Infosys Limited
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Extract of Audited consolidated financial results of Infosys Limited and its subsidiaries for the quarter and half-year ended September 30, 2016, prepared in compliance with the Indian Accounting Standard (Ind-AS)

(in ₹ crore except equity share data)

Particulars	Quarter ended September 30,	Half-year ended September 30	Quarter ended September 30,
	2016	2016	2015
Revenue from operations	17,310	34,091	15,635
Profit before tax	5,066	9,863	4,785
Net profit after tax	3,606	7,041	3,398
Total comprehensing income for the period (comprising profit for the period after tax and other comprehensive income after tax)	3,517	6,973	3,453
Paid-up equity share capital (par value ₹5/- each, fully paid)	1,144	1,144	1,144
Other equity	60,600	60,600	54,198
Earnings per share (par value ₹5/- each)			
Basic	15.77	30.81	14.87
Diluted	15.77	30.80	14.87

Notes:

1. The audited consolidated financial statements for the quarter and half-year ended September 30, 2016 have been taken on record by the Board of Directors at its meeting held on October 14, 2016. The statutory auditors have expressed an unqualified audit opinion. The information presented above is extracted from the audited consolidated financial statements. The consolidated financial statements are prepared in accordance with the Indian Accounting Standard (Ind-AS) as prescribed under Section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

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

3. The Board, at the meeting held on October 14, 2016 appointed D. N. Prahlad as an Independent Director effective from that date.

4. The Board of Directors in their meeting held on October 14, 2016, on recommendation of the Nomination and Remuneration Committee, have approved the revised annual compensation of U.B. Pravin Rao, Chief Operating Officer and Whole Time Director of the Company, with effect from November 1, 2016, subject to the approval of the shareholders. The compensation includes fixed compensation of ₹4.62 crore per annum and a variable compensation of up to ₹3.88 crore per annum. Additionally, based on fiscal 2016 performance, 27,250 restricted stock units (RSU) and 43,000 stock options would be granted under the 2015 Stock Incentive Compensation Plan (2015 plan), as approved by the shareholders vide postal ballot dated March 31, 2016. These RSUs and stock options would vest over a period of 4 years and shall be exercisable within the period as approved by the committee. The exercise price of the RSUs will be equal to the par value of the shares and the exercise price of the stock options would be the market price as on the date of grant, as approved by shareholders. RSUs and stock options, in future periods, will be granted on achievement of performance conditions, as may be decided by the Nomination and Remuneration Committee.

5. The Board of Directors in their meeting held on October 14, 2016, on recommendation of the Nomination and Remuneration Committee, have approved the revised compensation structure of M.D. Ranganath, Mohit Joshi, Sandeep Dadlani, Rajesh K Murthy, Ravikumar S, David Kennedy, Krishnamurthy Shankar and Manikantha AGS with effect from November 1, 2016. The revised aggregate compensation of the above individuals includes fixed compensation of ₹24 crore and variable compensation of upto ₹20 crore. Additionally, based on fiscal 2016 performance, restricted stock units (RSU) of 245,750 and stock options of 502,550 will be granted with effect from November 1, 2016 under the 2015 Stock Incentive Compensation Plan (2015 plan), as approved by the shareholders vide postal ballot dated March 31, 2016. These RSUs and stock options would vest over a period of 4 years and shall be exercisable within the period as approved by the committee. The exercise price of RSU 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. The Audit committee in their meeting held on October 13, 2016, resolved to include Mohit Joshi, Sandeep Dadlani, Rajesh K Murthy, RaviKumar S, Krishnamurthy Shankar and David Kennedy as key managerial personnel as defined under Ind-AS 24 – Related Party Disclosures effective from the date of the meeting. Dr.Vishal Sikka, U.B. Pravin Rao, M.D. Ranganath and Manikantha AGS are key managerial personnel as defined under Section 2 (51) of the Companies Act, 2013.

6. The Nomination and Remuneration Committee of the Board of Directors of Infosys Limited at its meeting held on October 13, 2016, based on fiscal 2016 performance approved the grant of upto 906,275 RSUs and upto 943,810 stock options with effect from November 1, 2016, to a total of upto 425 eligible and identified high-performing executives of the Company and its subsidiaries under the 2015 Stock Incentive Compensation Plan (2015 plan), as approved by the shareholders vide postal ballot dated March 31, 2016. These RSUs and stock options shall vest over a period of 4 years from the date of grant and shall be exercisable within the period as approved by the committee. The exercise price of the RSUs will be equal to the par value of the shares and the exercise price of the stock options would be the market price as on the date of grant.

7. Information on dividends for the quarter and half-year ended September 30, 2016

The Board declared an interim dividend of ₹11/- per equity share. The record date for the payment of interim dividend is October 24, 2016. The interim dividend will be paid on October 26, 2016. The interim dividend declared in the previous year was ₹10/- per equity share.

(in ₹)

Particulars	Quarter ended September 30,	Half-year ended September 30	Quarter ended September 30,
	2016	2016	2015
Dividend per share (par value ₹5/- each)			
Interim dividend	11.00	11.00	10.00
Final dividend	-	-	-

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

(in ₹ crore)

Particulars	Note	Quarter ended September 30, 2015		
		IGAAP	Effects of transition to Ind-AS	Ind-AS
Revenue from operations		15,635	-	15,635
Other income, net		792	1	793
Total income		**16,427**	**1**	**16,428**
Expenses				
Employee benefit expenses	1.1	8,567	(9)	8,558
Deferred consideration pertaining to acquisition	1.2	46	18	64
Cost of technical sub-contractors		858	-	858
Travel expenses		582	-	582
Cost of software packages and others		354	-	354
Communication expenses		111	-	111
Consultancy and professional charges		184	-	184
Depreciation and amortization expenses	1.3	313	45	358
Other expenses	1.2	569	4	573
Total expenses		**11,584**	**58**	**11,642**
Profit before minority interest/ share in net profit/(loss) of associate		**4,843**	**(57)**	**4,786**
Share in net profit/(loss) of associate		(1)	-	(1)
Profit before tax		**4,842**	**(57)**	**4,785**
Tax expense:				
Current tax	1.4	1,439	2	1,441
Deferred tax	1.5	(41)	(13)	(54)
Profit for the period		**3,444**	**(46)**	**3,398**
Other comprehensive income				
Items that will not be reclassified subsequently to profit or loss				
Remeasurement of the net defined benefit liability/asset	1.1	-	(7)	(7)
Equity instruments through other comprehensive income		-	-	-
		-	(7)	(7)
Items that will be reclassified subsequently to profit or loss				
Exchange differences on translation of foreign operations	1.6	18	44	62
		18	44	62
Total other comprehensive income, net of tax		**18**	**37**	**55**
Total comprehensive income for the period		**3,462**	**(9)**	**3,453**

Explanations for reconciliation of Consolidated Statement of Profit and Loss as previously reported under IGAAP to Ind-AS

(1.1) a. As per Ind-AS 19 Employee Benefits, actuarial gain and losses are recognized in other comprehensive income and not reclassified to profit and loss in a subsequent period.

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

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

(1.3) Adjustment reflects the impact of amortisation of intangible assets included within goodwill under the IGAAP, separately recognized under Ind-AS.

(1.4) Tax component on actuarial gains and losses which was transferred to other comprehensive income under Ind AS.

(1.5) The reduction in deferred tax expense is on account of the reversal of deferred tax liabilities recorded on intangible assets acquired in business combination.

(1.7) Under Ind-AS, exchange differences on translation of foreign operations are recorded in other comprehensive income.

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

(in ₹ crore)

Particulars	Note	Balance Sheet as at March 31, 2016		
		IGAAP	Effects of transition to Ind-AS	Ind-AS
ASSETS				
Non-current assets				
Property, plant and equipment		8,637	-	8,637
Capital work-in-progress		960	-	960
Goodwill	1.1	4,476	(712)	3,764
Other intangible assets	1.1	67	918	985
Investment in associate		103	-	103
Financial assets				
Investments	1.2	1,714	-	1,714
Loans		25	-	25
Other financial assets		286	-	286
Deferred tax assets (net)	1.3	533	3	536
Income tax assets (net)		5,230	-	5,230
Other non-current assets		1,357	-	1,357
Total non-current assets		**23,388**	**209**	**23,597**
Current assets				
Financial assets				
Investments	1.2	75	-	75
Trade receivables		11,330	-	11,330
Cash and cash equivalents		32,697	-	32,697
Loans		303	-	303
Other financial assets		5,190	-	5,190
Other current assets		2,158	-	2,158
Total current assets		**51,753**	**-**	**51,753**
Total assets		**75,141**	**209**	**75,350**
EQUITY AND LIABILITIES				
Equity				
Equity share capital		1,144	-	1,144
Other equity	1.7	56,682	3,918	60,600
Total equity attributable to equity holders of the Company		**57,826**	**3,918**	**61,744**
Non-controlling interests		-	-	-
Total equity		**57,826**	**3,918**	**61,744**
Non-current liabilities				
Financial liabilities				
Other financial liabilities	1.4	80	(11)	69
Deferred tax liabilities (net)	1.3	-	252	252
Other non-current liabilities		46	-	46
Total non-current liabilities		**126**	**241**	**367**
Current liabilities				
Financial liabilities				
Trade payables		386	-	386
Other financial liabilities	1.4	6,309	(7)	6,302
Other current liabilities	1.5	2,633	(4)	2,629
Provisions	1.6	4,451	(3,939)	512
Income tax liabilities (net)		3,410	-	3,410
Total current liabilities		**17,189**	**(3,950)**	**13,239**
Total equity and liabilities		**75,141**	**209**	**75,350**

Explanations for the reconciliation of Consolidated Balance Sheet as previously reported under IGAAP to Ind-AS

(1.1) Goodwill and Intangible assets

Intangible assets and deferred tax asset/liabilities in relation to business combinations which were included within Goodwill under IGAAP, have been recognized separately under Ind-AS with corresponding adjustments to retained earnings and other comprehensive income for giving effect to amortization expenses and exchange gains and losses.

(1.2) Investments

Tax free bonds are carried at amortized cost both under Ind-AS and IGAAP. Investment in equity instruments are carried at fair value through OCI in Ind AS compared to being carried at cost under IGAAP.

(1.3) Deferred taxes

Deferred taxes in relation to business combinations have been recognised under Ind-AS

(1.4) Other financial liabilities

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

(1.5) Other liabilities

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

(1.6) Provisions

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

(1.7) Other equity

a. Adjustments to retained earnings and other comprehensive income have been made in accordance with Ind-AS, for the above mentioned line items.
b. In addition, as per Ind-AS 19, actuarial gain and losses are recognized in other comprehensive income as compared to being recognized in the Statement of Profit and Loss under IGAAP.

10. Audited financial results of Infosys Limited (Standalone information)

(in ₹ crore)

Particulars	**Quarter ended September 30,**	**Half-year ended September 30**	**Quarter ended September 30,**
	2016	**2016**	**2015**
Revenue from operations	15,000	29,420	13,525
Profit before tax	4,812	9,271	4,553
Profit for the period	3,476	6,656	3,248

The above is an extract of the detailed format of Quarterly Financial Results filed with Stock Exchanges under Regulation 33 of the SEBI (Listing and Other Disclosure Requirements) Regulations, 2015. The full format of the Quarterly Financial Results are available on the Stock Exchange websites, www.nseindia.com and www.bseindia.com, and on the Company's website, www.infosys.com.

Certain statements in this advertisement concerning our future growth prospects are forward-looking statements regarding our future business expectations intended to qualify for the 'safe harbor' under the Private Securities Litigation Reform Act of 1995, which involve a number of risks and uncertainties that could cause actual results to differ materially from those in such forward-looking statements. The risks and uncertainties relating to these statements include, but are not limited to, risks and uncertainties regarding fluctuations in earnings, fluctuations in foreign exchange rates, our ability to manage growth, intense competition in IT services including those factors which may affect our cost advantage, wage increases in India, our ability to attract and retain highly skilled professionals, time and cost overruns on fixed-price, fixed-time frame contracts, client concentration, restrictions on immigration, industry segment concentration, our ability to manage our international operations, reduced demand for technology in our key focus areas, disruptions in telecommunication networks or system failures, our ability to successfully complete and integrate potential acquisitions, liability for damages on our service contracts, the success of the companies in which Infosys has made strategic investments, withdrawal or expiration of governmental fiscal incentives, political instability and regional conflicts, an inability to accurately predict economic or industry trends legal restrictions on raising capital or acquiring companies outside India, and unauthorized use of our intellectual property and general economic conditions affecting our industry. Additional risks that could affect our future operating results are more fully described in our United States Securities and Exchange Commission filings including our Annual Report on Form 20-F for the fiscal year ended March 31, 2016. These filings are available at www.sec.gov. Infosys may, from time to time, make additional written and oral forward-looking statements, including statements contained in the Company's filings with the Securities and Exchange Commission and our reports to shareholders. In addition, please note that the date of this advertisement is October 14, 2016, and any forward-looking statements contained herein are based on assumptions that we believe to be reasonable as of this date. The company does not undertake to update any forward-looking statements that may be made from time to time by or on behalf of the company unless it is required by law.