Infosys Limited

CIN : L85110KA1981PLC013115

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**Audited consolidated financial results of Infosys Limited and its subsidiaries for the quarter ended June 30, 2014 prepared in compliance with the International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board.**

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

| Particulars | Quarter ended June 30, 2014 | Quarter ended March 31, 2014 | Quarter ended June 30, 2013 | Year ended March 31, 2014 |
|---|---|---|---|---|
| **Revenues** | **12,770** | **12,875** | **11,267** | **50,133** |
| Cost of sales | 8,046 | 8,117 | 7,319 | 32,141 |
| **Gross profit** | **4,724** | **4,758** | **3,948** | **17,992** |
| Selling and marketing expenses | 666 | 640 | 584 | 2,625 |
| Administrative expenses | 847 | 837 | 700 | 3,326 |
| **Operating profit** | **3,211** | **3,281** | **2,664** | **12,041** |
| Other income, net | 829 | 851 | 577 | 2,669 |
| **Profit before income taxes** | **4,040** | **4,132** | **3,241** | **14,710** |
| Income tax expense | 1,154 | 1,140 | 867 | 4,062 |
| **Net profit** | **2,886** | **2,992** | **2,374** | **10,648** |
| Paid-up equity share capital (par value ₹5/- each, fully paid) | 286 | 286 | 286 | 286 |
| Share premium, retained earnings and other components of equity* | 47,244 | 39,511 | 39,511 | 39,511 |
| **Earnings per share (par value ₹5/- each)** | | | | |
| Basic | 50.51 | 52.36 | 41.54 | 186.35 |
| Diluted | 50.51 | 52.36 | 41.54 | 186.35 |
| **Total Public Shareholding **** | | | | |
| Number of shares | 38,98,49,697 | 39,02,57,428 | 41,01,01,111 | 39,02,57,428 |
| Percentage of shareholding | 67.89 | 67.96 | 71.41 | 67.96 |
| **Promoters and Promoter Group Shareholding** | | | | |
| Pledged / Encumbered | | | | |
| Number of shares | - | - | - | - |
| Percentage of shares (as a % of the total shareholding of promoter and promoter group) | - | - | - | - |
| Percentage of shares (as a % of the total share capital of the Company) | - | - | - | - |
| Non-encumbered | | | | |
| Number of shares | 9,15,08,078 | 9,15,08,078 | 9,20,85,078 | 9,15,08,078 |
| Percentage of shares (as a % of the total shareholding of promoter and promoter group) | 100.00 | 100.00 | 100.00 | 100.00 |
| Percentage of shares (as a % of the total share capital of the Company) | 15.94 | 15.94 | 16.04 | 15.94 |

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

** Total Public Shareholding as defined under Clause 40A of the Listing Agreement excludes shares held by founders and American Depository Receipt Holders.

**1.** The audited consolidated financial statements for the quarter ended June 30, 2014 have been taken on record by the Board of Directors at its meeting held on July 11, 2014. 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 International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board.

**2. Changes to the Board**

**a)** On June 14, 2014 the Board appointed Dr. Vishal Sikka as an Additional Director and the Chief Executive Officer and Managing Director (Designate) for the period between June 14, 2014 to July 31, 2014 and as the Chief Executive Officer and Managing Director from August 1, 2014 to June 13, 2019. An Extra-ordinary General Meeting of the shareholders of the Company has been convened and will be held on July 30, 2014 to approve his appointment.

**b)** The Board elevated U. B. Pravin Rao, President and whole-time director, as the Chief Operating Officer of the Company effective June 14, 2014.

**c)** Narayana Murthy and S. Gopalakrishnan voluntarily stepped down as the Executive Chairman and Executive Vice Chairman respectively, effective June 14, 2014. In order to facilitate a smooth transition of responsibilities, they will continue on the Board as the Non-executive Chairman and Non- executive Vice Chairman respectively until October 10, 2014. Narayana Murthy will be designated Chairman Emeritus effective October 11, 2014 in recognition of his contributions to the Company.

**d)** S. D. Shibulal will step down as the Chief Executive Officer and Managing Director with effect from end of business hours on July 31, 2014. The Board expresses its deep sense of appreciation for the services rendered by Shibulal as a co-founder of the company and in his several roles, including as CEO and Managing Director, over the last 33 years.

**e)** Srinath Batni, a whole-time director of the company will step down from the Board with effect from end of business hours on July 31, 2014. The Board expresses its deep sense of appreciation for the services rendered by Srinath as the head of delivery excellence and as a member of the Board.

**f)** K.V. Kamath has been elected as the Chairman of the Board with effect from October 11, 2014.

**g)** B.G. Srinivas, Whole-time director resigned from the Board and services of the Company, effective June 10, 2014. The Board placed on record its deep appreciation for the services rendered by B. G. Srinivas during his tenure.

**h)** Ann M. Fudge retired as a Member of the Board effective June 14, 2014. The Board placed on record its deep appreciation for the services rendered by Ann M. Fudge during her tenure as a director.

**3. Edgeverve Systems Limited**

On June 14, 2014, the shareholders approved the related party transaction relating to transfer of the Product, Platform and Solutions Business unit to Edgeverve Systems Limited (the Company's wholly owned subsidiary). This business has been transferred for a consideration of $70 million (approximately ₹421 crore) based on an enterprise valuation done by independent valuers. The transfer is effective July 1, 2014.

**4**. During the quarter ended June 30, 2014, based on internal and external technical evaluation, management reassessed the remaining useful life of assets, primarily consisting of buildings and computers with effect from April 1, 2014. Accordingly, the useful life of certain assets required a change from the previous estimates. If the group had continued with the previously assessed useful lives, charge for depreciation and cost of sales for the quarter ended June 30, 2014 would have been higher by ₹136 crore for the assets held as at April 1, 2014.

**5. Information on dividends for the quarter ended June 30, 2014**

*(in ₹ )*

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

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

**6. Other information (Consolidated - Audited)**

*(in ₹ crore)*

| Particulars | Quarter ended June 30, 2014 | Quarter ended March 31, 2014 | Quarter ended June 30, 2013 | Year ended March 31, 2014 |
|---|---|---|---|---|
| **Staff costs** | 7,355 | 7,271 | 6,513 | 28,834 |
| **Items exceeding 10% of aggregate expenditure** | - | - | - | - |
| **Details of other income:** | | | | |
| Interest income on deposits and certificates of deposit | 614 | 582 | 515 | 2,156 |
| Income from available-for-sale financial assets | 79 | 58 | 42 | 224 |
| Miscellaneous income, net | 7 | 28 | 7 | 59 |
| Gains/(losses) on foreign currency | 129 | 183 | 13 | 230 |
| **Total** | **829** | **851** | **577** | **2,669** |

**7. Audited financial results of Infosys Limited (Standalone Information)**

*(in ₹ crore)*

| Particulars | Quarter ended June 30, 2014 | Quarter ended March 31, 2014 | Quarter ended June 30, 2013 | Year ended March 31, 2014 |
|---|---|---|---|---|
| Revenues | 11,319 | 11,366 | 9,959 | 44,341 |
| Profit before tax | 3,795 | 3,887 | 3,076 | 14,002 |
| Profit for the period | 2,720 | 2,883 | 2,250 | 10,194 |

*Note: The audited results of Infosys Limited for the above mentioned periods are available on our website* www.infosys.com*. The information above has been extracted from the audited financial statements as stated.*

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

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

**9. Segment reporting (IFRS Consolidated Audited)**

*(in ₹ crore)*

| Particulars | Quarter ended June 31, 2014 | Quarter ended March 31, 2014 | Quarter ended June 31, 2013 | Year ended March 31, 2014 |
|---|---|---|---|---|
| **Revenue by business segment** | | | | |
| Financial Services and Insurance (FSI) | 3,695 | 3,749 | 3,334 | 14,698 |
| Manufacturing (MFG) | 2,774 | 2,809 | 2,400 | 10,853 |
| Energy & utilities, Communication and Services (ECS) | 2,020 | 2,075 | 1,744 | 7,932 |
| Retail, Consumer packaged goods and Logistics (RCL) | 2,151 | 2,132 | 1,864 | 8,346 |
| Life Sciences and Healthcare (LSH) | 824 | 844 | 790 | 3,399 |
| Growth Markets (GMU) | 1,306 | 1,266 | 1,135 | 4,905 |
| **Total** | **12,770** | **12,875** | **11,267** | **50,133** |
| **Less:** Inter-segment revenue | **-** | **-** | **-** | **-** |
| **Net revenue from operations** | **12,770** | **12,875** | **11,267** | **50,133** |
| **Segment profit before tax, depreciation and non-controlling interests:** | | | | |
| Financial Services and Insurance (FSI) | 1,078 | 1,189 | 980 | 4,349 |
| Manufacturing (MFG) | 679 | 705 | 541 | 2,452 |
| Energy & utilities, Communication and Services (ECS) | 488 | 633 | 484 | 2,274 |
| Retail, Consumer packaged goods and Logistics (RCL) | 657 | 627 | 460 | 2,221 |
| Life Sciences and Healthcare (LSH) | 178 | 205 | 197 | 749 |
| Growth Markets (GMU) | 361 | 284 | 322 | 1,373 |
| **Total** | **3,441** | **3,643** | **2,984** | **13,418** |
| **Less:** Other unallocable expenditure | 230 | 362 | 320 | 1,377 |
| **Add:** Unallocable other income | 829 | 851 | 577 | 2,669 |
| **Profit before tax and non-controlling interests** | **4,040** | **4,132** | **3,241** | **14,710** |

***Notes on segment information***

***Business segments***

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

***Segmental capital employed***

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

**By order of the Board**

**for Infosys Limited**

Bangalore, India

July 11, 2014

**S. D. Shibulal**

*Chief Executive Officer*

*and Managing Director*

**The Board has also taken on record the unaudited consolidated results of Infosys Limited and its subsidiaries for the three months ended June 30, 2014, prepared as per International Financial Reporting Standards (IFRS). A summary of the financial statements is as follows:**

*(in US$ million, except per equity share data)*

| Particulars | Quarter ended June 30, 2014 | Quarter ended March 31, 2014 | Quarter ended June 30, 2013 | Year ended March 31, 2014 |
|---|---|---|---|---|
| Revenues | 2,133 | 2,092 | 1,991 | 8,249 |
| Cost of sales | 1,344 | 1,318 | 1,296 | 5,292 |
| Gross profit | 789 | 774 | 695 | 2,957 |
| Net profit | 482 | 487 | 418 | 1,751 |
| Earnings per Equity Share | | | | |
| Basic | 0.84 | 0.85 | 0.73 | 3.06 |
| Diluted | 0.84 | 0.85 | 0.73 | 3.06 |
| Total assets | 9,625 | 9,522 | 8,130 | 9,522 |
| Cash and cash equivalents including available-for-sale financial assets (current) and certificates of deposit | 4,728 | 4,841 | 3,968 | 4,841 |

*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, legal restrictions on raising capital or acquiring companies outside India, and unauthorized use of our intellectual property and general economic conditions affecting our industry. Additional risks that could affect our future operating results are more fully described in our United States Securities and Exchange Commission filings including our Annual Report on Form 20-F for the fiscal year ended March 31, 2014. 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 July 11, 2014, and any forward-looking statements contained herein are based on assumptions that we believe to be reasonable as of this date. The company does not undertake to update any forward-looking statements that may be made from time to time by or on behalf of the company unless it is required by law.*