Infosys Limited

CIN: L85110KA1981PLC013115

Regd. Office: Electronics City, Hosur Road, Bangalore – 560 100, India.

Website: www.infosys.com; email: investors@infosys.com; T: 91 80 2852 0261; F: 91 80 2852 0362

Audited financial results of Infosys Limited for the quarter ended June 30, 2016, prepared in compliance with the Indian Accounting Standard (Ind-AS)

(in ₹ crore, except per equity share data)

Particulars	Quarter Ended June 30, 2016 Audited	Quarter Ended March 31, 2016 Audited	Quarter Ended June 30, 2015 Audited	Year Ended March 31, 2016 Audited
Revenue from operations	14,420	14,158	12,738	53,983
Other Income, net	761	773	721	3,006
Total Income	**15,181**	**14,931**	**13,459**	**56,989**
Expenses				
Employee benefit expenses	7,605	7,297	6,807	28,207
Deferred consideration pertaining to acquisition	-	-	60	149
Cost of technical sub-contractors	1,135	1,191	965	4,417
Travel expenses	576	438	432	1,655
Cost of software packages and others	224	223	291	1,049
Communication expenses	82	79	80	311
Consultancy and professional charges	119	155	132	563
Depreciation and amortization expense	319	315	252	1,115
Other expenses	661	528	450	1,923
Total Expenses	**10,721**	**10,226**	**9,469**	**39,389**
Profit before tax	**4,460**	**4,705**	**3,990**	**17,600**
Tax Expense:				
Current tax	1,314	1,309	1,053	4,898
Deferred tax	(34)	5	46	9
Profit for the period	**3,180**	**3,391**	**2,891**	**12,693**
Other comprehensive income				
Items that will not be reclassified to profit or loss				
Remeasurement of the net defined benefit liability/asset	(17)	(3)	(8)	(2)
Equity instruments through other comprehensive income	-	-	-	-
Items that will be reclassified to profit or loss	-	-	-	-
Total other comprehensive income, net of tax	**(17)**	**(3)**	**(8)**	**(2)**
Total comprehensive income, for the period	**3,163**	**3,388**	**2,883**	**12,691**
Paid-up share capital (par value ₹5/- each fully paid)	1,148	1,148	1,148	1,148
Other Equity	59,934	59,934	51,617	59,934
Earnings per equity share (par value ₹5 /- each)				
Basic (₹)	13.85	14.76	12.59	55.26
Diluted (₹)	13.85	14.76	12.59	55.26

Notes:

1. The audited financial statements for the quarter ended June 30, 2016 have been taken on record by the Board of Directors at its meeting held on July 15, 2016. The statutory auditors have expressed an unqualified audit opinion. The information presented above is extracted from the audited standalone financial statements. The financial statements are prepared in accordance with the Indian Accounting 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. These financial statements are the Company's first Ind-AS financial statements. The Company has adopted all the Ind-AS standards 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 Sec 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 (IGAAP), which was the previous GAAP.

3. The Nomination and Remuneration Committee of the Board of Directors of Infosys Limited at its meeting held on July 14, 2016, approved the grant of 1,857,820 RSU's at par value which shall be made on August 1, 2016, to a total of 7,898 eligible and identified high performing employees upto mid level managers of the Company and its subsidiaries under the 2015 Employee Stock Compensation Plan. The RSU's shall vest over a period of four years from the date of grant which shall be exercisable within the period as approved by the committee. Out of these RSU's, a total of 1,515,135 equity shares will be issued out of the existing treasury shares held by the Infosys Employee Benefits Trust and the balance will be in the form of ADR's and Phantom stock rights.

4. In accordance with the postal ballot approved by the shareholders on March 31, 2016, the Nomination and Remuneration Committee of the Board of Directors of Infosys Limited at its meeting held on July 14, 2016, approved the grant of RSU's amounting to $ 2 Million on August 1, 2016 to Dr. Vishal Sikka, CEO and Managing Director. The RSU's are time based and will vest over a period of 4 years subject to continuous service. The exercise price for the grant is equal to the par value of one share per RSU.

5. Information on dividends for the quarter ended June 30, 2016

(in ₹)

Particulars	Quarter ended June 30, 2016	Quarter ended March 31, 2016	Quarter ended June 30, 2015	Year ended March 31, 2016
Dividend per share (par value ₹5/- each)				
Interim dividend	-	-	-	10.00
Final dividend	-	14.25	-	14.25

6. There are no items of expenditure which exceeds 10% of the total expenditure.

7. Reconciliation of Statement of Profit and loss as previously reported under IGAAP to Ind-AS

(in ₹ crore)

Particulars	Note	Three months ended June 30, 2015		
		IGAAP	Effects of transition to Ind AS	Ind -AS
Revenue from operations		12,738	-	12,738
Other income, net		719	2	721
Total Income		**13,457**	**2**	**13,459**
Expenses				
Employee benefit expenses	1.1	6,817	(10)	6,807
Deferred consideration pertaining to acquisition	1.2	46	14	60
Cost of technical sub-contractors		965	-	965
Travel expenses		432	-	432
Cost of software packages and others		291	-	291
Communication expenses		80	-	80
Consultancy and professional charges		132	-	132
Depreciation and amortization expenses		252	-	252
Other expenses	1.2	449	1	450
Total expenses		**9,464**	**5**	**9,469**
Profit before Tax		**3,993**	**(3)**	**3,990**
Tax expense:				
Current tax	1.3	1,050	3	1,053
Deferred tax		46	-	46
Profit for the Period		**2,897**	**(6)**	**2,891**
Other comprehensive income				
Items that will not be reclassified to profit or loss				
Remeasurement of the net defined benefit liability/asset	1.1	-	(8)	(8)
Equity instruments through other comprehensive income		-	-	-
Items that will be reclassified subsequently to profit or loss		-	-	-
Total other comprehensive income, net of tax		**-**	**(8)**	**(8)**
Total comprehensive income for the period		**2,897**	**(14)**	**2,883**

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

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

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

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

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

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

8. Segment Reporting - Standalone audited

(in ₹ crore)

Particulars	Quarter ended June 30,	Quarter ended March 31,	Quarter ended June 30,	Year ended March 31,
	2016	2016	2015	2016
Revenue by business segment				
Financial Services (FS)	3,873	3,805	3,652	14,846
Manufacturing (MFG)	1,472	1,395	1,249	5,434
Energy & utilities, Communication and Services (ECS)	3,341	3,256	2,842	12,124
Retail, Consumer Packaged Goods and Logistics (RCL)	2,583	2,502	2,179	9,411
Life Sciences, Healthcare and Insurance (HILIFE)	1,627	1,626	1,507	6,392
Hi-Tech	1,270	1,265	1,118	4,736
All Other Segments	254	309	191	1,040
Total	**14,420**	**14,158**	**12,738**	**53,983**
Less: Inter-segment revenue	-	-	-	-
Net revenue from operations	**14,420**	**14,158**	**12,738**	**53,983**
Segment profit before tax				
Financial Services (FS)	1,026	1,030	1,054	4,185
Manufacturing (MFG)	410	386	325	1,436
Energy & utilities, Communication and Services (ECS)	1,022	1,081	854	3,829
Retail, Consumer Packaged Goods and Logistics (RCL)	771	757	639	2,817
Life Sciences, Healthcare and Insurance (HILIFE)	451	514	395	1,844
Hi-Tech	341	381	278	1,373
All Other Segments	-	104	(23)	239
Total	**4,021**	**4,253**	**3,522**	**15,723**
Less: Other unallocable expenditure	322	321	253	1,129
Add: Unallocable other income	761	773	721	3,006
Profit before tax	**4,460**	**4,705**	**3,990**	**17,600**

Notes on segment information:

Business segments

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

Segment Assets/Liabilities

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

By order of the Board
for Infosys Limited

Bangalore, India
July 15, 2016

Dr. Vishal Sikka
Chief Executive Officer and Managing Director

Certain statements in this release concerning our future growth prospects are forward-looking statements regarding our future business expectations intended to qualify for the 'safe harbor' under the Private Securities Litigation Reform Act of 1995, which involve a number of risks and uncertainties that could cause actual results to differ materially from those in such forward-looking statements. The risks and uncertainties relating to these statements include, but are not limited to, risks and uncertainties regarding fluctuations in earnings, fluctuations in foreign exchange rates, our ability to manage growth, intense competition in IT services including those factors which may affect our cost advantage, wage increases in India, our ability to attract and retain highly skilled professionals, time and cost overruns on fixed-price, fixed-time frame contracts, client concentration, restrictions on immigration, industry segment concentration, our ability to manage our international operations, reduced demand for technology in our key focus areas, disruptions in telecommunication networks or system failures, our ability to successfully complete and integrate potential acquisitions, liability for damages on our service contracts, the success of the companies in which Infosys has made strategic investments, withdrawal or expiration of governmental fiscal incentives, political instability and regional conflicts, legal restrictions on raising capital or acquiring companies outside India, and unauthorized use of our intellectual property and general economic conditions affecting our industry. Additional risks that could affect our future operating results are more fully described in our United States Securities and Exchange Commission filings including our Annual Report on Form 20-F for the fiscal year ended March 31, 2016. These filings are available at www.sec.gov. Infosys may, from time to time, make additional written and oral forward-looking statements, including statements contained in the company's filings with the Securities and Exchange Commission and our reports to shareholders. In addition, please note that the date of this release is July 15, 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.