments to employees (*Refer to Note 2.13*)	117	7
Staff welfare	215	202
	37,659	34,406
Cost of software packages and others		
For own use	795	740
Third-party items bought for service delivery to clients	802	534
	1,597	1,274
Other expenses		
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

Particulars	Year ended March 31, 2017	2016
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 are as follows:

in ₹ crore

Particulars	Year ended March 31, 2017	2016
Lease rentals	491	360

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	2016	April 1, 2015
Not later than 1 year	461	372	168
Later than 1 year and not later than 5 years	1,237	873	395
Later than 5 years	740	442	168

The operating lease arrangements are renewable on a periodic basis and for most of the leases extend up to a maximum of 10 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 funded status of the Gratuity Plan and the amounts recognized in the Group's financial statements as of March 31, 2017 and March 31, 2016 are as follows:

in ₹ crore

Particulars	As of March 31, 2017	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

Particulars	As of March 31,	
	2017	2016
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)

The amounts for the years ended March 31, 2017 and March 31, 2016, recognized in the Statement of Profit and Loss under employee benefit expense, are as follows:

in ₹ crore

Particulars	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

The amounts for the years ended March 31, 2017 and March 31, 2016, recognized in the statement of other comprehensive income, are as follows:

in ₹ crore

Particulars	Year ended March 31,	
	2017	2016
Remeasurements of the net defined benefit liability / (asset)		
Actuarial (gains) / losses	67	23
(Return) / loss on plan assets excluding amounts included in the net interest on the net defined benefit liability / (asset)	(12)	(9)
	55	14

in ₹ crore

Particulars	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 as follows:

in %

Particulars	As of March 31,		April 1,
	2017	2016	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 years ended March 31, 2017 and March 31, 2016 are as follows:

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 (years)	6.1	6.4

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 to 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 significant 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 years 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 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 Company contributed ₹168 crore and ₹234 crore to the superannuation plan during the years 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.

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 the Actuarial Society of India and based on the assumptions provided below, 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 as follows:

in ₹ crore

Particulars	As of March 31,		April 1,
	2017	2016	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,		April 1,
	2017	2016	2015
Government of India (GOI) bond yield (%)	6.90	7.80	7.80
Remaining term to maturity of portfolio (years)	6	7	7
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 years 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 fund plans are applicable only to employees drawing a salary in Indian rupees and there are no other significant foreign-defined benefit plans.

Employee benefit costs include:

in ₹ crore

Particulars	Year ended March 31,	
	2017	2016
Salaries and bonus [1]	36,913	33,646
Defined contribution plans	252	302
Defined benefit plans	494	458
	37,659	34,406

[1] Includes stock compensation expense of ₹117 crore and ₹7 crore for the years ended March 31, 2017 and March 31, 2016, respectively. Refer to 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]	2,28,56,39,447	2,28,56,16,160
Effect of dilutive common equivalent shares – share options outstanding	7,57,298	1,02,734
Diluted earnings per equity share – weighted average number of equity shares and common equivalent shares outstanding	2,28,63,96,745	2,28,57,18,894

[1] Excludes treasury shares

For the year ended March 31, 2017, 1,12,190 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,		April 1,
	2017	2016	2015
Contingent liabilities			
Claims against the Company, not acknowledged as debts [2] [Net of amount paid to statutory authorities ₹4,717 crore (₹4,409 crore)]	1,997	284	264

Particulars	As at March 31,		April 1,
	2017	2016	2015
Commitments			
Estimated amount of contracts remaining to be executed on capital contracts and not provided for (net of advances and deposits)	1,149	1,486	1,574
Other commitments [1]	114	79	–

[1] Uncalled capital pertaining to investments

[2] Claims against the Company not acknowledged as debts as on March 31, 2017 include demand from the Indian income tax authorities for the 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 fiscals 2007, 2008, 2009, 2010, 2011, 2012 and 2013. Demands were paid to statutory tax authorities in full except for fiscals 2009, 2011, 2012 and 2013.

Demand for fiscals 2007, 2008 and 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 fiscals 2007, 2008, 2009, 2010 and 2011 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 fiscals 2012 and 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 fiscals 2007, 2008, 2009 and 2013 are pending before the Commissioner of Income Tax (Appeals), Bengaluru. The matter for fiscals 2010, 2011 and 2012 is pending before the Hon'ble Income Tax Appellate Tribunal (ITAT), Bengaluru.

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

in %

Name of subsidiaries	Country	Holdings as at March 31,	
		2017	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

Name of subsidiaries	Country	Holdings as at March 31,	
		2017	2016
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. *(formerly Lodestone Management Consultants B.V.)* (3)	The 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 the performance of certain contracts entered into by its subsidiaries.

in %

Name of associate	Country	Holdings as at March 31,	
		2017	2016
DWA Nova LLC (1)	U.S.	16	16

(1) Associate of Infosys Nova Holding LLC

Share in net loss of associate and others for the year ended March 31, 2017 includes an impairment loss of ₹ 18 crore on investment in DWA Nova 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 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

Particulars	Country	Nature of relationship
Infosys Limited Employees' Welfare Trust	India	Controlled trust
Infosys Employee Benefits Trust	India	Controlled trust
Infosys Science Foundation	India	Controlled trust

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

List of key managerial 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 January 1, 2017)*	

Company Secretary

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

Related party transactions

Transactions with key managerial personnel

The table below describes the compensation to key managerial personnel comprising directors and executive officers under Ind AS 24:

in ₹ crore

Particulars	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 and ₹7 crore for the years ended March 31, 2017 and March 31, 2016, respectively, towards key managerial personnel (*Refer to 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 nomination and remuneration committee, approved on April 13, 2017, US $0.82 million as variable pay to the CEO for the year ended March 31, 2017. The shareholders vide a postal ballot had approved a variable pay of US $3 million at target.

Pursuant to the approval from the shareholders through a 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 US$2 million which will vest over time, subject to continued service and an annual grant of performance-based equity and stock options of US$5 million subject to the achievement of performance targets set by the Board or its committee, which will vest over time. The Board, based on the recommendations of the nomination and remuneration committee, approved on April 13, 2017, performance-based equity and stock options for fiscal 2017 comprising RSUs amounting to US$1.9 million and ESOPs amounting to US$0.96 million. Further, the Board also approved the annual time-based vesting grant for fiscal 2018 amounting to RSUs of US$2 million. These RSUs and ESOPs will be granted w.e.f. May 2, 2017.

The year ended March 31, 2016 includes provision for variable pay amounting to US$4.33 million (approximately ₹29 crore) to the CEO. The shareholders at the Extraordinary General Meeting dated July 30, 2014 had approved a variable pay of US$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 nomination and remuneration committee, approved on April 15, 2016, US$4.33 million (approximately ₹29 crore) as variable pay for the year ended March 31, 2016.

[(5)] On March 31, 2017, the shareholders vide a postal ballot approved a revision in the salary of U. B. Pravin Rao, COO and Whole-time Director, w.e.f. November 1, 2016.

Further, 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, COO and Whole-time Director, under the 2015 Plan and the same was approved by the shareholders through a postal ballot on March 31, 2017. These RSUs and ESOPs will be granted w.e.f. May 2, 2017.

Additional information pursuant to para 2 of general instructions for the preparation of consolidated financial statements

in ₹ crore

Name of entity	Net assets		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	as % of consolidated net assets	Amount	as % of consolidated profit or loss	Amount	as % of consolidated other comprehensive income	Amount	as % of consolidated total comprehensive income	Amount
Infosys Ltd.	93.5	68,017	95.7	13,818	85.7	(18)	95.7	13,800
Indian subsidiaries								
Infosys BPO	5.5	3,995	3.8	552	19.0	(4)	3.8	548
EdgeVerve	(2.4)	(1,715)	1.7	245	4.8	1	1.7	246
Skava Systems	–	23	0.1	8	–	–	0.1	8
Foreign subsidiaries								
Infosys China	0.1	105	(0.4)	(58)	–	–	(0.4)	(58)
Infosys Mexico	0.2	128	0.3	41	–	–	0.3	41
Infosys Sweden	–	17	(0.1)	(18)	–	–	(0.1)	(18)
Infosys Shanghai	1.1	765	(0.2)	(27)	–	–	(0.2)	(27)
Infosys Brasil	0.1	103	–	2	–	–	–	2
Infosys Public Services	0.5	387	0.9	126	–	–	0.9	126
Infosys Americas	–	1	–	–	–	–	–	–
Infosys (Czech Republic) Limited s.r.o.	0.1	58	0.1	12	–	–	0.1	12
Infosys Poland Sp Z.o.o	0.6	439	0.7	102	–	–	0.7	102
Infosys BPO Americas	–	4	–	(3)	–	–	–	(3)
Infosys McCamish Systems LLC	0.2	127	0.5	75	–	–	0.5	75
Portland Group Pty Ltd.	0.1	106	–	6	–	–	–	6
Infosys Australia	–	36	–	–	–	–	–	–
Infosys Lodestone	0.3	217	(0.6)	(81)	–	–	(0.6)	(81)
Lodestone Management Consultants Inc.	–	28	0.1	11	–	–	0.1	11
Infosys Management Consulting Pty Limited	–	(20)	–	(1)	–	–	–	(1)
Infosys Consulting AG	0.1	64	–	5	–	–	–	5
Infosys Consulting (Belgium) NV	–	(22)	–	(1)	–	–	–	(1)
Infosys Consulting GmbH	–	(30)	(0.5)	(65)	–	–	(0.5)	(65)
Infosys Consulting Pte Ltd.	–	(2)	(0.1)	(11)	–	–	(0.1)	(11)
Infosys Consulting SAS	–	(6)	–	3	–	–	–	3
Infosys Consulting s.r.o.	–	4	–	–	–	–	–	–
Lodestone Management Consultants GmbH	–	(2)	–	–	–	–	–	–
Lodestone Management Consultants Co., Ltd.	(0.1)	(58)	(0.4)	(56)	–	–	(0.4)	(56)

Name of entity	Net assets		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	as % of consolidated net assets	Amount	as % of consolidated profit or loss	Amount	as % of consolidated other comprehensive income	Amount	as % of consolidated total comprehensive income	Amount
Infy Consulting Company Ltd.	–	3	–	1	–	–	–	1
Infy Consulting B.V.	–	25	0.1	12	–	–	0.1	12
Infosys Consulting Ltda.	–	(20)	(0.4)	(60)	–	–	(0.4)	(60)
Infosys Consulting Sp. Z.o.o	–	1	–	(5)	–	–	–	(5)
Lodestone Management Consultants Portugal, Unipessoal, Lda.	–	(3)	–	(1)	–	–	–	(1)
S.C. Infosys Consulting S.R.L.	–	6	–	1	–	–	–	1
Infosys Consulting S.R.L.	–	(1)	–	(3)	–	–	–	(3)
Infosys Nova	0.1	98	–	0	–	–	–	–
Panaya	0.1	68	–	4	–	–	–	4
Panaya Ltd.	(0.4)	(283)	(1.1)	(161)	–	–	(1.1)	(161)
Panaya Gmbh	–	(3)	–	1	–	–	–	1
Panaya Japan Co. Ltd.	–	(1)	–	–	–	–	–	–
Kallidus	0.2	133	0.4	60	–	–	0.4	60
Noah	–	(23)	(0.6)	(90)	–	–	(0.6)	(90)
Noah Canada	–	(14)	–	(2)	–	–	–	(2)
Subtotal	100	72,755	100	14,442	100	(21)	100	14,421
Adjustment arising out of consolidation		(3,869)		(78)		(257)		(335)
Non-controlling interests in subsidiaries		–		–		–		–
Associate								
DWA Nova LLC		(26)		(30)		–		(30)
Controlled Trusts		122		19		–		19
Total		68,982		14,353		(278)		14,075

2.26 Corporate social responsibility (CSR)

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 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. Funds were primarily allocated to a corpus and utilized through the year on the activities specified in Schedule VII of the Companies Act, 2013.

- Gross amount required to be spent by the Company during the year is ₹ 303 crore.
- Amount spent during the year on :

in ₹ crore

Particulars	In cash	Yet to be paid in cash	Total
Construction / acquisition of any asset	75	–	75
On purposes other than the 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. There are no interests due or outstanding on the same.

2.28 Disclosure on Specified Bank Notes

During the year, the Company had Specified Bank Notes (SBNs) or other denomination notes as defined in the MCA notification, G.S.R. 308(E), dated March 31, 2017. The details of SBNs 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 are as follows :

in ₹

Particulars	SBNs [1]	Other denomination notes	Total
Closing cash in hand as on Nov 8, 2016	6,48,000	3,75,928	10,23,928
Add : Permitted receipts	4,000	9,23,626	9,27,626
Less : Permitted payments	(98,000)	(11,12,953)	(12,10,953)
Less : Amount deposited in Banks	(5,54,000)	(402)	(5,54,402)
Closing cash in hand as on Dec 30, 2016	–	1,86,199	1,86,199

[1] 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 November 8, 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 Ind AS 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 have been aggregated to include the Financial Services operating segment and the Finacle operating segment because of the similarity in the economic characteristics. All other segments represent 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 onsite and offshore 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 comprises 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 in rendering services from the Group's offshore software development centers and onsite 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. The 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. The 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

For the years ended March 31, 2017 and *March 31, 2016* :

in ₹ crore

Particulars	FS [1]	MFG [2]	ECS [3]	RCL [4]	HILIFE [5]	Hi-Tech	All other segments	Total
Revenue from operations	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*
Segmental operating income	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
Other income, net								3,080
								3,123
Share in net 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

[1] Financial Services
[2] Manufacturing
[3] Energy & utilities, Communications and Services
[4] Retail, Consumer packaged goods and Logistics
[5] Life Sciences, Healthcare and Insurance

Geographic segments

For the years 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 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 years ended March 31, 2017 and March 31, 2016.

2.30 Function-wise classification of consolidated Statement of Profit and Loss

in ₹ crore

Particulars	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 non-controlling interests / share in net loss of associate	19,981	18,743
Share in net 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		
Items that will not be reclassified subsequently to profit or loss		
Remeasurement of the net defined benefit liability / asset	(45)	(12)
Equity instruments through other comprehensive income	(5)	–
	(50)	(12)
Items that will be reclassified subsequently to profit or loss		
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, net	(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 number : 205385
Bengaluru
April 13, 2017

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