TO ALL STOCK EXCHANGES

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

April 13, 2018

Dear Sir, Madam,

Sub: Outcome of Board meeting

This has reference to our letter dated March 16, 2018, regarding the captioned subject. The Board, at their meeting held over April 12-13, 2018, transacted the following items of business:

Lead Independent Director of the Board

1. Appointed Kiran Mazumdar-Shaw, Independent Director as the Lead Independent Director of the Board.

Financial Results and Dividend

2. Took on record the audited consolidated financial statements of the Company and its subsidiaries as per Indian Accounting Standards (INDAS) for the quarter and year ending March 31, 2018;

3. Took on record the audited consolidated financial statements of the Company and its subsidiaries as per INDAS for the year ending March 31, 2018;

4. Took on record the audited condensed standalone financial statements of the Company as per INDAS for the quarter and year ending March 31, 2018;

5. Took on record the audited standalone financial statements of the Company as per INDAS for the year ending March 31, 2018;

6. Took on record the audited consolidated financial statements of the Company and its subsidiaries as per International Financial Reporting Standards (IFRS) in INR for the quarter and year ending March 31, 2018;

7. Recommended a final dividend of ₹ 20.50/- per equity share for the financial year ended March 31, 2018 and special dividend of ₹ 10/- per equity share.

INFOSYS LIMITED
CIN: L85110KA1981PLC013115
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investors@infosys.com
www.infosys.com

Annual General Meeting and Book Closure

8. The 37th Annual General Meeting of the Members of the Company will be held on Saturday, June 23, 2018 at the Christ University Auditorium, Hosur Road, Bengaluru 560 029, Karnataka.

9. The book closure date for the purposes of the Annual General Meeting and payment of final dividend is June 16, 2018. The dividend will be paid on June 26, 2018.

10. The register of members and share transfer books will remain closed on June 16, 2018.

Others

11. Approved a definitive agreement to acquire Wongdoody holding Company Inc, a US-based creative and consumer insights agency for a total consideration of up to $75 million (approximately ₹ 489 crore) including contingent consideration and retention payouts, subject to regulatory approvals and fulfillment of closing conditions. The detailed press release in enclosed.

12. Adopted the revised Audit Committee Charter effective April 13, 2018. The revised charter is enclosed and will also be made available on the website at www.infosys.com.

13. Approved to dissolve the Finance and Investment Committee effective April 13, 2018. The Finance and Investment Committee's roles and responsibilities will be subsumed into the Audit Committee.

14. Capital Allocation Policy

    Reviewed and approved the Capital Allocation Policy of the Company after taking into consideration the strategic and operational cash requirements of the Company in the medium term.

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

Yours sincerely,

For **Infosys Limited**

A.G.S. Manikantha
Company Secretary

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Infosys®
POWERED BY INTELLECT
DRIVEN BY VALUES

TO ALL STOCK EXCHANGES

BSE LIMITED
NATIONAL STOCK EXCHANGE OF INDIA LIMITED

April 13, 2018

Dear Sirs/Madam,

Sub: Declaration pursuant to Regulation 33(3)(d) of the Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2016.

DECLARATION

I, M.D. Ranganath, Chief Financial Officer of Infosys Limited (CIN: L85110KA1981PLC013115) having its Registered office at Electronics City, Hosur Road, Bangalore- 560100, India, hereby declare that, the Statutory Auditors of the Company, Deloitte Haskins & Sells LLP (FRN: 117366W/W-100018) have issued an Audit Report with unmodified opinion on the annual Audited Financial Results of the Company (Standalone & Consolidated) for year ended on March 31, 2018.

This Declaration is given in compliance to Regulation 33(3)(d) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended by the SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2016, vide notification No. SEBI/LAD-NRO/GN/2016-17/001 dated May 25, 2016 and Circular no. CIR/CFD/CMD/56/2016 dated May 27, 2016.

Kindly take this declaration on your records.

Yours Sincerely,

For **Infosys Limited**

M.D. Ranganath

M.D. Ranganath
(Chief Financial Officer)

BENGALURU * INFOSYS LIMITED *

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Audited consolidated financial results of Infosys Limited and its subsidiaries for the quarter and year ended March 31, 2018 prepared in compliance with the Indian Accounting Standards (Ind-AS)

(in ₹ crore, except per equity share data)

Particulars	Quarter ended March 31, 2018	Quarter ended December 31, 2017	Quarter ended March 31, 2017	Year ended March 31, 2018	Year ended March 31, 2017
	Audited	Audited	Audited	Audited	Audited
Revenue from operations	**18,083**	**17,794**	**17,120**	**70,522**	**68,484**
Other income, net *(Refer Note b and c)*	534	962	746	3,193	3,080
Total Income	**18,617**	**18,756**	**17,866**	**73,715**	**71,564**
Expenses					
Employee benefit expenses	10,054	9,869	9,309	38,893	37,659
Cost of technical sub-contractors	1,107	1,041	1,000	4,297	3,833
Travel expenses	492	496	474	1,995	2,235
Cost of software packages and others	466	472	478	1,870	1,597
Communication expenses	113	120	149	489	549
Consultancy and professional charges	282	238	229	1,043	763
Depreciation and amortisation expenses	458	498	446	1,863	1,703
Other expenses	639	741	823	2,924	3,244
Total expenses	**13,611**	**13,475**	**12,908**	**53,374**	**51,583**
Profit before non-controlling interest / share in net profit / (loss) of associate	**5,006**	**5,281**	**4,958**	**20,341**	**19,981**
Share in net profit/(loss) of associate, including impairment of associate *(Refer Note d)*	-	-	(25)	(71)	(30)
Profit before tax	**5,006**	**5,281**	**4,933**	**20,270**	**19,951**
Tax expense: *(Refer Note a)*					
Current tax	1,466	144	1,249	4,581	5,653
Deferred tax	(150)	8	81	(340)	(55)
Profit for the period *(Refer Note a)*	**3,690**	**5,129**	**3,603**	**16,029**	**14,353**
Other comprehensive income					
Items that will not be reclassified subsequently to profit or loss					
Remeasurement of the net defined benefit liability/asset	34	18	20	55	(45)
Equity instruments through other comprehensive income, net	9	(2)	(5)	7	(5)
Items that will be reclassified subsequently to profit or loss					
Fair value changes on derivatives designated as cash flow hedges, net	2	5	11	(39)	39
Exchange differences on translation of foreign operations	200	(86)	(197)	321	(257)
Fair value changes on investments, net	(15)	(25)	(10)	(1)	(10)
Total other comprehensive income/(loss), net of tax	**230**	**(90)**	**(181)**	**343**	**(278)**
Total comprehensive income for the period	**3,920**	**5,039**	**3,422**	**16,372**	**14,075**
Paid up share capital (par value ₹5/- each, fully paid)	1,088	1,088	1,144	1,088	1,144
Other equity	63,835	67,838	67,838	63,835	67,838
Earnings per equity share (par value ₹5/- each) *(Refer Note e)*					
Basic (₹) *(Refer Note a)*	16.98	22.55	15.77	71.07	62.80
Diluted (₹)	16.97	22.53	15.76	71.00	62.77

Note

a) During the quarter ended December 31, 2017, on account of the conclusion of an Advance Pricing Agreement ("APA") with the U.S. Internal Revenue Service ("IRS"), the Company has, in accordance with the APA, reversed income tax expense provision of $225 million (₹1,432 crore) which pertains to previous periods which are no longer required. Consequently, profit for the quarter ended December 31, 2017 and the year ended March 31, 2018 has increased and therefore has led to an increase in Basic earnings per equity share by ₹6.29 ($0.10) for quarter ended December 31, 2017 and ₹5.88 ($0.09) for the year ended March 31, 2018.

b) In the quarter ended March 2018, on conclusion of a strategic review of the portfolio businesses, the Company initiated identification and evaluation of potential buyers for its subsidiaries, Kallidus and Skava (together referred to as "Skava") and Panaya (collectively referred to as the "disposal group"). The Company anticipates completion of the sale by March 2019 and accordingly, assets amounting to ₹2,060 crore and liabilities amounting to ₹324 crore in respect of the disposal group have been reclassified as "held for sale". On reclassification, the disposal group has been measured at the lower of carrying amount and fair value less cost to sell and consequently, an impairment loss of ₹118 crore in respect of Panaya has been recognized in the consolidated profit and loss for the quarter and year ended March 31, 2018.
The disposal group does not constitute a separate major component of the company and therefore has not been classified as discontinued operations.

c) Other income includes ₹200 crore towards interest on income tax refund for the quarter ended December 31, 2017 and ₹262 crore for the year ended March 31, 2018.

d) During the year ended March 31,2018 the Company has written down the entire carrying value of the investment in its associate DWA Nova LLC amounting to ₹71 crore. The write-down in the carrying value of investment in associate DWA Nova LLC during the quarter and year ended March 31, 2017 was ₹18 crore.

e) EPS is not annualized for the quarter ended March 31, 2018, December 31, 2017 and March 31, 2017.

Notes:

1. The audited interim consolidated financial statements for the quarter and year ended March 31, 2018 have been taken on record by the Board of Directors at its meeting held on April 13, 2018. **The statutory auditors, Deloitte Haskins & Sells LLP have expressed an unqualified audit opinion**. Amounts for the quarter and year ended March 31, 2017 were audited by previous auditors - B S R & Co LLP. The information for the year ended March 31, 2018 presented above is extracted from the audited consolidated financial statements and the information for the quarter ended March 31, 2018 are extracted from the audited interim consolidated financial statements. These financial statements are prepared in accordance with the Indian Accounting Standards (Ind-AS) as prescribed under Section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules thereafter.

2. The Board appointed Kiran Mazumdar- Shaw, Independent Director as the Lead Independent Director of the Board.

3. On April 13, 2018, the Company entered into a definitive agreement to acquire Wongdoody Holding Company Inc., a US-based creative and consumer insights agency for a total consideration of up to $75 million (approximately ₹489 crore) including contingent consideration and retention payouts, subject to regulatory approvals and fulfillment of closing conditions.

4. Information on dividends for the quarter and year ended March 31, 2018

An interim dividend of ₹13/- (par value of ₹5/- each) per equity share was declared on October 24, 2017 and the same was paid on November 4, 2017. The interim dividend declared in the previous year was ₹11/- per equity share. For financial year 2018, the Board recommended a final dividend of ₹20.50/- per equity share and a special dividend of ₹10/- per equity share. The payment is subject to the approval of the shareholders in the ensuing Annual General Meeting of the Company, to be held on June 23, 2018. The book closure date for the purpose of the Annual General Meeting and payment of final dividend is June 16, 2018. The final dividend declared in the previous year was ₹14.75/- per equity share.

(in ₹)

Particulars	Quarter ended March 31, 2018	Quarter ended December 31, 2017	Quarter ended March 31, 2017	Year ended March 31, 2018	Year ended March 31, 2017
Dividend per share (par value ₹5/- each)					
Interim dividend	-	-	-	13.00	11.00
Final dividend	20.50	-	14.75	20.50	14.75
Special dividend	10.00	-	-	10.00	-

5. Consolidated statement of assets and liabilities

(in ₹ crore)

Particulars	As at March 31, 2018	As at March 31, 2017
ASSETS		
Non-current assets		
Property, plant and equipment	10,116	9,751
Capital work-in-progress	1,606	1,365
Goodwill *(Refer Note b above)*	2,211	3,652
Other Intangible assets	247	776
Investment in associate	-	71
Financial assets:		
Investments	5,756	6,382
Loans	36	29
Other financial assets	284	309
Deferred tax assets (net)	1,282	540
Income tax assets (net)	6,070	5,716
Other non-current assets	2,265	1,059
Total non-current assets	**29,873**	**29,650**
Current assets		
Financial assets		
Investments	6,407	9,970
Trade receivables	13,142	12,322
Cash and cash equivalents	19,818	22,625
Loans	239	272
Other financial assets	6,684	5,980
Other current assets	1,667	2,536
	47,957	**53,705**
Assets held for sale *(Refer Note b above)*	2,060	-
Total current assets	**50,017**	**53,705**
Total assets	**79,890**	**83,355**
EQUITY AND LIABILITIES		
Equity		
Equity share capital	1,088	1,144
Other equity	63,835	67,838
Total equity attributable to equity holders of the Company	**64,923**	**68,982**
Non-controlling interests	1	-
Total equity	**64,924**	**68,982**
Liabilities		
Non-current liabilities		
Financial liabilities		
Other financial liabilities	61	70
Deferred tax liabilities (net)	541	207
Other non-current liabilities	259	83
Total non-current liabilities	**861**	**360**
Current liabilities		
Financial liabilities		
Trade payables	694	367
Others financial liabilities	6,946	6,349
Provisions	492	405
Income tax liabilities (net)	2,043	3,885
Other current liabilities	3,606	3,007
	13,781	**14,013**
Liabilities directly associated with assets held for sale *(Refer Note b above)*	324	-
Total current liabilities	**14,105**	**14,013**
Total equity and liabilities	**79,890**	**83,355**

The disclosure is an extract of the audited Consolidated Balance Sheet as at March 31, 2018 and March 31, 2017 prepared in compliance with the Indian Accounting Standards (Ind-AS).

6. Segment reporting (Consolidated - Audited)

(in ₹ crore)

Particulars	Quarter ended March 31,	Quarter ended December 31,	Quarter ended March 31,	Year ended March 31,	
	2018	2017	2017	2018	2017
Revenue by business segment					
Financial Services (FS)	4,683	4,643	4,655	18,638	18,555
Manufacturing (MFG)	1,965	1,955	1,918	7,699	7,507
Energy & utilities, Communication and Services (ECS)	4,437	4,241	3,963	16,757	15,430
Retail, Consumer packaged goods and Logistics (RCL)	2,830	2,837	2,710	11,104	11,225
Life Sciences, Healthcare and Insurance (HILIFE)	2,425	2,375	2,148	9,271	8,437
Hi-Tech	1,302	1,256	1,211	5,047	5,122
All other segments	441	487	515	2,006	2,208
Total	**18,083**	**17,794**	**17,120**	**70,522**	**68,484**
Less: Inter-segment revenue	-	-	-	-	-
Net revenue from operations	**18,083**	**17,794**	**17,120**	**70,522**	**68,484**
Segment profit before tax, depreciation and non-controlling interests:					
Financial Services (FS)	1,321	1,254	1,328	5,207	5,209
Manufacturing (MFG)	445	498	472	1,819	1,848
Energy & utilities, Communication and Services (ECS)	1,219	1,145	1,120	4,550	4,431
Retail, Consumer packaged goods and Logistics (RCL)	842	834	784	3,249	3,249
Life Sciences, Healthcare and Insurance (HILIFE)	678	689	596	2,575	2,308
Hi-Tech	332	304	291	1,224	1,277
All other segments	91	94	70	389	292
Total	**4,928**	**4,818**	**4,661**	**19,013**	**18,614**
Less: Unallocable expenditure	456	499	449	1,865	1,713
Add: Unallocable other income (*Refer Note b* above)	534	962	746	3,193	3,080
Add: Share in net profit/(loss) of associate, including impairment of associate	-	-	(25)	(71)	(30)
Profit before tax and non-controlling interests	**5,006**	**5,281**	**4,933**	**20,270**	**19,951**

Notes on segment information

Business segments

Based on the "management approach" as defined in Ind-AS 108 - Operating Segments, the Chief Operating Decision Maker evaluates the Group'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.

Segmental capital employed

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 not practicable to provide segment disclosures relating to total assets and liabilities since a meaningful segregation of the available data is onerous.

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

(in ₹ crore)

Particulars	Quarter ended March 31,	Quarter ended December 31,	Quarter ended March 31,	Year ended March 31,	
	2018	2017	2017	2018	2017
Revenue from operations	15,984	15,631	14,920	61,941	59,289
Profit before tax *(Refer Note i below)*	4,390	5,922	4,783	19,908	18,938
Profit for the period *(Refer Note i below)*	3,157	6,004	3,562	16,155	13,818

Note: The audited results of Infosys Limited for the above mentioned periods are available on our website, www.infosys.com and on the Stock Exchange website www.nseindia.com and www.bseindia.com. The information above has been extracted from the audited standalone finacial statements for the year ended March 31, 2018 and the information for the quarter ended March 31, 2018 are extracted from the audited interim condensed financial statements.

i) In the quarter ended March 2018, on conclusion of a strategic review of the portfolio businesses, the Company initiated identification and evaluation of potential buyers for its subsidiaries, Kallidus and Skava (together referred to as "Skava") and Panaya . The Company anticipates completion of the sale by March 2019 and accordingly, investments amounting to ₹ 1,525 crore in respect of these subsidiaries have been reclassified as "held for sale". On reclassification, these investments has been measured at the lower of carrying amount and fair value less cost to sell and consequently, an impairment loss of ₹589 crore in respect of Panaya has been recognized in the standalone profit and loss for the quarter and year ended March 31, 2018.

By order of the Board
for Infosys Limited

Bengaluru, India
April 13, 2018

Salil Parekh
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 quarter and year ended March 31, 2018, prepared as per International Financial Reporting Standards (IFRS) and reported in US dollars. A summary of the financial statements is as follows:

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

Particulars	**Quarter ended March 31, 2018**	**Quarter ended December 31, 2017**	**Quarter ended March 31, 2017**	**Year ended March 31, 2018**	**Year ended March 31, 2017**
Revenues	2,805	2,755	2,569	10,939	10,208
Cost of sales	1,793	1,773	1,614	7,001	6,446
Gross profit	**1,012**	**982**	**955**	**3,938**	**3,762**
Operating expenses	319	313	321	1,279	1,242
Operating profit	**693**	**669**	**634**	**2,659**	**2,520**
Other income, net *(Refer Note a below)*	82	149	112	495	459
Share in net profit/(loss) of associate, including impairment	-	-	(4)	(11)	(5)
Profit before income tax	**775**	**818**	**742**	**3,143**	**2,974**
Income tax expense	204	22	199	657	834
Net profit	**571**	**796**	**543**	**2,486**	**2,140**
Earnings per equity share *					
Basic	0.26	0.35	0.24	1.10	0.94
Diluted	0.26	0.35	0.24	1.10	0.94
Total assets	12,255	11,889	12,854	12,255	12,854
Cash and cash equivalents including current investments	4,023	3,615	5,027	4,023	5,027

** EPS is not annualized for the quarter ended March 31, 2018, quarter ended December 31, 2017 and quarter ended March 31, 2017.*

a) In the quarter ended March 2018, on conclusion of a strategic review of the portfolio businesses, the Company initiated identification and evaluation of potential buyers for its subsidiaries, Kallidus and Skava (together referred to as "Skava") and Panaya (collectively referred to as the "disposal group"). The Company anticipates completion of the sale by March 2019 and accordingly, assets amounting to $316 million and liabilities amounting to $50 million in respect of the disposal group have been reclassified as "held for sale". On reclassification, the disposal group has been measured at the lower of carrying amount and fair value less cost to sell and consequently, an impairment loss of $18 million in respect of Panaya has been recognized in the consolidated profit and loss for the quarter and year ended March 31, 2018.

The disposal group does not constitute a separate major component of the company and therefore has not been classified as discontinued operations.

Certain statements in this release, including those concerning our future growth prospects are forward-looking statements regarding those concerning the amount and timing of future dividends and other potential future payments to shareholders, and the intent to identify potential buyers for Skava and Panaya and the anticipated timing to complete such sales, are forward-looking statements 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 those relating 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, capital allocation policy and the ability and timing to identify buyers for Skava and Panaya and to successfully complete such sales. Additional risks that could cause actual results to differ materially 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, 2017. These filings are available at www.sec.gov. Please note that any forward-looking statements contained herein are based on assumptions that we believe to be reasonable as of the date of this release. The Company does not undertake to update any forward-looking statements that may be made from time to time by or on behalf of the Company unless it is required by law.

Infosys Limited

CIN: L85110KA1981PLC013115

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

Website: www.infosys.com; Email: investors@infosys.com; Telephone: 91 80 2852 0261; Fax: 91 80 2852 0362

Audited financial results of Infosys Limited for the quarter and year ended March 31, 2018 prepared in compliance with the Indian Accounting Standards (Ind-AS)

(in ₹ crore, except per equity share data)

Particulars	Quarter ended March 31,	Quarter ended December 31,	Quarter ended March 31,	Year ended March 31,	
	2018	2017	2017	2018	2017
	Audited	Audited	Audited	Audited	Audited
Revenue from operations	15,984	15,631	14,920	61,941	59,289
Other income, net *(Refer Note b, c and d)*	636	1,811	733	4,019	3,062
Total income	**16,620**	**17,442**	**15,653**	**65,960**	**62,351**
Expenses					
Employee benefit expenses	8,418	8,287	7,667	32,472	30,944
Cost of technical sub-contractors	1,434	1,349	1,263	5,494	4,809
Travel expenses	369	366	342	1,479	1,638
Cost of software packages and others	320	315	341	1,270	1,235
Communication expenses	75	85	104	330	372
Consultancy and professional charges	233	190	176	826	538
Depreciation and amortisation expense	363	354	336	1,408	1,331
Other expenses	429	574	641	2,184	2,546
Impairment loss on assets held for sale *(Refer Note b)*	589	-	-	589	-
Total expenses	**12,230**	**11,520**	**10,870**	**46,052**	**43,413**
Profit before tax	**4,390**	**5,922**	**4,783**	**19,908**	**18,938**
Tax expense: *(Refer Note a)*					
Current tax	1,397	(134)	1,141	4,003	5,068
Deferred tax	(164)	52	80	(250)	52
Profit for the period *(Refer Note a)*	**3,157**	**6,004**	**3,562**	**16,155**	**13,818**
Other comprehensive income					
Items that will not be reclassified subsequently to profit or loss					
Remeasurement of the net defined benefit liability / asset, net	31	17	16	52	(42)
Equity instruments through other comprehensive income, net	7	-	(5)	7	(5)
Items that will be reclassified subsequently to profit or loss					
Fair value changes on derivatives designated as cash flow hedges, net	2	5	11	(39)	39
Fair value changes on investments, net	(12)	(23)	(10)	1	(10)
Total other comprehensive income/(loss), net of tax	**28**	**(1)**	**12**	**21**	**(18)**
Total comprehensive income for the period	**3,185**	**6,003**	**3,574**	**16,176**	**13,800**
Paid-up share capital (par value ₹5/- each fully paid)	1,092	1,092	1,148	1,092	1,148
Other Equity	62,410	66,869	66,869	62,410	66,869
Earnings per equity share (par value ₹5 /- each) *(Refer Note e)*					
Basic (₹) *(Refer Note a)*	14.45	26.27	15.51	71.28	60.16
Diluted (₹)	14.45	26.26	15.51	71.25	60.15

Note

a) During the quarter ended December 31, 2017, on account of the conclusion of an Advance Pricing Agreement ("APA") with the U.S. Internal Revenue Service ("IRS"), the Company has, in accordance with the APA, reversed income tax expense provision of $225 million (₹1,432 crore) which pertains to previous periods which are no longer required. Consequently, profit for the quarter ended December 31, 2017 and the year ended March 31, 2018 has increased and therefore has led to an increase in Basic earnings per equity share by ₹6.26 for quarter ended December 31, 2017 and ₹5.85 for the year ended March 31, 2018 on a standalone basis.

b) In the quarter ended March 2018, on conclusion of a strategic review of the portfolio businesses, the Company initiated identification and evaluation of potential buyers for its subsidiaries, Kallidus and Skava (together referred to as "Skava") and Panaya . The Company anticipates completion of the sale by March 2019 and accordingly, investments amounting to ₹ 1,525 crore in respect of these subsidiaries have been reclassified as "held for sale". On reclassification, these investments has been measured at the lower of carrying amount and fair value less cost to sell and consequently, an impairment loss of ₹589 crore in respect of Panaya has been recognized in the standalone profit and loss for the quarter and year ended March 31, 2018. In the consolidated statement of profit and loss, an impairment loss of ₹118 crore has been recognized in respect of Panaya for the quarter and year ended March 31, 2018.

c) Other income includes ₹199 crore towards interest on income tax refund for the quarter ended December 31, 2017 and ₹257 crore for the year ended March 31, 2018.

d) During the three months ended June 30, 2017, the Company has written down the entire carrying value of the investment in its subsidiary Infosys Nova Holdings LLC, amounting to ₹94 crore.

e) EPS is not annualized for the quarter ended March 31, 2018, December 31, 2017 and March 31, 2017.

Notes

1. The audited standalone financial statements for the quarter and year ended March 31, 2018 have been taken on record by the Board of Directors at its meeting held on April 13, 2018. **The statutory auditors, Deloitte Haskins & Sells LLP have expressed an unqualified audit opinion**. Amounts for the quarter and year ended March 31, 2017 were audited by previous auditors - B S R & Co LLP. The information for the year ended March 31, 2018 presented above is extracted from the audited standalone financial statements and the information for the quarter ended March 31, 2018 are extracted from the audited interim condensed financial statements. These financial statements are prepared in accordance with the Indian Accounting Standards (Ind-AS) as prescribed under Section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules thereafter.

2. The Board appointed Kiran Mazumdar- Shaw, Independent Director as the Lead Independent Director of the Board.

3. On April 13, 2018, the Company entered into a definitive agreement to acquire Wongdoody Holding Company Inc., a US-based creative and consumer insights agency for a total consideration of up to $75 million (approximately ₹489 crore) including contingent consideration and retention payouts, subject to regulatory approvals and fulfillment of closing conditions.

4. Information on dividends for the quarter and year end March 31, 2018

An interim dividend of ₹13/- (par value of ₹5/- each) per equity share was declared on October 24, 2017 and the same was paid on November 4, 2017. The interim dividend declared in the previous year was ₹11/- per equity share. For financial year 2018, the Board recommended a final dividend of ₹20.50/- per equity share and a special dividend of ₹10/- per equity share. The payment is subject to the approval of the shareholders in the ensuing Annual General Meeting of the Company, to be held on June 23, 2018. The book closure date for the purpose of the Annual General Meeting and payment of final dividend is June 16, 2018. The final dividend declared in the previous year was ₹14.75/- per equity share.

(in ₹)

Particulars	Quarter ended March 31, 2018	Quarter ended December 31, 2017	Quarter ended March 31, 2017	Year ended March 31, 2018	Year ended March 31, 2017
Dividend per share (par value ₹5/- each)					
Interim dividend	-	-	-	13.00	11.00
Final dividend	20.50	-	14.75	20.50	14.75
Special dividend	10.00	-	-	10.00	-

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

(in ₹ crore)

Particulars	As at March 31, 2018	As at March 31, 2017
ASSETS		
Non-current assets		
Property, plant and equipment	9,027	8,605
Capital work-in-progress	1,442	1,247
Goodwill	29	-
Other intangible assets	101	-
Financial assets:		
Investments	11,993	15,334
Loans	19	5
Other financial assets	177	216
Deferred tax assets (net)	1,128	346
Income tax assets (net)	5,710	5,454
Other non-current assets	2,161	996
Total non-current assets	**31,787**	**32,203**
Current assets		
Financial assets		
Investments	5,906	9,643
Trade receivables	12,151	10,960
Cash and cash equivalents	16,770	19,153
Loans	393	310
Other financial assets	5,906	5,403
Other current assets	1,439	2,213
	42,565	**47,682**
Assets held for sale *(Refer Note b above)*	1,525	-
Total current assets	**44,090**	**47,682**
Total assets	**75,877**	**79,885**
EQUITY AND LIABILITIES		
Equity		
Equity share capital	1,092	1,148
Other equity	62,410	66,869
Total equity	**63,502**	**68,017**
Liabilities		
Non-current liabilities		
Financial liabilities		
Other financial liabilities	55	40
Deferred tax liabilities (net)	505	-
Other non-current liabilities	153	42
Total non-current liabilities	**713**	**82**
Current liabilities		
Financial liabilities		
Trade payables	738	269
Others financial liabilities	5,540	5,056
Other current liabilities	2,972	2,349
Provisions	436	350
Income tax liabilities (net)	1,976	3,762
Total current liabilities	**11,662**	**11,786**
Total equity and liabilities	**75,877**	**79,885**

The disclosure is an extract of the audited Balance Sheet as at March 31, 2018 and March 31, 2017 prepared in compliance with the Indian Accounting Standards (Ind-AS).

6. Segment reporting (Standalone-Audited)

(in ₹ crore)

Particulars	Quarter ended March 31, 2018	Quarter ended December 31, 2017	Quarter ended March 31, 2017	Year ended March 31, 2018	Year ended March 31, 2017
Revenue by business segment					
Financial services (FS)	4,012	3,951	3,924	15,860	15,735
Manufacturing (MFG)	1,666	1,652	1,566	6,485	6,086
Energy & utilities, communication and services (ECS)	4,106	3,913	3,630	15,457	13,999
Retail, consumer packaged goods and logistics (RCL)	2,617	2,586	2,503	10,247	10,280
Life sciences, healthcare and insurance (HILIFE)	2,046	2,014	1,860	7,825	7,065
Hi-Tech	1,239	1,191	1,157	4,782	4,901
All Other Segments	298	324	280	1,285	1,223
Total	**15,984**	**15,631**	**14,920**	**61,941**	**59,289**
Less: Inter-segment revenue	-	-	-	-	-
Net revenue from operations	**15,984**	**15,631**	**14,920**	**61,941**	**59,289**
Segment profit before tax:					
Financial Services (FS)	1,114	1,011	1,115	4,268	4,291
Manufacturing (MFG)	433	464	458	1,741	1,770
Energy & utilities, communication and services (ECS)	1,228	1,153	1,126	4,591	4,355
Retail, consumer packaged goods and logistics (RCL)	832	805	757	3,200	3,159
Life sciences, healthcare and insurance (HILIFE)	642	625	573	2,405	2,089
Hi-Tech	353	319	308	1,299	1,354
All other segments	102	90	52	384	199
Total	**4,704**	**4,467**	**4,389**	**17,888**	**17,217**
Less: Unallocable expenditure	361	356	339	1,410	1,341
Less: Impairment loss on assets held for sale *(Refer Note b above)*	589	-	-	589	-
Add: Unallocable other income	636	1,811	733	4,019	3,062
Profit before tax	**4,390**	**5,922**	**4,783**	**19,908**	**18,938**

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

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

Sd/-
Salil Parekh
Chief Executive Officer and Managing Director

Bengaluru, India
April 13, 2018

Certain statements in this release, including those concerning our future growth prospects are forward-looking statements regarding those concerning the amount and timing of future dividends and other potential future payments to shareholders, and the intent to identify potential buyers for Skava and Panaya and the anticipated timing to complete such sales, are forward-looking statements 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 those relating 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, capital allocation policy and the ability and timing to identify buyers for Skava and Panaya and to successfully complete such sales. Additional risks that could cause actual results to differ materially 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, 2017. These filings are available at www.sec.gov. Please note that any forward-looking statements contained herein are based on assumptions that we believe to be reasonable as of the date of this release. 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.

Reg 33 - Standalone

Deloitte Haskins & Sells LLP

Chartered Accountants
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Bengaluru - 560 001
Karnataka, India

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Fax: +91 80 6188 6011

INDEPENDENT AUDITOR'S REPORT

TO THE BOARD OF DIRECTORS OF INFOSYS LIMITED

1. We have audited the accompanying Statement of Standalone Financial Results of **INFOSYS LIMITED** ("the Company") for the quarter and year ended March 31, 2018 ("the Statement"), being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as modified by Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016.

2. This Statement is the responsibility of the Company's Management and is approved by the Board of Directors. The Statement, as it relates to the quarter ended March 31, 2018, has been compiled from the related interim condensed standalone financial statements prepared in accordance with Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34") and as it relates to the year ended March 31, 2018, has been compiled from the related annual standalone financial statements prepared in accordance with Indian Accounting Standards, prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to express an opinion on the Statement based on our audits of such interim condensed standalone financial statements and annual standalone financial statements.

3. We conducted our audits in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Statement is free from material misstatement.

   An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Statement. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial controls relevant to the Company's preparation and fair presentation of the Statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal financial control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the Statement.

   We believe that the audit evidence obtained by us, is sufficient and appropriate to provide a basis for our audit opinion.

4. In our opinion and to the best of our information and according to the explanations given to us, the Statement:

   (i) is presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as modified by Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016; and

Deloitte
Haskins & Sells LLP

(ii) gives a true and fair view in conformity with the aforesaid Indian Accounting Standards and other accounting principles generally accepted in India of the profit, total comprehensive income and other financial information of the Company for the quarter and year ended March 31, 2018.

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

P. R. Ramesh

P. R. RAMESH
Partner
(Membership No.70928)

Bengaluru, April 13, 2018

Reg 33 - Consol

Deloitte Haskins & Sells LLP

Chartered Accountants
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Bengaluru - 560 001
Karnataka, India

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INDEPENDENT AUDITOR'S REPORT

TO THE BOARD OF DIRECTORS OF INFOSYS LIMITED

1. We have audited the accompanying Statement of Consolidated Financial Results of **INFOSYS LIMITED** ("the Company") and its subsidiaries (the Company and its subsidiaries together referred to as "the Group") for the quarter and year ended March 31, 2018 ("the Statement"), being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as modified by Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016.

2. This Statement is the responsibility of the Company's Management and is approved by the Board of Directors. The Statement, as it relates to the quarter ended March 31, 2018, has been compiled from the related interim consolidated financial statements prepared in accordance with Indian Accounting Standard 34 "Interim Financial Reporting" (Ind AS 34) and as it relates to the year ended March 31, 2018, has been compiled from the related annual consolidated financial statements prepared in accordance with Indian Accounting Standards, prescribed under Section 133 of the Companies Act, 2013, read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to express an opinion on the Statement based on our audits of such interim consolidated financial statements and annual consolidated financial statements.

3. We conducted our audits in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Statement is free from material misstatement.

   An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Statement. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial controls relevant to the Company's preparation and fair presentation of the Statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal financial controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the Statement.

   We believe that the audit evidence obtained by us, is sufficient and appropriate to provide a basis for our audit opinion.

4. In our opinion and to the best of our information and according to the explanations given to us, the Statement:

   a. includes the results of the subsidiaries and an associate as given in the Annexure to this report;

   b. is presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as modified by Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016; and

Deloitte
Haskins & Sells LLP

c. gives a true and fair view in conformity with the aforesaid Indian Accounting Standards and other accounting principles generally accepted in India of the consolidated profit and total comprehensive income for the period and other financial information of the Group for the quarter and year ended March 31, 2018.

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

P.R. Ramesh

P. R. RAMESH
Partner
(Membership No.70928)

Bengaluru, April 13, 2018

Deloitte
Haskins & Sells LLP

Annexure to Independent Auditor's Report

(Referred to in paragraph 4 (a) of the Independent Auditor's Report of even date)

List of Subsidiaries:

1. Infosys BPM Limited (formerly known as Infosys BPO Limited)
2. Infosys Technologies (China) Co. Limited
3. Infosys Technologies S. de R. L. de C. V.
4. Infosys Technologies (Sweden) AB.
5. Infosys Technologies (Shanghai) Company Limited
6. Infosys Tecnologia DO Brasil LTDA.
7. Infosys Public Services, Inc.
8. Infosys Americas Inc.,
9. Infosys (Czech Republic) Limited s.r.o.
10. Infosys Poland Sp z.o.o
11. Infosys McCamish Systems LLC
12. Portland Group Pty Ltd
13. Infosys BPO Americas LLC.
14. Infosys Technologies (Australia) Pty. Limited
15. EdgeVerve Systems Limited
16. Infosys Consulting Holding AG
17. Lodestone Management Consultants Inc.
18. Infosys Management Consulting Pty Limited
19. Infosys Consulting AG
20. Infosys Consulting (Belgium) NV
21. Infosys Consulting GmbH
22. Infosys Consulting Pte Ltd.
23. Infosys Consulting SAS
24. Infosys Consulting s.r.o.
25. Lodestone Management Consultants GmbH
26. Lodestone Management Consultants Co., Ltd.
27. Infy Consulting Company Limited
28. Infy Consulting B.V.
29. Infosys Consulting Ltda.
30. Infosys Consulting Sp. Z.o.o.
31. Lodestone Management Consultants Portugal,Unipessoal, Lda
32. S.C. Infosys Consulting S.R.L.
33. Infosys Consulting S.R.L.
34. Infosys Nova Holdings LLC.
35. Panaya Inc.
36. Panaya Limited.
37. Panaya GmbH
38. Panaya Japan Co. Ltd.
39. Skava Systems Pvt. Ltd.
40. Kallidus Inc.
41. Infosys Chile SpA (incorporated on November 20, 2017)
42. Noah Consulting LLC (liquidated on November 9, 2017)
43. Noah Information Management Consulting Inc. (liquidated on December 20, 2017)
44. Brilliant Basics Holdings Limited (Acquired on September 8, 2017)
45. Brilliant Basics Limited (Acquired on September 8, 2017)

46. Brilliant Basics (MENA) DMCC
47. Infosys Arabia Limited (incorporated on March 18, 2018)
48. Infosys Middle East FZ LLC (Effective from January 1, 2018)
49. Infosys Science Foundation
50. Infosys Employees' Welfare Trust
51. Infosys Employee Benefits Trust
52. Infosys Canada Public Services Ltd. (liquidated May 9, 2017)

List of Associate:

1. DWA Nova LLC (liquidated on November 17, 2017)

Ru

Infosys (NYSE: INFY) announces results for the Quarter and Year ended March 31, 2018

Revenues from Digital offerings at $ 2.79 billion (25.5% of total revenues) for FY 18 which grew at 3.6% sequentially in Q4 in constant currency terms

Entered into a definitive agreement to acquire WongDoody Holding Company, Inc., a US-based digital creative and consumer insights agency

FY 18 revenues grew by 7.2% in USD terms, 5.8% in constant currency terms, with operating margins at 24.3%

Bengaluru, India – April 13, 2018

1. Highlights of financial results for the quarter and year ended March 31, 2018

- Q4 revenues grew year-on-year by 9.2% in USD terms; 6.4% in constant currency terms
- Q4 revenues grew sequentially by 1.8% in USD terms; 0.6 % in constant currency terms
- Q4 operating margin improved to 24.7% from 24.3% in Q3 18
- Q4 Basic EPS at $0.26; year-on-year growth of 10.8%
- FY 18 Basic EPS at $1.10; year-on-year growth of 17.8%
- FY 18 Basic EPS of $1.10 includes positive impact of $0.09 from Advance Pricing Agreement (APA) with the US IRS concluded earlier in the year
- Board recommended a final dividend of ₹20.50 per share ($0.31 per ADS*) and a special dividend of ₹10 per share ($0.15 per ADS*)
- FY 19 revenue guidance in constant currency at 6%-8%; FY 19 operating margin range at 22%-24%

**USD/INR exchange rate as at March 31, 2018*

Financial Highlights

Consolidated results under International Financial Reporting Standards (IFRS) for the quarter ended March 31, 2018

- Revenues were $2,805 million for the quarter ended March 31, 2018
  YoY growth of 9.2%; QoQ growth of 1.8%
- Operating profit was $693 million for the quarter ended March 31, 2018
  YoY growth of 9.3%; QoQ growth of 3.6%
- Net profit was $571 million for the quarter ended March 31, 2018
  YoY growth of 5.3%; QoQ decline of 28.2%; Q3 FY 18 net profits included positive impact of $225 million on account of conclusion of an APA with the US IRS
- Basic EPS at $0.26 for the quarter ended March 31, 2018

Consolidated results under International Financial Reporting Standards (IFRS) for the year ended March 31, 2018

- Revenues were $10,939 million for the year ended March 31, 2018
  YoY growth of 7.2% in reported terms; 5.8% in constant currency terms
- Operating profit was $2,659 million for the year ended March 31, 2018
  YoY growth of 5.5%
- Net profit was $2,486 million for the year ended March 31, 2018
  YoY growth of 16.2%

  FY 18 net profits included impact on account of conclusion of an APA with the US IRS

"I am pleased with our healthy revenue growth, profitability, and cash generation in Q4. Our robust performance is a reflection of the strong impact we have with our clients and the dedication of our employees. 'Navigating Your Next' is our aspiration of how we will partner with each one of our clients." **said Salil Parekh, CEO**. "We will execute our strategy around the four pillars of Scaling our Agile Digital business which is today US$2.79 billion in revenue, Energizing our client's Core technology landscape via AI and automation, Re-skilling our employees, and Expanding our localization in markets such as US, Europe, and Australia."

"Revenue productivity per employee was stable during the year as the benefits of automation and newer services kicked in. Employee utilization remained healthy." **said Pravin Rao, COO**. "During the quarter, we provided highest level of variable payouts in several years. We will be rolling out compensation increases for a large part of our workforce effective April 1st."

"Our operating margins during the quarter and fiscal 2018 were resilient due to unwavering focus on productivity and operational efficiency, leading to a robust cash generation. During the year, the company implemented the capital allocation policy including the successful closure of $2 billion share buyback program in December 2017 and healthy increase in Dividend Per Share for the year." **said M.D. Ranganath, CFO.** "Our margin guidance reflects our emphasis on digital-led growth and focused investments in this journey."

2. Outlook for FY 2019

The Company's outlook (consolidated) for the fiscal year ending March 31, 2019, under IFRS is as follows:

- Revenues are expected to grow 6%-8% in constant currency*;
- Revenues are expected to grow 7%-9% in USD terms based on the exchange rates as of March 31, 2018**

**FY 18 constant currency rates - AUD/USD – 0.78; Euro/USD – 1.18; GBP/USD – 1.33*
***Currency rates as of March 31, 2018 - AUD/USD – 0.77; Euro/USD – 1.24; GBP/USD – 1.42*

3. Capital Allocation

The Board, in its meeting on April 13, 2018, reviewed and approved the Capital Allocation Policy of the Company after taking into consideration the strategic and operational cash requirements of the Company in the medium term.

The key aspects of the Capital Allocation Policy are:

i. The Board has decided to retain the current policy of returning upto 70 % of the free cash flow of the corresponding Financial Year in such manner, as may be decided by the Board from time to time, subject to applicable laws and requisite approvals, if any. Free cash flow is defined as net cash provided by operating activities less capital expenditure as per the consolidated statement of cash flows prepared under IFRS. Dividend payout includes Dividend Distribution Tax (DDT).

ii. In addition to the above, out of the cash on the Balance Sheet, the Board has identified an amount of upto ₹13,000 crores ($2 billion*) to be paid to shareholders in the following manner:
    a) A special dividend of ₹10 per share ($0.15 per ADR*) resulting in a payout of approximately ₹ 2,600 crore (approximately $400 million*) in June 2018
    b) Identified an amount of upto approximately ₹10,400 crore (approximately $1,600 million*) to be paid out to shareholders for the Financial Year 2019, in such a manner, to be decided by the Board, subject to applicable laws and requisite approvals, if any. Further announcements in this regard will be made, as appropriate, in due course.

**USD/INR exchange rate at 65.00*

4. Dividend Payout

For the Financial Year 2018, the Board recommended a final dividend of ₹20.50 per share ($0.31 per ADR) amounting to ₹5,349 crore ($821 million) including DDT. After including the interim dividend of ₹13 per share, the total dividend for Financial Year 2018 will amount to ₹33.50 per share resulting in a payout of ₹8,771 crore ($1,349 million) including DDT, which will amount to approximately 70% of free cash flow for the Financial Year 2018. The total dividend of ₹33.50 per share is approximately 30% higher than total dividend of ₹25.75 per share for Financial Year 2017.

The aggregate dividend including the special dividend of ₹10 per share ($0.15 per ADR) works out to ₹43.50 per share ($0.67 per ADR) resulting in an aggregate dividend payout of approximately ₹11,371 crore (approximately $1,749 million), including DDT.

5. Lead Independent Director

The Board appointed Kiran Mazumdar-Shaw, Independent Director as the Lead Independent Director of the Board.

6. Acquisition

On April 13, 2018, the Company entered into a definitive agreement to acquire WongDoody Holding Company, Inc., a US-based digital creative and consumer insights agency for a total consideration of up to $75 million including contingent consideration and retention payouts, subject to regulatory approvals and fulfillment of closing conditions.

7. Review of Subsidiaries

In the quarter ended March 31, 2018, on conclusion of a strategic review of its portfolio of businesses, the Company initiated identification and evaluation of potential buyers for its subsidiaries, Kallidus and Skava (together referred to as "Skava”) and Panaya (collectively referred to as the “disposal group”). The Company anticipates completion of the sale by March 2019 and accordingly, assets amounting to ₹2,060 crore ($316 million) and liabilities amounting to ₹324 crore ($50 million) in respect of the disposal group have been reclassified and presented as "held for sale".

On reclassification, an impairment loss of ₹118 crore ($18 million) in respect of Panaya has been recognized in the consolidated profit and loss for the quarter and year ended March 31, 2018. The corresponding write down in the investment value of Panaya in the standalone financial statements of Infosys Ltd. is ₹589 crore ($90 million).

About Infosys Ltd.

Infosys is a global leader in technology services and consulting. We enable clients in 45 countries to create and execute strategies for their digital transformation. From engineering to application development, knowledge management and business process management, we help our clients find the right problems to solve, and to solve these effectively. Our team of 200,000+ innovators, across the globe, is differentiated by the imagination, knowledge and experience, across industries and technologies that we bring to every project we undertake.

Visit www.infosys.com to see how Infosys (NYSE: INFY) can help your enterprise thrive in the digital age.

Safe Harbor

Certain statements in this release, including those concerning our future growth prospects are forward-looking statements regarding our future business expectations, the amount and timing of future dividends and other potential future payments to shareholders, and the intent to identify potential buyers for Skava and Panaya and the anticipated timing to complete such sales, are forward-looking statements 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 those relating 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, capital allocation policy and the ability and timing to identify buyers for Skava and Panaya and to successfully complete such sales. Additional risks that could cause actual results to differ materially 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, 2017. These filings are available at www.sec.gov. Please note that any forward-looking statements contained herein are based on assumptions that we believe to be reasonable as of the date of this release. 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.

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Infosys Limited and subsidiaries

Unaudited Condensed Consolidated Balance Sheets as at

(Dollars in millions except equity share data)

	March 31, 2018	March 31, 2017
ASSETS		
Current assets		
Cash and cash equivalents	3.041	3,489
Current investments	982	1,538
Trade receivables	2,016	1,900
Unbilled revenue	654	562
Prepayments and other current assets	662	749
Derivative financial instruments	2	44
	7,357	**8,282**
Assets held for sale(4)	316	-
Total current assets	**7,673**	**8,282**
Non-current assets		
Property, plant and equipment	1,863	1,807
Goodwill	339	563
Intangible assets	38	120
Investment in associate	-	11
Non-current investments	883	984
Deferred income tax assets	196	83
Income tax assets	931	881
Other non-current assets	332	123
Total non-current assets	**4,582**	**4,572**
Total assets	**12,255**	**12,854**
LIABILITIES AND EQUITY		
Current liabilities		
Trade payables	107	57
Derivative financial instruments	6	-
Current income tax liabilities	314	599
Client deposits	6	5
Unearned revenue	352	274
Employee benefit obligations	218	209
Provisions	75	63
Other current liabilities	1,036	954
	2,114	**2,161**
Liabilities directly associated with assets held for sale(4)	50	-
Total current liabilities	**2,164**	**2,161**
Non-current liabilities		
Deferred income tax liabilities	82	32
Employee benefit obligations	7	-
Other non-current liabilities	42	24
Total liabilities	**2,295**	**2,217**
Equity		
Share capital- ₹5 ($0.16) par value 2,400,000,000 (2,400,000,000) equity shares authorized, issued and outstanding 2,173,312,301 (2,285,655,150), net of 10,801,956 (11,289,514) treasury shares as at March 31, 2018 (March 31, 2017), respectively	190	199
Share premium	247	587
Retained earnings	11,587	12,190
Cash flow hedge reserve	-	6
Other reserves	244	-
Capital redemption reserve	9	-
Other components of equity	(2,317)	(2,345)
Total equity attributable to equity holders of the company	**9.960**	**10,637**
Non-controlling interests	-	-
Total equity	**9,960**	**10,637**
Total liabilities and equity	**12,255**	**12,854**

Infosys Limited and subsidiaries

Unaudited Condensed Consolidated Statements of Comprehensive Income

(Dollars in millions except share and per equity share data)

	Three months ended March 31, 2018	Three months ended March 31, 2017	Year ended March 31, 2018	Year ended March 31, 2017
Revenues	**2,805**	**2,569**	**10,939**	**10,208**
Cost of sales	1,793	1,614	7,001	6,446
Gross profit	**1,012**	**955**	**3,938**	**3,762**
Operating expenses:				
Selling and marketing expenses	147	133	552	535
Administrative expenses	172	188	727	707
Total operating expenses	319	321	1,279	1,242
Operating profit	**693**	**634**	**2,659**	**2,520**
Other income, net(4)(5)	82	112	495	459
Share in net profit/(loss) of associate, including impairment(6)	-	(4)	(11)	(5)
Profit before income taxes	**775**	**742**	**3,143**	**2,974**
Income tax expense(3)	204	199	657	834
Net profit(3)	**571**	**543**	**2,486**	**2,140**
Other comprehensive income				
Items that will not be reclassified subsequently to profit or loss:				
Re-measurements of the net defined benefit liability/asset, net	6	3	9	(7)
Cumulative impact on reversal of unrealized gain on quoted debt securities on adoption of IFRS 9	-	-	-	(5)
Equity instruments through other comprehensive income, net	1	(1)	1	(1)
Items that will be reclassified subsequently to profit or loss:				
Fair valuation of investments, net	(2)	(2)	-	(2)
Fair value changes on derivatives designated as cash flow hedge, net	-	2	(6)	6
Foreign currency translation	(164)	441	18	198
Total other comprehensive income/(loss), net of tax	**(159)**	**443**	**22**	**189**
Total comprehensive income	**412**	**986**	**2,508**	**2,329**
Profit attributable to:				
Owners of the Company	571	543	2,486	2,140
Non-controlling interests	-	-	-	-
	571	**543**	**2,486**	**2,140**
Total comprehensive income attributable to:				
Owners of the Company	412	986	2,508	2,329
Non-controlling interests	-	-	-	-
	412	**986**	**2,508**	**2,329**
Earnings per equity share(3)				
Basic ($)	0.26	0.24	1.10	0.94
Diluted ($)	0.26	0.24	1.10	0.94
Weighted average equity shares used in computing earnings per equity share				
Basic	217,32,77,060	228,56,54,881	225,53,32,322	228,56,39,447
Diluted	217,48,08,512	228,66,52,003	225,75,73,870	2,28,63,96,745

NOTES:

1. *The **unaudited condensed consolidated Balance sheets and Statement of Comprehensive Income** for the three months and year ended March 31, 2018 have been taken on record at the Board meeting held on April 13, 2018*

2. *A Fact Sheet providing the operating metrics of the Company can be downloaded from www.infosys.com*

3. *During the quarter ended December 31, 2017, on account of the conclusion of an Advance Pricing Agreement ("APA") with the U.S. Internal Revenue Service ("IRS"), the Company has, in accordance with the APA, reversed income tax expense provision of $225 million which pertains to previous periods which are no longer required. Consequently, profit for the quarter ended December 31, 2017 and the year ended March 31, 2018 has increased and therefore has led to an increase in Basic earnings per equity share by $0.10 for quarter ended December 31, 2017 and $0.09 for the year ended March 31, 2018.*

4. *In the quarter ended March 2018, on conclusion of a strategic review of the portfolio businesses, the Company initiated identification and evaluation of potential buyers for its subsidiaries, Kallidus and Skava (together referred to as "Skava") and Panaya (collectively referred to as the "disposal group"). The Company anticipates completion of the sale by March 2019 and accordingly, assets amounting to $316 million and liabilities amounting to $50 million in respect of the disposal group have been reclassified as "held for sale". On reclassification, the disposal group has been measured at the lower of carrying amount and fair value less cost to sell and consequently, an impairment loss of $18 million in respect of Panaya has been recognized in the consolidated profit and loss for the quarter and year ended March 31, 2018. The disposal group does not constitute a separate major component of the company and therefore has not been classified as discontinued operations*

5. *Other income includes $41 million towards interest on income tax refund for the year ended March 31, 2018*

6. *During the year ended March 31, 2018, the Company has written down the entire carrying value of the investment in its associate DWA Nova LLC amounting to $11 million. The write-down in the carrying value of investment in associate DWA Nova LLC during the quarter and year ended March 31, 2017 was $3 million.*

Infosys (NYSE: INFY) announces results for the Quarter and Year ended March 31, 2018

Revenues from Digital offerings at $ 2.79 billion (25.5% of total revenues) for FY 18. In Q4, digital revenues grew sequentially by 3.6% in constant currency terms

The company entered into a definitive agreement to acquire WongDoody Holding Company, Inc., a US-based digital creative and consumer insights agency

FY 18 revenues grew by 7.2% in USD terms, 5.8% in constant currency terms, with operating margins at 24.3%

Bengaluru, India – April 13, 2018

1. Highlights of financial results for the quarter and year ended March 31, 2018
    - Q4 revenues grew year-on-year by 5.6% in INR terms; 6.4% in constant currency terms
    - Q4 revenues grew sequentially by 1.6% in INR terms; 0.6 % in constant currency terms
    - Q4 operating margin improved to 24.7% from 24.3% in Q3 18
    - Q4 Basic EPS at ₹16.98; year-on-year growth of 7.7%
    - FY 18 Basic EPS at ₹71.07; year-on-year growth of 13.2%
    - FY 18 Basic EPS of ₹71.07 includes positive impact of ₹5.88 from Advance Pricing Agreement (APA) with the US IRS concluded earlier in the year
    - Board recommended a final dividend of ₹20.50 per share and a special dividend of ₹10 per share
    - FY 19 revenue guidance in constant currency at 6%-8%; FY 19 operating margin range at 22%-24%

Financial Highlights

Consolidated results under International Financial Reporting Standards (IFRS) for the quarter ended March 31, 2018

- Revenues were ₹18,083 crore for the quarter ended March 31, 2018
  YoY growth of 5.6%; QoQ growth of 1.6%;
- Operating profit was ₹4,472 crore for the quarter ended March 31, 2018
  YoY growth of 6.2%; QoQ growth of 3.5%;
- Net profit was ₹3,690 crore for the quarter ended March 31, 2018
  YoY growth of 2.4%; QoQ decline of 28.1%; Q3 FY 18 net profits included positive impact of ₹1,432 crore on account of conclusion of an APA with the US IRS
- Basic EPS at ₹16.98 for the quarter ended March 31, 2018

Consolidated results under International Financial Reporting Standards (IFRS) for the year ended March 31, 2018

- Revenues were ₹70,522 crore for the year ended March 31, 2018
  YoY growth of 3.0% in reported terms; 5.8% in constant currency terms
- Operating profit was ₹17,148 crore for the year ended March 31, 2018
  YoY growth of 1.5%
- Net profit was ₹16,029 crore for the year ended March 31, 2018
  YoY growth of 11.7%

  FY 18 net profits included positive impact on account of conclusion of an APA with the US IRS

"I am pleased with our healthy revenue growth, profitability, and cash generation in Q4. Our robust performance is a reflection of the strong impact we have with our clients and the dedication of our employees. 'Navigating Your Next' is our aspiration of how we will partner with each one of our clients." **said Salil Parekh, CEO**. "We will execute our strategy around the four pillars of Scaling our Agile Digital business which is today US$2.79 billion in revenue, Energizing our client's Core technology landscape via AI and automation, Re-skilling our employees, and Expanding our localization in markets such as US, Europe, and Australia."

"Revenue productivity per employee was stable during the year as the benefits of automation and newer services kicked in. Employee utilization remained healthy." **said Pravin Rao, COO**. "During the quarter, we provided highest level of variable payouts in several years. We will be rolling out compensation increases for a large part of our workforce effective April 1st."

"Our operating margins during the quarter and fiscal 2018 were resilient due to unwavering focus on productivity and operational efficiency, leading to a robust cash generation. During the year, the company implemented the capital allocation policy including the successful closure of $2 billion share buyback program in December 2017 and healthy increase in Dividend Per Share for the year." **said M.D. Ranganath, CFO.** "Our margin guidance reflects our emphasis on digital-led growth and focused investments in this journey."

2. Outlook for FY 2019

The Company's outlook (consolidated) for the fiscal year ending March 31, 2019, under IFRS is as follows:

- Revenues are expected to grow 6%-8% in constant currency*;
- Revenues are expected to grow 8.2%-10.2% in INR terms based on the exchange rates as of March 31, 2018**

**FY 18 constant currency rates - AUD/USD – 0.78; Euro/USD – 1.18; GBP/USD – 1.33*
***Currency rates as of March 31, 2018 – 1 US $ = ₹65.18*

3. Capital Allocation

The Board, in its meeting on April 13, 2018, reviewed and approved the Capital Allocation Policy of the Company after taking into consideration the strategic and operational cash requirements of the Company in the medium term.

The key aspects of the Capital Allocation Policy are:

i. The Board has decided to retain the current policy of returning upto 70 % of the free cash flow of the corresponding Financial Year in such manner, as may be decided by the Board from time to time, subject to applicable laws and requisite approvals, if any. Free cash flow is defined as net cash provided by operating activities less capital expenditure as per the consolidated statement of cash flows prepared under IFRS. Dividend payout includes Dividend Distribution Tax (DDT).

ii. In addition to the above, out of the cash on the Balance Sheet, the Board has identified an amount of upto ₹13,000 crores ($2 billion*) to be paid to shareholders in the following manner:
    a) A special dividend of ₹10 per share ($0.15 per ADR*) resulting in a payout of approximately ₹ 2,600 crore (approximately $400 million*) in June 2018
    b) Identified an amount of upto approximately ₹10,400 crore (approximately $1,600 million*) to be paid out to shareholders for the Financial Year 2019, in such a manner, to be decided by the Board, subject to applicable laws and requisite approvals, if any. Further announcements in this regard will be made, as appropriate, in due course.

**USD/INR exchange rate at 65.00*

4. Dividend Payout

For the Financial Year 2018, the Board recommended a final dividend of ₹20.50 per share ($0.31 per ADR) amounting to ₹5,349 crore ($821 million) including DDT. After including the interim dividend of ₹13 per share, the total dividend for Financial Year 2018 will amount to ₹33.50 per share resulting in a payout of ₹8,771 crore ($1,349 million) including DDT, which will amount to approximately 70% of free cash flow for the Financial Year 2018. The total dividend of ₹33.50 per share is approximately 30% higher than total dividend of ₹25.75 per share for Financial Year 2017.

The aggregate dividend including the special dividend of ₹10 per share ($0.15 per ADR) works out to ₹43.50 per share ($0.67 per ADR) resulting in an aggregate dividend payout of approximately ₹11,371 crore (approximately $1,749 million), including DDT.

5. Lead Independent Director

The Board appointed Kiran Mazumdar-Shaw, Independent Director as the Lead Independent Director of the Board.

6. Acquisition

On April 13, 2018, the Company entered into a definitive agreement to acquire WongDoody Holding Company, Inc., a US-based digital creative and consumer insights agency for a total consideration of up to $75 million including contingent consideration and retention payouts, subject to regulatory approvals and fulfillment of closing conditions.

7. Review of Subsidiaries

In the quarter ended March 31, 2018, on conclusion of a strategic review of its portfolio of businesses, the Company initiated identification and evaluation of potential buyers for its subsidiaries, Kallidus and Skava (together referred to as "Skava") and Panaya (collectively referred to as the "disposal group"). The Company anticipates completion of the sale by March 2019 and accordingly, assets amounting to ₹2,060 crore ($316 million) and liabilities amounting to ₹324 crore ($50 million) in respect of the disposal group have been reclassified and presented as "held for sale".

On reclassification, an impairment loss of ₹118 crore ($18 million) in respect of Panaya has been recognized in the consolidated profit and loss for the quarter and year ended March 31, 2018. The corresponding write down in the investment value of Panaya in the standalone financial statements of Infosys Ltd. is ₹589 crore ($90 million).

About Infosys Ltd.

Infosys is a global leader in technology services and consulting. We enable clients in 45 countries to create and execute strategies for their digital transformation. From engineering to application development, knowledge management and business process management, we help our clients find the right problems to solve, and to solve these effectively. Our team of 200,000+ innovators, across the globe, is differentiated by the imagination, knowledge and experience, across industries and technologies that we bring to every project we undertake.

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Safe Harbor

Certain statements in this release, including those concerning our future growth prospects are forward-looking statements regarding our future business expectations, the amount and timing of future dividends and other potential future payments to shareholders, and the intent to identify potential buyers for Skava and Panaya and the anticipated timing to complete such sales, are forward-looking statements 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 those relating 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, capital allocation policy and the ability and timing to identify buyers for Skava and Panaya and to successfully complete such sales. Additional risks that could cause actual results to differ materially 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, 2017. These filings are available at www.sec.gov. Please note that any forward-looking statements contained herein are based on assumptions that we believe to be reasonable as of the date of this release. 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.

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Infosys Limited and subsidiaries

Consolidated Balance Sheets as at

(In ₹ crore except share data)

	March 31, 2018	March 31, 2017
ASSETS		
Current assets		
Cash and cash equivalents	19,818	22,625
Current investments	6,407	9,970
Trade receivables	13,142	12,322
Unbilled revenue	4,261	3,648
Prepayments and other current assets	4,313	4,856
Derivative financial instruments	16	284
	47,957	**53,705**
Assets held for sale(4)	2,060	-
Total current assets	**50,017**	**53,705**
Non-current assets		
Property, plant and equipment	12,143	11,716
Goodwill	2,211	3,652
Intangible assets	247	776
Investment in associate	-	71
Non-current investments	5,756	6,382
Deferred income tax assets	1,282	540
Income tax assets	6,070	5,716
Other non-current assets	2,164	797
Total non-current assets	**29,873**	**29,650**
Total assets	**79,890**	**83,355**
LIABILITIES AND EQUITY		
Current liabilities		
Trade payables	694	367
Derivative financial instruments	42	2
Current income tax liabilities	2,043	3,885
Client deposits	38	32
Unearned revenue	2,295	1,777
Employee benefit obligations	1,421	1,359
Provisions	492	405
Other current liabilities	6,756	6,186
	13,781	**14,013**
Liabilities directly associated with assets held for sale(4)	324	-
Total current liabilities	**14,105**	**14,013**
Non-current liabilities		
Deferred income tax liabilities	541	207
Employee benefit obligations	48	-
Other non-current liabilities	272	153
Total liabilities	**14,966**	**14,373**
Equity		
Share capital- ₹5 par value 2,40,00,00,000 (2,40,00,00,000) equity shares authorized, issued and outstanding 2,17,33,12,301 (2,28,56,55,150), net of 1,08,01,956 (1,12,89,514) treasury shares, as of March 31, 2018 (March 31, 2017), respectively	1,088	1,144
Share premium	186	2,356
Retained earnings	61,241	65,056
Cash flow hedge reserves	-	39
Other reserves	1,583	-
Capital redemption reserve	56	-
Other components of equity	769	387
Total equity attributable to equity holders of the company	**64,923**	**68,982**
Non-controlling interests	1	-
Total equity	**64,924**	**68,982**
Total liabilities and equity	**79,890**	**83,355**

Infosys Limited and subsidiaries

Consolidated Statements of Comprehensive Income

(In ₹crore except equity share and per equity share data)

	Three months ended March 31, 2018	Three months ended March 31, 2017	Year ended March 31, 2018	Year ended March 31, 2017
Revenues	**18,083**	**17,120**	**70,522**	**68,484**
Cost of sales	11,554	10,770	45,130	43,253
Gross profit	**6,529**	**6,350**	**25,392**	**25,231**
Operating expenses:				
Selling and marketing expenses	947	889	3,560	3,591
Administrative expenses	1,110	1,249	4,684	4,739
Total operating expenses	2,057	2,138	8,244	8,330
Operating profit	**4,472**	**4,212**	**17,148**	**16,901**
Other income, net(4)(5)	534	746	3,193	3,080
Share in net profit/(loss) of associate, including impairment(6)	-	(25)	(71)	(30)
Profit before income taxes	**5,006**	**4,933**	**20,270**	**19,951**
Income tax expense(3)	1,316	1,330	4,241	5,598
Net profit(3)	**3,690**	**3,603**	**16,029**	**14,353**
Other comprehensive income				
Items that will not be reclassified subsequently to profit or loss:				
Re-measurement of the net defined benefit liability/asset, net	34	20	55	(45)
Cumulative impact on reversal of unrealized gain on quoted debt securities on adoption of IFRS 9	-	-	-	(35)
Equity instruments through other comprehensive income, net	9	(5)	7	(5)
Items that will be reclassified subsequently to profit or loss:				
Fair value changes on derivatives designated as cash flow hedge, net	2	11	(39)	39
Exchange differences on translation of foreign operations	200	(197)	321	(257)
Fair value changes on investments, net	(15)	(10)	(1)	(10)
Total other comprehensive income/(loss), net of tax	**230**	**(181)**	**343**	**(313)**
Total comprehensive income	**3,920**	**3,422**	**16,372**	**14,040**
Profit attributable to:				
Owners of the Company	3,690	3,603	16,029	14,353
Non-controlling interests	-	-	-	-
	3,690	**3,603**	**16,029**	**14,353**
Total comprehensive income attributable to:				
Owners of the Company	3,920	3,422	16,372	14,040
Non-controlling interests	-	-	-	-
	3,920	**3,422**	**16,372**	**14,040**
Earnings per equity share(3)				
Basic (₹)	16.98	15.77	71.07	62.80
Diluted (₹)	16.97	15.76	71.00	62.77
Weighted average equity shares used in computing earnings per equity share				
Basic	2,173,277,060	2,285,654,881	2,255,332,322	2,285,639,447
Diluted	2,174,808,512	2,286,652,003	2,257,573,870	2,286,396,745

NOTES:

1. *The audited* ***Consolidated Balance sheet and Statement of Comprehensive Income*** *for the three months and year ended March 31, 2018 have been taken on record at the Board meeting held on April 13, 2018.*

2. *A Fact Sheet providing the operating metrics of the Company can be downloaded from www.infosys.com*

3. *During the quarter ended December 31, 2017, on account of the conclusion of an Advance Pricing Agreement ("APA") with the U.S. Internal Revenue Service ("IRS"), the Company has, in accordance with the APA, reversed income tax expense provision of ₹1,432 crore ($225 million) which pertains to previous periods which are no longer required. Consequently, profit for the quarter ended December 31, 2017 and the year ended March 31, 2018 has increased and therefore has led to an increase in Basic earnings per equity share by ₹6.29 for quarter ended December 31, 2017 and ₹5.88 for the year ended March 31, 2018.*

4. *In the quarter ended March 2018, on conclusion of a strategic review of the portfolio businesses, the Company initiated identification and evaluation of potential buyers for its subsidiaries, Kallidus and Skava (together referred to as "Skava") and Panaya (collectively referred to as the "disposal group"). The Company anticipates completion of the sale by March 2019 and accordingly, assets amounting to ₹2,060 crore and liabilities amounting to ₹324 crore in respect of the disposal group have been reclassified as "held for sale". On reclassification, the disposal group has been measured at the lower of carrying amount and fair value less cost to sell and consequently, an impairment loss of ₹118 crore in respect of Panaya has been recognized in the consolidated profit and loss for the quarter and year ended March 31, 2018. The disposal group does not constitute a separate major component of the company and therefore has not been classified as discontinued operations*

5. *Other income includes ₹262 crore towards interest on income tax refund for the year ended March 31, 2018*

6. *During the year ended March 31, 2018, the Company has written down the entire carrying value of the investment in its associate DWA Nova LLC amounting to ₹71 crore. The write-down in the carrying value of investment in associate DWA Nova LLC during the year ended March 31, 2017 was ₹18 crore.*

Statement of Comprehensive Income for three months ended,

(As per IFRS) *In US $ million, except per equity share data*

Particulars	Mar 31, 2018	Mar 31, 2017	Growth % Q4 18 over Q4 17	Dec 31, 2017	Growth % Q4 18 over Q3 18
Revenues	**2,805**	**2,569**	**9.2**	**2,755**	**1.8**
Cost of sales	1,793	1,614	11.1	1,773	1.1
Gross Profit	**1,012**	**955**	**6.0**	**982**	**3.1**
Operating Expenses:					
Selling and marketing expenses	147	133	10.5	136	8.1
Administrative expenses	172	188	(8.5)	177	(2.8)
Total Operating Expenses	**319**	**321**	**(0.6)**	**313**	**1.9**
Operating Profit	**693**	**634**	**9.3**	**669**	**3.6**
Other Income, net[(2) (3)]	82	112	(26.8)	149	(45.0)
Share in net profit/(loss) of associate, incl. impairment[(4)]	-	(4)	-	-	-
Profit before income taxes	**775**	**742**	**4.4**	**818**	**(5.3)**
Income tax expense[(1)]	204	199	2.5	22	827.3
Net Profit[(1)]	**571**	**543**	**5.3**	**796**	**(28.2)**
Basic EPS ($)[(1)]	**0.26**	**0.24**	**10.8**	**0.35**	**(24.8)**
Diluted EPS ($)	**0.26**	**0.24**	**10.7**	**0.35**	**(24.8)**

Statement of Comprehensive Income for year ended,

(As per IFRS) *In US $ million, except per equity share data*

Particulars	Mar 31, 2018	Mar 31, 2017	Growth %
Revenues	**10,939**	**10,208**	**7.2**
Cost of sales	7,001	6,446	8.6
Gross Profit	**3,938**	**3,762**	**4.7**
Operating Expenses:			
Selling and marketing expenses	552	535	3.2
Administrative expenses	727	707	2.8
Total Operating Expenses	**1,279**	**1,242**	**3.0**
Operating Profit	**2,659**	**2,520**	**5.5**
Other Income, net[(2) (3)]	495	459	7.8
Share in net profit/(loss) of associate, incl. impairment[(4)]	(11)	(5)	-
Profit before income taxes	**3,143**	**2,974**	**5.7**
Income tax expense[(1)]	657	834	(21.2)
Net Profit[(1)]	**2,486**	**2,140**	**16.2**
Basic EPS ($)[(1)]	**1.10**	**0.94**	**17.8**
Diluted EPS ($)	**1.10**	**0.94**	**17.7**

Note: [(1)]During the quarter ended December 31, 2017, on account of the conclusion of an Advance Pricing Agreement (“APA”) with the U.S. Internal Revenue Service (“IRS”), the Company has, in accordance with the APA, reversed income tax expense provision of $225 million which pertains to previous periods which are no longer required. Consequently, profit for the quarter ended December 31, 2017 and the year ended March 31, 2018 has increased and therefore has led to an increase in Basic earnings per equity share by $0.10 for quarter ended December 31, 2017 and $0.09 for the year ended March 31, 2018.

[(2)]In the quarter ended March 2018, on conclusion of a strategic review of the portfolio businesses, the Company initiated identification and evaluation of potential buyers for its subsidiaries, Kallidus and Skava (together referred to as "Skava”) and Panaya (collectively referred to as the “disposal group”). The Company anticipates completion of the sale by March 2019 and accordingly, assets amounting to $316 million and liabilities amounting to $50 million in respect of the disposal group have been reclassified as “held for sale". On reclassification, the disposal group has been measured at the lower of carrying amount and fair value less cost to sell and consequently, an impairment loss of $18 million in respect of Panaya has been recognized in the consolidated profit and loss for the quarter and year ended March 31, 2018. The disposal group does not constitute a separate major component of the company and therefore has not been classified as discontinued operations.

[(3)]Other income includes $31 million towards interest on income tax refund for the quarter ended December 31, 2017 and $41 million for the year ended March 31, 2018.

[(4)]During the quarter ended June 30, 2017, the Company has written down the entire carrying value of the investment in its associate DWA Nova LLC amounting to $11 million. The write-down in the carrying value of investment in associate DWA Nova LLC during the quarter and year ended March 31, 2017 was $3 million.

Statement of Comprehensive Income for three months ended,

(As per IFRS)

In ₹crore, except per equity share data

Particulars	Mar 31, 2018	Mar 31, 2017	Growth % Q4 18 over Q4 17	Dec 31, 2017	Growth % Q4 18 over Q3 18
Revenues	**18,083**	**17,120**	**5.6**	**17,794**	**1.6**
Cost of sales	11,554	10,770	7.3	11,450	0.9
Gross Profit	**6,529**	**6,350**	**2.8**	**6,344**	**2.9**
Operating Expenses:					
Selling and marketing expenses	947	889	6.5	877	8.0
Administrative expenses	1,110	1,249	(11.1)	1,148	(3.3)
Total Operating Expenses	**2,057**	**2,138**	**(3.8)**	**2,025**	**1.6**
Operating Profit	**4,472**	**4,212**	**6.2**	**4,319**	**3.5**
Other Income, net(2) (3)	534	746	(28.4)	962	(44.5)
Share in net profit/(loss) of associate, incl. impairment(4)	-	(25)	-	-	-
Profit before income taxes	**5,006**	**4,933**	**1.5**	**5,281**	**(5.2)**
Income tax expense(1)	1,316	1,330	(1.1)	152	765.8
Net Profit(1)	**3,690**	**3,603**	**2.4**	**5,129**	**(28.1)**
Basic EPS (₹)(1)	**16.98**	**15.77**	**7.7**	**22.55**	**(24.7)**
Diluted EPS (₹)	**16.97**	**15.76**	**7.7**	**22.53**	**(24.7)**

Statement of Comprehensive Income for year ended,

(As per IFRS)

In ₹crore, except per equity share data

Particulars	Mar 31, 2018	Mar 31, 2017	Growth %
Revenues	**70,522**	**68,484**	**3.0**
Cost of sales	45,130	43,253	4.3
Gross Profit	**25,392**	**25,231**	**0.6**
Operating Expenses:			
Selling and marketing expenses	3,560	3,591	(0.9)
Administrative expenses	4,684	4,739	(1.2)
Total Operating Expenses	**8,244**	**8,330**	**(1.0)**
Operating Profit	**17,148**	**16,901**	**1.5**
Other Income, net(2) (3)	3,193	3,080	3.7
Share in net profit/(loss) of associate, incl. impairment(4)	(71)	(30)	-
Profit before income taxes	**20,270**	**19,951**	**1.6**
Income tax expense(1)	4,241	5,598	(24.2)
Net Profit(1)	**16,029**	**14,353**	**11.7**
Basic EPS (₹)(1)	**71.07**	**62.80**	**13.2**
Diluted EPS (₹)	**71.00**	**62.77**	**13.1**

Note: (1)During the quarter ended December 31, 2017, on account of the conclusion of an Advance Pricing Agreement (“APA”) with the U.S. Internal Revenue Service (“IRS”), the Company has, in accordance with the APA, reversed income tax expense provision of ₹1,432 crore which pertains to previous periods which are no longer required. Consequently, profit for the quarter ended December 31, 2017 and the year ended March 31, 2018 has increased and therefore has led to an increase in Basic earnings per equity share by ₹6.29 for quarter ended December 31, 2017 and ₹5.88 for the year ended March 31, 2018.

(2)In the quarter ended March 2018, on conclusion of a strategic review of the portfolio businesses, the Company initiated identification and evaluation of potential buyers for its subsidiaries, Kallidus and Skava (together referred to as "Skava”) and Panaya (collectively referred to as the “disposal group”). The Company anticipates completion of the sale by March 2019 and accordingly, assets amounting to ₹2,060 crore and liabilities amounting to ₹324 crore in respect of the disposal group have been reclassified as “held for sale". On reclassification, the disposal group has been measured at the lower of carrying amount and fair value less cost to sell and consequently, an impairment loss of ₹118 crore in respect of Panaya has been recognized in the consolidated profit and loss for the quarter and year ended March 31, 2018. The disposal group does not constitute a separate major component of the company and therefore has not been classified as discontinued operations.

(3)Other income includes ₹200 crore towards interest on income tax refund for the quarter ended December 31, 2017 and ₹262 crore for the year ended March 31, 2018.

(4)During the quarter ended June 30, 2017, the Company has written down the entire carrying value of the investment in its associate DWA Nova LLC amounting to ₹71 crore. The write-down in the carrying value of investment in associate DWA Nova LLC during the quarter and year ended March 31, 2017 was ₹18 crore.

Revenues by Client Geography

(In %)

	Quarter ended			Year Ended
	Mar 31, 2018	Dec 31, 2017	Mar 31, 2017	Mar 31, 2018
North America	59.4	60.4	62.3	60.4
Europe	24.8	24.4	22.1	23.7
India	2.8	3.0	3.2	3.2
Rest of the world	13.0	12.2	12.4	12.7
Total	**100.0**	**100.0**	**100.0**	**100.0**

Revenues by Service Offering

(in %)

	Quarter ended			Year Ended
	Mar 31, 2018	Dec 31, 2017	Mar 31, 2017	Mar 31, 2018
Business IT Services	**62.7**	**61.9**	**61.9**	**62.3**
Application Development	15.5	15.4	15.3	15.5
Application Maintenance	15.6	16.2	16.8	16.1
Infrastructure Management Services	9.3	8.8	8.5	8.9
Testing Services	9.8	9.4	9.0	9.5
Product Engineering Services	4.0	4.0	4.0	4.1
Business Process Management	5.4	5.3	5.1	5.2
Others	3.1	2.8	3.2	3.0
Consulting, Package Implementation & Others	**32.4**	**32.8**	**32.6**	**32.5**
Products and Platforms	**4.9**	**5.3**	**5.5**	**5.2**
Total	**100.0**	**100.0**	**100.0**	**100.0**

Revenues from New Services and New Software launched from April 01, 2015 are included in Table above:

(in %)

	Quarter ended		Year Ended
	Mar 31, 2018	Dec 31, 2017	Mar 31, 2018
New Services (1)	11.1	9.9	9.7
New Software(2)	1.6	1.7	1.6

(1)New Services include Cloud Ecosystem, Big Data and Analytics, API and Micro services, Data and Mainframe Modernization, Cyber Security, IoT Engineering Services.
(2)New Software include Edge, NIA, Panaya, Skava

Revenues by Project Type *

(in %)

	Quarter ended			Year Ended
	Mar 31, 2018	Dec 31, 2017	Mar 31, 2017	Mar 31, 2018
Fixed Price	51.0	51.4	49.4	50.5
Time & Materials	49.0	48.6	50.6	49.5
Total	**100.0**	**100.0**	**100.0**	**100.0**

* *Excluding products*

Revenues by Client Industry

(in %)

	Quarter ended			Year Ended
	Mar 31, 2018	Dec 31, 2017	Mar 31, 2017	Mar 31, 2018
Banking & Financial Services, Insurance	**33.0**	**33.1**	**33.5**	**33.2**
Banking & financial services	26.2	26.3	27.4	26.7
Insurance	6.8	6.8	6.1	6.5
Manufacturing & Hi-Tech	**21.9**	**21.8**	**22.4**	**21.9**
Retail & Life Sciences	**22.4**	**22.7**	**22.7**	**22.6**
Retail & CPG	13.3	14.1	14.1	13.9
Transport & Logistics	2.5	2.1	2.0	2.1
Life Sciences	4.7	4.6	4.6	4.7
Healthcare	1.9	1.9	2.0	1.9
Energy, Utilities, Communications & Services	**22.7**	**22.4**	**21.4**	**22.3**
Energy & Utilities	5.9	5.8	5.0	5.6
Telecom	10.8	10.5	9.9	10.6
Others	6.0	6.1	6.5	6.1
Total	**100.0**	**100.0**	**100.0**	**100.0**

Client Data

	Quarter ended			Year Ended
	Mar 31, 2018	Dec 31, 2017	Mar 31, 2017	Mar 31, 2018
Number of Clients				
Active	1,204	1,191	1,162	1,204
Added during the period (gross)	73	79	71	283
Number of million dollar clients*				
1 Million dollar +	634	630	598	634
5 Million dollar +	295	290	282	295
10 Million dollar +	198	198	189	198
25 Million dollar +	105	101	91	105
50 Million dollar +	57	56	56	57
75 Million dollar +	35	34	31	35
100 Million dollar +	20	20	19	20
Client contribution to revenues				
Top client	3.6%	3.4%	3.3%	3.4%
Top 10 clients	19.2%	19.2%	20.2%	19.3%
Top 25 clients	35.4%	35.3%	36.5%	35.3%
Repeat business	97.6%	98.3%	96.2%	98.5%
Days Sales Outstanding	67	70	68	67

**LTM (Last twelve months) Revenues*

Effort and Utilization - Consolidated IT Services

(in %)

	Quarter ended			Year Ended
	Mar 31, 2018	Dec 31, 2017	Mar 31, 2017	Mar 31, 2018
Effort				
Onsite	28.7	29.0	30.0	29.3
Offshore	71.3	71.0	70.0	70.7
Revenues				
Onsite	54.6	54.8	56.7	55.4
Offshore	45.4	45.2	43.3	44.6
Utilization				
Including trainees	80.8	82.1	78.2	81.2
Excluding trainees	84.7	84.9	82.0	84.6

Person Months Data - Consolidated IT Services

	Quarter ended			Year Ended
	Mar 31, 2018	Dec 31, 2017	Mar 31, 2017	Mar 31, 2018
Billed – Onsite	112,519	112,349	110,574	449,546
– Offshore	279,274	275,029	258,408	1,085,843
TOTAL	**391,793**	**387,378**	**368,982**	**1,535,389**
Non Billable	70,960	68,636	80,799	280,092
Trainees	22,272	15,951	22,044	74,743
Sales & Support	25,711	26,189	27,737	106,083
TOTAL	**510,736**	**498,154**	**499,562**	**1,996,307**

Effort and Revenues - Consolidated IT Services

Particulars	Mar 31,		Growth % Q4 18 over Q4 17	Dec 31, 2017	Growth % Q4 18 over Q3 18
	2018	2017			
Effort - (Person months)					
Onsite	112,519	110,574	1.8	112,349	0.2
Offshore	279,274	258,408	8.1	275,029	1.5
Total	**391,793**	**368,982**	**6.2**	**387,378**	**1.1**
Revenues – ($ million)					
Onsite	1,392	1,316	5.7	1,368	1.8
Offshore	1,159	1,005	15.3	1,129	2.6
Total	**2,551**	**2,321**	**9.9**	**2,497**	**2.1**

Revenue per Employee

(In US $ K)

	Quarter ended			Year Ended
	Mar 31, 2018	Dec 31, 2017	Mar 31, 2017	Mar 31, 2018
Revenue per Employee - Consolidated	54.6	53.7	51.4	54.6

Employee Metrics

(Nos.)

	Quarter ended			Year Ended
	Mar 31, 2018	Dec 31, 2017	Mar 31, 2017	Mar 31, 2018
Total employees	2,04,107	2,01,691	2,00,364	2,04,107
S/W professionals	1,92,179	1,89,998	1,88,665	1,92,179
Billable	1,82,619	1,80,842	1,78,474	1,82,619
Banking product group	4,308	4,367	4,753	4,308
Trainees	5,252	4,789	5,438	5,252
Sales & Support	11,928	11,693	11,699	11,928
Gross addition	12,329	12,622	9,130	44,110
Attrition	9,913	9,371	8,529	40,367
Net addition	2,416	3,251	601	3,743
Attrition % (Annualized Standalone)	16.6%	15.8%	13.5%	16.4%
Attrition % (Annualized Consolidated)	19.5%	18.7%	17.1%	20.0%

Rupee Dollar Rate (₹)

	Quarter ended			Year Ended
	Mar 31, 2018	Dec 31, 2017	Mar 31, 2017	Mar 31, 2018
Period closing rate	65.18	63.88	64.85	65.18
Period average rate	64.44	64.59	66.73	64.46

Constant Currency Reporting

Reported revenues	Q4 18	Q3 18	Q2 18	Q1 18	Q4 17
Revenues ($ mn)	2,805	2,755	2,728	2,651	2,569
Sequential growth (%)	1.8	1.0	2.9	3.2	0.7
YoY growth (%)	9.2	8.0	5.4	6.0	5.0

Constant currency – Q o Q	Q4 18	Q3 18	Q2 18	Q1 18	Q4 17
Revenues ($ mn)	2,770	2,762	2,702	2,628	2,552
Sequential growth (%)	0.6	0.8	2.2	2.7	0.0

Constant currency – Y o Y	Q4 18	Q3 18	Q2 18	Q1 18	Q4 17
Revenues ($ mn)	2,723	2,698	2,707	2,659	2,576
YoY growth (%)	6.4	5.8	4.6	6.3	5.3

Notes:

Basis of computation

1. Foreign exchange rates are as per FEDAI.
2. Average rates for major global currencies:

Average rate of USD	FY 18	Q4 18	Q3 18	Q2 18	Q1 18	FY 17
AUD	0.78	0.79	0.77	0.79	0.75	0.75
EUR	1.18	1.23	1.18	1.18	1.11	1.09
GBP	1.33	1.41	1.33	1.32	1.28	1.30

3. Proportion of revenues from major global currencies:

Revenue by currency (%)	FY 18	Q4 18	Q3 18	Q2 18	Q1 18	FY 17
AUD	7.8	8.1	7.3	7.9	7.8	7.3
EUR	11.3	12.4	11.7	10.8	10.1	9.6
GBP	5.3	5.2	5.4	5.3	5.4	5.8

Revenue Segmentation Growth

(In %)

Geographical segment	Q4 18	Q4 18 CC	FY18	FY18 CC
North America	0.1	0.1	4.5	4.4
Europe	3.6	(0.2)	13.2	8.9
India	(4.8)	(4.9)	6.4	3.3
Rest of the world	8.3	6.3	9.9	7.6

Industry Segment	Q4 18	Q4 18 CC	FY18	FY18 CC
Banking & Financial Services, Insurance	1.1	0.1	7.1	5.9
Manufacturing & Hi-Tech	2.4	1.5	4.2	3.1
Retail & Life Sciences	0.7	(0.7)	3.3	2.0
Energy, Utilities, Communications & Services	3.3	1.8	14.8	12.9

INFOSYS LIMITED AND SUBSIDIARIES

Unaudited Condensed Consolidated Financial Statements under International Financial Reporting Standards (IFRS) in US Dollars for the year ended March 31, 2018

Index

Infosys Limited and Subsidiaries

Unaudited Condensed Consolidated Balance Sheet as at

(Dollars in millions except equity share data)

	Note	March 31, 2018	March 31, 2017
ASSETS			
Current assets			
Cash and cash equivalents	2.1	3,041	3,489
Current investments	2.2	982	1,538
Trade receivables		2,016	1,900
Unbilled revenue		654	562
Prepayments and other current assets	2.4	662	749
Derivative financial instruments	2.3	2	44
		7,357	**8,282**
Assets held for sale	2.17	316	-
Total current assets		**7,673**	**8,282**
Non-current assets			
Property, plant and equipment	2.7	1,863	1,807
Goodwill	2.8 & 2.17	339	563
Intangible assets		38	120
Investment in associate		-	11
Non-current investments	2.2	883	984
Deferred income tax assets		196	83
Income tax assets		931	881
Other non-current assets	2.4	332	123
Total Non-current assets		**4,582**	**4,572**
Total assets		**12,255**	**12,854**
LIABILITIES AND EQUITY			
Current liabilities			
Trade payables		107	57
Derivative financial instruments	2.3	6	-
Current income tax liabilities		314	599
Client deposits		6	5
Unearned revenue		352	274
Employee benefit obligations		218	209
Provisions	2.6	75	63
Other current liabilities	2.5	1,036	954
		2,114	**2,161**
Liabilities directly associated with assets held for sale	2.17	50	-
Total current liabilities		**2,164**	**2,161**
Non-current liabilities			
Deferred income tax liabilities		82	32
Employee benefit obligations		7	-
Other non-current liabilities	2.5	42	24
Total liabilities		**2,295**	**2,217**
Equity			
Share capital - ₹5 ($0.16) par value 2,400,000,000 (2,400,000,000) equity shares authorized, issued and outstanding 2,173,312,301 (2,285,655,150) net of 10,801,956 (11,289,514) treasury shares, as at March 31, 2018 (March 31, 2017), respectively		190	199
Share premium		247	587
Retained earnings		11,587	12,190
Cash flow hedge reserve		-	6
Other reserves		244	-
Capital redemption reserve		9	-
Other components of equity		(2,317)	(2,345)
Total equity attributable to equity holders of the company		**9,960**	**10,637**
Non-controlling interests		-	-
Total equity		**9,960**	**10,637**
Total liabilities and equity		**12,255**	**12,854**

The accompanying notes form an integral part of the unaudited condensed consolidated financial statements.

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

Nandan M. Nilekani *Chairman*	Salil Parekh *Chief Executive officer and Managing Director*	U. B. Pravin Rao *Chief Operating Officer and Whole-time Director*

Bengaluru April 13, 2018	D. Sundaram *Director*	M. D. Ranganath *Chief Financial Officer*	A. G. S. Manikantha *Company Secretary*

Infosys Limited and Subsidiaries

Unaudited Condensed Consolidated Statements of Comprehensive Income

(Dollars in millions except equity share and per equity share data)

	Note	Year ended March 31,	
		2018	**2017**
Revenues	2.15	**10,939**	**10,208**
Cost of sales	2.16	7,001	6,446
Gross profit		**3,938**	**3,762**
Operating expenses:			
Selling and marketing expenses	2.16	552	535
Administrative expenses	2.16	727	707
Total operating expenses		1,279	1,242
Operating profit		**2,659**	**2,520**
Other income, net	2.16 & 2.17	495	459
Share in net profit/(loss) of associate, including impairment		(11)	(5)
Profit before income taxes		**3,143**	**2,974**
Income tax expense	2.11	657	834
Net profit		**2,486**	**2,140**
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss:			
Re-measurements of the net defined benefit liability/asset, net		9	(7)
Cumulative impact on reversal of unrealized gain on quoted debt securities on adoption of IFRS 9	2.2	-	(5)
Equity instruments through other comprehensive income, net		1	(1)
		10	(13)
Items that will be reclassified subsequently to profit or loss:			
Fair valuation of investments, net	2.2	-	(2)
Fair value changes on derivatives designated as cash flow hedge, net		(6)	6
Foreign currency translation		18	198
		12	202
Total other comprehensive income/(loss), net of tax		**22**	**189**
Total comprehensive income		**2,508**	**2,329**
Profit attributable to:			
Owners of the company		2,486	2,140
Non-controlling interests		-	-
		2,486	**2,140**
Total comprehensive income attributable to:			
Owners of the company		2,508	2,329
Non-controlling interests		-	-
		2,508	**2,329**
Earnings per equity share			
Basic ($)		1.10	0.94
Diluted ($)		1.10	0.94
Weighted average equity shares used in computing earnings per equity share	2.12		
Basic		2,255,332,322	2,285,639,447
Diluted		2,257,573,870	2,286,396,745

The accompanying notes form an integral part of the unaudited condensed consolidated financial statements.

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

Nandan M. Nilekani
Chairman

Salil Parekh
Chief Executive officer and Managing Director

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

Bengaluru
April 13, 2018

D. Sundaram
Director

M. D. Ranganath
Chief Financial Officer

A. G. S. Manikantha
Company Secretary

Infosys Limited and Subsidiaries

Unaudited Condensed Consolidated Statements of Changes in Equity

(Dollars in millions except equity share data)

	Shares[(1)]	Share capital	Share premium	Retained earnings	Other reserves [(2)]	Capital redemption reserve	Cash flow hedge reserve	Other components of equity	Total equity attributable to equity holders of the company
Balance as at April 1, 2016	**2,285,621,088**	**199**	**570**	**11,083**	**0**	**-**	**-**	**(2,528)**	**9,324**
Changes in equity for the year ended March 31, 2017									
Cumulative impact on reversal of unrealized gain on quoted debt securities on adoption of IFRS 9 [(3)]	-	-	-	-	-	-	-	(5)	(5)
Shares issued on exercise of employee stock options (refer to note 2.10)	34,062	-	-	-	-	-	-	-	-
Transfer to other reserves	-	-	-	(142)	142	-	-	-	-
Transfer from other reserves on utilization	-	-	-	142	(142)	-	-	-	-
Employee stock compensation expense (refer to note 2.10)	-	-	17	-	-	-	-	-	17
Fair value changes on derivatives designated as cash flow hedge* (Refer to note 2.3)	-	-	-	-	-	-	6	-	6
Equity instruments through other comprehensive income* (Refer to note 2.2)	-	-	-	-	-	-	-	(1)	(1)
Fair value changes on investments, net* (Refer to note 2.2)	-	-	-	-	-	-	-	(2)	(2)
Remeasurement of the net defined benefit liability/asset*	-	-	-	-	-	-	-	(7)	(7)
Dividends (including dividend distribution tax)	-	-	-	(1,033)	-	-	-	-	(1,033)
Net profit	-	-	-	2,140	-	-	-	-	2,140
Exchange differences on translation of foreign operations	-	-	-	-	-	-	-	198	198
Balance as at March 31, 2017	**2,285,655,150**	**199**	**587**	**12,190**	-	-	**6**	**(2,345)**	**10,637**
Balance as at April 1, 2017	**2,285,655,150**	**199**	**587**	**12,190**	-	-	**6**	**(2,345)**	**10,637**
Changes in equity for the year ended March 31, 2018									
Shares issued on exercise of employee stock options (refer to note 2.10)	700,629	-	1	-	-	-	-	-	1
Transfer to other reserves	-	-	-	(340)	340		-	-	-
Transfer from other reserves on utilization	-	-	-	96	(96)	-	-	-	-
Employee stock compensation expense (Refer to note 2.10)	-	-	12	-	-	-	-	-	12
Transfer on account of options not exercised	-	-	-	-	-	-	-	-	-
Amount paid upon buyback (refer note 2.18)	(113,043,478)	(9)	(346)	(1,680)	-	-	-	-	(2,035)
Transaction costs related to buyback* (refer note 2.18)	-	-	(7)	-	-	-	-	-	(7)
Amount transferred to capital redemption reserve upon Buyback (refer note 2.18)	-	-	-	(9)	-	9	-	-	-
Fair value changes on derivatives designated as cash flow hedge* (Refer to note 2.3)	-	-	-	-	-	-	(6)	-	(6)
Equity instruments through other comprehensive income* (Refer to note 2.2)	-	-	-	-	-	-	-	1	1
Fair value changes on investments, net* (Refer to note 2.2)	-	-	-	-	-	-	-	-	-
Remeasurement of the net defined benefit liability/asset*	-	-	-	-	-	-	-	9	9
Dividends (including dividend distribution tax)	-	-	-	(1,156)	-	-	-	-	(1,156)
Net profit	-	-	-	2,486	-	-	-	-	2,486
Foreign currency translation	-	-	-	-	-	-	-	18	18
Balance as at March 31, 2018	**2,173,312,301**	**190**	**247**	**11,587**	**244**	**9**	-	**(2,317)**	**9,960**

** net of tax*

The accompanying notes form an integral part of the unaudited condensed consolidated financial statements.

[(1)] excludes treasury shares of 10,801,956 as at March 31, 2018, 11,289,514 as at April 1, 2017 and 11,323,576 as at April 1, 2016, held by consolidated trust.

[(2)] Represents the Special Economic Zone Re-investment reserve created out of the profit of the eligible SEZ unit in terms of the provisions of Sec 10AA(1)(ii) of Income Tax Act,1961. The reserve should be utilized by the Company for acquiring new plant and machinery for the purpose of its business in terms of the provisions of the Sec 10AA(2) of the Income Tax Act, 1961.

[(3)] Represents cumulative impact on account of adoption of IFRS 9, recorded in other comprehensive income during the year ended March 31, 2017. The adoption of IFRS 9 did not have a material impact on the financial statements.

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

Nandan M. Nilekani
Chairman

Salil Parekh
Chief Executive officer
and Managing Director

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

Bengaluru
April 13, 2018

D. Sundaram
Director

M. D. Ranganath
Chief Financial Officer

A. G. S. Manikantha
Company Secretary

Infosys Limited and Subsidiaries

Unaudited Condensed Consolidated Statements of Cash Flows

Accounting Policy

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. The company considers all highly liquid investments that are readily convertible to known amounts of cash to be cash equivalents.

Amendment to IAS 7:

Effective April 1, 2017, the company adopted the amendment to IAS 7, which require 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 adoption of amendment did not have any material impact on the consolidated financial statements.

(Dollars in millions)

Particulars	Note	Year ended March 31, 2018	Year ended March 31, 2017
Operating activities:			
Net Profit		2,486	2,140
Adjustments to reconcile net profit to net cash provided by operating activities :			
Depreciation and amortization	2.16	289	254
Interest and dividend income		(129)	(51)
Income tax expense	2.11	657	834
Effect of exchange rate changes on assets and liabilities		3	6
Impairment loss on financial assets		5	20
Impairment loss on assets held for sale	2.17	18	-
Share in net profit/(loss) of associate, including impairment		11	5
Stock compensation expense		13	17
Other adjustments		(20)	7
Changes in working capital			
Trade receivables and unbilled revenue		(237)	(260)
Prepayments and other assets		(58)	(70)
Trade payables		51	(3)
Client deposits		1	1
Unearned revenue		104	66
Other liabilities and provisions		122	(24)
Cash generated from operations		**3,316**	**2,942**
Income taxes paid		(1,059)	(843)
Net cash provided by operating activities		**2,257**	**2,099**
Investing activities:			
Expenditure on property, plant and equipment, net of sale proceeds		(310)	(411)
Loans to employees		4	4
Deposits placed with corporation		(20)	(25)
Interest and dividend received		67	32
Payment for acquisition of business, net of cash acquired	2.9	(4)	-
Payment of contingent consideration pertaining to acquisition of business		(5)	(5)
Investment/(redemption) in equity and preference securities		(4)	(10)
Investment in others		(4)	(4)
Proceeds from sale of equity and preference securities		5	-
Investment in quoted debt securities		(16)	(638)
Redemption of quoted debt securities		18	1
Investment in certificate of deposits		(1,032)	(1,167)
Redemption of certificate of deposits		1,503	-
Investment in commercial papers		(45)	-
Investment in liquid mutual fund units and fixed maturity plan securities		(9,628)	(8,083)
Redemption of liquid mutual fund units and fixed maturity plan securities		9,953	7,759
Net cash used in investing activities		**482**	**(2,547)**
Financing activities:			
Payment of dividend (including dividend distribution tax)		(1,156)	(1,032)
Shares issued on exercise of employee stock options		1	-
Buy back of shares including transaction costs		(2,042)	-
Net cash used in financing activities		**(3,197)**	**(1,032)**
Effect of exchange rate changes on cash and cash equivalents		18	34
Net increase / (decrease) in cash and cash equivalents		(458)	(1,480)
Cash and cash equivalents at the beginning of the period	2.1	3,489	4,935
Cash and cash equivalents at the end of the period	2.1	**3,049**	**3,489**
Supplementary information:			
Restricted cash balance	2.1	82	88

The accompanying notes form an integral part of the unaudited condensed consolidated financial statements

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

Nandan M. Nilekani
Chairman

Salil Parekh
Chief Executive officer
and Managing Director

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

Bengaluru
April 13, 2018

D. Sundaram
Director

M. D. Ranganath
Chief Financial Officer

A. G. S. Manikantha
Company Secretary

Notes to the Unaudited Condensed Consolidated Financial Statements

1. Overview

1.1 Company overview

Infosys Limited ('the Company' or Infosys) is a leading provider of consulting, technology, outsourcing and next-generation services and software. 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. Its new offerings span areas like digital, big data and analytics, cloud, data and mainframe modernization, cyber security, IoT engineering Services and API & micro services.

Infosys together with its subsidiaries and controlled trusts is herein after referred to as the "Group".

The company is a public limited company incorporated and domiciled in India and has its registered office at Bengaluru, Karnataka, India. The company has its primary listings on the BSE Ltd. and National Stock Exchange in India. The company’s American Depositary Shares representing equity shares are also listed on the New York Stock Exchange (NYSE), Euronext London and Euronext Paris.

The company has proposed to voluntarily delist its ADS from the Euronext Paris and Euronext London exchanges due to low average daily trading volume of its ADS on these exchanges. The proposed delisting is subject to approval from the said stock exchanges.

The Group's unaudited condensed consolidated financial statements are authorized for issue by the company's Board of Directors on April 13, 2018.

1.2 Basis of preparation of financial statements

These condensed consolidated financial statements have been prepared in compliance with International Financial Reporting Standards as issued by the International Accounting Standards Board (IASB), under the historical cost convention on the accrual basis except for certain financial instruments which have been measured at fair values. Accordingly, these condensed consolidated financial statements do not include all the information required for a complete set of financial statements. These condensed consolidated financial statements should be read in conjunction with the consolidated financial statements and related notes included in the company’s Annual Report on Form 20-F for the year ended March 31, 2017. Accounting policies have been applied consistently to all periods presented in these unaudited condensed consolidated financial statements.

As the quarter and period-to-date figures are taken from the source and rounded to the nearest digits, the quarter figures in this statement added up to the figures reported for the previous quarters might not always add up to the period-to-date 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, its subsidiaries and associate. Control exists when the parent has power over the entity, is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns by using its power over the entity. Power is demonstrated through existing rights that give the ability to direct relevant activities, those which significantly affect the entity's returns. Subsidiaries are consolidated from the date control commences until the date control ceases.

The financial statements of the Group companies are consolidated on a line-by-line basis and intra-group balances and transactions including unrealized gain / loss from such transactions are eliminated upon consolidation. These financial statements are prepared by applying uniform accounting policies in use at the Group. Non-controlling interests which represent part of the net profit or loss and net assets of subsidiaries that are not, directly or indirectly, owned or controlled by the company, are excluded.

Associates are entities over which the group has significant influence but not control. Investments in associates are accounted for using the equity method of accounting. The investment is initially recognized at cost, and the carrying amount is increased or decreased to recognize the investor’s share of the profit or loss of the investee after the acquisition date. The group’s investment in associates includes goodwill identified on acquisition.

1.4 Use of estimates

The preparation of the financial statements in conformity with IFRS requires management to make estimates, judgments and assumptions. These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the period. Application of accounting policies that require critical accounting estimates involving complex and subjective judgments and the use of assumptions in these financial statements have been disclosed in Note 1.5. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the condensed consolidated financial statements.

1.5 Critical accounting estimates

a. Revenue recognition

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

b. Income taxes

The company's two major tax jurisdictions are India and the U.S., though the company also files tax returns in other overseas jurisdictions. Significant judgments are involved in determining the provision for income taxes, including amount expected to be paid/recovered for uncertain tax positions (also refer to note 2.11).

c. Business combinations and intangible assets

Business combinations are accounted for using IFRS 3 (Revised), Business Combinations. IFRS 3 requires the identifiable intangible assets and contingent consideration to be fair valued in order to ascertain the net fair value of identifiable assets, liabilities and contingent liabilities of the acquiree. Significant estimates are required to be made in determining the value of contingent consideration and intangible assets. These valuations are conducted by independent valuation experts.

d. Property, plant and equipment

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

e. Impairment of Goodwill

Goodwill is tested for impairment on an annual basis and whenever there is an indication that the recoverable amount of a cash generating unit is less than its carrying amount based on a number of factors including operating results, business plans, future cash flows and economic conditions. The recoverable amount of cash generating units is determined based on higher of value-in-use and fair value less cost to sell. The goodwill impairment test is performed at the level of the cash-generating unit or groups of cash-generating units which are benefitting from the synergies of the acquisition and which represents the lowest level at which goodwill is monitored for internal management purposes.

Market related information and estimates are used to determine the recoverable amount. Key assumptions on which management has based its determination of recoverable amount include estimated long term growth rates, weighted average cost of capital and estimated operating margins. Cash flow projections take into account past experience and represent management's best estimate about future developments.

f. Non-current assets and disposal groups held for sale

Assets and liabilities of disposal groups held for sale are measured at the lower of carrying amount and fair value less costs to sell. The determination of fair value less costs to sell includes use of management estimates and assumptions. The fair value of the disposal groups have been estimated using valuation techniques including income and market approach which includes unobservable inputs.

1.6 Recent accounting pronouncements

1.6.1 Standards issued but not yet effective

IFRS 15 Revenue from Contract with Customers: In May 2014, the International Accounting Standards Board (IASB) issued IFRS 15, Revenue from Contract with Customers. The core principle of the new standard is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Further the new standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers.

The standard permits two possible methods of transition:

• Full retrospective approach - Under this approach the standard will be applied retrospectively to each prior reporting period presented in accordance with IAS 8- Accounting Policies, Changes in Accounting Estimates and Errors
• Cumulative catch-up approach - Retrospectively with cumulative effect of initially applying the standard recognized at the date of initial application

The effective date for adoption of IFRS 15 is annual periods beginning on or after January 1, 2018, though early adoption is permitted.

The Group does not plan to early adopt IFRS 15 and will adopt it on April 1, 2018. On completion of evaluation of the effect of adoption of IFRS 15, the Group has decided to use the cumulative catch-up transition method and accordingly comparatives for the year ending or ended March 31, 2018 and March 31, 2017 will not be retrospectively adjusted. The effect on adoption of IFRS 15 is expected to be insignificant.

IFRS 16 Leases : On January 13, 2016, the International Accounting Standards Board issued the final version of IFRS 16, Leases. IFRS 16 will replace the existing leases Standard, IAS 17 Leases, and related Interpretations. The Standard sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lessor. IFRS 16 introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. Currently, operating lease expenses are charged to the statement of comprehensive income. The Standard also contains enhanced disclosure requirements for lessees. IFRS 16 substantially carries forward the lessor accounting requirements in IAS 17.

The effective date for adoption of IFRS 16 is annual periods beginning on or after January 1, 2019, though early adoption is permitted for companies applying IFRS 15 Revenue from Contracts with Customers. The Group is currently evaluating the requirements of IFRS 16 and the impact on the consolidated financial statements.

IFRIC 22, Foreign currency transactions and Advance consideration: On December 8, 2016, the IFRS interpretations committee of the International Accounting Standards Board (IASB) issued IFRS interpretation, IFRIC 22, Foreign currency transactions and Advance consideration which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency. The date of the transaction, for the purpose of determining the exchange rate, is the date of initial recognition of the non-monetary prepayment asset or deferred income liability. If there are multiple payments or receipts in advance, a date of transaction is established for each payment or receipt. The effective date for adoption of IFRIC 22 is annual reporting periods beginning on or after January 1, 2018, though early adoption is permitted.

The Group has elected to adopt IFRIC 22 prospectively on April 1, 2018. The effect on adoption of IFRIC 22 on the consolidated financial statements is insignificant.

IFRIC 23, Uncertainty over Income Tax Treatments: In June 2017, the International Accounting Standards Board (IASB) issued IFRS interpretation IFRIC 23 Uncertainty over Income Tax Treatments which is to be applied while performing the determination of taxable profit (or loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under IAS 12. According to IFRIC 23, companies need to determine the probability of the relevant tax authority accepting each tax treatment, or group of tax treatments, that the companies have used or plan to use in their income tax filing which has to be considered to compute the most likely amount or the expected value of the tax treatment when determining taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates.
The standard permits two possible methods of transition:

Full retrospective approach – Under this approach, IFRIC 23 will be applied retrospectively to each prior reporting period presented in accordance with IAS 8 – Accounting Policies, Changes in Accounting Estimates and Errors.

Retrospectively with cumulative effect of initially applying IFRIC 23 recognized by adjusting equity on initial application, without adjusting comparatives

The effective date for adoption of IFRIC 23 is annual periods beginning on or after January 1, 2019, though early adoption is permitted. The Group is currently evaluating the effect of IFRIC 23 on the consolidated financial statements.

Amendment to IAS 19 – plan amendment, curtailment or settlement- On 7 February 2018, the IASB issued amendments to the guidance in IAS 19, ‘Employee Benefits’, in connection with accounting for plan amendments, curtailments and settlements.

The amendments require an entity:

• to use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement; and

• to recognise in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognised because of the impact of the asset ceiling.

Effective date for application of this amendment is annual period beginning on or after 1 January 2019, although early application is permitted. The Group is evaluating the effect of this amendment on the consolidated financial statements and the impact is not expected to be material.

2. Notes to the Condensed Consolidated Financial Statements

2.1 Cash and cash equivalents

Cash and cash equivalents consist of the following:

(Dollars in millions)

	As at	
	March 31, 2018	**March 31, 2017**
Cash and bank deposits	2,021	2,296
Deposits with financial institutions	1,020	1,193
	3,041	**3,489**
Cash and cash equivalents included under assets classifed as held for sale *(Refer note no 2.17)*	8	-
	3,049	**3,489**

Cash and cash equivalents as at March 31, 2018 and March 31, 2017 include restricted cash and bank balances of $82 million and $88 million, respectively. The restrictions are primarily on account of cash and bank balances held by irrevocable trusts controlled by the company, bank balances held as margin money deposits against guarantees and balances held in unpaid dividend bank accounts.

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

The table below provides details of cash and cash equivalents :

(Dollars in millions)

	As at	
	March 31, 2018	**March 31, 2017**
Current accounts		
ANZ Bank, Taiwan	1	-
Banamex Bank, Mexico (U.S. Dollar account)	2	1
Bank Leumi, Israel	-	2
Bank of America, Mexico	4	8
Bank of America, USA	180	159
Bank Zachodni WBK S.A, Poland	3	1
Barclays Bank, UK	6	-
BNP Paribas Bank, Norway	14	3
China Merchants Bank, China	1	1
Citibank N.A., Australia	34	3
Citibank N.A., Brazil	2	5
Citibank N.A., China	18	10
Citibank N.A., China (U.S. Dollar account)	1	2
Citibank N.A., Costa Rica	-	1
Citibank N.A., Dubai	1	-
Citibank N.A., EEFC (U.S. Dollar account)	1	-
Citibank N.A., Hungary	1	-
Citibank N.A., Japan	3	2
Citibank N.A., New Zealand	2	2
Citibank N.A., Portugal	1	-
Citibank N.A., Singapore	1	-
Citibank N.A., South Africa	5	2
Citibank N.A., USA	1	12
Commerzbank, Germany	-	3
Deutsche Bank, Belgium	4	2
Deutsche Bank, Czech Republic	2	1
Deutsche Bank, Czech Republic (Euro account)	1	1
Deutsche Bank, Czech Republic (U.S. Dollar account)	-	5
Deutsche Bank, EEFC (Australian Dollar account)	-	6
Deutsche Bank, EEFC (Euro account)	5	4
Deutsche Bank, EEFC (U.S. Dollar account)	5	12
Deutsche Bank, EEFC (United Kingdom Pound Sterling account)	1	2
Deutsche Bank, France	3	1
Deutsche Bank, Germany	16	8
Deutsche Bank, India	7	2
Deutsche Bank, Malaysia	1	1
Deutsche Bank, Netherlands	2	-
Deutsche Bank, Philippines	4	1
Deutsche Bank, Philippines (U.S. Dollar account)	1	1
Deutsche Bank, Poland	3	2
Deutsche Bank, Poland (Euro account)	1	1
Deutsche Bank, Russia	1	-
Deutsche Bank, Russia (U.S. Dollar account)	1	-
Deutsche Bank, Singapore	3	1
Deutsche Bank, Switzerland	5	1
Deutsche Bank, United Kingdom	12	4
Deutsche Bank, USA	-	2
HSBC Bank, United Kingdom	1	-
ICICI Bank, EEFC (U.S. Dollar account)	6	1
ICICI Bank, EEFC (United Kingdom Pound Sterling account)	2	-
ICICI Bank, India	8	8
ICICI Bank - Unpaid dividend account	3	2
Nordbanken, Sweden	8	5
Punjab National Bank, India	2	1
Raiffeisen Bank, Czech Republic	1	1
Raiffeisen Bank, Romania	-	1
Royal Bank of Canada, Canada	26	13

State Bank of India, India	-	1
Silicon Valley Bank, USA	-	1
Silicon Valley Bank (Euro account)	-	3
Splitska Banka D.D., Société Générale Group, Croatia	1	-
Union Bank of Switzerland AG (Euro account)	-	1
Wells Fargo Bank N.A., USA	-	5
	418	**318**
Deposit accounts		
Axis Bank	-	181
Bank BGZ BNP Paribas S.A.	22	28
Barclays Bank	31	127
Canara Bank	36	40
Citibank	35	26
Deutsche Bank, AG	4	-
Deutsche Bank, Poland	32	11
HDFC Bank	383	72
HSBC Bank	-	77
ICICI Bank	568	751
IDBI Bank	38	270
IDFC Bank	230	31
IndusInd Bank	154	29
Kotak Mahindra Bank	-	83
South Indian Bank	69	69
Standard Chartered Bank	-	77
Syndicate Bank	-	8
Yes Bank	1	98
	1,603	**1,978**
Deposits with financial institutions		
HDFC Limited	836	1,085
LIC Housing Finance Limited	184	108
	1,020	**1,193**
Total	**3,041**	**3,489**

2.2 Investments

The carrying value of investments are as follows:

(Dollars in millions)

	As at	
	March 31, 2018	**March 31, 2017**
(i) Current		
Amortized cost		
Quoted debt securities:		
Cost	-	2
Fair value through profit and loss		
Liquid Mutual funds		
Fair value	12	278
Fixed maturity plan securities		
Fair Value	-	23
Fair Value through Other comprehensive income		
Quoted debt securities		
Fair value	117	16
Commercial Paper		
Fair value	45	
Certificate of deposits		
Fair value	808	1,219
Unquoted equity and preference securities		
Fair value	-	-
	982	**1,538**
(ii) Non-current		
Amortized cost		
Quoted debt securities		
Cost	291	293
Fair value through Other comprehensive income		
Quoted debt securities		
Fair value	493	597
Unquoted equity and preference securities		
Fair value	21	25

Fair value through profit and loss		
Unquoted convertible promissory note		
Fair value	2	1
Fixed maturity plan securities		
Fair Value	66	63
Others		
Fair value	10	5
	883	**984**
Total investments	**1,865**	**2,522**
Investment carried at amortized cost	291	295
Investments carried at fair value through other comprehensive income	1,484	1,857
Investments carried at fair value through profit and loss	90	370

Details of amounts recorded in Other comprehensive income:

	Year ended					
	March 31, 2018			March 31, 2017		
	Gross	**Tax**	**Net**	**Gross**	**Tax**	**Net**
Net Gain/(loss) on						
Quoted debt securities	(2)	-	(2)	(1)	-	(1)
Certificate of deposits	3	(1)	2	(1)	-	(1)
Unquoted equity and preference securities	1	-	1	(1)	-	(1)

Method of fair valuation:

Class of investment	**Method**	**Fair value** As at March 31, 2018	**Fair value** As at March 31, 2017
Mutual funds	Quoted price	12	278
Fixed maturity plan securities	Market observable inputs	66	86
Quoted debt securities- carried at amortized cost	Quoted price and market observable inputs	330	334
Quoted debt securities- carried at FVOCI	Quoted price and market observable inputs	610	613
Commercial Paper	Market observable inputs	45	-
Certificate of deposits	Market observable inputs	808	1,219
Unquoted equity and preference securities	Discounted cash flows method, Market multiples method, Option pricing model, etc.	21	25
Unquoted convertible promissory note	Discounted cash flows method, Market multiples method, Option pricing model, etc.	2	1
Others	Discounted cash flows method, Market multiples method, Option pricing model, etc.	10	5
		1,904	**2,561**

Certain quoted investments are classified as Level 2 in the absence of active market for such investments.

Note- Effective April 1, 2016, the group early adopted IFRS9 – Financial Instruments, with April 1, 2015 as the date of initial application. The impact of the adoption did not have a material impact on the financial statements. Hence, the company did not restate the prior period figures and the cumulative impact of ₹35 crore / $5 million was recorded in other comprehensive income for the year ended March 31, 2017.

2.3 Financial instruments

Accounting Policy

Effective April 1, 2016, the group has early adopted IFRS 9 - Financial Instruments considering April 1, 2015 as the date of initial application of the standard even though the stipulated effective date for adoption is April 1, 2018.

2.3.1 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.

2.3.2 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. The Company has made an irrevocable election for its investments which are classified as equity instruments to present the subsequent changes in fair value in other comprehensive income based on its business model. Further, in cases where the 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(FVTPL)
A financial asset which is not classified in any of the above categories are subsequently fair valued through profit or loss.

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

b. Derivative financial instruments

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

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

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

Although the group believes that these derivatives constitute hedges from an economic perspective, they may not qualify for hedge accounting under IFRS 9, Financial Instruments. Any derivative that is either not designated as hedge, or is so designated but is ineffective as per IFRS 9, is categorized as a financial asset or financial liability, at fair value through profit or loss.

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

(ii) Cash flow hedge
The group designates certain foreign exchange forward and options contracts as cash flow hedges to mitigate the risk of foreign exchange exposure on highly probable forecast cash transactions.

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

c. Share capital and treasury shares

(i) Ordinary Shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of new ordinary shares and share options and buy back of ordinary shares 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.

2.3.3 Derecognition of financial instruments
The group derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition under IFRS 9. A financial liability (or a part of a financial liability) is derecognized from the group's balance sheet when the obligation specified in the contract is discharged or cancelled or expires.

2.3.4 Fair value of financial instruments

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

For 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.

2.3.5 Impairment

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

Financial instruments by category

The carrying value and fair value of financial instruments by categories as at March 31, 2018 were as follows:

(Dollars in millions)

	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 2.1)	3,041	-	-	-	-	3,041	3,041
Investments (Refer to Note 2.2)							
Liquid mutual funds	-	-	12	-	-	12	12
Fixed maturity plan securities	-	-	66	-	-	66	66
Quoted debt securities	291	-	-	-	610	901	940 [1]
Certificate of deposits	-	-	-	-	808	808	808
Commercial Paper					45	45	45
Unquoted equity and preference securities:	-	-	-	21	-	21	21
Unquoted investment others	-	-	10	-	-	10	10
Unquoted convertible promissory note	-	-	2	-	-	2	2
Trade receivables	2,016	-	-	-	-	2,016	2,016
Unbilled revenue	654	-	-	-	-	654	654
Prepayments and other assets (Refer to Note 2.4)	456	-	-	-	-	456	443 [2]
Derivative financial instruments	-	-	-	-	2	2	2
Total	**6,458**	**-**	**90**	**21**	**1,465**	**8,034**	**8,060**
Liabilities:							
Trade payables	107	-	-	-	-	107	107
Derivative financial instruments	-	-	6	-		6	6
Other liabilities including contingent consideration (Refer to note 2.5)	836	-	8	-	-	844	844
Total	**943**	**-**	**14**	**-**	**-**	**957**	**957**

[1] *On account of fair value changes including interest accrued*

[2] *Excludes interest accrued on quoted debt securities carried at amortized cost*

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

(Dollars in millions)

	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 2.1)	3,489	-	-	-	-	3,489	3,489
Investments (Refer to Note 2.2)							
Liquid mutual funds	-	-	278	-	-	278	278
Fixed maturity plan securities	-	-	86	-	-	86	86
Quoted debt securities	295	-	-	-	613	908	947 [1]
Certificate of deposits	-	-	-	-	1,219	1,219	1,219
Unquoted equity and preference securities	-	-	-	25	-	25	25
Unquoted investment others	-	-	5	-	-	5	5
Unquoted convertible promissory note	-	-	1	-	-	1	1
Trade receivables	1,900	-	-	-	-	1,900	1,900
Unbilled revenue	562	-	-	-	-	562	562
Prepayments and other assets (Refer to Note 2.4)	410	-	-	-	-	410	397 [2]
Derivative financial instruments	-	-	36	-	8	44	44
Total	**6,656**	**-**	**406**	**25**	**1,840**	**8,927**	**8,953**
Liabilities:							
Trade payables	57	-	-	-	-	57	57
Derivative financial instruments	-	-	-	-	-	-	-
Other liabilities including contingent consideration (Refer to note 2.5)	768	-	13	-	-	781	781
Total	**825**	**-**	**13**	**-**	**-**	**838**	**838**

[1] *On account of fair value changes including interest accrued*

[2] *Excludes interest accrued on quoted debt securities carried at amortized cost*

Fair value hierarchy

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

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

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

The following table presents fair value hierarchy of assets and liabilities as at March 31, 2018:

(Dollars in millions)

	As at March 31, 2018	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 2.2)	12	12	-	-
Investments in fixed maturity plan securities (Refer to Note 2.2)	66	-	66	
Investments in quoted debt securities (Refer to Note 2.2)	940	701	239	-
Investments in certificate of deposit (Refer to Note 2.2)	808	-	808	-
Investments in commercial paper (Refer to Note 2.2)	45	-	45	-
Investments in unquoted equity and preference securities (Refer to Note 2.2)	21	-	-	21
Investments in unquoted investments others (Refer to Note 2.2)	10	-	-	10
Investments in unquoted convertible promissory note (Refer to Note 2.2)	2	-	-	2
Derivative financial instruments - gain on outstanding foreign exchange forward and option contracts	2	-	2	-
Liabilities				-
Derivative financial instruments - loss on outstanding foreign exchange forward and option contracts	6	-	6	-
Liability towards contingent consideration (Refer to note 2.5)*	8	-	-	8

** includes $3 million pertaining to Brilliant Basics discounted at 10%.*

During the year ended March 31, 2018, quoted debt securities of $62 million were transferred from Level 2 to Level 1 of fair value hierarchy, since these were valued based on Quoted price and $172 million were transferred from Level 1 to Level 2 of fair value hierarchy, since these were valued based on market observable inputs.

The following table presents fair value hierarchy of assets and liabilities as at March 31, 2017:

(Dollars in millions)

	As at 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 2.2)	278	278	-	-
Investments in fixed maturity plan securities (Refer to Note 2.2)	86	-	86	
Investments in quoted debt securities (Refer to Note 2.2)	947	565	382	-
Investments in certificate of deposit (Refer to Note 2.2)	1,219	-	1,219	-
Investments in equity and preference securities (Refer to Note 2.2)	25	-	-	25
Investments in unquoted investments others (Refer to Note 2.2)	5	-	-	5
Investments in unquoted convertible promissory note (Refer to Note 2.2)	1	-	-	1
Derivative financial instruments- gain on outstanding foreign exchange forward and option contracts	44	-	44	-
Liabilities				
Derivative financial instruments- loss on outstanding foreign exchange forward and option contracts	-	-	-	-
Liability towards contingent consideration (Refer to Note 2.5)*	13	-	-	13

**Discounted $14 million at 14.2%.*

A one percentage point change in the unobservable inputs used in fair valuation of the contingent consideration does not have a significant impact in its value.
The movement in contingent consideration as at March 31, 2018 from March 31, 2017 is mainly on account of settlement of $7 million pertaining to Kallidus acquisiton and addition of $3 million in relation to acquisition of Brilliant Basics Holdings Limited.(Refer to note no. 2.9)

The movement in level 3 investments from March 31, 2017 to March 31, 2018 is on account of purchase of additional investments, disposals during the year and change in fair value.

Income from financial assets or liabilities is as follows:

(Dollars in millions)

	Year ended March 31,	
	2018	2017
Interest income on financial assets carried at amortized cost	260	352
Interest income on financial assets fair valued through other comprehensive income	106	28
Dividend income on investments carried at fair value through profit or loss	1	4
Gain / (loss) on investments carried at fair value through profit or loss	39	18
	406	**402**

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

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

The following table analyses foreign currency risk from financial instruments as at March 31, 2018:

(Dollars in millions)

	U.S. dollars	Euro	United Kingdom Pound Sterling	Australian dollars	Other currencies	Total
Cash and cash equivalents	197	33	23	54	183	490
Trade receivables	1,276	269	129	121	120	1,915
Unbilled revenue	356	98	46	24	57	581
Other assets	49	4	4	2	15	74
Trade payables	(42)	(12)	(17)	(5)	(9)	(85)
Accrued expenses	(166)	(29)	(17)	(9)	(23)	(244)
Employee benefit obligation	(88)	(13)	(4)	(28)	(20)	(153)
Other liabilities	(97)	(21)	(12)	(5)	(49)	(184)
Net assets / (liabilities)	**1,485**	**329**	**152**	**154**	**274**	**2,394**

The following table analyses foreign currency risk from financial instruments as at March 31, 2017:

(Dollars in millions)

	U.S. dollars	Euro	United Kingdom Pound Sterling	Australian dollars	Other currencies	Total
Cash and cash equivalents	206	20	6	28	108	368
Trade receivables	1,287	192	119	87	108	1,793
Unbilled revenue	376	68	50	19	47	560
Other assets	65	15	7	6	15	108
Trade payables	(18)	(5)	(2)	(1)	(24)	(50)
Accrued expenses	(147)	(33)	(22)	(6)	(23)	(231)
Employee benefit obligation	(86)	(13)	(3)	(23)	(19)	(144)
Other liabilities	(96)	(17)	(7)	(3)	(43)	(166)
Net assets / (liabilities)	**1,587**	**227**	**148**	**107**	**169**	**2,238**

Sensitivity analysis between Indian Rupees and US Dollar

	As at	
	March 31, 2018	March 31, 2017
Impact on the Group's incremental operating margins	0.50%	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's holds derivative financial instruments such as foreign exchange forward and option contracts to mitigate the risk of changes in exchange rates on foreign currency exposures. The counterparty for these contracts is generally a bank. These derivative financial instruments are valued based on quoted prices for similar assets and liabilities in active markets or inputs that are directly or indirectly observable in the marketplace.

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

(In millions)

Particulars	As at	
	March 31, 2018	March 31, 2017
Derivatives designated as cash flow hedges		
Forward contracts		
In Australian dollars	-	130
In Euro	-	95
In United Kingdom Pound Sterling	-	40
Options contracts		
In Australian dollars	60	-
In Euro	100	40
In United Kingdom Pound Sterling	20	-
Other derivatives		
Forward contracts		
In Australian dollars	5	35
In Canadian dollars	20	-
In Euro	91	114
In Japanese Yen	550	-
In New Zealand dollars	16	-
In Norwegian Krone	40	-
In Singapore dollars	5	5
In South African Rand	25	-
In Swedish Krona	50	50
In Swiss Franc	21	10
In U.S. Dollars	623	526
In United Kingdom Pound Sterling	51	75
Options contracts		
In Australian dollars	20	-
In Canadian dollars	-	13
In Euro	45	25
In Swiss Franc	5	-
In U.S. Dollars	320	195
In United Kingdom Pound Sterling	25	30

The group recognized a net gain of less than $1 million for the year ended March 31, 2018 and $89 million March 31, 2017 on derivative financial instruments, which are included in other income.

The foreign exchange forward and option contracts mature within twelve months. The table below analyses the derivative financial instruments into relevant maturity groupings based on the remaining period as at the balance sheet date:

(Dollars in millions)

	As at	
	March 31, 2018	**March 31, 2017**
Not later than one month	434	355
Later than one month and not later than three months	701	666
Later than three months and not later than one year	378	329
	1,513	**1,350**

During the year ended March 31, 2018 and March 31, 2017 the Group has designated certain foreign exchange forward and option 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 profit or loss within 3 months.

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

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

The following table provides the reconciliation of cash flow hedge reserve for the year ended March 31, 2018:

(Dollars in millions)

	Year ended March 31 2018	**Year ended March 31, 2017**
Balance at the beginning of the period	6	-
Gain / (Loss) recognized in other comprehensive income during the period	(7)	18
Amount reclassified to profit and loss during the period	(1)	(10)
Tax impact on above	2	(2)
Balance at the end of the period	**-**	**6**

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

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

(Dollars in millions)

	As at			
	March 31, 2018		**March 31, 2017**	
	Derivative financial asset	**Derivative financial liability**	**Derivative financial asset**	**Derivative financial liability**
Gross amount of recognized financial asset/liability	3	(7)	44	-
Amount set off	(1)	1	-	-
Net amount presented in balance sheet	**2**	**(6)**	**44**	**-**

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 $2,016 million and $1,900 million as at March 31, 2018 and March 31, 2017, respectively and unbilled revenue amounting to $654 million and $562 million as at March 31, 2018 and March 31, 2017, respectively. Trade receivables and unbilled revenue are typically unsecured and are derived from revenue earned from customers primarily located in the United States. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Group grants credit terms in the normal course of business. On account of adoption of IFRS 9, the Group uses expected credit loss model to assess the impairment loss or gain. The group uses a provision matrix to compute the expected credit loss allowance for trade receivables and unbilled revenues. The provision matrix takes into account available external and internal credit risk factors such as credit default swap quotes, credit ratings from international credit rating agencies and the Group's historical experience for customers.

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

(In %)

	Year ended March 31,	
	2018	**2017**
Revenue from top customer	3.4	3.4
Revenue from top ten customers	19.3	21.0

Credit risk exposure

The allowance for lifetime expected credit loss on customer balances for the year ended March 31, 2018 and March 31, 2017 was $5 million and $20 million.

Movement in credit loss allowance *(Dollars in millions)*

	Year ended March 31,	
	2018	**2017**
Balance at the beginning	63	44
Translation differences	1	(1)
Impairment loss recognized/(reversed)	5	20
Write offs	-	-
Balance at the end	**69**	**63**

The Company's credit period generally ranges from 30-60 days.

Credit exposure *(Dollars in millions except otherwise stated)*

	As at	
	March 31, 2018	**March 31, 2017**
Trade receivables	2,016	1,900
Unbilled revenues	654	562
Days Sales Outstanding- DSO (days)	67	68

Credit risk on cash and cash equivalents is limited as we generally invest in deposits with banks and financial institutions with high credit ratings assigned by international and domestic credit rating agencies. Investments primarily include investment in liquid mutual fund units, fixed maturity plan securities, quoted bonds issued by government and quasi government organizations, non convertible debentures and certificates of deposits.

Liquidity risk

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

As at March 31, 2018, the Group had a working capital of $5,243 million including cash and cash equivalents of $3,401 million and current investments of $982 million. As at March 31, 2017, the Group had a working capital of $6,121 million including cash and cash equivalents of $3,489 million and current investments of $1,538 million.

As at March 31, 2018 and March 31, 2017, the outstanding employee benefit obligations were $225 million and $209 million, respectively, which have been substantially funded. Accordingly, no liquidity risk is perceived.

The table below provides details regarding the contractual maturities of significant financial liabilities as at March 31, 2018:

(Dollars in millions)

Particulars	Less than 1 year	1-2 years	2-4 years	4-7 years	Total
Trade payables	107	-	-	-	107
Other liabilities (excluding liability towards contingent consideration - Refer to Note 2.5)	836	-	-	-	836
Liability towards contingent consideration on an undiscounted basis -Refer to Note 2.5	6	1	1	-	8

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

(Dollars in millions)

Particulars	Less than 1 year	1-2 years	2-4 years	4-7 years	Total
Trade payables	57	-	-	-	57
Other liabilities (excluding liability towards acquisition - Refer to Note 2.5)	763	5	-	-	768
Liability towards acquisitions on an undiscounted basis (Refer to Note 2.5)	7	7	-	-	14

2.4 Prepayments and other assets

Prepayments and other assets consist of the following:

(Dollars in millions)

	As at	
	March 31, 2018	**March 31, 2017**
Current		
Rental deposits	2	1
Security deposits	1	2
Loans to employees	37	42
Prepaid expenses [(1)]	72	68
Interest accrued and not due	117	89
Withholding taxes and others[(1)]	158	291
Advance payments to vendors for supply of goods [(1)]	18	20
Deposit with corporations	236	218
Deferred contract cost[(1)]	7	12
Other assets	14	6
	662	**749**
Non-current		
Loans to employees	6	5
Security deposits	8	13
Deposit with corporations	9	7
Prepaid gratuity [(1)]	7	12
Prepaid expenses [(1)]	17	15
Deferred contract cost [(1)]	40	44
Withholding taxes and others[(1)]	219	-
Rental Deposits	26	27
	332	**123**
	994	**872**
Financial assets in prepayments and other assets	**456**	**410**

[(1)] *Non financial assets*

Withholding taxes and others primarily consist of input tax credits. Security deposits relate principally to leased telephone lines and electricity supplies. Deferred contract costs are upfront costs incurred for the contract and are amortized over the term of the contract.

Deposit with corporation represents amounts deposited to settle certain employee-related obligations as and when they arise during the normal course of business.

2.5 Other liabilities

Other liabilities comprise the following:

	(Dollars in millions)	
	As at	
	March 31, 2018	**March 31, 2017**
Current		
Accrued compensation to employees	385	290
Accrued expenses	376	399
Withholding taxes and others [1]	190	189
Retainage	20	34
Liabilities of controlled trusts	21	22
Liability towards contingent consideration (Refer to note 2.9)	6	7
Deferred rent [1]	4	-
Others	34	13
	1,036	**954**
Non-Current		
Liability towards contingent consideration (Refer to note 2.9)	2	6
Accrued compensation to employees	-	5
Accrued gratuity[1]	4	
Deferred income - government grant on land use rights [1]	7	6
Deferred income [1]	5	7
Deferred rent [1]	24	-
	42	**24**
	1,078	**978**
Financial liabilities included in other liabilities	844	776
Financial liability towards contingent consideration on an undiscounted basis (Refer to Note 2.9)	8	14

[1] *Non financial liabilities*

Accrued expenses primarily relate to cost of technical sub-contractors, telecommunication charges, legal and professional charges, brand building expenses, overseas travel expenses and office

2.6 Provisions

Provisions comprise the following:

	(Dollars in millions)	
	As at	
	March 31, 2018	**March 31, 2017**
Provision for post sales client support and other provisions	75	63
	75	**63**

Provision for post sales client support and other provisions represents costs associated with providing sales support services which are accrued at the time of recognition of revenues and are expected to be utilized over a period of 6 months to 1 year. The movement in the provision for post sales client support and other provisions is as follows:

	(Dollars in millions)
	Year ended March 31, 2018
Balance at the beginning	63
Translation differences	-
Provision recognized/(reversed)	(10)
Provision utilized	22
Balance at the end	**75**

Provision for post sales client support and other provisions is included in cost of sales in the condensed consolidated statement of comprehensive income.

As at March 31, 2018 and March 31, 2017, claims against the company, not acknowledged as debts, (excluding demands from income tax authorities- Refer to Note 2.11) amounted to ₹260 crore ($40 million) and ₹301 crore ($46 million), respectively.

The company is subject to legal proceedings and claims, which have arisen in the ordinary course of business. The company's management does not reasonably expect that these legal actions, when ultimately concluded and determined, will have a material and adverse effect on the company's results of operations or financial condition.

2.7 Property, plant and equipment

Accounting Policy

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

Building	22-25 years
Plant and machinery	5 years
Computer equipment	3-5 years
Furniture and fixtures	5 years
Vehicles	5 years
Leasehold improvements	Over lease term

Depreciation methods, useful lives and residual values are reviewed periodically, including at each financial year end. *(Refer to note 2.7)*

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

(ii) Impairment

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

If such assets are considered to be impaired, the impairment to be recognized in net profit in the statement of comprehensive income is measured by the amount by which the carrying value of the assets exceeds the estimated recoverable amount of the asset. An impairment loss is reversed in net profit in the statement of comprehensive income if there has been a change in the estimates used to determine the recoverable amount. The carrying amount of the asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortization or depreciation) had no impairment loss been recognized for the asset in prior years.

Following are the changes in the carrying value of property, plant and equipment for the year ended March 31, 2018:

(Dollars in millions)

	Land	Buildings	Plant and machinery	Computer equipment	Furniture and fixtures	Vehicles	Total
Gross carrying value as at April 1, 2017	**272**	**1,123**	**466**	**700**	**261**	**5**	**2,827**
Additions	21	122	56	73	29	1	302
Deletions	-	-	(3)	(17)	(3)	(1)	(24)
Reclassified as held for sale (Refer note 2.17)	-	-	-	(6)	(4)	-	(10)
Translation difference	(1)	2	(1)	(1)	2	-	1
Gross carrying value as at March 31, 2018	**292**	**1,247**	**518**	**749**	**285**	**5**	**3,096**
Accumulated depreciation as at April 1, 2017	**(4)**	**(376)**	**(301)**	**(471)**	**(168)**	**(3)**	**(1,323)**
Depreciation	(1)	(43)	(62)	(107)	(40)	(1)	(254)
Accumulated depreciation on deletions	-	-	2	17	3	1	23
Reclassified as held for sale (Refer note 2.17)	-	-	-	4	3	-	7
Translation difference	-	2	2	-	(1)	-	3
Accumulated depreciation as at March 31, 2018	**(5)**	**(417)**	**(359)**	**(557)**	**(203)**	**(3)**	**(1,544)**
Capital work-in progress as at March 31, 2018							**311**
Carrying value as at March 31, 2018	**287**	**830**	**159**	**192**	**82**	**2**	**1,863**
Capital work-in progress as at April 1, 2017							**303**
Carrying value as at April 1, 2017	**268**	**747**	**165**	**229**	**93**	**2**	**1,807**

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

(Dollars in millions)

	Land	Buildings	Plant and machinery	Computer equipment	Furniture and fixtures	Vehicles	Total
Gross carrying value as at April 1, 2016	**244**	**955**	**392**	**615**	**218**	**4**	**2,428**
Additions	22	147	73	120	57	1	420
Deletions	-	-	(8)	(47)	(17)	(1)	(73)
Translation difference	6	21	9	12	3	1	52
Gross carrying value as at March 31, 2017	**272**	**1,123**	**466**	**700**	**261**	**5**	**2,827**
Accumulated depreciation as at April 1, 2016	**(3)**	**(332)**	**(243)**	**(395)**	**(149)**	**(3)**	**(1,125)**
Depreciation	(1)	(35)	(57)	(101)	(31)	(1)	(226)
Accumulated depreciation on deletions	-	-	5	34	14	1	54
Translation difference	-	(9)	(6)	(9)	(2)	-	(26)
Accumulated depreciation as at March 31, 2017	**(4)**	**(376)**	**(301)**	**(471)**	**(168)**	**(3)**	**(1,323)**
Capital work-in progress as at March 31, 2017							**303**
Carrying value as at March 31, 2017	**268**	**747**	**165**	**229**	**93**	**2**	**1,807**
Capital work-in progress as at April 1, 2016							**286**
Carrying value as at April 1, 2016	**241**	**623**	**149**	**220**	**69**	**1**	**1,589**

The depreciation expense is included in cost of sales in the condensed consolidated statement of comprehensive income.

Carrying value of land includes $98 million and $99 million as at March 31, 2018 and March 31, 2017, respectively, towards amounts paid under certain lease-cum-sale agreements to acquire land, including agreements where the company has an option to purchase or renew the properties on expiry of the lease period.

The contractual commitments for capital expenditure were $223 million and $177 million as at March 31, 2018 and March 31, 2017, respectively.

2.8 Goodwill

Accounting Policy

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.

Impairment

Goodwill is tested for impairment on an annual basis and whenever there is an indication that goodwill may be impaired, relying on a number of factors including operating results, business plans and future cash flows. For the purpose of impairment testing, goodwill acquired in a business combination is allocated to the Group's cash generating units (CGU) or groups of CGU's expected to benefit from the synergies arising from the business combination. A CGU is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or group of assets. Impairment occurs when the carrying amount of a CGU including the goodwill, exceeds the estimated recoverable amount of the CGU. The recoverable amount of a CGU is the higher of its fair value less cost to sell and its value-in-use. Value-in-use is the present value of future cash flows expected to be derived from the CGU.

Total impairment loss of a CGU is allocated first to reduce the carrying amount of goodwill allocated to the CGU and then to the other assets of the CGU pro-rata on the basis of the carrying amount of each asset in the CGU. An impairment loss on goodwill is recognized in net profit in the statement of comprehensive income and is not reversed in the subsequent period.

Following is a summary of changes in the carrying amount of goodwill:

(Dollars in millions)

	As at	
	March 31, 2018	**March 31, 2017**
Carrying value at the beginning	563	568
Goodwill on Brilliant Basics acquisition *(Refer to note 2.9)*	5	-
Goodwill reclassified as assets held for sale *(Refer note no 2.17)*	(247)	-
Translation differences	18	(5)
Carrying value at the end	**339**	**563**

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to the cash generating units (CGU) or groups of CGU's, which benefit from the synergies of the acquisition. The chief operating decision maker reviews the goodwill for any impairment at the operating segment level, which is represented through groups of CGU's.

The following table presents the allocation of goodwill to operating segments as at March 31, 2018 and March 31, 2017:

(Dollars in millions)

Segment	As at	
	March 31, 2018	**March 31, 2017**
Financial services	73	127
Manufacturing	39	63
Retail, Consumer packaged goods and Logistics	48	86
Life Sciences, Healthcare and Insurance	68	98
Energy & utilities, Communication and Services	72	118
	300	492
Operating segments without significant goodwill	39	71
Total	**339**	**563**

The entire goodwill relating to Infosys BPM's (formerly Infosys BPO) acquisition of McCamish has been allocated to the group of CGU's which is represented by the Life Sciences, Healthcare and Insurance segment.

The goodwill relating to Infosys BPM, Infosys Lodestone, Portland, Panaya and Kallidus d.b.a Skava acquistions has been allocated to the groups of CGUs which are represented by a majority of the entity's operating segment as at March 31, 2017.

The goodwill relating to Infosys BPM, Infosys Lodestone, Portland and Brilliant Basics acquistions has been allocated to the groups of CGUs which are represented by a majority of the entity's operating segment as at March 31, 2018.

The entire goodwill relating to Noah acquisition has been allocated to the group of CGU's which is represented by the Energy & utilities, Communication and Services segment.

The recoverable amount of a CGU is the higher of its fair value less cost to sell and its value-in-use. The fair value of a CGU is determined based on the market capitalization. The value-in-use is determined based on specific calculations. These calculations use pre-tax cash flow projections over a period of five years. An average of the range of each assumption used is mentioned below. As at March 31, 2018 and March 31, 2017, the estimated recoverable amount of the CGU exceeded its carrying amount. The key assumptions used for the calculations are as follows:

In %

	As at	
	March 31, 2018	**March 31, 2017**
Long term growth rate	8-10	8-10
Operating margins	17-20	17-20
Discount rate	13.5	14.4

The above discount rate is based on the Weighted Average Cost of Capital (WACC) of the Company. The Management believes that any reasonable possible changes in the key assumptions would not cause the carrying amount to exceed the recoverable amount of the cash generating unit.

2.9 Business combination

Accounting Policy

Business combinations have been accounted for using the acquisition method under the provisions of IFRS 3 (Revised), Business Combinations.

The cost of an acquisition is measured at the fair value of the assets transferred, equity instruments issued and liabilities incurred or assumed at the date of acquisition, which is the date on which control is transferred to the Group. The cost of acquisition also includes the fair value of any contingent consideration. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair value on the date of acquisition.

Business combinations between entities under common control is outside the scope of IFRS 3 (Revised), Business Combinations and is accounted for at carrying value.

Transaction costs that the Group incurs in connection with a business combination such as finders' fees, legal fees, due diligence fees, and other professional and consulting fees are expensed as incurred.

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 $33 million, contingent consideration of upto $5 million and an additional consideration of upto $32 million, referred to as retention bonus payable to the employees of Noah at each anniversary year following the acquisition date for the next three years, subject to their continuous employment with the group at each anniversary. The retention bonus is treated as a post-acquisition employee remuneration expense as per IFRS 3. During the year ended March 31, 2016 the entire contingent consideration was reversed in the consolidated statement of comprehensive income.

Business transfer

On July 14, 2017, the Board of Directors of Infosys authorized the Company to execute a Business Transfer Agreement and related documents with Noah Consulting LLC, a wholly owned subsidiary, to transfer the business of Noah Consulting LLC to Infosys Limited, subject to securing the requisite regulatory approvals for a consideration based on an independent valuation. Subsequently on October 17, 2017 , the company entered into a business transfer agreement to transfer the business for a consideration of $41 million (approximately ₹266 crore) and the transfer was with effect from October 25, 2017. The transaction was between a holding company and a wholly owned subsidiary and therefore was accounted for at carrying values and did not have any impact on the consolidated financial statements. Subsequently in November 2017, Noah Consulting LLC has been liquidated.

Kallidus Inc. (d.b.a Skava)

On June 2, 2015, Infosys acquired 100% of the voting interests in Kallidus Inc., US (Kallidus), a leading provider of digital experience solutions, including mobile commerce and in-store shopping experiences to large retail clients and 100% of the voting interests of Skava Systems Private Limited, an affiliate of Kallidus. The business acquisition was conducted by entering into a share purchase agreement for cash consideration of $91 million and a contingent consideration of up to $20 million.

The balance contingent consideration as at March 31, 2018 and March 31, 2017 is $5 million and $14 million on an undiscounted basis.

Brilliant Basics Holdings Limited.

On September 8, 2017, Infosys acquired 100% of the voting interests in Brilliant Basics Holdings Limited., UK, (Brilliant Basics) a product design and customer experience innovator with experience in executing global programs. The business acquisition was conducted by entering into a share purchase agreement for cash consideration of $4 million, contingent consideration of up to $3 million and an additional consideration of $2 million, referred to as retention bonus, payable to the employees of Brilliant Basics at each anniversary year over the next two years, subject to their continuous employment with the group at each anniversary.

The payment of contingent consideration to sellers of Brilliant Basics is dependent upon the achievement of certain financial targets by Brilliant Basics over a period of 3 years ending on March, 2020.

The fair value of contingent consideration is determined by discounting the estimated amount payable to the sellers of Brilliant Basics on achievement of certain financial targets. The key inputs used in determination of the fair value of contingent consideration are the discount rate of 10% and the probabilities of achievement of the financial targets.

The excess of the purchase consideration paid over the fair value of assets acquired has been attributed to goodwill.

The purchase price has been allocated based on management's estimates and independent appraisal of fair values as follows:

(Dollars in millions)

Component	Acquiree's carrying amount	Fair value adjustments	Purchase price allocated
Net assets(*)	–	–	–
Intangible assets - customer relationships	–	2	2
Deferred tax liabilities on intangible assets	–	–	–
	-	**2**	**2**
Goodwill			5
Total purchase price			**7**

*Includes cash and cash equivalents acquired of less than $1 million

The goodwill is not tax deductible.

The gross amount of trade receivables acquired and its fair value is less than $1 million and the amounts have been largely collected.

The acquisition date fair value of each major class of consideration as of the acquisition date is as follows:

(Dollars in millions)

Component	Consideration settled
Cash paid	4
Fair value of contingent consideration	3
Total purchase price	**7**

The transaction costs of less than $1 million related to the acquisition have been included under administrative expenses in the statement of comprehensive income.

Proposed acquisition

On April 13, 2018, the Company entered into a definitive agreement to acquire WongDoody Holding Company Inc., a US-based creative and consumer insights agency for a total consideration of up to $75 million including contingent consideration and retention payouts, subject to regulatory approvals and fulfillment of closing conditions.

2.10 Employees' Stock Option Plans (ESOP)

Accounting Policy

The Group recognizes compensation expense relating to share-based payments in net profit using fair-value in accordance with IFRS 2, Share-Based Payment. The estimated fair value of awards is charged to income on a straight-line basis over the requisite service period for each separately vesting portion of the award as if the award was in-substance, multiple awards with a corresponding increase to share premium.

Amendment to IFRS 2:

Effective April 1, 2017, the company has early adopted amendment to IFRS 2 which provides specific guidance to measurement of cash-settled awards, modification of cash-settled awards and awards that include a net settlement feature in respect of withholding taxes. The adoption of the amendment did not have any material effect on the consolidated financial statements.

2015 Stock Incentive Compensation Plan (the 2015 Plan) (formerly 2011 RSU Plan):

On March 31, 2016, pursuant to the approval by the shareholders through postal ballot, the Board has been authorized to introduce, offer, issue and allot share-based incentives to eligible employees of the Company and its subsidiaries under the 2015 Stock Incentive Compensation Plan (the 2015 Plan). The maximum number of shares under the 2015 plan shall not exceed 24,038,883 equity shares (this includes 1,12,23,576 equity shares which are held by the trust towards the 2011 Plan as at March 31, 2016). Out of this 17,038,883 equity shares will be issued as RSUs at par value and 7,000,000 equity shares will be issued as stock options at market price on the date of the grant. These instruments will generally vest over a period of 4 years and the Company expects to grant the instruments under the 2015 Plan over the period of 4 to 7 years.

Controlled trust holds 10,801,956 and 11,289,514 shares as at March 31, 2018 and March 31, 2017, respectively under the 2015 plan, out of which 1,00,000 equity shares have been earmarked for welfare activities of the employees.

Stock incentives granted to Salil Parekh (CEO & MD)

Pursuant to the approval of the shareholders through a postal ballot on February 20 , 2018, Salil Parekh (CEO & MD) is eligible to receive under the 2015 Plan :
a) an annual grant of RSUs of fair value ₹3.25 crore (approximately $0.5 million) which will vest over time in 3 equal annual installments upon completion of each year of service from the respective grant date
b) a one-time grant of RSUs of fair value ₹9.75 crore (approximately $1.5 million) which will vest over time in 2 equal annual installments upon completion of each year of service from the grant date and
c) annual grant of performance based RSUs of fair value ₹13 crore (approximately $2 million) which will vest after completion of three years the first of which concludes on March 31, 2021, subject to achievement of performance targets set by the Board or its committee.

The Board based on the recommendations of the Nomination and Remuneration committee approved on February 27, 2018, the annual time based grant for FY18 of 28,256 RSUs and the one-time time based grant of 84,768 RSUs. The grants were made effective February 27, 2018. Though the annual time based grants for the remaining employment term have not been granted as of March 31, 2018 , in accordance with IFRS 2, Share based payments the company has recorded employment stock compensation expense.

Stock incentives granted to Dr. Vishal Sikka

Consequent to Dr. Vishal Sikka's resignation from the Company on August 24, 2017, the unvested stock incentives (time-based and performance based awards) granted to him were forfeited.

Stock incentives granted to COO:

The Nomination and Remuneration Committee ('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, under the 2015 Plan and the same was approved by the shareholders through postal ballot on March 31, 2017. These RSUs and ESOPs have been granted effective May 2, 2017. These RSUs and stock options would vest over a period of 4 years and shall be exercisable within the period as approved by the Committee. The exercise price of the RSUs will be equal to the par value of the shares and the exercise price of the stock options would be the market price as on the date of grant, as approved by the shareholders.

Stock incentives granted to KMPs (other than CEO & MD, Dr. Vishal Sikka and COO)

On November 1, 2016, 247,250 RSUs and 502,550 stock options were granted under the 2015 plan, to key management personnel, other than Dr. Vishal Sikka and COO, based on fiscal 2016 performance. On August 1, 2017 58,150 RSUs and 44,450 ESOPs were granted to the General Counsel. These RSUs and stock options will vest within 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. On February 27, 2018, based on the recommendation and approval of the Nomination and Remuneration Committee the company granted 214,950 RSUs to the KMP other than CEO and COO. These instruments will vest over a period of 4 years and are subject to continued service.

During the year ended March 31, 2018, three of the KMPs have resigned (Refer to note 2.13 Related party transactions for further details) and hence the RSUs and stock options granted to them were forfeited.

Stock incentive granted to other employees:

During fiscal 2017, the company granted 2,506,740 RSUs and 7,03,300 ESOPs and 112,210 incentive units (cash settled) to certain eligible employees at mid and senior levels under the 2015 plan. Further, on May 2, 2017, the company granted 37,090 RSUs (includes equity shares and equity shares represented by ADS) at par value, 73,600 employee stock options (ESOPs) (including equity shares and equity shares represented by ADS) to be exercised at market price at the time of grant, to certain employees at the senior management level. On August 1, 2017, 7,450 incentive units (cash settled) were granted to employees at the senior management level. These instruments will vest over a period of 4 years and are subject to continued service. On February 27, 2018 15,59,920 RSUs and 42,590 incentive units (cash settled) were granted to eligible employees. These instruments will vest over a period of 4 years and are subject to continued service.

As at March 31, 2018 and March 31, 2017, 111,757 and 106,845 incentive units were outstanding (net of forfeitures).

Break-up of employee stock compensation expense

(Dollars in millions)

	Year ended March 31,	
	2018	**2017**
Granted to:		
KMP$^{(2)}$	(2)	5
Employees other than KMP	15	12
Total $^{(1)}$	13	17
$^{(1)}$ *Cash settled stock compensation expense included in the above*	1	-

$^{(2)}$ *Included a reversal of stock compensation cost of $5 million towards forfeiture of stock incentives granted to Dr. Vishal Sikka upon his resignation.*

The carrying value of liability towards cash settled share based payments was $1 million and less than $1 million as at March 31, 2018 and March 31, 2017, respectively.

The activity in the 2015 Plan (formerly 2011 RSU Plan) for equity-settled share based payment transactions during the year ended March 31, 2018 is set out below:

Particulars	**Year ended March 31, 2018**	
	Shares arising out of options	**Weighted average exercise price ($)**
2015 Plan: RSU		
Outstanding at the beginning	2,961,373	0.07
Granted	2,280,608	0.07
Exercised	648,217	0.07
Forfeited and expired	843,355	0.07
Outstanding at the end	**3,750,409**	**0.07**
Exercisable at the end	24,205	0.07
2015 Plan: Employee Stock Options (ESOPs)		
Outstanding at the beginning	1,197,650	15.26
Granted	491,575	14.62
Exercised	52,412	15.26
Forfeited and expired	669,900	14.84
Outstanding at the end	**966,913**	**15.13**
Exercisable at the end	196,912	15.26

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

Particulars	**Year ended March 31, 2017**	
	Shares arising out of options	**Weighted average exercise price ($)**
2015 Plan: RSU		
Outstanding at the beginning	221,505	-
Granted	2,874,690	0.07
Forfeited and expired	100,760	0.07
Exercised	34,062	-
Outstanding at the end	**2,961,373**	**0.07**
Exercisable at the end	-	-
2015 Plan: Employee Stock Options (ESOPs)		
Outstanding at the beginning	-	-
Granted	1,205,850	15.26
Forfeited and expired	8,200	15.26
Exercised	-	-
Outstanding at the end	**1,197,650**	**15.26**
Exercisable at the end	-	-

During the year ended March 31, 2018, the weighted average share price of options exercised under the 2015 Plan on the date of exercise was $15.48.

During the year ended March 31, 2017, the weighted average share price of options exercised under the 2015 Plan on the date of exercise was $16.10.

The following table summarizes information about equity settled RSUs and ESOPs outstanding as at March 31, 2018:

	Options outstanding		
Range of exercise prices per share ($)	**No. of shares arising out of options**	**Weighted average remaining contractual life**	**Weighted average exercise price ($)**
2015 Plan:			
0 - 0.08 (RSU)	3,750,409	1.89	0.07
13 - 17 (ESOP)	966,913	6.60	15.23
	4,717,322	**2.57**	**3.18**

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

	Options outstanding		
Range of exercise prices per share ($)	**No. of shares arising out of options**	**Weighted average remaining contractual life**	**Weighted average exercise price ($)**
2015 Plan:			
0 - 0.07 (RSU)	2,961,373	1.88	0.07
14 - 16 (ESOP)	1,197,650	7.09	15.83
	4,159,023	**3.38**	**4.61**

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

Particulars	For options granted in			
	Fiscal 2018- Equity Shares- RSU	**Fiscal 2018- Equity shares ESOP**	**Fiscal 2018- ADS-RSU**	**Fiscal 2018- ADS- ESOP**
Weighted average share price (₹) / ($- ADS)	1,144	923	16.61	14.65
Exercise price (₹)/ ($- ADS)	5.00	919	0.08	14.67
Expected volatility (%)	20-25	25-28	21-26	25-31
Expected life of the option (years)	1 - 4	3 - 7	1 - 4	3 - 7
Expected dividends (%)	2.78	2.78	2.74	2.74
Risk-free interest rate (%)	6 - 7	6 - 7	1 - 2	1 - 2
Weighted average fair value as on grant date (₹) / ($- ADS)	1,066	254	15.47	2.93

Particulars	For options granted in			
	Fiscal 2017- Equity Shares- RSU	**Fiscal 2017- Equity shares ESOP**	**Fiscal 2017- ADS-RSU**	**Fiscal 2017- ADS- ESOP**
Weighted average share price (₹) / ($- ADS)	1,067	989	15.77	15.26
Exercise price (₹)/ ($- 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)	1,002	285	14.84	3.46

The expected life 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.

2.11 Income taxes

Accounting policy

Income tax expense comprises current and deferred income tax. Income tax expense is recognized in net profit in the consolidated statement of comprehensive income except to the extent that it relates to items recognized directly in equity, in which case it is recognized in other comprehensive income. Current income tax for current and prior periods is recognized at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date. Deferred income tax assets and liabilities are recognized for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements except when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction. Deferred tax assets are reviewed at each reporting 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.

Income tax expense in the consolidated statement of comprehensive income comprises:

(Dollars in millions)

	Year ended March 31,	
	2018	**2017**
Current taxes		
Domestic taxes	721	616
Foreign taxes	(12)	226
	709	**842**
Deferred taxes		
Domestic taxes	(80)	(1)
Foreign taxes	28	(7)
	(52)	**(8)**
Income tax expense	**657**	**834**

Advance Pricing Agreement ("APA")

During the three months ended December 31, 2017 the Company has concluded an Advance Pricing Agreement ("APA") with the US Internal Revenue Service ("IRS") for the US branch covering the years ending March 2011 to March 2021. Under the APA, the Company and the IRS have agreed on the methodology to allocate revenues and compute the taxable income of the Company's US Branch operations.

During the three months ended December 31,2017, in accordance with the APA , the company has reversed income tax expense provision of $225 million which pertains to previous periods. This comprises of current tax expense of $253 million, reversal of $21 million on account of deferred tax assets pertaining to the temporary differences which are no longer required and a deferred tax liability of $7 million pertaining to Branch profit tax for the three months ended December 31, 2017 on account of conclusion of APA. In line with the APA, the Company has to pay an amount of approximately $233 million due to the difference between the taxes payable for prior periods as per the APA and the actual taxes paid for such periods. The Company has paid $ 74 million during the three months ended March 31, 2018, and the balance amount is expected to be paid over the next few quarters.

Additionally, income tax expense for the year ended March 31, 2018 and March 31, 2017 includes reversal (net of provisions) of $45 million and $23 million pertaining to prior periods on account of adjudication of certain disputed matters in favor of the company across various jurisdictions.

The "Tax Cuts and Jobs Act (H.R. 1)" was signed into law on December 22, 2017 ("US Tax Reforms"). The US tax reforms has reduced federal tax rates from 35% to 21% effective January 1, 2018 amongst other measures. During the year ended March 31, 2018, the US tax reforms has resulted in a positive impact of $24 million on account of credits pertaining to deferred tax liabilities on branch profit. The impact of US tax reforms is expected to be not significant for future periods.

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:

(Dollars in millions)

	Year ended March 31,	
	2018	**2017**
Profit before income taxes	3,143	2,974
Enacted tax rates in India	34.61%	34.61%
Computed expected tax expense	1,088	1,029
Tax effect due to non-taxable income for Indian tax purposes	(321)	(295)
Overseas taxes	109	112
Tax provision (reversals)	(253)	(23)
Effect of differential overseas tax rates	8	10
Effect of exempt non operating income	(10)	(10)
Effect of unrecognized deferred tax assets	29	14
Effect of non-deductible expenses	9	4
Branch profit tax (net of credits)	(32)	-
Subsidiary dividend distribution tax	27	-
Others	3	(7)
Income tax expense	**657**	**834**

The applicable Indian statutory tax rates for each of fiscal 2018 and fiscal 2017 is 34.61%.

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, 2018, Infosys' U.S. branch net assets amounted to approximately $772 million. During the year ended March 31, 2018 an additional deferred tax liability has been created for branch profit tax amounting to $7 million on account of conclusion of APA explained above. Further, on account of US tax Reforms, the company has a credit of $24 million pertaining to Branch Profit Tax for year ended March 31, 2018. The company has also reversed $8 million of Branch profit tax during the year ended March 31, 2018 towards current taxes. As of March 31, 2018, the Company has a deferred tax liability for branch profit tax of $25 million (net of credits), as the Company estimates that these branch profits are expected to be distributed in the foreseeable future.

Entire deferred income tax, except for a credit of $24 million (on account of US Tax Reforms explained above), for the year ended March 31, 2018, relates to origination and reversal of temporary differences.

During the year ended March 31, 2018, the Company received $130 million as dividend from its majority owned subsidiary. Dividend distribution tax paid by the subsidiary on such dividend has been reduced as credit against dividend distribution tax payable by Infosys. Accordingly, the group has recorded a charge of $27 million as income tax expense during the year ended March 31, 2018.

Other income for year ended March 31, 2018, includes interest on income tax refund of $41 million .

The foreign tax expense is due to income taxes payable overseas, principally in the United States. In India, the Company has benefited from certain income tax incentives that the Government of India had provided for export of software from the units registered under the Special Economic Zones Act (SEZs), 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 for the eligible SEZ units and utilization of such reserve by the Company for acquiring new plant and machinery for the purpose of its business as per the provisions of the Income Tax Act, 1961.

As at March 31, 2018, claims against the Group not acknowledged as debts from the Income tax authorities amounted to ₹4,542 crore ($697 million). These matters are pending before various Appellate Authorities and the management including its tax advisors expect that its position will likely be upheld on ultimate resolution and will not have a material adverse effect on the Group's financial position and results of operations.

Income tax claims amounting to ₹4,670 crore ($716 million) has not been considered as claims not acknowledged as debt because the Company has received favorable decisions on similar claims and therefore based on its assessment, is of the view that any liability resulting from these claims is remote and will not sustain on ultimate resolution.

Amount paid to statutory authorities against the above tax claims amounted to ₹6,540 crore ($1,003 million).

As at March 31, 2017, claims against the Group not acknowledged as debts from the Indian Income tax authorities amounted to ₹6,378 crore ($984 million). Amount paid to statutory authorities against this amounted to ₹4,682 crore ($722 million).

2.12 Reconciliation of basic and diluted shares used in computing earnings per share

Accounting Policy

Basic earnings per equity share is computed by dividing the net profit attributable to the equity holders of the company by the weighted average number of equity shares outstanding during the period. Diluted earnings per equity share is computed by dividing the net profit attributable to the equity holders of the company by the weighted average number of equity shares considered for deriving basic earnings per equity share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. The dilutive potential equity shares are adjusted for the proceeds receivable had the equity shares been actually issued at fair value (i.e. the average market value of the outstanding equity shares). Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented.

The number of equity shares and potentially dilutive equity shares are adjusted retrospectively for all periods presented for any share splits and bonus shares issues including for changes effected prior to the approval of the financial statements by the Board of Directors.

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

	Year ended March 31,	
	2018	**2017**
Basic earnings per equity share - weighted average number of equity shares outstanding[(1)]	2,255,332,322	2,285,639,447
Effect of dilutive common equivalent shares - share options outstanding	2,241,548	757,298
Diluted earnings per equity share - weighted average number of equity shares and common equivalent shares	**2,257,573,870**	**2,286,396,745**

[(1)] *excludes treasury shares*

For the year ended March 31, 2018 and March 31, 2017, 67,238 and 112,190 number of options to purchase equity shares had an anti-dilutive effect respectively.

2.13 Related party transactions

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

Changes in Subsidiaries and Associates

During the year ended March 31, 2018, the following are the changes in the subsidiaries and associate:

- the name of Infosys BPO Ltd has been changed to Infosys BPM Ltd.
- Infosys Chile Spa was incorporated as a wholly owned subsidiary of the Infosys Ltd.
- Noah Consulting LLC, Noah Information Management Consulting Inc. and DWA Nova LLC have been liquidated.
- Infosys Middle East Fz LLC, a wholly owned subsidiary of Infosys Consulting Pte Ltd
- Effective February, 2018, Lodestone Management Consultants GmbH, became wholly owned subsidiary of Infosys Limited.
- Infosys Arabia Limited, majority owned subsidiary of Infosys Limited.

Changes in Key management personnel

The following were the changes in key management personnel:-

• Salil Parekh appointed as Chief Executive Officer and Managing Director effective January 2, 2018. The appointment is for a term of 5 years with effect from January 2, 2018 to January 1, 2023 and the remuneration is approved by shareholders through postal ballot dated February 20, 2018.
• U. B. Pravin Rao, Chief Operating officer appointed as Interim-Chief Executive Officer and Managing Director effective August 18, 2017. Subsequently he stepped down as the interim CEO and Managing Director effective January 2, 2018 and will continue as Chief Operating Officer and a whole-time director of the Company.
• Nandan M. Nilekani appointed as Non-Executive, Non-Independent Chairman effective August 24, 2017
• D. Sundaram appointed as Independent director effective July 14, 2017
• R. Seshasayee, Chairman, resigned effective August 24, 2017
• Ravi Venkatesan, resigned from his position as Co-Chairman effective August 24, 2017
• Prof. Jeffrey Lehman, Independent director resigned effective August 24, 2017
• Prof. John Etchemendy, Independent director resigned effective August 24, 2017
• Dr. Vishal Sikka, resigned as Chief Executive Officer and Managing Director effective August 18, 2017 and as Executive Vice Chairman effective August 24, 2017
• Sandeep Dadlani, President, resigned effective July 14, 2017
• Inderpreet Sawhney, Group General Counsel and Chief Compliance Officer, appointed as Executive Officer effective July 14, 2017
• Rajesh K. Murthy, President, resigned effective January 31, 2018
• Gopi Krishnan Radhakrishnan, Acting General Counsel, resigned effective June 24, 2017

Transactions with key management personnel

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

(Dollars in millions)

	Year ended March 31,	
	2018	**2017**
Salaries and other employee benefits to whole-time directors and executive officers[(1)(2)(3)(4)]	8	12
Commission and other benefits to non-executive/ independent directors	2	2
Total	**10**	**14**

[(1)] On December 2, 2017, the Board appointed Salil Parekh as the Chief Executive Officer and Managing Director of the Company with effect from January 2, 2018. The appointment is for a term of 5 years with effect from January 2, 2018 to January 1, 2023 and the remuneration is approved by shareholders through postal ballot dated February 20, 2018.

[(2)] Total employee stock compensation expense for the year ended March 31, 2018 includes a reversal of $2 million, respectively towards key managerial personnel. For the year ended March 31, 2017, an employee stock compensation expense of $5 million was recorded towards key managerial personnel. (Refer to note 2.10)

[(3)] Included a reversal of stock compensation cost of $5 million for the year ended March 31, 2018 towards forfeiture of stock incentives granted to Dr. Vishal Sikka upon his resignation. (Refer to note 2.10)

[(4)] Includes $0.87 million payable under severance agreement to David Kennedy, General counsel and Chief compliance officer during the three months ended December 31, 2016

Investment in Associate

During the three months ended June 30, 2017, the Company has written down the entire carrying value of the investment in its associate DWA Nova LLC amounting to $11 million.

2.14 Segment Reporting

IFRS 8 establishes standards for the way that public business enterprises report information about operating segments and related disclosures about products and services, geographic areas, and major customers. The group's operations predominantly relate to providing end-to-end business solutions to enable clients to enhance business performance. Based on the "management approach" as defined in IFRS 8, the Chief Operating Decision Maker (CODM) evaluates the group's performance and allocates resources based on an analysis of various performance indicators by business segments and geographic segments. Accordingly, information has been presented both along business segments and geographic segments. The accounting principles used in the preparation of the financial statements are consistently applied to record revenue and expenditure in individual segments, and are as set out in the significant accounting policies.

Business segments of the Group are primarily enterprises in Financial Services (FS), enterprises in Manufacturing (MFG), enterprises in Retail, Consumer packaged goods and Logistics (RCL), enterprises in the Energy & utilities, Communication and Services (ECS), enterprises in Hi-Tech (Hi-Tech), enterprises in Life Sciences, Healthcare and Insurance (HILIFE) and all other segments. The FS reportable segments has been aggregated to include the Financial Services operating segment and the Finacle operating segment. All other segments represents the operating segments of businesses in India, Japan, China and IPS. Geographic segmentation is based on business sourced from that geographic region and delivered from both on-site and off-shore locations. North America comprises the United States of America, Canada and Mexico, Europe includes continental Europe (both the east and the west), Ireland and the United Kingdom, and the Rest of the World comprising all other places except those mentioned above and India.

Revenue and identifiable operating expenses in relation to segments are categorized based on items that are individually identifiable to that segment. Revenue for “all other segments” represents revenue generated by IPS and revenue generated from customers located in India, Japan and China. Allocated expenses of segments include expenses incurred for rendering services from the Company's offshore software development centers and on-site expenses, which are categorized in relation to the associated turnover of the segment. Certain expenses such as depreciation, which form a significant component of total expenses, are not specifically allocable to specific segments as the underlying assets are used interchangeably. Management believes that it is not practical to provide segment disclosures relating to those costs and expenses, and accordingly these expenses are separately disclosed as "unallocated" and adjusted against the total income of the Group.

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

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

2.14.1 Business Segments

Year ended March 31, 2018 and March 31, 2017

(Dollars in millions)

	FS	MFG	ECS	RCL	HILIFE	Hi-Tech	All other segments	Total
Revenues	**2,891**	**1,194**	**2,599**	**1,722**	**1,438**	**784**	**311**	**10,939**
	2,765	*1,119*	*2,300*	*1,673*	*1,258*	*763*	*330*	*10,208*
Identifiable operating expenses	1,470	641	1,305	828	713	416	180	5,553
	1,382	*584*	*1,107*	*802*	*623*	*396*	*210*	*5,104*
Allocated expenses	613	271	589	390	326	178	71	2,438
	607	*259*	*532*	*387*	*291*	*177*	*76*	*2,329*
Segment profit	**808**	**282**	**705**	**504**	**399**	**190**	**60**	**2,948**
	776	*276*	*661*	*484*	*344*	*190*	*44*	*2,775*
Unallocable expenses								289
								255
Operating profit								**2,659**
								2,520
Other income, net *(Refer Note 2.16 and Note 2.17)*								495
								459
Share in net profit/(loss) of associate, including impairment								(11)
								(5)
Profit before Income taxes								**3,143**
								2,974
Income tax expense								657
								834
Net profit								**2,486**
								2,140
Depreciation and amortization								289
								254
Non-cash expenses other than depreciation and amortization								18
								1

2.14.2 Geographic Segments

Year ended March 31, 2018 and March 31, 2017

(Dollars in millions)

	North America	Europe	India	Rest of the World	Total
Revenues	**6,605**	**2,596**	**346**	**1,392**	**10,939**
	6,320	*2,295*	*325*	*1,268*	*10,208*
Identifiable operating expenses	3,429	1,324	141	659	5,553
	3,222	*1,147*	*149*	*586*	*5,104*
Allocated expenses	1,494	586	66	292	2,438
	1,460	*529*	*66*	*274*	*2,329*
Segment profit	**1,682**	**686**	**139**	**441**	**2,948**
	1,638	*619*	*110*	*408*	*2,775*
Unallocable expenses					289
					255
Operating profit					**2,659**
					2,520
Other income, net (Refer Note 2.16 and Note 2.17)					495
					459
Share in associate's profit / (loss)					(11)
					(5)
Profit before Income taxes					**3,143**
					2,974
Income Tax expense					657
					834
Net profit					**2,486**
					2,140
Depreciation and amortization					289
					254
Non-cash expenses other than depreciation and amortization					18
					1

2.14.3 Significant clients

No client individually accounted for more than 10% of the revenues for the year ended March 31, 2018 and March 31, 2017, respectively.

2.15 REVENUE FROM OPERATIONS

Accounting Policy:

The company derives revenues primarily from software development and related services and from the licensing of software products. Arrangements with customers for software related services are either on a fixed-price, fixed-timeframe or on a time-and-material basis.

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

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

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

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

The company accounts for volume discounts and pricing incentives to customers as a reduction of revenue based on the ratable allocation of the discounts/ incentives amount to each of the underlying revenue transaction that results in progress by the customer towards earning the discount/ incentive. Also, when the level of discount varies with increases in levels of revenue transactions, the company recognizes the liability based on its estimate of the customer's future purchases. If it is probable that the criteria for the discount will not be met, or if the amount thereof cannot be estimated reliably, then discount is not recognized until the payment is probable and the amount can be estimated reliably. The company recognizes changes in the estimated amount of obligations for discounts in the period in which the change occurs. The discounts are passed on to the customer either as direct payments or as a reduction of payments due from the customer.

The Group presents revenues net of indirect taxes in its statement of comprehensive income.

Revenues for the year ended March 31, 2018 and March 31, 2017 is as follows:

(Dollars in millions)

Particulars	Year ended March 31,	
	2018	**2017**
Revenue from software services	10,619	9,895
Revenue from software products	320	313
	10,939	**10,208**

2.16 Break-up of expenses and other income

Accounting Policy

2.16.1 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 BPM (formerly Infosys BPO) and EdgeVerve, contributions are made to the Infosys BPO's Employees' Gratuity Fund Trust and EdgeVerve Systems Limited Employees' Gratuity Fund Trust, respectively. Trustees administer contributions made to the Trusts and contributions are invested in a scheme with Life Insurance Corporation of India as permitted by law of India.

The Group recognizes the net obligation of a defined benefit plan in its balance sheet as an asset or liability. Gains and losses through re-measurements of the net defined benefit liability / asset are recognized in other comprehensive income and not reclassified to profit and loss in subsequent period. The actual return of the portfolio of plan assets, in excess of the yields computed by applying the discount rate used to measure the defined benefit obligation is recognized in other comprehensive income. The effect of any plan amendments are recognized in net profits in the statement of comprehensive income.

2.16.2 Superannuation

Certain employees of Infosys, Infosys BPM (formerly 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.

2.16.3 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 of the contributions 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.

2.16.4 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.

2.16.5 Other income

Other income is comprised primarily of interest income, dividend income, gain/loss on investment 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.

2.16.6 Operating Profits

Operating profit of the Group is computed considering the revenues, net of cost of sales, selling and marketing expenses and administrative expenses.

Cost of sales

(Dollars in millions)

	Year ended March 31,	
	2018	**2017**
Employee benefit costs	5,379	4,987
Depreciation and amortization	289	254
Travelling costs	225	246
Cost of technical sub-contractors	666	571
Cost of software packages for own use	136	118
Third party items bought for service delivery to clients	152	120
Operating lease payments	50	46
Consultancy and professional charges	8	4
Communication costs	35	39
Repairs and maintenance	46	46
Provision for post-sales client support	22	12
Others	(7)	3
Total	**7,001**	**6,446**

Sales and marketing expenses

(Dollars in millions)

	Year ended March 31,	
	2018	**2017**
Employee benefit costs	425	405
Travelling costs	48	52
Branding and marketing	47	51
Operating lease payments	12	10
Consultancy and professional charges	10	7
Communication costs	3	3
Others	7	7
Total	**552**	**535**

Administrative expenses

(Dollars in millions)

	Year ended March 31,	
	2018	**2017**
Employee benefit costs	230	220
Consultancy and professional charges	144	103
Repairs and maintenance	127	145
Power and fuel	32	34
Communication costs	38	40
Travelling costs	37	35
Rates and taxes	25	22
Operating lease payments	20	17
Insurance charges	9	8
Impairment loss recognized/(reversed) on financial assets	11	21
Commission to non-whole time directors	1	2
Contributions towards Corporate Social Responsibility	24	34
Others	29	26
Total	**727**	**707**

Other income, net

(Dollars in millions)

Particulars	Year ended March 31,	
	2018	**2017**
Interest income on financial assets carried at amortized cost	260	352
Interest income on financial assets fair valued through other comprehensive income	106	28
Dividend income on investments carried at fair value through profit or loss	1	4
Gain/(loss) on investments carried at fair value through profit or loss	39	18
Exchange gains / (losses) on forward and options contracts	-	89
Exchange gains / (losses) on translation of other assets and liabilities	36	(54)
Impairment loss on disposal group held for sale (*Refer note no 2.17)*	(18)	-
Others	71	22
	495	**459**

2.17 Disposal group held for sale

Accounting policy

Non current assets and disposal groups are classified as held for sale if their carrying amount is intended to be recovered principally through sale rather than through continuing use. The condition for classification of held for sale is met when the non current asset or the disposal group is available for immediate sale and the same is highly probable of being completed within one year from the date of classification as held for sale. Non current assets and disposal groups held for sale are measured at the lower of carrying amount and fair value less cost to sell.

In the quarter ended March 2018, on conclusion of a strategic review of the portfolio businesses, the Company initiated identification and evaluation of potential buyers for its subsidiaries, Kallidus and Skava (together referred to as "Skava") and Panaya (collectively referred to as the "disposal group"). The Company anticipates completion of the sale by March 2019 and accordingly, assets amounting to $316 million and liabilities amounting to $50 million in respect of the disposal group have been reclassified as "held for sale". On reclassification, the disposal group has been measured at the lower of carrying amount and fair value less cost to sell and consequently, an impairment loss of $18 million in respect of Panaya has been recognized in the consolidated profit and loss for the quarter and year ended March 31, 2018.
The disposal group does not constitute a separate major component of the company and therefore has not been classified as discontinued operations.

2.18 Dividends

The Company declares and pays dividends in Indian rupees. The remittance of dividends outside India is governed by Indian law on foreign exchange and is subject to applicable distribution taxes. Dividend distribution tax paid by subsidiaries may be reduced / available as credit against dividend distribution tax payable by Infosys Limited.

Amount of per share dividend recognised as distribution to equity shareholders:

Particulars	Year Ended March 31, 2018		Year Ended March 31, 2017	
	in ₹	in US Dollars	in ₹	in US Dollars
Final dividend for fiscal 2016	-	-	14.25	0.22
Interim dividend for fiscal 2017	-	-	11.00	0.17
Final dividend for fiscal 2017	14.75	0.23	-	-
2018 interim dividend for fiscal 2018	13.00	0.20	-	-

Effective from Financial Year 2018, the Company's policy is to payout up to 70% of the free cash flow of the corresponding Financial Year in such manner (including by way of dividend and / or share buyback) as may be decided by the Board from time to time, subject to applicable laws and requisite approvals, if any. Free cash flow is defined as net cash provided by operating activities less capital expenditure as per the consolidated statement of cash flows prepared under IFRS. Dividend payout includes dividend distribution tax.

The Board of Directors recommended a final dividend of ₹20.50/- per equity share (approximately $0.31 per equity share) for the financial year ended March 31, 2018 and a special dividend of ₹10/- per equity share (approximately $0.15 per equity share). The payment is subject to the approval of the shareholders in the ensuing Annual General Meeting of the Company, to be held on June 23, 2018 and if approved would result in a cash outflow of approximately $1,220 million (excluding dividend paid on treasury shares), inclusive of dividend distribution tax.

The Board of Directors in their meeting on October 24, 2017 declared an interim dividend of ₹13/- per equity share (approximately $0.20 per equity share) which resulted in a net cash outflow of approximately $526 milllion, (excluding dividend paid on treasury shares) inclusive of dividend distribution tax.

Buyback

The Board, at its meeting on August 19, 2017, approved a proposal for the Company to buyback its fully paid-up equity shares of face value of ₹5/- each from the eligible equity shareholders of the Company for an amount not exceeding ₹13,000 crore ($2 billion). The shareholders approved the said proposal of Buyback of Equity Shares through the postal ballot that concluded on October 7, 2017. The Buyback offer comprised a purchase of 113,043,478 Equity Shares aggregating 4.92% of the paid-up equity share capital of the Company at a price of ₹1,150 per Equity share. The buyback was offered to all eligible equity shareholders (including those who became equity shareholders as on the Record date by cancelling American Depository Shares and withdrawing underlying Equity shares) of the Company as on the Record Date (i.e. November 1, 2017) on a proportionate basis through the "Tender offer" route. The Company concluded the buyback procedures on December 27, 2017 and 113,043,478 shares were extinguished. The company has funded the buyback from its securities premium and general reserve. In accordance with section 69 of the Companies Act, 2013, the company has created 'Capital Redemption Reserve' of $9 million equal to the nominal value of the shares bought back as an appropriation from general reserve.

2.19 Share capital and share premium

The Company has only one class of shares referred to as equity shares having a par value of ₹5/- each. 10,801,956 and 11,289,514 shares were held by controlled trust, as at March 31, 2018 and March 31, 2017, respectively.

The amount received in excess of the par value has been classified as share premium. Additionally, share-based compensation recognized in net profit in the consolidated statement of comprehensive income is credited to share premium. Amounts have been utilized for bonus issue from share premium account.

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

Nandan M. Nilekani
Chairman

Salil. Parekh
Chief Executive officer
and Managing Director

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

D. Sundaram
Director

M. D. Ranganath
Chief Financial Officer

A. G. S. Manikantha
Company Secretary

Bengaluru
April 13, 2018

Infosys Limited and Subsidiaries

Unaudited Condensed Consolidated Interim Statements of Comprehensive Income for the three months ended March 31,

(Dollars in millions except equity share and per equity share data)

	2018	2017
Revenues	**2,805**	**2,569**
Cost of sales	1,793	1,614
Gross profit	**1,012**	**955**
Operating expenses:		
Selling and marketing expenses	147	133
Administrative expenses	172	188
Total operating expenses	319	321
Operating profit	**693**	**634**
Other income, net *	82	112
Share in net profit/(loss) of associate, including impairment	-	(4)
Profit before income taxes	**775**	**742**
Income tax expense	204	199
Net profit	**571**	**543**
Other comprehensive income		
Items that will not be reclassified subsequently to profit or loss:		
Re-measurements of the net defined benefit liability/asset, net	6	3
Cumulative impact on reversal of unrealised gain on quoted debt securities on adoption of IFRS 9	-	-
Equity instruments through other comprehensive income, net	1	(1)
	7	2
Items that will be reclassified subsequently to profit or loss:		
Fair valuation of investments, net	(2)	(2)
Fair value changes on derivatives designated as cash flow hedge, net	-	2
Foreign currency translation	(164)	441
	(166)	441
Total other comprehensive income/(loss), net of tax	**(159)**	**443**
Total comprehensive income	**412**	**986**
Profit attributable to:		
Owners of the company	571	543
Non-controlling interests	-	-
	571	**543**
Total comprehensive income attributable to:		
Owners of the company	412	986
Non-controlling interests	-	-
	412	**986**
Earnings per equity share		
Basic ($)	0.26	0.24
Diluted ($)	0.26	0.24
Weighted average equity shares used in computing earnings per equity share		
Basic	2,173,277,060	2,285,654,881
Diluted	2,174,808,512	2,286,652,003

**In the quarter ended March 2018, on conclusion of a strategic review of the portfolio businesses, the Company initiated active identification and evaluation of potential buyers for its subsidiaries, Kallidus and Skava (together referred to as "Skava") and Panaya (collectively referred to as the "disposal group"). The Company anticipates completion of the sale by March 2019 and accordingly, assets amounting to $316 million and liabilities amounting to $50 million in respect of the disposal group have been reclassified as "held for sale". On reclassification, the disposal group has been measured at the lower of carrying amount and fair value less cost to sell and consequently, an impairment loss of $18 million in respect of Panaya has been recognized in the consolidated profit and loss for the quarter and year ended March 31, 2018.*
The disposal group does not constitute a separate major component of the company and therefore has not been classified as discontinued operations.

INFOSYS LIMITED AND SUBSIDIARIES

Consolidated Financial Statements under International Financial Reporting Standards (IFRS) in Indian Rupee for the three months and year ended March 31, 2018

Index

Infosys Limited and subsidiaries

(In ₹ crore except equity share data)

Consolidated Balance Sheet as at	Note	March 31, 2018	March 31, 2017
ASSETS			
Current assets			
Cash and cash equivalents	2.1	19,818	22,625
Current investments	2.2	6,407	9,970
Trade receivables		13,142	12,322
Unbilled revenue		4,261	3,648
Prepayments and other current assets	2.4	4,313	4,856
Derivative financial instruments	2.3	16	284
		47,957	**53,705**
Assets held for sale	2.20	2,060	-
Total current assets		**50,017**	**53,705**
Non-current assets			
Property, plant and equipment	2.7	12,143	11,716
Goodwill	2.8 & 2.20	2,211	3,652
Intangible assets	2.8	247	776
Investment in associate	2.19	-	71
Non-current investments	2.2	5,756	6,382
Deferred income tax assets	2.17	1,282	540
Income tax assets		6,070	5,716
Other non-current assets	2.4	2,164	797
Total non-current assets		**29,873**	**29,650**
Total assets		**79,890**	**83,355**
LIABILITIES AND EQUITY			
Current liabilities			
Trade payables		694	367
Derivative financial instruments	2.3	42	2
Current income tax liabilities		2,043	3,885
Client deposits		38	32
Unearned revenue		2,295	1,777
Employee benefit obligations		1,421	1,359
Provisions	2.6	492	405
Other current liabilities	2.5	6,756	6,186
		13,781	**14,013**
Liabilities directly associated with assets held for sale	2.20	324	-
Total current liabilities		**14,105**	**14,013**
Non-current liabilities			
Deferred income tax liabilities	2.17	541	207
Employee benefit obligations		48	-
Other non-current liabilities	2.5	272	153
Total liabilities		**14,966**	**14,373**
Equity			
Share capital - ₹5 par value 2,40,00,00,000 (2,40,00,00,000) equity shares authorized, issued and outstanding 2,17,33,12,301 (2,28,56,55,150), net of 1,08,01,956 (1,12,89,514) treasury shares as at March 31, 2018 (March 31, 2017), respectively		1,088	1,144
Share premium		186	2,356
Retained earnings		61,241	65,056
Cash flow hedge reserves		-	39
Other reserves		1,583	-
Capital redemption reserve		56	-
Other components of equity		769	387
Total equity attributable to equity holders of the Company		**64,923**	**68,982**
Non-controlling interests		1	-
Total equity		**64,924**	**68,982**
Total liabilities and equity		**79,890**	**83,355**

The accompanying notes form an integral part of the interim consolidated financial statements

As per our report of even date attached

for Deloitte Haskins & Sells LLP
Chartered Accountants
Firm's Registration No :
117366W/ W-100018

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

P. R. Ramesh
Partner
Membership No. 70928

Nandan M. Nilekani
Chairman

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Chief Executive officer and Managing Director

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

Bengaluru
April 13, 2018

D. Sundaram
Director

M. D. Ranganath
Chief Financial Officer

A. G. S. Manikantha
Company Secretary

Infosys Limited and subsidiaries

(In ₹ crore except equity share and per equity share data)

Consolidated Statement of Comprehensive Income for the	Note	Three months ended March 31, 2018	Three months ended March 31, 2017	Year ended March 31, 2018	Year ended March 31, 2017
Revenues	2.10	**18,083**	**17,120**	**70,522**	**68,484**
Cost of sales	2.11	11,554	10,770	45,130	43,253
Gross profit		**6,529**	**6,350**	**25,392**	**25,231**
Operating expenses:					
Selling and marketing expenses	2.11	947	889	3,560	3,591
Administrative expenses	2.11	1,110	1,249	4,684	4,739
Total operating expenses		2,057	2,138	8,244	8,330
Operating profit		**4,472**	**4,212**	**17,148**	**16,901**
Other income, net	2.14 & 2.20	534	746	3,193	3,080
Share in net profit/(loss) of associate, including impairment	2.19	-	(25)	(71)	(30)
Profit before income taxes		**5,006**	**4,933**	**20,270**	**19,951**
Income tax expense	2.17	1,316	1,330	4,241	5,598
Net profit		**3,690**	**3,603**	**16,029**	**14,353**
Other comprehensive income					
Items that will not be reclassified subsequently to profit or loss					
Remeasurement of the net defined benefit liability/asset, net		34	20	55	(45)
Cumulative impact on reversal of unrealised gain on quoted debt securities on adoption of IFRS 9		-	-	-	(35)
Equity instruments through other comprehensive income, net		9	(5)	7	(5)
		43	15	62	(85)
Items that will be reclassified subsequently to profit or loss					
Fair value changes on derivatives designated as cash flow hedge, net		2	11	(39)	39
Exchange differences on translation of foreign operations		200	(197)	321	(257)
Fair value changes on investments, net	2.2	(15)	(10)	(1)	(10)
		187	**(196)**	**281**	**(228)**
Total other comprehensive income/(loss), net of tax		**230**	**(181)**	**343**	**(313)**
Total comprehensive income		**3,920**	**3,422**	**16,372**	**14,040**
Profit attributable to:					
Owners of the Company		3,690	3,603	16,029	14,353
Non-controlling interests		-	-	-	-
		3,690	**3,603**	**16,029**	**14,353**
Total comprehensive income attributable to:					
Owners of the Company		3,920	3,422	16,372	14,040
Non-controlling interests		-	-	-	-
		3,920	**3,422**	**16,372**	**14,040**
Earnings per equity share					
Basic (₹)		16.98	15.77	71.07	62.80
Diluted (₹)		16.97	15.76	71.00	62.77
Weighted average equity shares used in computing earnings per equity share	2.18				
Basic		217,32,77,060	228,56,54,881	225,53,32,322	228,56,39,447
Diluted		217,48,08,512	228,66,52,003	225,75,73,870	228,63,96,745

The accompanying notes form an integral part of the interim consolidated financial statements.

As per our report of even date attached

for Deloitte Haskins & Sells LLP
Chartered Accountants
Firm's Registration No :
117366W/ W-100018

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

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Bengaluru
April 13, 2018

D. Sundaram
Director

M. D. Ranganath
Chief Financial Officer

A. G. S. Manikantha
Company Secretary

Infosys Limited and subsidiaries

Consolidated Statement of Changes in Equity

(In ₹ crore except equity share data)

	Shares[1]	Share capital	Share premium	Retained earnings	Other reserves[2]	Capital redemption reserve	Other components of equity	Cash flow hedge reserve	Total equity attributable to equity holders of the Company
Balance as at April 1, 2016	**228,56,21,088**	**1,144**	**2,241**	**57,655**	**-**	**-**	**739**	**-**	**61,779**
Changes in equity for the year ended March 31, 2017									
Cumulative impact on reversal of unrealised gain on quoted debt securities on adoption of IFRS 9 [3]	-	-	-	-	-	-	(35)	-	(35)
Shares issued on exercise of employee stock options (Refer to note 2.16)	34,062	-	-	-	-	-	-	-	-
Income tax benefit arising on exercise of stock options	-	-	1	-	-	-	-	-	1
Employee stock compensation expense (refer to note 2.16)	-	-	114	-	-	-	-	-	114
Transferred to other reserves	-	-	-	(953)	953	-	-	-	-
Transferred from other reserves on utilisation	-	-	-	953	(953)	-	-	-	-
Fair value changes on Cash flow hedge reserve* (Refer to note 2.3)	-	-	-	-	-	-	-	39	39
Equity instruments through other comprehensive income* (Refer to note 2.2 & 2.17)	-	-	-	-	-	-	(5)	-	(5)
Fair value changes on investments, net*	-	-	-	-	-	-	(10)	-	(10)
Remeasurement of the net defined benefit liability/asset*	-	-	-	-	-	-	(45)	-	(45)
Dividends (including corporate dividend tax)	-	-	-	(6,952)	-	-	-	-	(6,952)
Net profit	-	-	-	14,353	-	-	-	-	14,353
Exchange differences on translation of foreign operations	-	-	-	-	-	-	(257)	-	(257)
Balance as at March 31, 2017	**228,56,55,150**	**1,144**	**2,356**	**65,056**	**-**	**-**	**387**	**39**	**68,982**
Changes in equity for the year ended March 31, 2018									
Shares issued on exercise of employee stock options (Refer to note 2.16)	7,00,629	-	5	-	-	-	-	-	5
Income tax benefit arising on exercise of stock options	-	-	-	-	-	-	-	-	-
Employee stock compensation expense (refer to note 2.16)	-	-	79	-	-	-	-	-	79
Transfer on account of options not exercised	-	-	(2)	2	-	-	-	-	-
Transferred to other reserves	-	-	-	(2,200)	2,200	-	-	-	-
Transferred from other reserves on utilisation	-	-	-	617	(617)	-	-	-	-
Amount paid upon buyback (refer note 2.13)	(1130,43,478)	(56)	(2,206)	(10,738)	-	-	-	-	(13,000)
Transaction costs related to buyback* (refer note 2.13)	-	-	(46)	-	-	-	-	-	(46)
Amount transferred to capital redemption reserve upon Buyback (refer note 2.13)	-	-	-	(56)	-	56	-	-	-
Fair value changes on derivatives designated as cash flow hedge* (Refer to note 2.3)	-	-	-	-	-	-	-	(39)	(39)
Equity instruments through other comprehensive income* (Refer to note 2.2 & 2.17)	-	-	-	-	-	-	7	-	7
Fair value changes on investments, net*	-	-	-	-	-	-	(1)	-	(1)
Remeasurement of the net defined benefit liability/asset*	-	-	-	-	-	-	55	-	55
Dividends (including corporate dividend tax)	-	-	-	(7,469)	-	-	-	-	(7,469)
Net profit	-	-	-	16,029	-	-	-	-	16,029
Exchange differences on translation of foreign operations	-	-	-	-	-	-	321	-	321
Balance as at March 31, 2018	**217,33,12,301**	**1,088**	**186**	**61,241**	**1,583**	**56**	**769**	**0**	**64,923**

** net of tax*

[1] excludes treasury shares of 10,801,956 as at March 31, 2018, 1,12,89,514 as at March 31,2017 and 1,13,23,576 as at April 1, 2016, held by consolidated trust.

[2] Represents the Special Economic Zone Re-investment reserve created out of the profit of the eligible SEZ unit in terms of the provisions of Sec 10AA(1)(ii) of Income Tax Act,1961. The reserve should be utilized by the Company for acquiring new plant and machinery for the purpose of its business in terms of the provisions of the Sec 10AA(2) of the Income Tax Act, 1961.

[3] Represents cumulative impact on account of adoption of IFRS 9, recorded in other comprehensive income during the year ended March 31, 2017. The adoption of IFRS 9 did not have a material impact on the financial statements.

The accompanying notes form an integral part of the interim consolidated financial statements.

As per our report of even date attached

for Deloitte Haskins & Sells LLP
Chartered Accountants
Firm's Registration No : 117366W/ W 100018

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

P. R. Ramesh
Partner
Membership No. 70928

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Bengaluru
April 13, 2018

D. Sundaram
Director

M. D. Ranganath
Chief Financial Officer

A. G. S. Manikantha
Company Secretary

Infosys Limited and subsidiaries

Consolidated Statement of Cash Flows

Accounting Policy

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. The company considers all highly liquid investments that are readily convertible to known amounts of cash to be cash equivalents.

Amendment to IAS 7:

Effective April 1, 2017, the Company adopted the amendment to IAS 7, which require 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 adoption of amendment did not have any material effect on the consolidated financial statements.

(In ₹ crore)

Particulars	**Note**	**Year ended March 31, 2018**	**2017**
Operating activities:			
Net Profit		16,029	14,353
Adjustments to reconcile net profit to net cash provided by operating activities:			
Depreciation and amortization	2.7 & 2.8	1,863	1,703
Income tax expense	2.17	4,241	5,598
Interest and dividend income		(829)	(348)
Effect of exchange rate changes on assets and liabilities		16	38
Impairment loss on financial assets		34	132
Impairment loss on assets held for sale	2.20	118	-
Share in net profit/(loss) of associate, including impairment		71	30
Stock compensation expense		84	117
Other adjustments		(133)	37
Changes in working capital			
Trade receivables and unbilled revenue		(1,523)	(1,743)
Prepayments and other assets		(376)	(471)
Trade payables		328	(19)
Client deposits		6	4
Unearned revenue		673	445
Other liabilities and provisions		786	(160)
Cash generated from operations		**21,388**	**19,716**
Income taxes paid		(6,829)	(5,653)
Net cash provided by operating activities		**14,559**	**14,063**
Investing activities:			
Expenditure on property, plant and equipment net of sale proceeds	2.7 & 2.8	(1,998)	(2,760)
Loans to employees		28	27
Deposits placed with corporation		(130)	(164)
Interest and dividend received		427	221
Payment of contingent consideration pertaining to acquisition of business	2.9	(33)	(36)
Payment of acquisition of business, net of cash acquired	2.9	(27)	-
Investment in equity and preference securities		(23)	(68)
Investment in others		(23)	(26)
Proceeds from equity and preference securities		35	-
Investment in certificates of deposit		(6,653)	(7,823)
Redemption of certificates of deposit		9,690	-
Investment in commercial papers		(291)	
Investment in quoted debt securities		(106)	(4,278)
Redemption of quoted debt securities		115	7
Investment in liquid mutual fund units and fixed maturity plan securities		(62,063)	(54,215)
Redemption of liquid mutual fund units and fixed maturity plan securities		64,163	52,041
Net cash used in investing activities		**3,111**	**(17,074)**
Financing activities:			
Payment of dividends (including corporate dividend tax)		(7,464)	(6,939)
Shares issued on exercise of employee stock options		5	
Buy Back of equity shares including transaction cost		(13,046)	-
Net cash used in financing activities		**(20,505)**	**(6,939)**
Effect of exchange rate changes on cash and cash equivalents		81	(122)
Net increase/(decrease) in cash and cash equivalents		(2,835)	(9,950)
Cash and cash equivalents at the beginning of the period	2.1	22,625	32,697
Cash and cash equivalents at the end of the period	2.1	**19,871**	**22,625**
Supplementary information:			
Restricted cash balance	2.1	533	572

The accompanying notes form an integral part of the interim consolidated financial statements.

As per our report of even date attached

for Deloitte Haskins & Sells LLP
Chartered Accountants
Firm's Registration No :
117366W/ W-100018

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

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Bengaluru
April 13, 2018

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Chief Financial Officer

A. G. S. Manikantha
Company Secretary

1. Overview

1.1 Company overview

Infosys Limited ('the Company' or Infosys) is a leading provider of consulting, technology, outsourcing and next-generation services and software. 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. Its new offerings span areas like digital, big data and analytics, cloud, data and mainframe modernization, cyber security, IoT engineering Services and API & micro services.

Infosys together with its subsidiaries and controlled trusts is herein after referred to as the "Group".

The Company is a public limited company incorporated and domiciled in India and has its registered office at Bengaluru, Karnataka, India. The Company has its primary listings on the BSE Limited and National Stock Exchange of India Limited in India. The Company's American Depositary Shares (ADS) representing equity shares are also listed on the New York Stock Exchange (NYSE), Euronext London and Euronext Paris.

The Company has proposed to voluntarily delist its ADS from the Euronext Paris and Euronext London exchanges due to low average daily trading volume of its ADS on these exchanges. The proposed delisting is subject to approval from the said stock exchanges.

The Group's consolidated financial statements are authorized for issue by the Company's Board of Directors on April 13, 2018.

1.2 Basis of preparation of financial statements

These interim consolidated financial statements have been prepared in accordance with IAS 34, Interim Financial Reporting as issued by the International Accounting Standards Board (IFRS), under the historical cost convention on the accrual basis except for certain financial instruments which have been measured at fair values. Accordingly, these consolidated financial statements do not include all the information required for a complete set of financial statements. These consolidated financial statements should be read in conjunction with the consolidated financial statements and related notes included in the Company's annual consolidated financial statements for the year ended March 31, 2017. Accounting policies have been applied consistently to all periods presented in these interim consolidated financial statements.

Amounts for the three months and year ended March 31, 2017 and as at March 31, 2017 were audited by previous auditors - B S R & Co LLP.

As the quarter and period-to-date figures are taken from the source and rounded to the nearest digits, the quarter figures in this statement added up to the figures reported for the previous quarters might not always add up to the period-to-date figures reported in this statement.

1.3 Basis of consolidation

Infosys consolidates entities which it owns or controls. The interim consolidated financial statements comprise the financial statements of the Company, its controlled trusts, its subsidiaries and associate. 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,

Associates are entities over which the Group has significant influence but not control. Investments in associates are accounted for using the equity method of accounting. The investment is initially recognized at cost, and the carrying amount is increased or decreased to recognize the investor's share of the profit or loss of the investee after the acquisition date. The Group's investment in associates includes goodwill identified on acquisition.

1.4 Use of estimates

The preparation of the financial statements in conformity with IFRS requires management to make estimates, judgments and assumptions. These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the period. Application of accounting policies that require critical accounting estimates involving complex and subjective judgments and the use of assumptions in these financial statements have been disclosed in Note 1.5. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the interim consolidated financial statements.

1.5 Critical accounting estimates

a. Revenue recognition

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

b. Income taxes

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

c. Business combinations and intangible assets

Business combinations are accounted for using IFRS 3 (Revised), Business Combinations. IFRS 3 requires the identifiable intangible assets and contingent consideration to be fair valued in order to ascertain the net fair value of identifiable assets, liabilities and contingent liabilities of the acquiree. Significant estimates are required to be made in determining the value of contingent consideration and intangible assets. These valuations are conducted by independent valuation experts.

d. Property, plant and equipment

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

e. Impairment of Goodwill

Goodwill is tested for impairment on an annual basis and whenever there is an indication that the recoverable amount of a cash generating unit is less than its carrying amount based on a number of factors including operating results, business plans, future cash flows and economic conditions. The recoverable amount of cash generating units is determined based on higher of value-in-use and fair value less cost to sell. The goodwill impairment test is performed at the level of the cash-generating unit or groups of cash-generating units which are benefitting from the synergies of the acquisition and which represents the lowest level at which goodwill is monitored for internal management purposes.

Market related information and estimates are used to determine the recoverable amount. Key assumptions on which management has based its determination of recoverable amount include estimated long term growth rates, weighted average cost of capital and estimated operating margins. Cash flow projections take into account

e. Non-current assets and disposal groups held for sale

Assets and liabilities of disposal groups held for sale are measured at the lower of carrying amount and fair value less costs to sell. The determination of fair value less costs to sell includes use of management estimates and assumptions. The fair value of the disposal groups have been estimated using valuation techniques (including income and market approach) which includes unobservable inputs.

1.6 Recent accounting pronouncements

1.6.1 Standards issued but not yet effective

IFRS 15 Revenue from Contract with Customers: In May 2014, the International Accounting Standards Board (IASB) issued IFRS 15, Revenue from Contract with Customers. The core principle of the new standard is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Further the new standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers.

The standard permits two possible methods of transition:

• Full retrospective approach - Under this approach the standard will be applied retrospectively to each prior reporting period presented in accordance with IAS 8- Accounting Policies, Changes in Accounting Estimates and Errors

• Cumulative catch-up approach - Retrospectively with cumulative effect of initially applying the standard recognized at the date of initial application

The effective date for adoption of IFRS 15 is annual periods beginning on or after January 1, 2018, though early adoption is permitted.

The Group does not plan to early adopt IFRS 15 and will adopt it on April 1, 2018. On completion of evaluation of the effect of adoption of IFRS 15, the Group has decided to use the cumulative catch-up transition method and accordingly comparatives for the year ending or ended March 31, 2018 and March 31, 2017 will not be retrospectively adjusted. The effect on adoption of IFRS 15 is expected to be insignificant.

IFRS 16 Leases : On January 13, 2016, the International Accounting Standards Board issued the final version of IFRS 16, Leases. IFRS 16 will replace the existing leases Standard, IAS 17 Leases, and related Interpretations. The Standard sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lessor. IFRS 16 introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. Currently, operating lease expenses are charged to the statement of comprehensive income. The Standard also contains enhanced disclosure requirements for lessees. IFRS 16 substantially carries forward the lessor accounting requirements in IAS 17.

The effective date for adoption of IFRS 16 is annual periods beginning on or after January 1, 2019, though early adoption is permitted for companies applying IFRS 15 Revenue from Contracts with Customers. The Group is currently evaluating the requirements of IFRS 16 and the impact on the consolidated financial statements.

IFRIC 22, Foreign currency transactions and advance consideration: On December 8, 2016, the IFRS interpretations committee of the International Accounting Standards Board (IASB) issued IFRS interpretation, IFRIC 22, Foreign currency transactions and Advance consideration which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency. The date of the transaction, for the purpose of determining the exchange rate, is the date of initial recognition of the non-monetary prepayment asset or deferred income liability. If there are multiple payments or receipts in advance, a date of transaction is established for each payment or receipt. The effective date for adoption of IFRIC 22 is annual reporting periods beginning on or after January 1, 2018, though early adoption is permitted.

The Group has elected to adopt IFRIC 22 prospectively on April 1, 2018. The effect on adoption of IFRIC 22 on the consolidated financial statements is insignificant.

IFRIC 23, Uncertainty over Income Tax Treatments: In June 2017, the International Accounting Standards Board (IASB) issued IFRS interpretation IFRIC 23 Uncertainty over Income Tax Treatments which is to be applied while performing the determination of taxable profit (or loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under IAS 12. According to IFRIC 23, companies need to determine the probability of the relevant tax authority accepting each tax treatment, or group of tax treatments, that the companies have used or plan to use in their income tax filing which has to be considered to compute the most likely amount or the expected value of the tax treatment when determining taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates.

The standard permits two possible methods of transition:

Full retrospective approach – Under this approach, IFRIC 23 will be applied retrospectively to each prior reporting period presented in accordance with IAS 8 – Accounting Policies, Changes in Accounting Estimates and Errors.

Retrospectively with cumulative effect of initially applying IFRIC 23 recognized by adjusting equity on initial application, without adjusting comparatives

The effective date for adoption of IFRIC 23 is annual periods beginning on or after January 1, 2019, though early adoption is permitted. The Group is currently evaluating the effect of IFRIC 23 on the consolidated financial statements.

Amendment to IAS 19 – plan amendment, curtailment or settlement- On 7 February 2018, the IASB issued amendments to the guidance in IAS 19, ‘Employee Benefits’, in connection with accounting for plan amendments, curtailments and settlements.

The amendments require an entity:
• to use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement; and
• to recognise in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognised because of the impact of the asset ceiling.

Effective date for application of this amendment is annual period beginning on or after 1 January 2019, although early application is permitted. The Group is evaluating the effect of this amendment on the consolidated financial statements and the impact is not expected to be material.

2. Notes to the consolidated financial statements

2.1 Cash and cash equivalents

Cash and cash equivalents consist of the following:

(In ₹ crore)

	As at	
	March 31, 2018	**March 31, 2017**
Cash and bank deposits	13,168	14,889
Deposits with financial institution	6,650	7,736
	19,818	**22,625**
Cash and cash equivalents included under assets classifed as held for sale (Refer note no 2.20)	53	-
	19,871	**22,625**

Cash and cash equivalents as at March 31, 2018 and March 31, 2017 include restricted cash and bank balances of ₹533 crore and ₹572 crore, respectively. The restrictions are primarily on account of cash and bank balances held by irrevocable trusts controlled by the Company, bank balances held as margin money deposits against guarantees and balances held in unpaid dividend bank accounts.

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

The table below provides details of cash and cash equivalents:

(In ₹ crore)

	As at	
	March 31, 2018	**March 31, 2017**
Current Accounts		
ANZ Bank, Taiwan	9	3
Axis Bank, India	-	1
Axis Bank - Unpaid Dividend Account	1	2
Banamex Bank, Mexico	2	2
Banamex Bank, Mexico (U.S. Dollar account)	13	8
Bank Leumi, Israel	-	11
Bank Leumi, Israel (US Dollar account)	-	2
Bank of America, Mexico	25	54
Bank of America, USA	1,172	1,030
Bank of Baroda, Mauritius	1	-
Bank of Tokyo-Mitsubishi UFJ Ltd., Japan	1	-
Bank Zachodni WBK S.A, Poland	17	4
Barclays Bank, UK	40	1
BNP Paribas Bank, Norway	88	17
China Merchants Bank, China	6	9
Citibank N.A., Australia	223	19
Citibank N.A., Brazil	14	30
Citibank N.A., China	116	61
Citibank N.A., China (U.S. Dollar account)	9	11
Citibank N.A., Costa Rica	1	5
Citibank N.A., Dubai	6	1
Citibank N.A., EEFC (U.S. Dollar account)	4	1
Citibank N.A., Hungary	6	3
Citibank N.A., India	3	3
Citibank N.A., Japan	18	12
Citibank N.A., New Zealand	11	10
Citibank N.A., Philippines (U.S. Dollar account)	-	1
Citibank N.A., Portugal	8	2
Citibank N.A., Romania	2	-
Citibank N.A., Singapore	4	2
Citibank N.A., South Africa	33	9
CitiBank N.A., South Africa (Euro account)	1	1
Citibank N.A., South Korea	2	1
CitiBank N.A., USA	3	78
Commerzbank, Germany	-	18
Danske Bank, Sweden	1	-
Deutsche Bank, Belgium	27	10
Deutsche Bank, Czech Republic	16	8
Deutsche Bank, Czech Republic (Euro account)	3	7
Deutsche Bank, Czech Republic (U.S. Dollar account)	2	30
Deutsche Bank, EEFC (Australian Dollar account)	2	38
Deutsche Bank, EEFC (Euro account)	34	25
Deutsche Bank, EEFC (Swiss Franc account)	2	2
Deutsche Bank, EEFC (U.S. Dollar account)	32	76
Deutsche Bank, EEFC (United Kingdom Pound Sterling account)	9	10
Deutsche Bank, France	19	8

Deutsche Bank, Germany	100	48
Deutsche Bank, Hong Kong	1	-
Deutsche Bank, India	44	12
Deutsche Bank, Malaysia	5	7
Deutsche Bank, Netherlands	15	2
Deutsche Bank, Philippines	25	5
Deutsche Bank, Philippines (U.S. Dollar account)	3	4
Deutsche Bank, Poland	18	12
Deutsche Bank, Poland (Euro account)	8	4
Deutsche Bank, Russia	3	3
Deutsche Bank, Russia (U.S. Dollar account)	5	1
Deutsche Bank, Singapore	17	6
Deutsche Bank, Spain	1	-
Deutsche Bank, Switzerland	29	9
Deutsche Bank, Switzerland (U.S. Dollar account)	-	1
Deutsche Bank, United Kingdom	79	26
Deutsche Bank, USA	2	12
HDFC Bank - Unpaid dividend account	1	2
HSBC Bank, Brazil	-	1
HSBC Bank, Dubai	2	-
HSBC Bank, Hong Kong	2	1
HSBC Bank, United Kingdom	6	-
ICICI Bank, EEFC (Euro account)	1	1
ICICI Bank, EEFC (U.S. Dollar account)	40	5
ICICI Bank, EEFC (United Kingdom Pound Sterling account)	11	1
ICICI Bank, India	52	53
ICICI Bank - Unpaid dividend account	20	13
ING Bank, Belgium	-	2
Nordbanken, Sweden	50	33
Punjab National Bank, India	12	6
Raiffeisen Bank, Czech Republic	5	4
Raiffeisen Bank, Romania	3	4
Royal Bank of Canada, Canada	166	83
Santander Bank, Argentina	1	1
Silicon Valley Bank, USA	-	4
Silicon Valley Bank (Euro account)	-	19
Silicon Valley Bank (United Kingdom Pound Sterling account)	-	2
Splitska Banka D.D., Société Générale Group, Croatia	8	-
State Bank of India, India	1	7
The Saudi British Bank, Saudi Arabia	3	-
Union Bank of Switzerland AG	-	3
Union Bank of Switzerland AG (Euro account)	-	4
Wells Fargo Bank N.A., USA	-	33
Westpac, Australia	-	1
	2,725	**2,061**
Deposit Accounts		
Axis Bank	-	1,175
Bank BGZ BNP Paribas S.A.	144	183
Barclays Bank	200	825
Canara Bank	235	261
Citibank	227	167
Deutsche Bank, AG	24	-
Deutsche Bank, Poland	211	71
HDFC Bank	2,498	469
HSBC Bank	-	500
ICICI Bank	3,699	4,869
IDBI Bank	250	1,750
IDFC Bank	1,500	200
IndusInd Bank	1,000	191
Kotak Mahindra Bank	-	535
South Indian Bank	450	450
Standard Chartered Bank	-	500
Syndicate Bank	-	49
Yes Bank	5	633
	10,443	**12,828**
Deposits with financial institution		
HDFC Limited	5,450	7,036
LIC Housing Finance Limited	1,200	700
	6,650	**7,736**
Total	**19,818**	**22,625**

2.2 Investments

The carrying value of the investments are as follows:

(In ₹ crore)

	As at	
	March 31, 2018	**March 31, 2017**
(i) Current		
Amortised Cost		
Quoted debt securities		
Cost	1	9
Fair Value through profit and loss		
Liquid mutual funds		
Fair value	81	1,803
Fixed Maturity Plan Securities		
Fair value	-	151
Fair Value through other comprehensive income		
Quoted Debt Securities		
Fair value	763	102
Commercial papers		
Fair value	293	-
Certificates of deposit		
Fair value	5,269	7,905
	6,407	**9,970**

	(In ₹ crore)	
	As at	
	March 31, 2018	March 31, 2017
(ii) Non-current		
Amortised Cost		
Quoted debt securities		
Cost	1,896	1,898
Fair Value through other comprehensive income		
Quoted debt securities		
Fair value	3,215	3,873
Unquoted equity and preference securities		
Fair value	138	159
Fair Value through profit and loss		
Unquoted convertible promissory note		
Fair value	12	10
Fixed Maturity Plan Securities		
Fair value	429	407
Others		
Fair value	66	35
	5,756	**6,382**
Total investments	**12,163**	**16,352**
Investments carried at amortised cost	1,897	1,907
Investments carried at fair value through other comprehensive income	9,678	12,039
Investments carried at fair value through profit or loss	588	2,406

Details of amounts recorded in Other comprehensive income: *(In ₹ crore)*

	Three months ended					
	March 31, 2018			March 31, 2017		
	Gross	Tax	Net	Gross	Tax	Net
Net Gain/(loss) on						
Quoted debt securities	(26)	3	(23)	(7)	-	(7)
Certificate of deposits	12	(4)	8	(5)	2	(3)
Unquoted equity and preference securities	6	3	9	(2)	(3)	(5)

(In ₹ crore)

	Year ended					
	March 31, 2018			March 31, 2017		
	Gross	Tax	Net	Gross	Tax	Net
Net Gain/(loss) on						
Quoted debt securities	(13)	2	(11)	(7)	-	(7)
Certificate of deposits	16	(6)	10	(5)	2	(3)
Unquoted equity and preference securities	4	3	7	(2)	(3)	(5)

Method of fair valuation:

Class of investment	Method	Fair value As at March 31 2018	2017
Mutual funds	Quoted price	81	1,803
Fixed maturity plan securities	Market observable inputs	429	558
Quoted debt securities- carried at amortized cost	Quoted price and market observable inputs	2,151	2,168
Quoted debt securities- carried at FVOCI	Quoted price and market observable inputs	3,978	3,975
Certificate of deposits	Market observable inputs	5,269	7,905
Commercial papers	Market observable inputs	293	-
Unquoted equity instruments	Discounted cash flows method, Market multiples method, Option pricing model, etc.	138	159
Unquoted convertible promissory note	Discounted cash flows method, Market multiples method, Option pricing model, etc.	12	10
Others	Discounted cash flows method, Market multiples method, Option pricing model, etc.	66	35
		12,417	**16,613**

Certain quoted investments are classified as Level 2 in the absence of active market for such investments.

Note- Effective April 1, 2016, the group early adopted IFRS9 - Financial Instruments, with April 1, 2015 as the date of initial application. The impact of the adoption did not have a material impact on the financial statements. Hence, the company did not restate the prior period figures and the cumulative impact of ₹35 crore was recorded in other comprehensive income for the year ended March 31, 2017.

2.3 Financial instruments

Accounting Policy

Effective April 1, 2016, the Group has early adopted IFRS 9 - Financial Instruments considering April 1, 2015 as the date of initial application of the standard even though the stipulated effective date for adoption is April 1, 2018.

As per IFRS 9, the Group has classified its financial assets into the following categories based on the business model for managing those assets and the contractual cash flow characteristics:
- Financial assets carried at amortised cost
- Financial assets fair valued through other comprehensive income
- Financial assets fair valued through profit and loss

The adoption of IFRS 9 did not have any other material impact on the interim condensed consolidated financial statements.

2.3.1 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.

2.3.2 Subsequent measurement

a. Non-derivative financial instruments

(i) Financial assets carried at amortised cost

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

(ii) Financial assets at fair value through other comprehensive income (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. The Company has made an irrevocable election for its investments which are classified as equity instruments to present the subsequent changes in fair value in other comprehensive income based on its business model. Further, in cases where the Group has made an irrevocable election based on its business model, for its investments which are classified as equity instruments, the subsequent changes in fair value are recognized in other comprehensive income.

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

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

(iv) Financial liabilities

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

b. Derivative financial instruments

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

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

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

Although the Group believes that these derivatives constitute hedges from an economic perspective, they may not qualify for hedge accounting under IFRS 9, Financial Instruments. Any derivative that is either not designated as hedge, or is so designated but is ineffective as per IFRS 9, is categorized as a financial asset or financial liability, at fair value through profit or loss.

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

(ii) Cash flow hedge

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

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

c. Share capital and treasury shares

(i) Ordinary Shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of new ordinary shares and share options and buy back of ordinary shares 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.

2.3.3 Derecognition of financial instruments

The Group derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition under IFRS 9. A financial liability (or a part of a financial liability) is derecognized from the Group's Balance Sheet when the obligation specified in the contract is discharged or cancelled or expires.

2.3.4 Fair value of financial instruments

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

For 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 those instruments.

2.3.5 Impairment

a. Financial assets

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

Financial instruments by category

The carrying value and fair value of financial instruments by categories as at March 31, 2018 were as follows:

(In ₹ crore)

	Amortised cost	Financial assets / liabilities at fair value through profit or loss		Financial assets / liabilities at fair value through OCI		Total carrying value	Total fair value	
		Designated upon initial recognition	Mandatory	Equity instruments designated upon initial recognition	Mandatory			
Assets:								
Cash and cash equivalents (Refer to Note 2.1)	19,818	-	-	-	-	19,818	19,818	
Investments (Refer to Note 2.2)								
Liquid mutual funds	-	-	81	-	-	81	81	
Fixed maturity plan securities	-	-	429	-	-	429	429	
Quoted debt securities	1,897	-	-	-	3,978	5,875	6,129	*
Certificates of deposit	-	-	-	-	5,269	5,269	5,269	
Commercial papers	-	-	-	-	293	293	293	
Unquoted equity and preference securities	-	-	-	138	-	138	138	
Unquoted investment others	-	-	66	-	-	66	66	
Unquoted convertible promissory notes	-	-	12	-	-	12	12	
Trade receivables	13,142	-	-	-	-	13,142	13,142	
Unbilled revenue	4,261	-	-	-	-	4,261	4,261	
Prepayments and other assets (Refer to Note 2.4)	2,966	-	-	-	-	2,966	2,882	**
Derivative financial instruments	-	-	4	-	12	16	16	
Total	**42,084**	**-**	**592**	**138**	**9,552**	**52,366**	**52,536**	
Liabilities:								
Trade payables	694	-	-	-	-	694	694	
Derivative financial instruments	-	-	39	-	3	42	42	
Other liabilities including contingent consideration (Refer to Note 2.5)	5,442	-	54	-	-	5,496	5,496	
Total	**6,136**	**-**	**93**	**-**	**3**	**6,232**	**6,232**	

** On account of fair value changes including interest accrued*
*** Excludes interest accrued on quoted debt securities carried at amortized cost*

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

(In ₹ crore)

	Amortised cost	Financial assets/ liabilities at fair value through profit or loss		Financial assets/liabilities at fair value through OCI		Total carrying value	Total fair value	
		Designated upon initial recognition	Mandatory	Equity instruments designated upon initial recognition	Mandatory			
Assets:								
Cash and cash equivalents (Refer to Note 2.1)	22,625	-	-	-	-	22,625	22,625	
Investments (Refer to Note 2.2)								
Liquid mutual funds	-	-	1,803	-	-	1,803	1,803	
Fixed maturity plan securities	-	-	558	-	-	558	558	
Quoted debt securities	1,907	-	-	-	3,975	5,882	6,143	*
Certificates of deposit	-	-	-	-	7,905	7,905	7,905	
Unquoted equity and preference securities	-	-	-	159	-	159	159	
Unquoted investments others	-	-	35	-	-	35	35	
Unquoted convertible promissory note	-	-	10	-	-	10	10	
Trade receivables	12,322	-	-	-	-	12,322	12,322	
Unbilled revenue	3,648	-	-	-	-	3,648	3,648	
Prepayments and other assets (Refer to Note 2.4)	2,658	-	-	-	-	2,658	2,574	**
Derivative financial instruments	-	-	232	-	52	284	284	
Total	**43,160**	**-**	**2,638**	**159**	**11,932**	**57,889**	**58,066**	
Liabilities:								
Trade payables	367	-	-	-	-	367	367	
Derivative financial instruments	-	-	2	-	-	2	2	
Other liabilities including contingent consideration (Refer to Note 2.5)	4,973	-	85	-	-	5,058	5,058	
Total	**5,340**	**-**	**87**	**-**	**-**	**5,427**	**5,427**	

** On account of fair value changes including interest accrued*
*** Excludes interest accrued on quoted debt securities carried at amortized cost*

Fair value hierarchy

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

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

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

The following table presents fair value hierarchy of assets and liabilities as at March 31, 2018:

(In ₹ crore)

	As at March 31, 2018	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 2.2)	81	81	-	-
Investments in fixed maturity plan securities (Refer to Note 2.2)	429	-	429	
Investments in quoted debt securities (Refer to Note 2.2)	6,129	4,574	1,555	-
Investments in certificates of deposit (Refer to Note 2.2)	5,269	-	5,269	
Investments in commercial papers (Refer to Note 2.2)	293		293	
Investments in equity and preference securities (Refer to Note 2.2)	138	-	-	138
Investment in unquoted investments others (Refer to Note 2.2)	66	-	-	66
Investment in unquoted convertible promissory note (Refer to Note 2.2)	12	-		12
Derivative financial instruments - gain on outstanding foreign exchange forward and option contracts	16	-	16	-
Liabilities				
Derivative financial instruments - loss on outstanding foreign exchange forward and option contracts	42	-	42	-
Liability towards contingent consideration (Refer to Note 2.5)*	54	-	-	54

**Discounted contingent consideration of ₹21 crore pertaining to Brilliant Basics at 10%*

During the year ended March 31, 2018, quoted debt securities of ₹402 crore were transferred from Level 2 to Level 1 of fair value hierarchy, since these were valued based on Quoted price and ₹1,122 crore were transferred from Level 1 to Level 2 of fair value hierarchy, since these were valued based on market observable inputs.

The movement in level 3 investments from March 31, 2017 to March 31, 2018 is on account of purchase of additional investments, disposals during the year and change in fair value.

The following table presents fair value hierarchy of assets and liabilities as at March 31, 2017:

(In ₹ crore)

	As at 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 2.2)	1,803	1,803	-	-
Investments in fixed maturity plan securities (Refer to Note 2.2)	558	-	558	-
Investments in quoted debt securities (Refer to Note 2.2)	6,143	3,662	2,481	-
Investments in certificates of deposit (Refer to Note 2.2)	7,905	-	7,905	-
Investments in equity and preference securities(Refer to Note 2.2)	159	-	-	159
Investment in unquoted investments others (Refer to Note 2.2)	35	-	-	35
Investment in unquoted convertible promissory note (Refer to Note 2.2)	10	-	-	10
Derivative financial instruments- gain on outstanding foreign exchange forward and option contracts	284	-	284	-
Liabilities				
Derivative financial instruments- loss on outstanding foreign exchange forward and	2	-	2	-
Liability towards contingent consideration (Refer to Note 2.5)*	85	-	-	85

**Discounted ₹91 crore at 14.2%*

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

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

The movement in contingent consideration as at March 31, 2018 from March 31, 2017 is mainly on account of settlement of ₹45 crore pertaining to Kallidus acquisiton and addition of ₹ 17 crore in relation to acquisition of Brilliant Basics Holdings Limited. (Refer note no. 2.9)

The movement in level 3 investments from March 31, 2017 to March 31, 2018 is on account of purchase of additional investments, disposals during the year and change in fair value.

Income from financial assets or liabilities is as follows:

(In ₹ crore)

	Three months ended March 31,		Year ended March 31,	
	2018	2017	2018	2017
Interest income from financial assets carried at amortised cost	382	444	1,674	2,361
Interest income on financial assets fair valued through other comprehensive income	133	160	682	190
Dividend income from investments carried at fair value through profit or loss	-	-	4	29
Gain / (loss) on investments carried at fair value through profit or loss	39	66	253	119
	554	**670**	**2,613**	**2,699**

Financial risk management

Financial risk factors

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

Market risk

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

The following table analyses foreign currency risk from financial instruments as at March 31, 2018:

(In ₹ crore)

	U.S. dollars	Euro	United Kingdom Pound Sterling	Australian dollars	Other currencies	Total
Cash and cash equivalents	1,287	218	147	353	1,192	3,197
Trade receivables	8,317	1,751	845	788	781	12,482
Unbilled revenue	2,318	637	304	159	371	3,789
Other assets	318	26	26	14	99	483
Trade payables	(273)	(81)	(114)	(30)	(58)	(556)
Accrued Expenses	(1,082)	(188)	(111)	(61)	(149)	(1,591)
Employee benefit obligations	(572)	(91)	(25)	(181)	(129)	(998)
Other liabilities	(635)	(138)	(79)	(31)	(318)	(1,201)
Net assets / (liabilities)	**9,678**	**2,134**	**993**	**1,011**	**1,789**	**15,605**

The following table analyses foreign currency risk from financial instruments as at March 31, 2017:

(In ₹ crore)

	U.S. dollars	Euro	United Kingdom Pound Sterling	Australian dollars	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
Unbilled revenue	2,439	440	325	123	306	3,633
Other assets	423	95	47	36	97	698
Trade payables	(115)	(32)	(13)	(5)	(158)	(323)
Accrued expenses	(954)	(215)	(140)	(39)	(148)	(1,496)
Employee benefit obligations	(556)	(79)	(22)	(150)	(125)	(932)
Other liabilities	(619)	(112)	(49)	(22)	(274)	(1,076)
Net assets / (liabilities)	**10,297**	**1,472**	**959**	**687**	**1,100**	**14,515**

Sensitivity analysis between Indian rupee and U.S. Dollar

Particulars	Three months ended March 31,		Year ended March 31,	
	2018	2017	2018	2017
Impact on Group's incremental operating margins	0.50%	0.50%	0.50%	0.50%

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

Derivative financial instruments

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

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

Particulars	As at March 31, 2018		As at March 31, 2017	
	In million	In ₹ crore	In million	In ₹ crore
Derivatives designated as cash flow hedges				
Forward contracts				
In Australian dollars	-	-	130	644
In Euro	-	-	95	658
In United Kingdom Pound Sterling	-	-	40	324
Option Contracts				
In Australian dollars	60	300	-	-
In Euro	100	808	40	277
In United Kingdom Pound Sterling	20	184	-	-
Other derivatives				
Forward contracts				
In Australian dollars	5	25	35	174
In Canadian dollars	20	99	-	-
In Euro	91	735	114	786
In Japanese Yen	550	34	-	-
In New Zealand dollars	16	76	-	-
In Norwegian Krone	40	34	-	-
In South African Rand	25	14	-	-
In Singapore dollars	5	25	5	23
In Swedish Krona	50	40	50	36
In Swiss Franc	21	146	10	65
In U.S. dollars	623	4,061	526	3,411
In United Kingdom Pound Sterling	51	466	75	609
Option Contracts				
In Australian dollars	20	100	-	-
In Canadian dollars	-	-	13	65
In Euro	45	363	25	173
In Swiss Franc	5	33	-	-
In U.S. dollars	320	2,086	195	1,265
In United Kingdom Pound Sterling	25	231	30	243
Total forwards & options		**9,860**		**8,753**

The group recognized a net loss of ₹130 crore and net gain of ₹290 crore on derivative financial instruments not designated as cash flow hedges for three months ended March 31, 2018 and March 31, 2017 respectively, and net gain of ₹1 crore and ₹591 crore on derivative financial instruments not designated as cash flow hedges during year ended March 31, 2018 and March 31, 2017.

The foreign exchange forward and option contracts mature within twelve months. The table below analyses the derivative financial instruments into relevant maturity groupings based on the remaining period as at the balance sheet date:

(In ₹ crore)

	As at	
	March 31, 2018	**March 31, 2017**
Not later than one month	2,828	2,303
Later than one month and not later than three months	4,568	4,316
Later than three months and not later than one year	2,464	2,134
	9,860	**8,753**

During the year ended March 31, 2018 and March 31, 2017, the Group has designated certain foreign exchange forward and option 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 profit or loss within 3 months.

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

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

The following table provides the reconciliation of cash flow hedge reserve for the three months and year ended March 31, 2018 and March 31, 2017: *(In ₹ crore)*

	Three months ended		**Year ended**	
	March 31, 2018	**March 31, 2017**	**March 31, 2018**	**March 31, 2017**
Balance at the beginning of the period	(2)	28	39	-
Gain / (loss) recognised in other comprehensive income during the period	(9)	73	(93)	121
Amount reclassified to profit and loss during the period	11	(59)	41	(69)
Tax impact on above	-	(3)	13	(13)
Balance at the end of the period	**-**	**39**	**-**	**39**

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

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

(In ₹ crore)

	As at		**As at**	
	March 31, 2018		**March 31, 2017**	
	Derivative financial asset	**Derivative financial liability**	**Derivative financial asset**	**Derivative financial liability**
Gross amount of recognized financial asset/liability	20	(46)	285	(3)
Amount set off	(4)	4	(1)	1
Net amount presented in balance sheet	**16**	**(42)**	**284**	**(2)**

Credit risk

Credit risk refers to the risk of default on its obligation by the counterparty resulting in a financial loss. The maximum exposure to the credit risk at the reporting date is primarily from trade receivables amounting to ₹13,142 crore and ₹12,322 crore as at March 31, 2018 and March 31, 2017, respectively and unbilled revenue amounting to ₹4,261 crore and ₹3,648 crore as at March 31, 2018 and March 31, 2017, respectively. Trade receivables and unbilled revenue are typically unsecured and are derived from revenue earned from customers primarily located in the United States. Credit risk has always been managed by the Group through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Group grants credit terms in the normal course of business. On account of adoption of IFRS 9, the Group uses expected credit loss model to assess the impairment loss or gain. The Group uses a provision matrix to compute the expected credit loss allowance for trade receivables and unbilled revenues. The provision matrix takes into account available external and internal credit risk factors such as credit default swap quotes, credit ratings from international credit rating agencies and the Group's historical experience for customers.

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

(In %)

	Three months ended March 31,		**Year ended March 31,**	
	2018	**2017**	**2018**	**2017**
Revenue from top customer	3.6	3.3	3.4	3.4
Revenue from top ten customers	19.2	20.2	19.3	21.0

Credit risk exposure

The reversal of lifetime expected credit loss on customer balances for the three months and year ended March 31, 2018 was ₹27 crore and the allowance for lifetime expected credit losses for the year ended March 31, 2018 was ₹34 crore. The allowance for lifetime expected credit loss on customer balances for the three months and year ended March 31, 2017 was ₹57 crore and ₹132 crore, respectively.

Movement in credit loss allowance:

(In ₹ crore)

	Three months ended March 31,		**Year ended March 31,**	
	2018	**2017**	**2018**	**2017**
Balance at the beginning	470	362	411	289
Translation differences	7	(8)	10	(9)
Impairment loss recognised / (reversed)	(27)	57	34	132
Reclassified as held for sale (refer note no 2.20)	(1)	-	(1)	-
Write-offs	-	-	(5)	(1)
Balance at the end	**449**	**411**	**449**	**411**

The Company's credit period generally ranges from 30-60 days.

Credit exposure

(In ₹ crore except otherwise stated)

	As at	
	March 31, 2018	**March 31, 2017**
Trade receivables	13,142	12,322
Unbilled revenues	4,261	3,648
Days Sales Outstanding- DSO (days)	67	68

Credit risk on cash and cash equivalents is limited as we generally invest in deposits with banks and financial institutions with high credit ratings assigned by international and domestic credit rating agencies. Investments primarily include investment in liquid mutual fund units, fixed maturity plan securities, quoted bonds issued by government and quasi government organizations, non convertible debentures and certificates of deposit.

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 borrowings. The Group believes that the working capital is sufficient to meet its current requirements.

As at March 31, 2018, the Group had a working capital of ₹34,176 crore including cash and cash equivalents of ₹19,818 crore and current investments of ₹6,407 crore. As at 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 at March 31, 2018 and March 31, 2017, the outstanding employee benefit obligations were ₹1,469 crore and ₹1,359 crore, respectively, which have been substantially funded. Accordingly, no liquidity risk is perceived.

The table below provides details regarding the contractual maturities of significant financial liabilities as at March 31, 2018:

(In ₹ crore)

Particulars	Less than 1 year	1-2 years	2-4 years	4-7 years	Total
Trade payables	694	-	-	-	694
Other liabilities (excluding liability towards contingent consideration) (Refer to Note 2.5)	5,442	-	-	-	5,442
Liability towards contingent consideration on an undiscounted basis (Refer to Note 2.5)	41	7	7	-	55

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

(In ₹ crore)

Particulars	Less than 1 year	1-2 years	2-4 years	4-7 years	Total
Trade payables	367	-	-	-	367
Other liabilities (excluding liability towards contingent consideration) (Refer to Note 2.5)	4,943	31	-	-	4,974
Liability towards contingent consideration on an undiscounted basis (Refer to Note 2.5)	45	46	-	-	91

2.4 Prepayments and other assets

Prepayments and other assets consist of the following:

(In ₹ crore)

	As at	
	March 31, 2018	March 31, 2017
Current		
Rental deposits	13	9
Security deposits	9	10
Loans to employees	239	272
Prepaid expenses(1)	472	441
Interest accrued and not due	766	576
Withholding taxes and others(1)	1,032	1,886
Advance payments to vendors for supply of goods(1)	119	131
Deposit with corporations	1,535	1,416
Deferred contract cost(1)	44	78
Other assets	84	37
	4,313	**4,856**
Non-current		
Loans to employees	36	29
Deposit with corporations	60	48
Rental deposits	171	175
Security deposits	53	86
Withholding taxes and others(1)	1,428	-
Deferred contract cost(1)	262	284
Prepaid expenses(1)	111	96
Prepaid gratuity(1)	43	79
	2,164	**797**
	6,477	**5,653**
Financial assets in prepayments and other assets	**2,966**	**2,658**

(1) *Non financial assets*

Withholding taxes primarily consist of input tax credits. Security deposits relate principally to leased telephone lines and electricity supplies. Deferred contract costs are upfront cost incurred for the contract and are amortised over the term of the contract.

Deposit with corporations represents amounts deposited to settle certain employee-related obligations as and when they arise during the normal course of business.

2.5 Other liabilities

Other liabilities comprise the following :

(In ₹ crore)

	As at	
	March 31, 2018	**March 31, 2017**
Current		
Accrued compensation to employees	2,509	1,881
Accrued expenses	2,452	2,585
Withholding taxes and others(1)	1,240	1,226
Retainage	132	220
Liabilities of controlled trusts	139	145
Deferred income - government grant on land use rights(1)	1	1
Accrued gratuity (1)	-	1
Liability towards contingent consideration (Refer to Note 2.9)	41	45
Deferred rent (1)	32	2
Others	210	80
	6,756	**6,186**
Non-current		
Liability towards contingent consideration (Refer to Note 2.9)	13	40
Accrued gratuity (1)	28	-
Accrued compensation to employees	-	30
Deferred income - government grant on land use rights(1)	44	41
Deferred rent (1)	151	-
Deferred income(1)	36	42
	272	**153**
	7,028	**6,339**
Financial liabilities included in other liabilities	5,496	5,026
Financial liability towards contingent consideration on an undiscounted basis (Refer to Note 2.9)	55	91

(1) Non financial liabilities

Accrued expenses primarily relates to cost of technical sub-contractors, telecommunication charges, legal and professional charges, brand building expenses, overseas travel expenses and office maintenance. Others include unpaid dividend balances and capital creditors.

2.6 Provisions

Accounting Policy

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.

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.

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.

Provisions comprise the following:

(In ₹ crore)

	As at	
	March 31, 2018	**March 31, 2017**
Provision for post sales client support and other provisions	492	405
	492	**405**

Provision for post sales client support and other provisions represents cost associated with providing post sales support services which are accrued at the time of recognition of revenues and are expected to be utilized over a period of 6 months to 1 year. The movement in the provision for post sales client support and other provisions is as follows:

(In ₹ crore)

	Three months ended March 31, 2018	**Year ended March 31, 2018**
Balance at the beginning	452	405
Provision recognized / (reversed)	48	143
Provision utilized	(18)	(62)
Translation difference	10	6
Balance at the end	**492**	**492**

Provision for post sales client support and other provisions is included in cost of sales in the statement of comprehensive income.

As at March 31, 2018 and March 31, 2017, claims against the company, not acknowledged as debts, (excluding demands from income tax authorities- Refer to Note 2.17) amounted to ₹260 crore and ₹301 crore , respectively.

The Company is subject to legal proceedings and claims, which have arisen in the ordinary course of business. The Company’s management does not reasonably expect that these legal actions, when ultimately concluded and determined, will have a material and adverse effect on the Company’s results of operations or financial condition.

2.7 Property, plant and equipment

Accounting Policy

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

Building	22-25 years
Plant and machinery	5 years
Computer equipment	3-5 years
Furniture and fixtures	5 years
Vehicles	5 years
Leasehold improvements	Over lease term

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

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

Impairment

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

If such assets are considered to be impaired, the impairment to be recognized in net profit in the statement of comprehensive income is measured by the amount by which the carrying value of the assets exceeds the estimated recoverable amount of the asset. An impairment loss is reversed in net profit in the statement of comprehensive income if there has been a change in the estimates used to determine the recoverable amount. The carrying amount of the asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated depreciation) had no impairment loss been recognized for the asset in prior years.

Following are the changes in the carrying value of property, plant and equipment for the three months ended March 31, 2018:

(In ₹ crore)

	Land	Buildings	Plant and machinery	Computer equipment	Furniture and fixtures	Vehicles	Total
Gross carrying value as at January 1, 2018	**1,806**	**7,680**	**3,248**	**4,820**	**1,821**	**30**	**19,405**
Additions	94	416	128	120	54	2	814
Deletions	-	(1)	(4)	(30)	(2)	(1)	(38)
Reclassified as held for sale (refer note no 2.20)	-	-	(3)	(40)	(25)	-	(68)
Translation difference	-	35	4	14	13	-	66
Gross carrying value as at March 31, 2018	**1,900**	**8,130**	**3,373**	**4,884**	**1,861**	**31**	**20,179**
Accumulated depreciation as at January 1, 2018	**(30)**	**(2,645)**	**(2,242)**	**(3,498)**	**(1,269)**	**(18)**	**(9,702)**
Depreciation	(1)	(71)	(103)	(175)	(64)	(1)	(415)
Accumulated depreciation on deletions	-	-	3	29	1	1	34
Reclassified as held for sale (refer note no 2.20)	-	-	2	25	20	-	47
Translation difference	-	(3)	(2)	(11)	(11)	-	(27)
Accumulated depreciation as at March 31, 2018	**(31)**	**(2,719)**	**(2,342)**	**(3,630)**	**(1,323)**	**(18)**	**(10,063)**
Capital work-in progress as at March 31, 2018							**2,027**
Carrying value as at March 31, 2018	**1,869**	**5,411**	**1,031**	**1,254**	**538**	**13**	**12,143**
Capital work-in progress as at January 1, 2018							**2,132**
Carrying value as at January 1, 2018	**1,776**	**5,035**	**1,006**	**1,322**	**552**	**12**	**11,835**

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

(In ₹ crore)

	Land	Buildings	Plant and machinery	Computer equipment	Furniture and fixtures	Vehicles	Total
Gross carrying value as at January 1, 2017	**1,682**	**6,907**	**2,945**	**4,467**	**1,688**	**32**	**17,721**
Additions	82	399	87	145	86	1	800
Deletions	-	-	(7)	(64)	(74)	(2)	(147)
Translation difference	-	(27)	(2)	(7)	(6)	-	(42)
Gross carrying value as at March 31, 2017	**1,764**	**7,279**	**3,023**	**4,541**	**1,694**	**31**	**18,332**
Accumulated depreciation as at January 1, 2017	**(26)**	**(2,375)**	**(1,862)**	**(2,955)**	**(1,105)**	**(18)**	**(8,341)**
Depreciation	(1)	(65)	(98)	(167)	(63)	(1)	(395)
Accumulated depreciation on deletions	-	-	7	64	73	2	146
Translation difference	-	-	1	6	2	-	9
Accumulated depreciation as at March 31, 2017	**(27)**	**(2,440)**	**(1,952)**	**(3,052)**	**(1,093)**	**(17)**	**(8,581)**
Capital work-in progress as at March 31, 2017							**1,965**
Carrying value as at March 31, 2017	**1,737**	**4,839**	**1,071**	**1,489**	**601**	**14**	**11,716**
Capital work-in progress as at January 1, 2017							**2,030**
Carrying value as at January 1, 2017	**1,656**	**4,532**	**1,083**	**1,512**	**583**	**14**	**11,410**

Following are the changes in the carrying value of property, plant and equipment for the year ended March 31, 2018:

(In ₹ crore)

	Land	Buildings	Plant and machinery	Computer equipment	Furniture and fixtures	Vehicles	Total
Gross carrying value as at April 1, 2017	**1,764**	**7,279**	**3,023**	**4,541**	**1,694**	**31**	**18,332**
Additions	136	789	364	471	190	5	1,955
Deletions	-	(1)	(18)	(110)	(19)	(5)	(153)
Reclassified as held for sale (refer note no 2.20)	-	-	(3)	(40)	(25)	-	(68)
Translation difference	-	63	7	22	21	-	113
Gross carrying value as at March 31, 2018	**1,900**	**8,130**	**3,373**	**4,884**	**1,861**	**31**	**20,179**
Accumulated depreciation as at April 1, 2017	**(27)**	**(2,440)**	**(1,952)**	**(3,052)**	**(1,093)**	**(17)**	**(8,581)**
Depreciation	(4)	(276)	(402)	(693)	(254)	(5)	(1,634)
Accumulated depreciation on deletions	-	-	15	107	18	4	144
Reclassified as held for sale (refer note no 2.20)	-	-	2	25	20	-	47
Translation difference	-	(3)	(5)	(17)	(14)	-	(39)
Accumulated depreciation as at March 31, 2018	**(31)**	**(2,719)**	**(2,342)**	**(3,630)**	**(1,323)**	**(18)**	**(10,063)**
Capital work-in progress as at March 31, 2018							2,027
Carrying value as at March 31, 2018	**1,869**	**5,411**	**1,031**	**1,254**	**538**	**13**	**12,143**
Capital work-in progress as at April 1, 2017							**1,965**
Carrying value as at April 1, 2017	**1,737**	**4,839**	**1,071**	**1,489**	**601**	**14**	**11,716**

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

(In ₹ crore)

	Land	Buildings	Plant and machinery	Computer equipment	Furniture and fixtures	Vehicles	Total
Gross carrying value as at April 1, 2016	**1,620**	**6,325**	**2,598**	**4,072**	**1,444**	**29**	**16,088**
Additions	144	981	487	801	379	8	2,800
Deletions	-	-	(56)	(315)	(113)	(6)	(490)
Translation difference	-	(27)	(6)	(17)	(16)	-	(66)
Gross carrying value as at March 31, 2017	**1,764**	**7,279**	**3,023**	**4,541**	**1,694**	**31**	**18,332**
Accumulated depreciation as at April 1, 2016	**(22)**	**(2,201)**	**(1,608)**	**(2,617)**	**(986)**	**(17)**	**(7,451)**
Depreciation	(5)	(239)	(380)	(678)	(210)	(5)	(1,517)
Accumulated depreciation on deletions	-	-	31	230	92	5	358
Translation difference	-	-	5	13	11	-	29
Accumulated depreciation as at March 31, 2017	**(27)**	**(2,440)**	**(1,952)**	**(3,052)**	**(1,093)**	**(17)**	**(8,581)**
Capital work-in progress as at March 31, 2017							**1,965**
Carrying value as at March 31, 2017	**1,737**	**4,839**	**1,071**	**1,489**	**601**	**14**	**11,716**
Capital work-in progress as at April 1,							**1,893**
Carrying value as at April 1, 2016	**1,598**	**4,124**	**990**	**1,455**	**458**	**12**	**10,530**

The depreciation expense is included in cost of sales in the consolidated statement of comprehensive income.

Carrying value of land includes ₹642 crore and ₹644 crore as at March 31, 2018 and March 31, 2017, respectively, towards amounts paid under certain lease-cum-sale agreements to acquire land including agreements where the Company has an option to either purchase or renew the properties on expiry of the lease period. The contractual commitments for capital expenditure were ₹ 1, crore and ₹1,149 crore, as at March 31, 2018 and March 31, 2017, respectively.

2.8 Goodwill and other intangible assets

2.8.1 Goodwill

Accounting Policy

Goodwill represents the cost of business acquisition in excess of the Group's interest in the net fair value of identifiable assets, liabilities and contingent liabilities of the acquiree. When the net fair value of the identifiable assets, liabilities and contingent liabilities acquired exceeds the cost of business acquisition, a gain is recognized immediately in net profit in the Statement of comprehensive income. Goodwill is measured at cost less accumulated impairment losses.

Impairment

Goodwill is tested for impairment on an annual basis and whenever there is an indication that goodwill may be impaired, relying on a number of factors including operating results, business plans and future cash flows. For the purpose of impairment testing, goodwill acquired in a business combination is allocated to the Group's cash generating units (CGU) or groups of CGU's expected to benefit from the synergies arising from the business combination. A CGU is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or group of assets. Impairment occurs when the carrying amount of a CGU including the goodwill, exceeds the estimated recoverable amount of the CGU. The recoverable amount of a CGU is the higher of its fair value less cost to sell and its value-in-use. Value-in-use is the present value of future cash flows expected to be derived from the CGU.

Total impairment loss of a CGU is allocated first to reduce the carrying amount of goodwill allocated to the CGU and then to the other assets of the CGU pro-rata on the basis of the carrying amount of each asset in the CGU. An impairment loss on goodwill is recognized in net profit in the statement of comprehensive income and is not reversed in the subsequent period.

Following is a summary of changes in the carrying amount of goodwill:

(In ₹ crore)

	As at March 31,	
	2018	**2017**
Carrying value at the beginning	**3,652**	**3,764**
Goodwill on Brilliant Basics acquisition (Refer to note 2.9)	35	-
Goodwill reclassified as held for sale (refer note no 2.20)	(1,609)	-
Translation differences	133	(112)
Carrying value at the end	**2,211**	**3,652**

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to the cash generating units (CGU) or groups of CGU's, which benefit from the synergies of the acquisition. The chief operating decision maker reviews the goodwill for any impairment at the operating segment level, which is represented through groups of CGU's.

The following table presents the allocation of goodwill to operating segments as at March 31, 2018 and March 31, 2017:

(In ₹ crore)

Segment	As at March 31, 2018	As at March 31, 2017
Financial services	474	826
Manufacturing	252	409
Retail, Consumer packaged goods and Logistics	314	556
Life Sciences, Healthcare and Insurance	446	638
Energy & Utilities, Communication and Services	470	765
	1,956	3,194
Operating segments without significant goodwill	255	458
Total	**2,211**	**3,652**

The entire goodwill relating to Infosys BPM's (formerly Infosys BPO) acquisition of McCamish has been allocated to the Groups of CGU's which are represented by the Life Sciences, Healthcare and Insurance segment.

The goodwill relating to Infosys BPM , Infosys Lodestone, Portland, Panaya, Kallidus d.b.a Skava and Brilliant Basics acquisitions has been allocated to the groups of CGU's which are represented by a majority of the entity's operating segment as at March 31, 2017

The goodwill relating to Infosys BPM, Infosys Lodestone and Portland acquisitions has been allocated to the groups of CGU's which are represented by a majority of the entity's operating segment as at March 31, 2018

The entire goodwill relating to Noah acquisition has been allocated to the group of CGU's which is represented by the Energy & Utilities, Communication and Services segment.

The recoverable amount of a CGU is the higher of its fair value less cost to sell and its value-in-use. The fair value of a CGU is determined based on the market capitalization. The value-in-use is determined based on specific calculations. These calculations use pre-tax cash flow projections over a period of five years. An average of the range of each assumption used is mentioned below. As at March 31, 2018 and March 31, 2017, the estimated recoverable amount of the CGU exceeded its carrying amount. The key assumptions used for the calculations are as follows:

(in %)

	As at March 31, 2018	As at March 31, 2017
Long term growth rate	8-10	8-10
Operating margins	17-20	17-20
Discount rate	13.5	14.4

The above discount rate is based on the Weighted Average Cost of Capital (WACC) of the Company. The Management believes that any reasonable possible changes in the key assumptions would not cause the carrying amount to exceed the recoverable amount of the cash generating unit.

2.8.2 Other intangible assets

Accounting Policy

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

Research costs are expensed as incurred. Software product development costs are expensed as incurred unless technical and commercial feasibility of the project is demonstrated, future economic benefits are probable, the Company has an intention and ability to complete and use or sell the software and the costs can be measured reliably. The costs which can be capitalized include the cost of material, direct labour, overhead costs that are directly attributable to preparing the asset for its intended use.

Impairment

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

If such assets are considered to be impaired, the impairment to be recognized in net profit in the statement of comprehensive income is measured by the amount by which the carrying value of the assets exceeds the estimated recoverable amount of the asset. An impairment loss is reversed in net profit in the statement of comprehensive income if there has been a change in the estimates used to determine the recoverable amount. The carrying amount of the asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated ammortisation) had no impairment loss been recognized for the asset in prior years.

Following are the changes in the carrying value of acquired intangible assets for the three months ended March 31, 2018:

(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 at January 1, 2018	**756**	**399**	**21**	**1**	**69**	**90**	**62**	**1,398**
Additions during the period	-	-	-	-	-	-	-	-
Deletions during the period	(172)	-	(21)	-	-	(29)	(35)	(257)
Reclassified as held for sale (refer note no 2.20)	(157)	(388)	-	(1)	-	(37)	-	(583)
Translation differences	18	8	-	-	4	2	-	32
Gross carrying value as at March 31, 2018	**445**	**19**	**-**	**-**	**73**	**26**	**27**	**590**
Accumulated amortization as at January 1, 2018	**(485)**	**(178)**	**(21)**	**(1)**	**(8)**	**(59)**	**(47)**	**(799)**
Amortization expense	(19)	(20)	-	-	-	(2)	(2)	(43)
Deletions during the period	172	-	21	-	-	29	35	257
Reclassified as held for sale (refer note no 2.20)	56	182	-	1	-	21	-	260
Translation differences	(13)	(3)	-	-	(2)	(1)	1	(18)
Accumulated amortization as at March 31, 2018	**(289)**	**(19)**	**-**	**-**	**(10)**	**(12)**	**(13)**	**(343)**
Carrying value as at January 1, 2018	**271**	**221**	**-**	**-**	**61**	**31**	**15**	**599**
Carrying value as at March 31, 2018	**156**	**-**	**-**	**-**	**63**	**14**	**14**	**247**
Estimated Useful Life *(in years)*	2-10	5-8	-	-	50	3-10	5	
Estimated Remaining Useful Life *(in years)*	0-5	-	-	-	43	2-7	3	

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

(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 at January 1, 2017	**777**	**424**	**21**	**1**	**69**	**94**	**64**	**1,450**
Additions during the period	-	-	-	-	-	-	-	-
Deletions during the period	-	-	-	-	-	-	-	-
Translation differences	(27)	(19)	-	-	(3)	(4)	(2)	(55)
Gross carrying value as at March 31, 2017	**750**	**405**	**21**	**1**	**66**	**90**	**62**	**1,395**
Accumulated amortization as at January 1, 2017	**(371)**	**(106)**	**(21)**	**(1)**	**(7)**	**(48)**	**(35)**	**(589)**
Amortization expense	(22)	(20)	-	-	-	(4)	(5)	(51)
Deletions during the period	-	-	-	-	-	-	-	-
Translation differences	11	5	-	-	-	3	2	21
Accumulated amortization as at March 31, 2017	**(382)**	**(121)**	**(21)**	**(1)**	**(7)**	**(49)**	**(38)**	**(619)**
Carrying value as at January 1, 2017	**406**	**318**	**-**	**-**	**62**	**46**	**29**	**861**
Carrying value as at March 31, 2017	**368**	**284**	**-**	**-**	**59**	**41**	**24**	**776**

Following are the changes in the carrying value of acquired intangible assets for the year ended March 31, 2018:

(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 at April 1, 2017	**750**	**405**	**21**	**1**	**66**	**90**	**62**	**1,395**
Additions during the period	12	-	-	-	-	-	-	12
Deletions during the period	(172)	-	(21)	-	-	(29)	(35)	(257)
Reclassified as held for sale (refer note no 2.20)	(157)	(388)	-	(1)	-	(37)	-	(583)
Translation differences	12	2	-	-	7	2	-	23
Gross carrying value as at March 31, 2018	**445**	**19**	**-**	**-**	**73**	**26**	**27**	**590**
Accumulated amortization as at April 1, 2017	**(382)**	**(121)**	**(21)**	**(1)**	**(7)**	**(49)**	**(38)**	**(619)**
Amortization expense	(127)	(79)	-	-	(1)	(12)	(10)	(229)
Deletions during the period	172	-	21	-	-	29	35	257
Reclassified as held for sale (refer note no 2.20)	56	182	-	1	-	21	-	260
Translation differences	(8)	(1)	-	-	(2)	(1)	-	(12)
Accumulated amortization as at March 31, 2018	**(289)**	**(19)**	**-**	**-**	**(10)**	**(12)**	**(13)**	**(343)**
Carrying value as at April 1, 2017	**368**	**284**	**-**	**-**	**59**	**41**	**24**	**776**
Carrying value as at March 31, 2018	**156**	**-**	**-**	**-**	**63**	**14**	**14**	**247**
Estimated Useful Life *(in years)*	2-10	5-8	-	-	50	3-10	5	
Estimated Remaining Useful Life *(in years)*	0-5	-	-	-	43	2-7	3	

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

(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 at April 1, 2016	**775**	**414**	**21**	**1**	**72**	**93**	**63**	**1,439**
Additions during the period	-	-	-	-	-	-	-	-
Deletions during the period	-	-	-	-	-	-	-	-
Translation differences	(25)	(9)	-	-	(6)	(3)	(1)	**(44)**
Gross carrying value as at March 31, 2017	**750**	**405**	**21**	**1**	**66**	**90**	**62**	**1,395**
Accumulated amortization as at April 1, 2016	**(303)**	**(62)**	**(21)**	**(1)**	**(6)**	**(38)**	**(23)**	**(454)**
Amortization expense	(91)	(63)	-	-	(1)	(14)	(17)	(186)
Deletions during the period	-	-	-	-	-	-	-	-
Translation differences	12	4	-	-	-	3	2	21
Accumulated amortization as at March 31, 2017	**(382)**	**(121)**	**(21)**	**(1)**	**(7)**	**(49)**	**(38)**	**(619)**
Carrying value as at April 1, 2016	**472**	**352**	**-**	**-**	**66**	**55**	**40**	**985**
Carrying value as at March 31, 2017	**368**	**284**	**-**	**-**	**59**	**41**	**24**	**776**
Estimated Useful Life *(in years)*	3-10	5-8	-	-	50	3-10	3-5	
Estimated Remaining Useful Life *(in years)*	1-6	3-6	-	-	44	1-8	1-4	

During the year ended March 31, 2017, the management based on an internal evaluation reassessed the remaining useful life of certain technology assets acquired as a part of business combinations. Accordingly, the remaining useful life of the said asset which was 8 years had been revised to 3 years. Amortization expense for the year ended March 31, 2017 was higher by ₹19 crore due to the revision.

The amortization expense has been included under depreciation and amortization expense in the consolidated statement of comprehensive income

Research and development expense recognized in net profit in the consolidated statement of comprehensive income for the three months ended March 31, 2018 and March 31, 2017 was ₹192 crore and ₹193 crore respectively, and for the year ended March 31, 2018 and March 31, 2017 was ₹748 crore and ₹789 crore respectively.

2.9 Business combinations

Accounting Policy

Business combinations have been accounted for using the acquisition method under the provisions of IFRS 3 (Revised), Business Combinations.

The cost of an acquisition is measured at the fair value of the assets transferred, equity instruments issued and liabilities incurred or assumed at the date of acquisition, which is the date on which control is transferred to the Group. The cost of acquisition also includes the fair value of any contingent consideration. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair value on the date of acquisition.

Business combinations between entities under common control is outside the scope of IFRS 3 (Revised), Business Combinations and is accounted for at carrying value.

Transaction costs that the Group incurs in connection with a business combination such as finders' fees, legal fees, due diligence fees, and other professional and consulting fees are expensed as incurred.

Noah Consulting LLC

On November 16, 2015, Infosys has acquired 100% membership interest in Noah Consulting, LLC (Noah), a leading provider of advanced information management consulting services for the oil and gas industry. The business acquisition was conducted by entering into a share purchase agreement for cash consideration of $33 million (approximately ₹216 crore), contingent consideration of upto $5 million (approximately ₹33 crore on acquisition date) and an additional consideration of upto $32 million (approximately ₹212 crore on acquisition date), referred to as retention bonus, payable to the employees of Noah at each anniversary year following the acquisition date over the next three years, subject to their continuous employment with the Group at each anniversary. The retention bonus is treated as a post-acquisition employee remuneration expense as per IFRS 3. During the year ended March 31, 2016 based on an assessment of Noah achieving the targets for the year ended December 31, 2015 and year ended December 31, 2016, the entire contingent consideration has been reversed in the statement of comprehensive income.

Business transfer

On July 14, 2017, the Board of Directors of Infosys authorized the Company to execute a Business Transfer Agreement and related documents with Noah Consulting LLC, a wholly owned subsidiary, to transfer the business of Noah Consulting LLC to Infosys Limited, subject to securing the requisite regulatory approvals for a consideration based on an independent valuation. Subsequently on October 17, 2017 , the company entered into a business transfer agreement to transfer the business for a consideration of $41 million (approximately ₹266 crore) and the transfer was with effect from October 25, 2017. The transaction was between a holding company and a wholly owned subsidiary and therefore was accounted for at carrying values and did not have any impact on the consolidated financial statements. Subsequently in November 2017, Noah Consulting LLC has been liquidated.

Kallidus Inc. (d.b.a Skava)

On June 2, 2015, Infosys acquired 100% of the voting interests in Kallidus Inc., US (Kallidus), a leading provider of digital experience solutions, including mobile commerce and in-store shopping experiences to large retail clients and 100% of the voting interests of Skava Systems Private Limited, India, an affiliate of Kallidus. The business acquisition was conducted by entering into a share purchase agreement for cash consideration of $91 million (approximately ₹578 crore) and a contingent consideration of up to $20 million (approximately ₹128 crore on acquisition date).

The balance contingent consideration as at March 31, 2018 and March 31, 2017 is ₹34 crore and ₹91 crore respectively, on an undiscounted basis.

Brilliant Basics Holdings Limited.

On September 8, 2017, Infosys acquired 100% of the voting interests in Brilliant Basics Holdings Limited., UK, (Brilliant Basics) a product design and customer experience innovator with experience in executing global programs. The business acquisition was conducted by entering into a share purchase agreement for cash consideration of ₹29 crore, a contingent consideration of up to ₹20 crore and an additional consideration of upto ₹13 crore, referred to as retention bonus, payable to the employees of Brilliant Basics at each anniversary year over the next two years, subject to their continuous employment with the group at each anniversary.

The payment of contingent consideration to sellers of Brilliant Basics is dependent upon the achievement of certain financial targets by Brilliant Basics over a period of 3 years ending on March 2020.

The fair value of contingent consideration is determined by discounting the estimated amount payable to the sellers of Brilliant Basics on achievement of certain financial targets. The key inputs used in determination of the fair value of contingent consideration are the discount rate of 10% and the probabilities of achievement of the financial targets.

The excess of the purchase consideration paid over the fair value of assets acquired has been attributed to goodwill.

The purchase price has been allocated based on management's estimates and independent appraisal of fair values as follows:

(in ₹ crore)

Component	Acquiree's carrying amount	Fair value adjustments	Purchase price allocated
Net assets(*)	1	–	1
Intangible assets - customer relationships	–	12	12
Deferred tax liabilities on intangible assets	–	(2)	(2)
	1	**10**	**11**
Goodwill			35
Total purchase price			**46**

*Includes cash and cash equivalents acquired of *₹2 crore*

The goodwill is not tax deductible.

The gross amount of trade receivables acquired and its fair value is ₹3 crore and the amount has been largely recovered.

The fair value of each major class of consideration as at the acquisition date is as follows:

(in ₹ crore)

Component	Consideration settled
Cash paid	29
Fair value of contingent consideration	17
Total purchase price	**46**

The transaction costs of ₹2 crore related to the acquisition have been included under administrative expenses in the statement of comprehensive income.

Proposed acquisition

On April 13, 2018, the Company entered into a definitive agreement to acquire WongDoody Holding Company Inc., a US- based creative and consumer insights agency for a total consideration of up to $75 million (approximately ₹489 crore) including contingent consideration and retention payouts, subject to regulatory approvals and fulfillment of closing conditions.

2.10 Revenue from Operations

Accounting Policy:

The Company derives revenues primarily from software development and related services and from the licensing of software products. Arrangements with customers for software related services are either on a fixed-price, fixed-timeframe or on a time-and-material basis.

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

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

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

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

The Company accounts for volume discounts and pricing incentives to customers as a reduction of revenue based on the ratable allocation of the discounts/ incentives amount to each of the underlying revenue transaction that results in progress by the customer towards earning the discount/ incentive. Also, when the level of discount varies with increases in levels of revenue transactions, the Company recognizes the liability based on its estimate of the customer's future purchases. If it is probable that the criteria for the discount will not be met, or if the amount thereof cannot be estimated reliably, then discount is not recognized until the payment is probable and the amount can be estimated reliably. The Company recognizes changes in the estimated amount of obligations for discounts in the period in which the change occurs. The discounts are passed on to the customer either as direct payments or as a reduction of payments due from the customer.

The Group presents revenues net of indirect taxes in its consolidated statement of comprehensive income.

Revenues for the three months and year ended March 31, 2018 and March 31, 2017 are as follows:

(In ₹ crore)

Particulars	**Three months ended March 31,**		**Year ended March 31,**	
	2018	**2017**	**2018**	**2017**
Revenue from software services	17,592	16,593	68,460	66,383
Revenue from software products	491	527	2,062	2,101
	18,083	**17,120**	**70,522**	**68,484**

2.11 Expenses by nature

(In ₹ crore)

	Three months ended March 31,		Year ended March 31,	
	2018	**2017**	**2018**	**2017**
Employee benefit costs (Refer Note 2.12.4)	10,054	9,309	38,893	37,659
Depreciation and amortization charges (Refer Note 2.7 and 2.8)	458	446	1,863	1,703
Travelling costs	492	474	1,995	2,235
Consultancy and professional charges	282	229	1,043	763
Cost of Software packages for own use	216	218	876	795
Third party items bought for service delivery to clients	246	260	983	802
Communication costs	113	149	489	549
Cost of technical sub-contractors	1,106	1,000	4,296	3,833
Power and fuel	50	46	207	228
Repairs and maintenance	279	340	1,116	1,282
Rates and taxes	3	30	166	148
Insurance charges	16	16	55	56
Commission to non-whole time directors	2	2	9	10
Branding and marketing expenses	72	76	304	342
Provision for post-sales client support	60	16	142	80
Impairment loss recognised / (reversed) on financial assets (Refer Note 2.3)	2	58	71	140
Contribution towards Corporate Social Responsibility	22	44	156	230
Operating lease payments (Refer Note 2.15)	130	134	528	491
Others	8	61	182	237
Total cost of sales, selling and marketing expenses and administrative expenses	**13,611**	**12,908**	**53,374**	**51,583**

2.11.1 Break-up of expenses

Cost of sales

(In ₹ crore)

	Three months ended March 31,		Year ended March 31,	
	2018	**2017**	**2018**	**2017**
Employee benefit costs	8,947	8,260	34,670	33,471
Depreciation and amortization	458	446	1,863	1,703
Travelling costs	347	341	1,451	1,649
Cost of technical sub-contractors	1,106	1,000	4,296	3,833
Cost of Software packages for own use	216	218	876	793
Third party items bought for service delivery to clients	246	260	983	802
Operating lease payments	79	74	319	307
Consultancy and professional charges	15	6	50	28
Communication costs	53	75	225	260
Repairs and maintenance	77	68	300	305
Provision for post-sales client support	60	16	142	80
Others	(50)	6	(45)	22
Total	**11,554**	**10,770**	**45,130**	**43,253**

Selling and marketing expenses

(In ₹ crore)

	Three months ended March 31,		Year ended March 31,	
	2018	**2017**	**2018**	**2017**
Employee benefit costs	742	677	2741	2715
Travelling costs	79	81	306	351
Branding and marketing	72	76	304	342
Operating lease payments	19	19	78	68
Communication costs	5	8	22	22
Consultancy and professional charges	17	15	66	49
Others	13	13	43	44
Total	**947**	**889**	**3,560**	**3,591**

Administrative expenses

(In ₹ crore)

	Three months ended March 31,		Year ended March 31,	
	2018	**2017**	**2018**	**2017**
Employee benefit costs	365	372	1,482	1,473
Consultancy and professional charges	250	208	927	686
Repairs and maintenance	202	271	816	971
Power and fuel	50	46	207	227
Communication costs	55	66	242	267
Travelling costs	66	52	238	235
Rates and taxes	3	30	166	148
Operating lease payments	32	41	131	116
Insurance charges	16	16	55	55
Impairment loss recognised/(reversed) on financial assets	2	58	71	140
Commission to non-whole time directors	2	2	9	10
Contribution towards Corporate Social Responsibility	22	44	156	230
Others	45	43	184	181
Total	**1,110**	**1,249**	**4,684**	**4,739**

2.12 EMPLOYEE BENEFITS

Accounting Policy

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 BPM (formerly Infosys BPO) and EdgeVerve, contributions are made to the Infosys BPO's Employees' Gratuity Fund Trust and EdgeVerve Systems Limited Employees' Gratuity Fund Trust, respectively. Trustees administer contributions made to the Trusts and contributions are invested in a scheme with Life Insurance Corporation of India as permitted by 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 re-measurements of the net defined benefit liability/(asset) are recognized in other comprehensive income and not reclassified to profit and loss in subsequent period. The actual return of the portfolio of plan assets, in excess of the yields computed by applying the discount rate used to measure the defined benefit obligation is recognized in other comprehensive income. The effect of any plan amendments are recognized in net profits in the statement of comprehensive income.

Superannuation

Certain employees of Infosys, Infosys BPM (formerly 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.

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.

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.

Operating Profits

Operating profit of the Group is computed considering the revenues, net of cost of sales, selling and marketing expenses and administrative expenses.

2.12.1 Gratuity

The following tables set out the funded status of the gratuity plans and the amounts recognized in the Group's financial statements as at March 31, 2018 and March 31, 2017:

(In ₹ crore)

Particulars	As at	
	March 31, 2018	**March 31, 2017**
Change in benefit obligations		
Benefit obligations at the beginning	1,117	944
Service cost	150	129
Interest expense	73	69
Remeasurements - Actuarial (gains)/ losses	(59)	67
Transfer in	28	-
Curtailment gain	-	(3)
Reclassified as held for sale (refer note no 2.20)	(1)	-
Benefits paid	(107)	(89)
Benefit obligations at the end	**1,201**	**1,117**
Change in plan assets		
Fair value of plan assets at the beginning	1,195	947
Interest income	80	79
Remeasurements- Return on plan assets excluding amounts included in interest income	13	12
Contributions	35	246
Benefits paid	(107)	(89)
Fair value of plan assets at the end	**1,216**	**1,195**
Funded status	15	78
Prepaid gratuity benefit	43	79
Accrued gratuity	(28)	(1)

Amount for the three months and year ended March 31, 2018 and March 31, 2017 recognized in the statement of comprehensive income under employee benefit expense:

(In ₹ crore)

Particulars	Three months ended March 31,		Year ended March 31,	
	2018	2017	2018	2017
Service cost	38	32	150	129
Net interest on the net defined benefit liability/asset	(3)	(6)	(7)	(10)
Curtailment gain	-	-	-	(3)
Net gratuity cost	**35**	**26**	**143**	**116**

Amount for the three months and year ended March 31, 2018 and March 31, 2017 recognized in the statement of other comprehensive income:

(In ₹ crore)

Particulars	Three months ended March 31,		Year ended March 31,	
	2018	2017	2018	2017
Remeasurements of the net defined benefit liability/ (asset)				
Actuarial (gains) / losses	(41)	(14)	(59)	67
(Return) / loss on plan assets excluding amounts included in the net interest on the net defined benefit liability/(asset)	(3)	(8)	(13)	(12)
	(44)	**(22)**	**(72)**	**55**

(In ₹ crore)

Particulars	Three months ended March 31,		Year ended March 31,	
	2018	2017	2018	2017
(Gain)/loss from change in demographic assumptions	-	-	-	-
(Gain)/loss from change in financial assumptions	(27)	(18)	(41)	56
(Gain)/loss from experience adjustment	(14)	4	(18)	11
	(41)	**(14)**	**(59)**	**67**

Amunt recognised in statement of comprehensive income has been apportioned between cost of sales, selling and marketing expenses and administrative expenses on the basis of direct employee cost as follows: -

(In ₹ crore)

Particulars	Three months ended March 31,		Year ended March 31,	
	2018	2017	2018	2017
Cost of sales	32	23	128	103
Selling and marketing expenses	2	2	10	8
Administrative expenses	1	1	5	5
	35	**26**	**143**	**116**

The weighted-average assumptions used to determine benefit obligations as at March 31, 2018 and March 31, 2017 are set out below:

Particulars	As at	
	March 31, 2018	March 31, 2017
Discount rate	7.5%	6.9%
Weighted average rate of increase in compensation levels	8%	8%

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

Particulars	Three months ended March 31,		Year ended March 31,	
	2018	2017	2018	2017
Discount rate(%)	6.9%	7.8%	6.9%	7.8%
Weighted average rate of increase in compensation levels(%)	8%	8%	8%	8%
Weighted average duration of defined benefit obligation(years)	6.1 years	6.1 years	6.1 years	6.1 years

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

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

Sensitivity of significant assumptions used for valuation of defined benefit obligation:

(in ₹ crore)

Impact from percentage point increase / decrease in	As at March 31, 2018
Discount rate	58
Weighted average rate of increase in compensation levels	50

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. The sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. In practice, this is not probable, and changes in some of the assumptions may be correlated.

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

The Company contributes all ascertained liabilities towards gratuity to the Infosys Limited Employees' Gratuity Fund Trust. In case of Infosys BPM (formerly 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 at March 31, 2018 and March 31, 2017, the plan assets have been primarily invested in insurer managed funds.

Actual return on assets for the three months ended March 31, 2018, and March 31, 2017 were ₹23 crore and ₹30 crore, respectively.

Actual return on assets for the year ended March 31, 2018, and March 31, 2017 were ₹93 crore and ₹91 crore, respectively.

The Group expects to contribute ₹130 crore to the gratuity trusts during fiscal 2019.

Maturity profile of defined benefit obligation:

(In ₹ crore)

Within 1 year	174
1-2 year	178
2-3 year	192
3-4 year	203
4-5 year	211
5-10 years	1,023

2.12.2 Superannuation

The group contributed ₹44 crore and ₹43 crore to the superannuation plan during the three months ended March 31, 2018 and March 31, 2017, respectively and ₹ 1 crore and ₹168 crore during the years ended March 31, 2018 and March 31, 2017 respectively and the same has been recognized in the consolidated statement of comprehensive income under the head employee benefit expense.

Superannuation contribution have been apportioned between cost of sales, selling and marketing expenses and administrative expenses on the basis of direct employee cost as follows: -

(In ₹ crore)

Particulars	Three months ended March 31,		Year ended March 31,	
	2018	**2017**	**2018**	**2017**
Cost of sales	39	38	154	149
Selling and marketing expenses	3	3	12	12
Administrative expenses	2	2	7	7
	44	**43**	**173**	**168**

2.12.3 Provident fund

Infosys has an obligation to fund any shortfall on the yield of the trust's investments over the administered interest rates on an annual basis. These administered rates are determined annually predominantly considering the social rather than economic factors and in most cases the actual return earned by the Company has been higher in the past years. The actuary has provided a valuation for provident fund liabilities on the basis of guidance issued by Actuarial Society of India and based on the assumptions provided below there is no shortfall as at March 31, 2018 and March 31, 2017, respectively.

The details of fund and plan asset position are as follows:

(In ₹ crore)

Particulars	As at	
	March 31, 2018	**March 31, 2017**
Plan assets at period end, at fair value	5,160	4,459
Present value of benefit obligation at period end	5,160	4,459
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:

(In %)

Particulars	As at	
	March 31, 2018	March 31, 2017
Government of India (GOI) bond yield (%)	7.50	6.90
Remaining term to maturity of portfolio (years)	5.9 year	6 years
Expected guaranteed interest rate (%)	8.55	8.60

The Group contributed ₹127 crore and ₹117 crore to the provident fund during the three months ended March 31, 2018 and March 31, 2017, respectively and ₹484 crore and ₹462 crore during the year ended March 31, 2018 and March 31, 2017, respectively. The same has been recognized in the consolidated statement of comprehensive income under the head employee benefit expense.

Provident Fund contribution have been apportioned between cost of sales, selling and marketing expenses and administrative expenses on the basis of direct employee cost as follows: -

(In ₹ crore)

Particulars	Three months ended March 31,		Year ended March 31,	
	2018	2017	2018	2017
Cost of sales	113	104	431	411
Selling and marketing expenses	9	8	34	33
Administrative expenses	5	5	19	18
	127	**117**	**484**	**462**

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

2.12.4 Employee benefit costs include:

(In ₹ crore)

Particulars	Three months ended March 31,		Year ended March 31,	
	2018	2017	2018	2017
Salaries and bonus[(1)(2)]	9,848	9,123	38,093	36,913
Defined contribution plans	68	64	260	252
Defined benefit plans	138	122	540	494
	10,054	**9,309**	**38,893**	**37,659**

[(1)] *Includes a employee stock compensation expense of ₹26 crore and ₹45 crore for the three months ended March 31, 2018 and March 31, 2017 respectively and ₹84 crore and ₹117 crore for the year ended March 31, 2018 and March 31, 2017 respectively.*

[(2)] *Included in the above is a reversal of stock compensation cost of ₹35 crore for the year ended March 31, 2018 towards forfeiture of stock incentives granted to Dr. Vishal Sikka upon his resignation. Refer note no. 2.13.*

The employee benefit cost is recognised in the following line items in the statement of comprehensive income: -

(In ₹ crore)

Particulars	Three months ended March 31,		Year ended March 31,	
	2018	2017	2018	2017
Cost of sales	8,947	8,260	34,670	33,471
Selling and marketing expenses	742	677	2,741	2,715
Administrative expenses	365	372	1,482	1,473
	10,054	**9,309**	**38,893**	**37,659**

2.13 Equity

2.13.1 Share capital and share premium

The Company has only one class of shares referred to as equity shares having a par value of ₹5/- each. 1,08,01,956 and 1,12,89,514 shares were held by controlled trust, as at March 31, 2018 and March 31, 2017, respectively.

The amount received in excess of the par value has been classified as share premium. Additionally, share-based compensation recognized in net profit in the consolidated statement of comprehensive income is credited to share premium. Amounts have been utilized for bonus issue from share premium account.

Retained Earnings

Retained earnings represent the amount of accumulated earnings of the Group.

Other Reserves

The Special Economic Zone Re-investment reserve has been created out of the profit of the eligible SEZ unit in terms of the provisions of Sec 10AA(1)(ii) of Income Tax Act,1961. The reserve should be utilized by the Company for acquiring new plant and machinery for the purpose of its business in terms of the provisions of the Sec 10AA(2) of the Income Tax Act, 1961.

Other components of equity

Other components of equity consist of currency translation, re-measurement of net defined benefit liability / asset, cumulative impact on reversal of unrealized gain on quoted debt securities on adoption of IFRS 9, equity instruments fair valued through other comprehensive income, changes on fair valuation of investments and changes in fair value of derivatives designated as cash flow hedges, net of taxes.

2.13.2 Dividend

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.

The Company declares and pays dividends in Indian rupees. The remittance of dividends outside India is governed by Indian law on foreign exchange and is subject to applicable distribution taxes. Dividend distribution tax paid by subsidiaries may be reduced / available as credit against dividend distribution tax payable by Infosys Limited.

Amount of per share dividend recognised as distribution to equity shareholders:-

(In ₹)

	Year ended March 31	
	2018	**2017**
Final dividend for fiscal 2016	-	14.25
Interim dividend for fiscal 2017	-	11.00
Final dividend for fiscal 2017	14.75	-
Interim dividend for fiscal 2018	13.00	-

Effective from Financial Year 2018, the Company's policy is to payout up to 70% of the free cash flow of the corresponding Financial Year in such manner (including by way of dividend and / or share buyback) as may be decided by the Board from time to time, subject to applicable laws and requisite approvals, if any. Free cash flow is defined as net cash provided by operating activities less capital expenditure as per the consolidated statement of cash flows prepared under IFRS. Dividend payout includes dividend distribution tax.

The Board of Directors recommended a final dividend of ₹20.50/- per equity share for the financial year ended March 31, 2018 and a special dividend of ₹10/- per equity share. The payment is subject to the approval of the shareholders in the ensuing Annual General Meeting of the Company, to be held on June 23, 2018 and if approved would result in a cash outflow of approximately ₹7,949 crore (excluding dividend paid on treasury shares) inclusive dividend distribution tax.

The Board of Directors in their meeting on October 24, 2017 declared an interim dividend of ₹13/- per equity share which resulted in a net cash outflow of approximately ₹3,408 crore, (excluding dividend paid on treasury shares) inclusive of dividend distribution tax.

Buyback

The Board, at its meeting on August 19, 2017, approved a proposal for the Company to buyback its fully paid-up equity shares of face value of ₹5 each from the eligible equity shareholders of the Company for an amount not exceeding ₹13,000 crore. The shareholders approved the said proposal of buyback of Equity Shares through the postal ballot that concluded on October 7, 2017. The Buyback offer comprised a purchase of 11,30,43,478 Equity Shares aggregating 4.92% of the paid-up equity share capital of the Company at a price of ₹1,150 per Equity share. The buyback was offered to all eligible equity shareholders (including those who became equity shareholders as on the Record date by cancelling American Depository Shares and withdrawing underlying Equity shares) of the Company as on the Record Date (i.e November 1, 2017) on a proportionate basis through the "Tender offer" route. The Company concluded the buyback procedures on December 27, 2017 and 11,30,43,478 equity shares were extinguished. The company has funded the buyback from its securities premium and general reserve. In accordance with section 69 of the Companies Act, 2013, the company has created 'Capital Redemption Reserve' of ₹56 crore equal to the nominal value of the shares bought back as an appropriation from general reserve.

The Company's objective when managing capital is to safeguard its ability to continue as a going concern and to maintain an optimal capital structure so as to maximize shareholder value. In order to maintain or achieve an optimal capital structure, the Company may adjust the amount of dividend payment, return capital to shareholders, issue new shares or buy back issued shares. As of March 31, 2018, the Company has only one class of equity shares and has no debt. Consequent to the above capital structure there are no externally imposed capital requirements

2.13.3 Voting

Each holder of equity shares is entitled to one vote per share. The equity shares represented by American Depositary Shares (ADS) carry similar rights to voting and dividends as the other equity shares. Each ADS represents one underlying equity share.

2.13.4 Liquidation

In the event of liquidation of the Company, the holders of shares shall be entitled to receive any of the remaining assets of the Company, after distribution of all preferential amounts. However, no such preferential amounts exist currently, other than the amounts held by irrevocable controlled trusts. The amount distributed will be in proportion to the number of equity shares held by the shareholders. For irrevocable controlled trusts, the corpus would be settled in favour of the beneficiaries.

2.13.5 Share Options

There are no voting, dividend or liquidation rights to the holders of options issued under the Company's share option plans

2.14 Other income

Accounting Policy

Other income is comprised primarily of interest income, dividend income, gain/loss on investment 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.

Foreign currency

Functional currency

The functional currency of Infosys, Infosys BPM (formerly 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 comprehensive income. Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at fair value are translated at the exchange rate prevalent at the date when the fair value was determined. Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of transaction.

Transaction gains or losses realized upon settlement of foreign currency transactions are included in determining net profit for the period in which the transaction is settled. Revenue, expense and cash-flow items denominated in foreign currencies are translated into the relevant functional currencies using the exchange rate in effect on the date of the transaction.

The translation of financial statements of the foreign subsidiaries to the presentation currency is performed for assets and liabilities using the exchange rate in effect at the Balance Sheet date and for revenue, expense and cash-flow items using the average exchange rate for the respective periods. The gains or losses resulting from such translation are included in currency translation reserves under other components of equity. When a subsidiary is disposed off, in full, the relevant amount is transferred to net profit in the statement of comprehensive income. However when a change in the parent's ownership does not result in loss of control of a subsidiary, such changes are recorded through equity.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the exchange rate in effect at the Balance Sheet date.

Government grants

The Group recognizes government grants only when there is reasonable assurance that the conditions attached to them shall be complied with, and the grants will be received. Government grants related to assets are treated as deferred income and are recognized in net profit in the statement of comprehensive income on a systematic and rational basis over the useful life of the asset. Government grants related to revenue are recognized on a systematic basis in net profit in the Statement of Profit and Loss over the periods necessary to match them with the related costs which they are intended to compensate.

Other income consists of the following:

(In ₹ crore)

Particulars	Three months ended March 31, 2018	Three months ended March 31, 2017	Year ended March 31, 2018	Year ended March 31, 2017
Interest income on financial assets carried at amortized cost	382	444	1,674	2,361
Interest income on financial assets fair valued through other comprehensive income	133	160	682	190
Dividend income on investments carried at fair value through profit or loss	-	-	4	29
Gain/(loss) on investments carried at fair value through profit or loss	39	66	253	119
Exchange gains / (losses) on forward and options contracts	(130)	290	1	591
Exchange gains / (losses) on translation of other assets and liabilities	183	(262)	233	(359)
Impairment loss on disposal group held for sale (refer note no 2.20)	(118)	-	(118)	-
Others	45	48	464	149
	534	**746**	**3,193**	**3,080**

2.15 Operating leases

Accounting Policy

Leases under which the group assumes substantially all the risks and rewards of ownership are classified as finance leases. When acquired, such assets are capitalized at fair value or present value of the minimum lease payments at the inception of the lease, whichever is lower. Lease payments under operating leases are recognized as an expense on a straight line basis in net profit in the statement of comprehensive income over the lease term.

The Group has various operating leases, mainly for office buildings, that are renewable on a periodic basis. Rental expense for operating leases for the three months ended March 31, 2018 and March 31, 2017 was ₹130 crore and ₹134 crore, respectively and ₹528 crore and ₹491 crore for the year ended March 31, 2018 and March 31, 2017, respectively.

The schedule of future minimum rental payments in respect of non-cancellable operating leases is set out below:

(In ₹ crore)

	As of March 31, 2018	As of March 31, 2017
Within one year of the balance sheet date	456	461
Due in a period between one year and five years	1,388	1,237
Due after five years	874	740

The operating lease arrangements, are renewable on a periodic basis and for most of the leases extend upto a maximum of ten years from their respective dates of inception and relates to rented premises. Some of these lease agreements have price escalation clauses.

2.16 Employees' Stock Option Plans (ESOP)

Accounting Policy

The Group recognizes compensation expense relating to share-based payments in net profit using fair-value in accordance with IFRS 2, Share-Based Payment. The estimated fair value of awards is charged to income on a straight-line basis over the requisite service period for each separately vesting portion of the award as if the award was in-substance, multiple awards with a corresponding increase to share premium.

Amendment to IFRS 2:

Effective April 1, 2017, the Company has early adopted amendment to IFRS 2 which provides specific guidance to measurement of cash-settled awards, modification of cash-settled awards and awards that include a net settlement feature in respect of withholding taxes. The adoption of the amendment did not have any material effect on the interim consolidated financial statements.

2015 Stock Incentive Compensation Plan (the 2015 Plan) (formerly 2011 RSU Plan): On March 31, 2016, pursuant to the approval by the shareholders through postal ballot, the Board has been authorized to introduce, offer, issue and allot share-based incentives to eligible employees of the Company and its subsidiaries under the 2015 Stock Incentive Compensation Plan (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 are held by the trust towards the 2011 Plan as at March 31, 2016). Out 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 on the date of the grant. These instruments will vest over a period of 4 years and the Company expects to grant the instruments under the 2015 Plan over the period of 4 to 7 years.

Controlled trust holds 1,08,01,956 and 1,12,89,514 shares as at March 31, 2018 and March 31, 2017, respectively under the 2015 plan, out of which 1,00,000 equity shares have been earmarked for welfare activities of the employees.

Stock incentives granted to Salil Parekh (CEO & MD)

Pursuant to the approval of the shareholders through a postal ballot on February 20 , 2018, Salil Parekh (CEO & MD) is eligible to receive under the 2015 Plan , a) an annual grant of RSUs of fair value ₹3.25 crore which will vest over time in 3 equal annual installments upon completion of each year of service from the respective grant date b) a one-time grant of RSUs of fair value ₹9.75 crore which will vest over time in 2 equal annual installments upon completion of each year of service from the grant date and c) annual grant of performance based RSUs of fair value ₹13 crore which will vest after completion of three years the first of which concludes on March 31, 2021, subject to achievement of performance targets set by the Board or its committee.

The board based on the recommendations of the Nomination and Remuneration committee approved on February 27, 2018, the annual time based grant for FY18 of 28,256 RSUs and the one-time time based grant of 84,768 RSUs. The grants were made effective February 27, 2018. Though the annual time based grants for the remaining employment term have not been granted as of March 31, 2018 , in accordance with IFRS 2, Share based payments the company has recorded employment stock compensation expense.

Stock incentives granted to Dr. Vishal Sikka

Consequent to Dr. Vishal Sikka's resignation from the Company on August 24, 2017, the unvested stock incentives (time-based and performance based awards) granted to him were forfeited

Stock incentives granted to COO:

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

Stock incentives granted to KMPs (other than CEO, COO and Dr. Vishal Sikka)

On November 1, 2016, 2,47,250 RSUs and 5,02,550 stock options were granted under the 2015 plan, to key management personnel, other than Dr. Vishal Sikka and COO, based on fiscal 2016 performance. On August 1, 2017 58,150 RSUs and 44,450 ESOPs were granted to the General Counsel. These RSUs and stock options will vest within 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. On February 27, 2018, based on the recommendation and approval of the Nomination and Remuneration Committee the company granted 214,950 RSUs to the KMP other than CEO and COO. These instruments will vest over a period of 4 years and are subject to continued service.

During the year ended March 31, 2018, three of the KMPs have resigned (Refer note no. 2.19 Related party transactions for further details) and hence the RSUs and stock options granted to them were forfeited.

Stock incentive granted to other employees:

During fiscal 2017, the company granted 25,06,740 RSUs and 7,03,300 ESOPs and 1,12,210 incentive units (cash settled) to certain eligible employees at mid and senior levels under the 2015 plan. Further, on May 2, 2017, the Company granted 37,090 RSUs (includes equity shares and equity shares represented by ADS) at par value, 73,600 employee stock options (ESOPs) (including equity shares and equity shares represented by ADS) to be exercised at market price at the time of grant, to certain employees at the senior management level. On August 1, 2017, 7,450 incentive units (cash settled) were granted to employees at the senior management level. These instruments will vest over a period of 4 years and are subject to continued service. On February 27, 2018 15,59,920 RSUs and 42,590 incentive units (cash settled) were granted to eligible employees. These instruments will vest over a period of 4 years and are subject to continued service.

As at March 31, 2018 and March 31, 2017, 1,11,757 and 1,06,845 incentive units were outstanding (net of forfeitures).

Break-up of employee stock compensation expense

(in ₹ crore)

	Three months ended March 31,		Year ended March 31,	
	2018	**2017**	**2018**	**2017**
Granted to:				
KMP	1	12	-13	36
Employees other than KMP	25	33	97	81
Total (1)	26	45	84	117
(1) Cash settled stock compensation expense included in the above	2	1	5	1

(2) Includes a reversal of stock compensation cost of ₹35 crore towards forfeiture of stock incentives granted to Dr. Vishal Sikka upon his resignation

The carrying value of liability towards cash settled share based payments was ₹6 crore and ₹3 crore as at March 31, 2018 and March 31, 2017, respectively.

The activity in the 2015 Plan (formerly 2011 RSU Plan) for equity-settled share based payment transactions during the three months and year ended March 31, 2018 is set out below:

Particulars	Three months ended March 31, 2018		Year ended March 31, 2018	
	Shares arising out of options	Weighted average exercise price (₹)	Shares arising out of options	Weighted average exercise price (₹)
2015 Plan: RSU				
Outstanding at the beginning	20,84,284	5	29,61,373	5
Granted	18,87,894	5	22,80,608	5
Exercised	1,15,996	5	6,48,217	5
Forfeited and expired	1,05,773	5	8,43,355	5
Outstanding at the end	**37,50,409**	**5**	**37,50,409**	**5**
Exercisable at the end	24,205	5	24,205	5
2015 Plan: Employee Stock Options (ESOPs)				
Outstanding at the beginning	11,58,400	992	11,97,650	992
Granted	-	-	4,91,575	943
Exercised	52,412	983	52,412	983
Forfeited and expired	1,39,075	963	6,69,900	961
Outstanding at the end	**9,66,913**	**986**	**9,66,913**	**986**
Exercisable at the end	1,96,912	992	1,96,912	992

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

Particulars	Three months ended March 31, 2017		Year ended March 31, 2017	
	Shares arising out of options	Weighted average exercise price (₹)	Shares arising out of options	Weighted average exercise price (₹)
2015 Plan: RSU				
Outstanding at the beginning	30,05,888	5	2,21,505	5
Granted	-	-	28,74,690	5
Forfeited and expired	41,095	5	1,00,760	5
Exercised	3,420	5	34,062	5
Outstanding at the end	**29,61,373**	**5**	**29,61,373**	**5**
Exercisable at the end	-	-	-	-
2015 Plan: Employee Stock Options (ESOPs)				
Outstanding at the beginning	12,05,850	992	-	-
Granted	-	-	12,05,850	992
Exercised	-	-	-	-
Forfeited and expired	8,200	992	8,200	992
Outstanding at the end	**11,97,650**	**992**	**11,97,650**	**992**
Exercisable at the end	-	-	-	-

During the three months and year ended March 31, 2018, the weighted average share price of options exercised under the 2015 Plan on the date of exercise was ₹1,119 and ₹992 respectively.

During the three months ended and year ended March 31, 2017, the weighted average share price of options exercised under the 2015 Plan on the date of exercise was ₹972 and ₹1,084, respectively.

The following table summarizes information about equity settled RSUs and ESOPs outstanding as at March 31, 2018:

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:			
0 - 5 (RSU)	37,50,409	1.89	5.00
900 - 1100 (ESOP)	9,66,913	6.60	992.68
	47,17,322	**2.57**	**207.45**

The following table summarizes information about equity settled RSUs and ESOPs outstanding as at 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:			
0 - 5 (RSU)	29,61,373	1.88	5.00
900 - 1100 (ESOP)	11,97,650	7.09	1,026.50
	41,59,023	**3.38**	**299.16**

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

Particulars	For options granted in			
	Fiscal 2018- Equity Shares- RSU	Fiscal 2018- Equity shares ESOP	Fiscal 2018- ADS-RSU	Fiscal 2018- ADS- ESOP
Weighted average share price (₹) / ($- ADS)	1,144	923	16.61	14.65
Exercise price (₹)/ ($- ADS)	5.00	919	0.08	14.67
Expected volatility (%)	20-25	25-28	21-26	25-31
Expected life of the option (years)	1 - 4	3 - 7	1 - 4	3 - 7
Expected dividends (%)	2.78	2.78	2.74	2.74
Risk-free interest rate (%)	6 - 7	6 - 7	1 - 2	1 - 2
Weighted average fair value as on grant date (₹) / ($- ADS)	1,066	254	15.47	2.93

Particulars	For options granted in			
	Fiscal 2017- Equity Shares- RSU	Fiscal 2017- Equity shares ESOP	Fiscal 2017- ADS-RSU	Fiscal 2017- ADS- ESOP
Weighted average share price (₹) / ($- ADS)	1,067	989	15.77	15.26
Exercise price (₹)/ ($- 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)	1,002	285	14.84	3.46

The expected life of the RSU / ESOP is estimated based on the vesting term and contractual term of the RSU / ESOP, as well as expected exercise behaviour of the employee who receives the RSU / ESOP. Expected volatility during the expected term of the RSU / ESOP is based on historical volatility of the observed market prices of the Company's publicly traded equity shares during a period equivalent to the expected term of the RSU / ESOP.

2.17 Income taxes

Accounting Policy

Income tax expense comprises current and deferred income tax. Income tax expense is recognized in net profit in the consolidated statement of comprehensive income except to the extent that it relates to items recognized directly in equity, in which case it is recognized in other comprehensive income. Current income tax for current and prior periods is recognized at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date. Deferred income tax assets and liabilities are recognized for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements except when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction. Deferred tax assets are reviewed at each reporting 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.

Income tax expense in the consolidated statement of comprehensive income comprises:

(In ₹ crore)

	Three months ended March 31,		Year ended March 31,	
	2018	**2017**	**2018**	**2017**
Current taxes				
Domestic taxes	1,160	860	4,658	4,137
Foreign taxes	306	389	(77)	1,516
	1,466	**1,249**	**4,581**	**5,653**
Deferred taxes				
Domestic taxes	(118)	39	(518)	(4)
Foreign taxes	(32)	42	178	(51)
	(150)	**81**	**(340)**	**(55)**
Income tax expense	**1,316**	**1,330**	**4,241**	**5,598**

Advance Pricing Agreement ("APA")

During the three months ended December 31, 2017, the Company had concluded an Advance Pricing Agreement ("APA") with the US Internal Revenue Service ("IRS") for the US branch covering the years ending March 2011 to March 2021. Under the APA, the Company and the IRS have agreed on the methodology to allocate revenues and compute the taxable income of the Company's US Branch operations.

During the three months ended December 31, 2017, in accordance with the APA, the company has reversed income tax expense provision of ₹1,432 crore which pertains to previous periods. This comprises of current tax expense of ₹1,610 crore, reversal of ₹132 crore on account of deferred tax assets pertaining to the temporary differences which are no longer required and a deferred tax liability of ₹46 crore pertaining to Branch profit tax for the three months ended December 31, 2017 on account of conclusion of APA. In line with the APA, the Company has to pay an amount of approximately ₹1,488 crore due to the difference between the taxes payable for prior periods as per the APA and the actual taxes paid for such periods. The company has paid ₹479 crore during the three months ended March 31, 2018 and the balance amount is expected to be paid over the next few quarters.

Additionally, income tax expense for the three months and year ended March 31, 2018 includes reversal (net of provisions) of ₹117 crore and ₹291 crore, respectively, pertaining to prior periods on account of adjudication of certain disputed matters in favor of the company across various jurisdictions.

Income tax expense for the three months and year ended March 31, 2017 includes reversal (net of provisions) of ₹91 crore and ₹152 crore, respectively, pertaining to prior periods.

The "Tax Cuts and Jobs Act (H.R. 1)" was signed into law on December 22, 2017 ("US Tax Reforms"). The US tax reforms has reduced federal tax rates from 35% to 21% effective January 1, 2018 amongst other measures. During the year ended March 31, 2018 , the US tax reforms has resulted in a positive impact of ₹155 crore on account of credits pertaining to deferred tax liabilities on branch profit. The impact of US tax reforms is expected to be not significant for future periods.

During the three months ended March 31, 2018 and March 31, 2017, a current tax charge 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, 2018 and March 31, 2017, a current tax charge of ₹17 crore and current tax credit ₹10 crore respectively have been recorded in other comprehensive income pertaining to remeasurement of defined benefit plan asset.

During the three months ended March 31, 2018, a deferred tax charge of less than ₹1 crore and a deferred tax credit of ₹2 crore has been recorded in other comprehensive income pertaining to unrealized gains on derivatives designated as cash flow hedges and unrealized gain on investment in non-convertible debentures, certificates of deposit, commercial papers and equity & preference securities.

During the year ended March 31, 2018, a deferred tax credit of ₹13 crore and a deferred tax charge of ₹1 crore has been recorded in other comprehensive income pertaining to unrealized gains on derivatives designated as cash flow hedges and unrealized gain on investment in non-convertible debentures, certificates of deposit, commercial papers and equity & preference securities. During the year ended March 31, 2017, a deferred tax charge 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)

	Three months ended March 31,		Year ended March 31,	
	2018	**2017**	**2018**	**2017**
Profit before income taxes	5,006	4,933	20,270	19,951
Enacted tax rates in India	34.61%	34.61%	34.61%	34.61%
Computed expected tax expense	1,732	1,707	7,015	6,905
Tax effect due to non-taxable income for Indian tax purposes	(631)	(433)	(2,068)	(1,982)
Overseas taxes	247	137	701	750
Tax provision (reversals)	(117)	(91)	(1,617)	(152)
Effect of exempt non-operating income	(6)	(8)	(66)	(65)
Effect of unrecognized deferred tax assets	49	32	188	93
Effect of differential overseas tax rates	27	35	52	64
Effect of non-deductible expenses	40	(47)	57	26
Branch profit tax (net of credits)	(55)	-	(210)	-
Subsidiary dividend distribution tax	-	-	172	-
Others	30	(2)	17	(41)
Income tax expense	**1,316**	**1,330**	**4,241**	**5,598**

The applicable Indian statutory tax rates for each of fiscal year 2018 and fiscal year 2017 is 34.61%.

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, 2018, Infosys' U.S. branch net assets amounted to approximately ₹5,030 crore. During the year ended March 31, 2018, an additional deferred tax liability has been created for branch profit tax amounting to ₹46 crore on account of conclusion of APA explained above. Further, on account of US tax Reforms, the company has a credit of ₹155 crore pertaining to Branch Profit Tax for the year ended March 31, 2018. The company has also reversed ₹55 crore of Branch Profit tax during the year ended March 31, 2018 towards current taxes. As of March 31, 2018, the Company has a deferred tax liability for branch profit tax of ₹164 crore (net of credits) , as the Company estimates that these branch profits are expected to be distributed in the foreseeable future

During the year ended March 31, 2018, the Company received ₹846 crore as dividend from its majority owned subsidiary. Dividend distribution tax paid by the subsidiary on such dividend has been reduced as credit against dividend distribution tax payable by Infosys. Accordingly, the Group has recorded a charge of ₹172 crore as income tax expense during the year ended March 31, 2018.

Other income for the three months and year ended March 31, 2018 includes interest on income tax refund of Nil and ₹262 crore respectively.

The foreign tax expense is due to income taxes payable overseas, principally in the United States. In India, the Company has benefited from certain income tax incentives that the Government of India had provided for export of software from the units registered under the Special Economic Zones Act (SEZs), 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 for the eligible SEZ units and utilization of such reserve by the Company for acquiring new plant and machinery for the purpose of its business as per the provisions of the Income Tax Act, 1961.

Deferred income tax liabilities have not been recognized on temporary differences amounting to ₹5,045 crore and ₹5,309 crore as at March 31, 2018 and March 31, 2017, respectively, associated with investments in subsidiaries and branches as it is probable that the temporary differences will not reverse in the foreseeable future.

The following table provides the details of income tax assets and income tax liabilities as at March 31, 2018 and March 31, 2017:

(In ₹ crore)

Particulars	As at	
	March 31, 2018	**March 31, 2017**
Income tax assets	6,070	5,716
Current income tax liabilities	2,043	3,885
Net current income tax asset/ (liability) at the end	**4,027**	**1,831**

The gross movement in the current income tax asset/ (liability) for the three months and year ended March 31, 2018 and March 31, 2017 is as follows:

(In ₹ crore)

	Three months ended March 31,		Year ended March 31,	
	2018	**2017**	**2018**	**2017**
Net current income tax asset/ (liability) at the beginning	3,515	1,454	1,831	1,820
Translation differences	17	-	6	-
Income tax paid	2,012	1,628	6,829	5,653
Current income tax expense	(1,466)	(1,249)	(4,581)	(5,653)
Income tax benefit arising on exercise of stock options	-	-	-	1
Reclassified as held for sale (refer note 2.20)	(41)	-	(41)	-
Income tax on other comprehensive income	(10)	(2)	(17)	10
Net current income tax asset/ (liability) at the end	**4,027**	**1,831**	**4,027**	**1,831**

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

(In ₹ crore)

	As at	
	March 31, 2018	**March 31, 2017**
Deferred income tax assets		
Property, plant and equipment	215	138
Computer software	-	40
Accrued compensation to employees	12	57
Trade receivables	141	136
Compensated absences	366	374
Post sales client support	98	97
Derivative financial instruments	13	-
Intangibles	9	22
Credits related to branch profits	341	-
Others	117	143
Total deferred income tax assets	**1,312**	**1007**

Deferred income tax liabilities		
Intangible asset	(38)	(206)
Branch profit tax	(505)	(327)
Derivative financial instruments	(2)	(74)
Others	(26)	(67)
Total deferred income tax liabilities	**(571)**	**(674)**
Deferred income tax assets after set off	**1,282**	**540**
Deferred income tax liabilities after set off	**(541)**	**(207)**

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 gross movement in the deferred income tax account for the three months and year ended March 31, 2018 and March 31, 2017, is as follows:

(In ₹ crore)

	Three months ended March 31,		Year ended March 31,	
	2018	**2017**	**2018**	**2017**
Net deferred income tax asset at the beginning	539	396	333	280
Impact on adoption of IFRS 9	-	-	-	4
Addition through business combination (Refer note no. 2.9)	-	-	(2)	-
Translation differences	(3)	21	5	7
Credits / (charge) relating to temporary differences	150	(81)	340	55
Reclassified as held for sale (refer note 2.20)	53	-	53	-
Temporary differences on other comprehensive income	2	(3)	12	(13)
Net deferred income tax asset at the end	**741**	**333**	**741**	**333**

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, 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.

Entire deferred income tax, except for a credit of ₹155 crore (on account of US Tax Reforms explained above), for the year ended March 31, 2018, relates to origination and reversal of temporary differences

The credit relating to temporary differences during the year ended March 31, 2018 are primarily on account of property plant and equipment and trade receivables partially offset by accrued compensation to employees. The credit 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.

As at March 31, 2018, claims against the Group not acknowledged as debts from the Income tax authorities amounted to ₹4,542 crore. These matters are pending before various Appellate Authorities and the management including its tax advisors expect that its position will likely be upheld on ultimate resolution and will not have a material adverse effect on the Group's financial position and results of operations.

Income tax claims amounting to ₹4,670 crore has not been considered as claims not acknowledged as debt because the Company has received favourable decisions on similar claims and therefore based on its assessment, is of the view that any liability resulting from these claims is remote and will not sustain on ultimate resolution.

Amount paid to statutory authorities against the above tax claims amounted to ₹6,540 crore.

As at March 31, 2017, claims against the Group not acknowledged as debts from the Indian Income tax authorities amounted to ₹6,378 crore. Amount paid to statutory authorities against this amounted to ₹4,682 crore.

2.18 Reconciliation of basic and diluted shares used in computing earnings per share

Accounting Policy

Basic earnings per equity share is computed by dividing the net profit attributable to the equity holders of the Company by the weighted average number of equity shares outstanding during the period. Diluted earnings per equity share is computed by dividing the net profit attributable to the equity holders of the Company by the weighted average number of equity shares considered for deriving basic earnings per equity share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. The dilutive potential equity shares are adjusted for the proceeds receivable had the equity shares been actually issued at fair value (i.e. the average market value of the outstanding equity shares). Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented.

The number of equity shares and potentially dilutive equity shares are adjusted retrospectively for all periods presented for any share splits and bonus shares issues including for changes effected prior to the approval of the financial statements by the Board of Directors.

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

	Three months ended March 31,		Year ended March 31,	
	2018	**2017**	**2018**	**2017**
Basic earnings per equity share - weighted average number of equity shares outstanding(1)	21732,77,060	228,56,54,881	225,53,32,322	228,56,39,447
Effect of dilutive common equivalent shares - share options outstanding	15,31,452	9,97,122	22,41,548	7,57,298
Diluted earnings per equity share - weighted average number of equity shares and common equivalent shares outstanding	**21748,08,512**	**228,66,52,003**	**22575,73,870**	**228,63,96,745**

(1) *excludes treasury shares*

For the three months and year ended March 31, 2018, 574 and 67,238 number of options to purchase equity shares had an anti-dilutive effect respectively.
For the three months and year ended March 31, 2017, 2,59,526 and 1,12,190 number of options to purchase equity shares had an anti-dilutive effect respectively.

2.19 Related party transactions

List of related parties:

Name of subsidiaries	**Country**	**Holdings as at March 31,**	
		2018	**2017**
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 Nova Holdings LLC. (Infosys Nova)	U.S.	100%	100%
EdgeVerve Systems Limited (EdgeVerve)	India	100%	100%
Lodestone Management Consultants GmbH(1)	Austria	100%	100%
Skava Systems Pvt. Ltd. (Skava Systems)	India	100%	100%
Kallidus Inc. (Kallidus)	U.S.	100%	100%
Infosys Chile SpA(2)	Chile	100%	-
Infosys Arabia Limited(3)	Saudi Arabia	70%	-
Infosys Americas Inc., (Infosys Americas)	U.S.	100%	100%
Infosys Technologies (Australia) Pty. Limited (Infosys Australia)(4)	Australia	100%	100%
Infosys Public Services, Inc. USA (Infosys Public Services)	U.S.	100%	100%
Infosys Canada Public Services Ltd. (5)(6)	Canada	-	-
Infosys BPM Limited (formerly Infosys BPO Limited)	India	99.98%	99.98%
Infosys (Czech Republic) Limited s.r.o.(7)	Czech Republic	99.98%	99.98%
Infosys Poland, Sp z.o.o(7)	Poland	99.98%	99.98%
Infosys McCamish Systems LLC (7)	U.S.	99.98%	99.98%
Portland Group Pty Ltd(7)	Australia	99.98%	99.98%
Infosys BPO Americas LLC.(7)	U.S.	99.98%	99.98%
Infosys Consulting Holding AG (Infosys Lodestone)	Switzerland	100%	100%
Lodestone Management Consultants Inc.(4)(8)	U.S.	100%	100%
Infosys Management Consulting Pty Limited(8)	Australia	100%	100%
Infosys Consulting AG(8)	Switzerland	100%	100%
Infosys Consulting GmbH(8)	Germany	100%	100%
Infosys Consulting SAS(8)	France	100%	100%
Infosys Consulting s.r.o.(8)	Czech Republic	100%	100%
Lodestone Management Consultants Co., Ltd.(8)	China	100%	100%
Infy Consulting Company Ltd(8)	U.K.	100%	100%
Infy Consulting B.V.(8)	The Netherlands	100%	100%
Infosys Consulting Sp. z.o.o(8)	Poland	100%	100%
Lodestone Management Consultants Portugal, Unipessoal, Lda. (8)	Portugal	100%	100%
S.C. Infosys Consulting S.R.L.(8)	Romania	100%	100%
Infosys Consulting S.R.L.(8)	Argentina	100%	100%
Lodestone GmbH(8)(9)	Switzerland	-	-
Lodestone Augmentis AG (10)(11)	Switzerland	-	-
Infosys Consulting (Belgium) NV (formerly Lodestone Management Consultants (Belgium) S.A.)(12)	Belgium	99.90%	99.90%
Infosys Consulting Ltda.(12)	Brazil	99.99%	99.99%
Panaya Inc. (Panaya)	U.S.	100%	100%
Panaya Ltd. (13)	Israel	100%	100%
Panaya GmbH(13)	Germany	100%	100%
Panaya Japan Co. Ltd(4)(13)	Japan	100%	100%
Panaya Pty Ltd. (13)(14)	Australia	-	-
Noah Consulting LLC (Noah)(15)	U.S.	-	100%
Noah Information Management Consulting Inc. (Noah Canada)(16)(17)	Canada	-	100%
Brilliant Basics Holdings Limited(18)	U.K.	100%	-
Brilliant Basics Limited(19)	U.K.	100%	-
Brilliant Basics (MENA) DMCC(19)	Dubai	100%	-
Infosys Consulting Pte Limited(1)	Singapore	100%	100%
Infosys Middle East FZ LLC(20)	Dubai	100%	-

(1) *Wholly-owned subsidiary of Infosys Limited*
(2) *Incorporated effective November 20, 2017*
(3) *Subsidiary of Infosys Limited*
(4) *Under liquidation*
(5) *Wholly owned subsidiary of Infosys Public Services, Inc.*
(6) *Liquidated effective May 9, 2017*
(7) *Wholly owned subsidiary of Infosys BPM (formerly Infosys BPO Limited).*
(8) *Wholly owned subsidiaries of Infosys Consulting Holding AG (formerly Lodestone Holding AG)*
(9) *Liquidated effective December 21, 2016*
(10) *Wholly owned subsidiary of Infosys Consulting AG (formerly Lodestone Management Consultants AG)*
(11) *Liquidated effective October 5, 2016*
(12) *Majority owned and controlled subsidiaries of Infosys Consulting Holding AG (formerly Lodestone Holding AG)*
(13) *Wholly owned subsidiary of Panaya Inc*
(14) *Liquidated effective November 16, 2016*
(15) *Liquidated effective November 9, 2017*
(16) *Wholly owned subsidiary of Noah*
(17) *Liquidated effective December 20, 2017*
(18) *On September 8, 2017, Infosys acquired 100% of the voting interests in Brilliant Basics Holdings Limited., UK. Refer note no. 2.9*
(19) *Wholly-owned subsidiary of Brilliant Basics Holding Limited.*
(20) *Wholly-owned subsidiary of Infosys Consulting Pte Ltd*

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

Name of Associates	Country	Holdings as at March 31,	
		2018	2017
DWA Nova LLC[1]	U.S.	-	16%

[1] During the three months ended June 30, 2017, the Company has written down the entire carrying value of the investment in its associate DWA Nova LLC amounting to ₹71 crore. DWA Nova LLC has been liquidated w.e.f November 17, 2017

List of other related party

Particulars	Country	Nature of relationship
Infosys Limited Employees' Gratuity Fund Trust	India	Post-employment benefit plan of Infosys
Infosys Limited Employees' Provident Fund Trust	India	Post-employment benefit plan of Infosys
Infosys Limited Employees' Superannuation Fund Trust	India	Post-employment benefit plan of Infosys
Infosys BPO Limited Employees' Superannuation Fund Trust	India	Post-employment benefit plan of Infosys BPM (formerly Infosys BPO)
Infosys BPO Limited Employees' Gratuity Fund Trust	India	Post-employment benefit plan of Infosys BPM (formerly Infosys BPO)
EdgeVerve Systems Limited Employees' Gratuity Fund Trust	India	Post-employment benefit plan of EdgeVerve
EdgeVerve Systems Limited Employees' Superannuation Fund Trust	India	Post-employment benefit plan of EdgeVerve
Infosys Employees' Welfare Trust	India	Controlled trust
Infosys Employee Benefits Trust	India	Controlled trust
Infosys Science Foundation	India	Controlled trust

Refer note no. 2.12 for information on transactions with post-employment benefit plans mentioned above.

List of key management personnel

Whole-time directors

Salil Parekh appointed as Chief Executive Officer and Managing Director effective January 2, 2018. The appointment is for a term of 5 years with effect from January 2, 2018 to January 1, 2023 and the remuneration is approved by shareholders through postal ballot dated February 20, 2018.

U. B. Pravin Rao, Chief Operating officer appointed as Interim-Chief Executive Officer and Managing Director effective August 18, 2017. Subsequently he stepped down as the interim CEO and Managing Director effective January 2, 2018 and will continue as Chief Operating Officer and a whole-time director of the Company.

Dr. Vishal Sikka resigned as Chief Executive Officer and Managing Director effective August 18, 2017 and as Executive Vice Chairman effective August 24, 2017

Non-whole-time directors

Nandan M. Nilekani (appointed as Non-Executive, Non-Independent Chairman effective August 24, 2017)
Ravi Venkatesan (resigned from his position as Co-Chairman effective August 24, 2017)
Kiran Mazumdar-Shaw
Roopa Kudva
Dr. Punita Kumar-Sinha
D. N. Prahlad (appointed effective October 14, 2016)
D. Sundaram (appointed effective July 14, 2017)
Prof. Jeffrey Lehman, (resigned effective August 24, 2017)
R. Seshasayee (resigned effective August 24, 2017)
Prof. John Etchemendy (resigned effective August 24, 2017)

Executive Officers

M. D. Ranganath, Chief Financial Officer
David D. Kennedy, General Counsel and Chief Compliance Officer (resigned effective December 31, 2016)
Mohit Joshi, President (appointed effective October 13, 2016)
Rajesh K. Murthy, President (appointed effective October 13, 2016 and resigned effective January 31, 2018)
Ravi Kumar S, President and Deputy Chief Operating Officer (effective October 13, 2016)
Sandeep Dadlani, President (resigned effective July 14, 2017)
Krishnamurthy Shankar, Group Head - Human Resources (effective October 13, 2016)
Gopi Krishnan Radhakrishnan - Acting General Counsel (resigned effective June 24, 2017)
Inderpreet Sawhney, Group General Counsel and Chief Compliance Officer (appointed as executive officer effective July 14, 2017)

Company Secretary

A. G. S. Manikantha

Transaction with key management personnel:

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

(In ₹ crore)

Particulars	Three months ended March 31,		Year ended March 31,	
	2018	**2017**	**2018**	**2017**
Salaries and other employee benefits to whole-time directors and executive officers [(1)(2)(3)(4)]	19	18	48	84
Commission and other benefits to non-executive/independent directors	2	3	10	11
Total	21	21	58	95

[(1)] On December 2, 2017, the Board appointed Salil Parekh as the Chief Executive Officer and Managing Director of the Company with effect from January 2, 2018. The appointment is for a term of 5 years with effect from January 2, 2018 to January 1, 2023 and the remuneration is approved by shareholders through postal ballot dated February 20, 2018.

[(2)] Total employee stock compensation expense for the three months and year ended March 31, 2018 includes a charge of ₹1 crore and a reversal of ₹13 crore, respectively towards key managerial personnel. For the three months and year ended March 31, 2017, an employee stock compensation expense of ₹12 crore and ₹36 crore, respectively, was recorded towards key managerial personnel. (Refer to note 2.16)

[(3)] Includes a reversal of stock compensation cost of ₹35 crore for the year ended March 31, 2018 towards forfeiture of stock incentives granted to Dr. Vishal Sikka upon his resignation. (Refer to note 2.16)

[(4)] Includes ₹6 crore payable under severance agreement to David Kennedy, General counsel and Chief compliance officer during the three months ended December 31, 2016

2.20 Disposal group held for sale

Accounting policy

Non current assets and disposal groups are classified as held for sale if their carrying amount is intended to be recovered principally through sale rather than through continuing use. The condition for classification of held for sale is met when the non current asset or the disposal group is available for immediate sale and the same is highly probable of being completed within one year from the date of classification as held for sale. Non current assets and disposal groups held for sale are measured at the lower of carrying amount and fair value less cost to sell.

In the quarter ended March 2018, on conclusion of a strategic review of the portfolio businesses, the Company initiated identification and evaluation of potential buyers for its subsidiaries, Kallidus and Skava (together referred to as "Skava") and Panaya (collectively referred to as the "disposal group"). The Company anticipates completion of the sale by March 2019 and accordingly, assets amounting to ₹2,060 crore and liabilities amounting to ₹324 crore in respect of the disposal group have been reclassified as "held for sale". On reclassification, the disposal group has been measured at the lower of carrying amount and fair value less cost to sell and consequently, an impairment loss of ₹118 crore in respect of Panaya has been recognized in the consolidated profit and loss for the quarter and year ended March 31, 2018.

The disposal group does not constitute a separate major component of the company and therefore has not been classified as discontinued operations.

2.21 Segment reporting

IFRS 8 establishes standards for the way that public business enterprises report information about operating segments and related disclosures about products and services, geographic areas, and major customers. The Group's operations predominantly relate to providing end-to-end business solutions to enable clients to enhance business performance. Based on the "management approach" as defined in IFRS 8, the Chief Operating Decision Maker (CODM) evaluates the Group's performance and allocates resources based on an analysis of various performance indicators by business segments and geographic segments. Accordingly, information has been presented both along business segments and geographic segments. The accounting principles used in the preparation of the financial statements are consistently applied to record revenue and expenditure in individual segments, and are as set out in the significant accounting policies.

Business segments of the Group are primarily enterprises in Financial Services (FS), enterprises in Manufacturing (MFG), enterprises in Retail, Consumer packaged goods and Logistics (RCL), enterprises in the Energy & utilities, Communication and Services (ECS), enterprises in Hi-tech (Hi-TECH), enterprises in Life Sciences, Healthcare and Insurance (HILIFE) and all other segments. The FS reportable segments has been aggregated to include the Financial Services operating segment and the Finacle operating segment. All other segments represents the operating segments of businesses in India, Japan, China and IPS. Geographic segmentation is based on business sourced from that geographic region and delivered from both on-site and off-shore locations. North America comprises the United States of America, Canada and Mexico, Europe includes continental Europe (both the east and the west), Ireland and the United Kingdom, and the Rest of the World comprising all other places except those mentioned above and India.

Revenue and identifiable operating expenses in relation to segments are categorized based on items that are individually identifiable to that segment. Revenue for “all other segments” represents revenue generated by IPS and revenue generated from customers located in India, Japan and China. Allocated expenses of segments include expenses incurred for rendering services from the Company's offshore software development centres and on-site expenses, which are categorized in relation to the associated turnover of the segment. Certain expenses such as depreciation, which form a significant component of total expenses, are not specifically allocable to specific segments as the underlying assets are used interchangeably. Management believes that it is not practical to provide segment disclosures relating to those costs and expenses, and accordingly these expenses are separately disclosed as "unallocated" and adjusted against the total income of the Group.

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

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

2.20.1 Business segments

Three months ended March 31, 2018 and *March 31, 2017*

(In ₹ crore)

Particulars	**FS**	**MFG**	**ECS**	**RCL**	**HILIFE**	**Hi-TECH**	**All other segments**	**Total**
Revenues	**4,683**	**1,965**	**4,437**	**2,830**	**2,425**	**1,302**	**441**	**18,083**
	4,655	*1,918*	*3,963*	*2,710*	*2,148*	*1,211*	*515*	*17,120*
Identifiable operating expenses	2,373	1,077	2,218	1,350	1,200	676	250	9,144
	2,319	*1,006*	*1,934*	*1,305*	*1,059*	*642*	*328*	*8,593*
Allocated expenses	989	443	1,000	638	547	294	100	4,011
	1,008	*440*	*909*	*621*	*493*	*278*	*117*	*3,866*
Segment profit	**1,321**	**445**	**1,219**	**842**	**678**	**332**	**91**	**4,928**
	1,328	*472*	*1,120*	*784*	*596*	*291*	*70*	*4,661*
Unallocable expenses								456
								449
Operating profit								**4,472**
								4,212
Other income, net (Refer to note 2.14 and 2.20)								534
								746
Share in net profit/(loss) of associate, including impairment								-
								(25)
Profit before income taxes								**5,006**
								4,933
Income tax expense								1,316
								1,330
Net profit								**3,690**
								3,603
Depreciation and amortization								458
								446
Non-cash expenses other than depreciation and amortization								116
								21

Year ended March 31, 2018 and *March 31, 2017*

(In ₹ crore)

Particulars	**FS**	**MFG**	**ECS**	**RCL**	**HILIFE**	**Hi-TECH**	**All other**	**Total**
Revenues	**18,638**	**7,699**	**16,757**	**11,104**	**9,271**	**5,047**	**2,006**	**70,522**
	18,555	*7,507*	*15,430*	*11,225*	*8,437*	*5,122*	*2,208*	*68,484*
Identifiable operating expenses	9,476	4,135	8,411	5,339	4,596	2,679	1,162	35,798
	9,271	*3,922*	*7,430*	*5,378*	*4,178*	*2,659*	*1,406*	*34,244*
Allocated expenses	3,955	1,745	3,796	2,516	2,100	1,144	455	15,711
	4,075	*1,737*	*3,569*	*2,598*	*1,951*	*1,186*	*510*	*15,626*
Segment profit	**5,207**	**1,819**	**4,550**	**3,249**	**2,575**	**1,224**	**389**	**19,013**
	5,209	*1,848*	*4,431*	*3,249*	*2,308*	*1,277*	*292*	*18,614*
Unallocable expenses								1,865
								1,713
Operating profit								**17,148**
								16,901
Other income, net (Refer to note 2.14 and 2.20)								3,193
								3,080
Share in net profit/(loss) of associate, including impairment								(71)
								(30)
Profit before income taxes								**20,270**
								19,951
Income tax expense								4,241
								5,598
Net profit								**16,029**
								14,353
Depreciation and amortization								1,863
								1,703
Non-cash expenses other than depreciation and amortization								191
								28

2.20.2 Geographic segments

Three months ended March 31, 2018 and *March 31, 2017*

(In ₹ crore)

Particulars	**North America**	**Europe**	**India**	**Rest of the World**	**Total**
Revenues	**10,741**	**4,485**	**513**	**2,344**	**18,083**
	10,666	*3,784*	*546*	*2,124*	*17,120*
Identifiable operating expenses	5,556	2,301	199	1,088	9,144
	5,464	*1,917*	*234*	*978*	*8,593*
Allocated expenses	2,415	1,009	97	490	4,011
	2,441	*864*	*107*	*454*	*3,866*
Segment profit	**2,770**	**1,175**	**217**	**766**	**4,928**
	2,761	***1,003***	***205***	***692***	***4,661***
Unallocable expenses					456
					449
Operating profit					**4,472**
					4,212
Other income, net (Refer to note 2.14 and 2.20)					534
					746
Share in net profit/(loss) of associate, including impairment					-
					(25)
Profit before income taxes					**5,006**
					4,933
Income tax expense					1,316
					1,330
Net profit					**3,690**
					3,603
Depreciation and amortization					458
					446
Non-cash expenses other than depreciation and amortization					*116*
					21

Year ended March 31, 2018 and *March 31, 2017*

(In ₹ crore)

Particulars	North America	Europe	India	Rest of the World	Total
Revenues	**42,575**	**16,738**	**2,231**	**8,978**	**70,522**
	42,408	*15,392*	*2,180*	*8,504*	*68,484*
Identifiable operating expenses	22,105	8,535	906	4,252	35,798
	21,618	*7,694*	*1,002*	*3,930*	*34,244*
Allocated expenses	9,624	3,778	426	1,883	15,711
	9,799	*3,548*	*442*	*1,837*	*15,626*
Segment profit	**10,846**	**4,425**	**899**	**2,843**	**19,013**
	10,991	***4,150***	***736***	***2,737***	***18,614***
Unallocable expenses					1,865
					1,713
Operating profit					**17,148**
					16,901
Other income, net (Refer to note 2.14 and 2.20)					3,193
					3,080
Share in net profit/(loss) of associate, including impairment					(71)
					(30)
Profit before income taxes					**20,270**
					19,951
Income tax expense					4,241
					5,598
Net profit					**16,029**
					14,353
Depreciation and amortization					1,863
					1,703
Non-cash expenses other than depreciation and amortization					*191*
					28

2.20.3 Significant clients

No client individually accounted for more than 10% of the revenues in the three months and year ended March 31, 2018 and March 31, 2017.

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

Nandan M. Nilekani
Chairman

Salil Parekh
Chief Executive officer
and Managing Director

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

D. Sundaram
Director

M. D. Ranganath
Chief Financial Officer

A. G. S. Manikantha
Company Secretary

Bengaluru
April 13, 2018

INDEPENDENT AUDITOR'S REPORT

TO THE BOARD OF DIRECTORS OF INFOSYS LIMITED

Report on the Interim Consolidated Financial Statements

We have audited the accompanying interim consolidated financial statements of **INFOSYS LIMITED** (“the Company") and its subsidiaries (the Company and its subsidiaries together referred to as "the Group"), which comprise the Consolidated Balance Sheet as at March 31, 2018, the Consolidated Statement of Comprehensive Income for the three months and year ended on that date, the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the interim consolidated financial statements").

Management's Responsibility for the Interim Consolidated Financial Statements

The Company's Board of Directors is responsible for the preparation of these interim consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated total comprehensive income, consolidated changes in equity and consolidated cash flows of the Group in accordance with International Accounting Standard 34 “Interim Financial Reporting” (“IAS 34”) as issued by the International Accounting Standards Board (“IASB”).

This responsibility also includes maintenance of adequate accounting records, for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and 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 interim consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these interim consolidated financial statements based on our audit. We conducted our audit of the interim consolidated financial statements in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the interim consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the interim consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the interim consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation and presentation of the interim consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Board of Directors, as well as evaluating the overall presentation of the interim consolidated 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 interim consolidated financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid interim consolidated financial statements give a true and fair view in conformity with IAS 34 as issued by the IASB, of the consolidated state of affairs of the Group as at March 31, 2018, the consolidated profit and consolidated total comprehensive income for the three months and year ended on that date, consolidated changes in equity and the consolidated cash flows for the year ended on that date.

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

P. R. RAMESH
Partner
(Membership No.70928)

Bengaluru, April 13, 2018

INFOSYS LIMITED

Standalone Financial Statements
under Indian Accounting Standards (Ind AS)
for the year ended March 31, 2018

Index

INFOSYS LIMITED

(In ₹ crore)

Balance Sheet as at	Note No.	March 31, 2018	March 31, 2017
ASSETS			
Non-current assets			
Property, plant and equipment	2.1	9,027	8,605
Capital work-in-progress		1,442	1,247
Goodwill	2.2	29	-
Other intangible assets	2.2	101	-
Financial assets			
Investments	2.3	11,993	15,334
Loans	2.4	19	5
Other financial assets	2.5	177	216
Deferred tax assets (net)	2.15	1,128	346
Income tax assets (net)		5,710	5,454
Other non-current assets	2.8	2,161	996
Total non - current Assets		**31,787**	**32,203**
Current assets			
Financial assets			
Investments	2.3	5,906	9,643
Trade receivables	2.6	12,151	10,960
Cash and cash equivalents	2.7	16,770	19,153
Loans	2.4	393	310
Other financial assets	2.5	5,906	5,403
Other current assets	2.8	1,439	2,213
		42,565	**47,682**
Assets held for sale	2.26	1,525	-
Total current assets		**44,090**	**47,682**
Total Assets		**75,877**	**79,885**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	2.10	1,092	1,148
Other equity		62,410	66,869
Total equity		**63,502**	**68,017**
LIABILITIES			
Non-current liabilities			
Financial liabilities			
Other financial liabilities	2.11	55	40
Deferred tax liabilities (net)	2.15	505	-
Other non-current liabilities	2.13	153	42
Total non - current liabilities		**713**	**82**
Current liabilities			
Financial liabilities			
Trade payables	2.12	738	269
Other financial liabilities	2.11	5,540	5,056
Other current liabilities	2.13	2,972	2,349
Provisions	2.14	436	350
Income tax liabilities (net)		1,976	3,762
Total current liabilities		**11,662**	**11,786**
Total equity and liabilities		**75,877**	**79,885**

The accompanying notes form an integral part of the standalone financial statements.

As per our report of even date attached

for Deloitte Haskins & Sells LLP
Chartered Accountants
Firm's Registration Number:
117366W/W-100018

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

P. R. Ramesh
Partner
Membership No. 70928

Nandan M. Nilekani
Chairman

Salil Parekh
Chief Executive officer and Managing Director

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

Bengaluru
April 13, 2018

D. Sundaram
Director

M. D. Ranganath
Chief Financial Officer

A. G. S. Manikantha
Company Secretary

INFOSYS LIMITED

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

Statement of Profit and Loss for the	Note No.	Year ended March 31, 2018	2017
Revenue from operations	2.16	61,941	59,289
Other income, net	2.17	4,019	3,062
Total income		**65,960**	**62,351**
Expenses			
Employee benefit expenses	2.18	32,472	30,944
Cost of technical sub-contractors		5,494	4,809
Travel expenses		1,479	1,638
Cost of software packages and others	2.18	1,270	1,235
Communication expenses		330	372
Consultancy and professional charges		826	538
Depreciation and amortization expense		1,408	1,331
Other expenses	2.18	2,184	2,546
Impairment loss on assets held for sale	2.26	589	-
Total expenses		**46,052**	**43,413**
Profit before tax		**19,908**	**18,938**
Tax expense:			
Current tax	2.15	4,003	5,068
Deferred tax	2.15	(250)	52
Profit for the period		**16,155**	**13,818**
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss			
Remeasurement of the net defined benefit liability/asset, net		52	(42)
Equity instruments through other comprehensive income, net		7	(5)
Items that will be reclassified subsequently to profit or loss			
Fair value changes on derivatives designated as cash flow hedge, net		(39)	39
Fair value changes on investments, net	2.3	1	(10)
Total other comprehensive income/ (loss), net of tax		**21**	**(18)**
Total comprehensive income for the period		**16,176**	**13,800**
Earnings per equity share			
Equity shares of par value ₹5/- each			
Basic (₹)		71.28	60.16
Diluted (₹)		71.25	60.15
Weighted average equity shares used in computing earnings per equity share			
Basic	2.21	22663,43,802	22969,44,664
Diluted	2.21	22673,92,621	22971,59,670

The accompanying notes form an integral part of the standalone financial statements.

As per our report of even date attached

for Deloitte Haskins & Sells LLP
Chartered Accountants
Firm's Registration Number:
117366W/W-100018

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

P. R. Ramesh
Partner
Membership No. 70928

Nandan M. Nilekani
Chairman

Salil Parekh
Chief Executive officer and Managing Director

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

Bengaluru
April 13, 2018

D. Sundaram
Director

M. D. Ranganath
Chief Financial Officer

A. G. S. Manikantha
Company Secretary

INFOSYS LIMITED

Statement of Changes in Equity

(In ₹ crore)

Particulars	Equity Share Capital	Other Equity											Total equity attributable to equity holders of the Company
		Reserves & Surplus								Other comprehensive income			
							Capital reserve						
		Securities Premium Account	Retained earnings	General reserve	Share Options Outstanding Account	Special Economic Zone Re-investment reserve [(1)]	Capital reserve	Business transfer adjustment reserve[(2)]	Capital redemption reserve	Equity Instruments through other comprehensive income	Effective portion of Cash flow hedges	Other items of other comprehensive income	
Balance as at April 1, 2016	**1,148**	**2,204**	**44,698**	**9,508**	**9**	**-**	**54**	**3,448**	**-**	**-**	**-**	**13**	**61,082**
Changes in equity for the year ended March 31, 2017													
Transfer to general reserve	-	-	(1,579)	1,579	-	-	-	-	-	-	-	-	-
Transferred to Special Economic Zone Re-investment reserve	-	-	(953)	-	-	953	-	-	-	-	-	-	-
Transferred from Special Economic Zone Re-investment reserve on utilization	-	-	953	-	-	(953)	-	-	-	-	-	-	-
Exercise of stock options (refer note no. 2.10)	-	3	-	-	(3)	-	-	-	-	-	-	-	-
Income tax benefit arising on exercise of stock options	-	1	-	-	-	-	-	-	-	-	-	-	1
Share based payment to employees of the group (refer note no. 2.10)	-	-	-	-	114	-	-	-	-	-	-	-	114
Remeasurement of the net defined benefit liability/asset*	-	-	-	-	-	-	-	-	-	-	-	(42)	(42)
Fair value changes on derivatives designated as cash flow hedge * (Refer note no. 2.9)	-	-	-	-	-	-	-	-	-	-	39	-	39
Fair value changes on investments, net* (Refer note no. 2.3)	-	-	-	-	-	-	-	-	-	-	-	(10)	(10)
Equity instruments through other comprehensive income* (Refer note no. 2.3)	-	-	-	-	-	-	-	-	-	(5)	-	-	(5)
Dividends (including dividend distribution tax)	-	-	(6,980)	-	-	-	-	-	-	-	-	-	(6,980)
Profit for the period	-	-	13,818	-	-	-	-	-	-	-	-	-	13,818
Balance as at March 31, 2017	**1,148**	**2,208**	**49,957**	**11,087**	**120**	**-**	**54**	**3,448**	**-**	**(5)**	**39**	**(39)**	**68,017**

INFOSYS LIMITED

Statement of Changes in Equity

(In ₹ crore)

Particulars	Equity Share Capital	Other Equity											Total equity attributable to equity holders of the Company
		Reserves & Surplus								Other comprehensive income			
							Capital reserve						
		Securities Premium Account	Retained earnings	General reserve	Share Options Outstanding Account	Special Economic Zone Re-investment reserve (1)	Capital reserve	Business transfer adjustment reserve(2)	Capital redemption reserve	Equity Instruments through other comprehensive income	Effective portion of Cash flow hedges	Other items of other comprehensive income	
Balance as at April 1, 2017	**1,148**	**2,208**	**49,957**	**11,087**	**120**	**-**	**54**	**3,448**	**-**	**(5)**	**39**	**(39)**	**68,017**
Changes in equity for the year ended March 31, 2018													
Transfer to general reserve	-	-	(1,382)	1,382	-	-	-	-	-	-	-	-	-
Transferred to Special Economic Zone Re-investment reserve	-	-	(2,141)	-	-	2,141	-	-	-	-	-	-	-
Transferred from Special Economic Zone Re-investment reserve on utilization	-	-	582	-	-	(582)	-	-	-	-	-	-	-
Exercise of stock options (refer note no.2.10)	-	67	-	2	(69)	-	-	-	-	-	-	-	-
Shares issued on exercise of employee stock options	-	5	-	-	-	-	-	-	-	-	-	-	5
Share based payment to employees of the group (refer note no. 2.10)	-	-	-	-	79	-	-	-	-	-	-	-	79
Amount paid upon buyback (refer note 2.10)	(56)	(2,206)	-	(10,738)	-	-	-	-	-	-	-	-	(13,000)
Transaction costs related to buyback (refer note 2.10)	-	(46)	-	-	-	-	-	-	-	-	-	-	(46)
Amount transferred to capital redemption reserve upon Buyback (refer note 2.10)	-	-	-	(56)	-	-	-	-	56	-	-	-	-
Loss recorded upon business transfer (Refer note 2.3)	-	-	-	-	-	-	-	(229)	-	-	-	-	(229)
Remeasurement of the net defined benefit liability/asset*	-	-	-	-	-	-	-	-	-	-	-	52	52
Equity instruments through other comprehensive income* (Refer note no. 2.3)	-	-	-	-	-	-	-	-	-	7	-	-	7
Fair value changes on derivatives designated as cash flow hedge* (Refer note no. 2.9)	-	-	-	-	-	-	-	-	-	-	(39)	-	(39)
Fair value changes on investments, net*(Refer note no.2.3)	-	-	-	-	-	-	-	-	-	-	-	1	1
Dividends (including dividend distribution tax)	-	-	(7,500)	-	-	-	-	-	-	-	-	-	(7,500)
Profit for the period	-	-	16,155	-	-	-	-	-	-	-	-	-	16,155
Balance as at March 31, 2018	**1,092**	**28**	**55,671**	**1,677**	**130**	**1,559**	**54**	**3,219**	**56**	**2**	**-**	**14**	**63,502**

**net of tax*

(1) The Special Economic Zone Re-investment Reserve has been created out of the profit of eligible SEZ units in terms of the provisions of Sec 10AA(1)(ii) of Income Tax Act,1961. The reserve should be utilized by the Company for acquiring new plant and machinery for the purpose of its business in the terms of the Sec 10AA(2) of the Income Tax Act, 1961.

(2) Profit on transfer of business between entities under common control taken to reserve.

The accompanying notes form an integral part of the standalone financial statements.

As per our report of even date attached
for Deloitte Haskins & Sells LLP
Chartered Accountants
Firm's Registration Number:
117366W/W-100018

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

P. R. Ramesh
Partner
Membership No. 70928

Nandan M. Nilekani
Chairman

Salil Parekh
Chief Executive officer
and Managing Director

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

Bengaluru
April 13, 2018

D. Sundaram
Director

M. D. Ranganath
Chief Financial Officer

A. G. S. Manikantha
Company Secretary

INFOSYS LIMITED

Statement of Cash Flows

Accounting Policy

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. The company considers all highly liquid investments that are readily convertible to known amounts of cash to be cash equivalents.

Amendment to Ind AS 7

Effective April 1, 2017, the Company adopted the amendment to Ind AS 7, which require 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 adoption of amendment did not have any material impact on the financial statements.

(In ₹ crore)

Particulars	**Note no.**	**Year ended March 31, 2018**	**2017**
Cash flow from operating activities:			
Profit for the period		16,155	13,818
Adjustments to reconcile net profit to net cash provided by operating activities:			
Depreciation and amortization		1,408	1,331
Income tax expense	2.15	3,753	5,120
Allowance for credit losses on financial assets		18	135
Interest and dividend income		(3,169)	(2,553)
Other adjustments		40	48
Impairment loss on assets held for sale	2.26	589	-
Exchange differences on translation of assets and liabilities		3	39
Changes in assets and liabilities			
Trade receivables and unbilled revenue		(1,579)	(1,825)
Loans and other financial assets and other assets		(207)	(427)
Trade payables		466	(354)
Other financial liabilities, other liabilities and provisions		1,052	179
Cash generated from operations		**18,529**	**15,511**
Income taxes paid		(6,054)	(5,033)
Net cash generated by operating activities		**12,475**	**10,478**
Cash flow from investing activities:			
Expenditure on property, plant and equipment net of sale proceeds		(1,842)	(2,292)
Deposits placed with corporations		(106)	(155)
Loans to employees		19	23
Loan given to subsidiaries		(106)	-
Repayment of debentures		349	420
Investment in subsidiaries		(212)	(369)
Proceeds on liquidation of Noah	2.3	316	-
Payment towards acquisition of business	2.3	(295)	-
Payment towards contingent consideration pertaining to acquisition		(33)	(36)
Payments to acquire financial assets			
Preference and equity securities		(13)	(43)
Liquid mutual fund units and fixed maturity plan securities		(57,250)	(49,648)
Tax free bonds		(1)	(312)
Non-convertible debentures		-	(3,664)
Certificates of deposit		(6,290)	(7,555)
Commercial papers		(291)	-
Proceeds on sale of financial assets			
Preference and equity securities		10	-
Liquid mutual fund units and fixed maturity plan securities		59,364	47,495
Tax free bonds		-	2
Non-convertible debentures		100	-
Certificates of Deposit		9,411	-
Dividend received from subsidiaries		846	-
Interest and dividend received		1,708	2,640
Net cash used in investing activities		**5,684**	**(13,494)**
Cash flow from financing activities:			
Shares issued on exercise of employee stock options		5	-
Buyback including transaction cost		(13,046)	-
Payment of dividends (including dividend distribution tax)		(7,495)	(6,968)
Net cash used in financing activities		**(20,536)**	**(6,968)**
Effect of exchange differences on translation of foreign currency cash and cash equivalents		(6)	(39)
Net decrease in cash and cash equivalents		(2,377)	(9,984)
Cash and cash equivalents at the beginning of the year		19,153	29,176
Cash and cash equivalents at the end of the year		**16,770**	**19,153**
Supplementary information:			
Restricted cash balance		375	411

The accompanying notes form an integral part of the standalone financial statements.

As per our report of even date attached

for Deloitte Haskins & Sells LLP
Chartered Accountants
Firm's Registration Number:
117366W/W-100018

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

P. R. Ramesh *Partner* Membership No. 70928	Nandan M. Nilekani *Chairman*	Salil Parekh *Chief Executive officer and Managing Director*	U. B. Pravin Rao *Chief Operating Officer and Whole-time Director*
Bengaluru April 13, 2018	D. Sundaram *Director*	M. D. Ranganath *Chief Financial Officer*	A. G. S. Manikantha *Company Secretary*

INFOSYS LIMITED

Notes to the Financial Statements

1. Overview

1.1 Company overview

Infosys Limited ('the Company' or Infosys) is a leading provider of consulting, technology, outsourcing and next-generation services and software. 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. Its new offerings span areas like digital, big data and analytics, cloud, data and mainframe modernization, cyber security, IoT engineering Services and API & micro services.

The Company is a public limited company incorporated and domiciled in India and has its registered office at Bengaluru, Karnataka, India. The Company has its primary listings on the BSE Limited and National Stock Exchange of India Limited, in India. The Company's American Depositary Shares representing equity shares are also listed on the New York Stock Exchange (NYSE), Euronext London and Euronext Paris.

The company has proposed to voluntarily delist its American Depositary Shares ("ADS") from the Euronext Paris and Euronext London exchanges due to low average daily trading volume of Infosys ADS on these exchanges. The proposed delisting is subject to approval from said stock exchanges.

The financial statements are approved for issue by the Company's Board of Directors on April 13, 2018.

1.2 Basis of preparation of financial statements

These financial statements are prepared in accordance with Indian Accounting Standard (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 relevant amendment rules issued there after.

Effective April 1, 2016, the Company has adopted all the Ind AS standards and the adoption was carried out in accordance with Ind AS 101 First time adoption of Indian Accounting Standards, with April 1, 2015 as the transition date. 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.

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.

Amounts for the year ended and as at March 31, 2017 were audited by previous auditors - B S R & Co LLP.

As the year end figures are taken from the source and rounded to the nearest digits, the figures reported for the previous quarters might not always add up to the year end figures reported in this statement.

1.3 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. The 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 no. 1.4. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

1.4 Critical accounting estimates

a. Revenue recognition

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

b. Income taxes

The Company's two major tax jurisdictions are India and the U.S., though the Company also files tax returns in other overseas jurisdictions. Significant 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 no.2.15 and note no. 2.22.

c. Property, plant and equipment

Property, plant and equipment represent a significant proportion of the asset base of the Company. The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of Company's assets are determined by 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.

d. Non-current assets held for sale

Assets held for sale are measured at the lower of carrying amount or fair value less costs to sell. The determination of fair value less costs to sell includes use of management estimates and assumptions. The fair value of the asset held for sale has been estimated using valuation techniques (mainly income and market approach) which includes unobservable inputs.

1.5 Recent accounting pronouncements

Appendix B to Ind AS 21, Foreign currency transactions and advance consideration: On March 28, 2018, Ministry of Corporate Affairs ("MCA") has notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 containing Appendix B to Ind AS 21, Foreign currency transactions and advance consideration which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency.
The amendment will come into force from April 1, 2018. The Company has evaluated the effect of this on the financial statements and the impact is not material.

Ind AS 115- Revenue from Contract with Customers: On March 28, 2018, Ministry of Corporate Affairs ("MCA") has notified the Ind AS 115, Revenue from Contract with Customers. The core principle of the new standard is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Further the new standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers.

The standard permits two possible methods of transition:
• Retrospective approach - Under this approach the standard will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8- Accounting Policies, Changes in Accounting Estimates and Errors
• Retrospectively with cumulative effect of initially applying the standard recognized at the date of initial application (Cumulative catch - up approach)
The effective date for adoption of Ind AS 115 is financial periods beginning on or after April 1, 2018.

The Company will adopt the standard on April 1, 2018 by using the cumulative catch-up transition method and accordingly comparatives for the year ending or ended March 31, 2018 will not be retrospectively adjusted. The effect on adoption of Ind AS 115 is expected to be insignificant.

2.1 PROPERTY, PLANT AND EQUIPMENT

Accounting Policy

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 Company depreciates property, plant and equipment over their estimated useful lives using the straight-line method. The estimated useful lives of assets are as follows:

Building[(1)]	22-25 years
Plant and machinery[(1)]	5 years
Office equipment	5 years
Computer equipment[(1)]	3-5 years
Furniture and fixtures[(1)]	5 years
Vehicles[(1)]	5 years
Leasehold improvements	Over lease term

[(1)] Based on technical evaluation, the management believes that the useful lives as given above best represent the period over which management expects to use these assets. Hence, the useful lives for these assets is different from the useful lives as prescribed under Part C of Schedule II of the Companies Act 2013.

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

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

Impairment

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 (Cash Generating Unit) 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 depreciation) had no impairment loss been recognized for the asset in prior years.

Following are the changes in the carrying value of property, plant and equipment for the year ended March 31, 2018: *(In ₹ crore)*

Particulars	Land-Freehold	Land-Leasehold	Buildings[(1)(2)]	Plant and machinery[(2)(3)]	Office Equipment[(2)]	Computer equipment[(2)]	Furniture and fixtures[(2)]	Leasehold Improvements	Vehicles	Total
Gross carrying value as at April 1, 2017	**1,093**	**659**	**6,483**	**1,966**	**769**	**3,886**	**1,132**	**198**	**24**	16,210
Additions	134	2	789	250	78	396	121	48	5	1,823
Deletions	-	-	(1)	(7)	(6)	(53)	(6)	(11)	-	(84)
Gross carrying value as at March 31, 2018	**1,227**	**661**	**7,271**	**2,209**	**841**	**4,229**	**1,247**	**235**	**29**	**17,949**
Accumulated depreciation as at April 1, 2017	-	**(26)**	**(2,377)**	**(1,274)**	**(472)**	**(2,603)**	**(757)**	**(82)**	**(14)**	**(7,605)**
Depreciation	-	(4)	(244)	(258)	(115)	(592)	(145)	(36)	(3)	**(1,397)**
Accumulated depreciation on deletions	-	-	-	6	5	52	6	11	-	80
Accumulated depreciation as at March 31, 2018	-	**(30)**	**(2,621)**	**(1,526)**	**(582)**	**(3,143)**	**(896)**	**(107)**	**(17)**	**(8,922)**
Carrying value as at March 31, 2018	**1,227**	**631**	**4,650**	**683**	**259**	**1,086**	**351**	**128**	**12**	**9,027**
Carrying value as at April 1, 2017	**1,093**	**633**	**4,106**	**692**	**297**	**1,283**	**375**	**116**	**10**	**8,605**

The changes in the carrying value of property, plant and equipment for the year ended March 31, 2017 are as follows: *(In ₹ crore)*

Particulars	Land-Freehold	Land-Leasehold	Buildings[(1)(2)]	Plant and machinery[(2)(3)]	Office Equipment[(2)]	Computer equipment[(2)]	Furniture and fixtures[(2)]	Leasehold Improvements	Vehicles	Total
Gross carrying value as at April 1, 2016	**970**	**638**	**6,173**	**1,662**	**679**	**3,481**	**991**	**96**	**19**	**14,709**
Additions	123	21	310	308	122	654	169	104	6	1,817
Deletions	-	-	-	(4)	(32)	(249)	(28)	(2)	(1)	(316)
Gross carrying value as at March 31, 2017	**1,093**	**659**	**6,483**	**1,966**	**769**	**3,886**	**1,132**	**198**	**24**	**16,210**
Accumulated depreciation as at April 1, 2016	-	**(21)**	**(2,150)**	**(1,033)**	**(369)**	**(2,195)**	**(619)**	**(63)**	**(11)**	**(6,461)**
Depreciation	-	(5)	(227)	(245)	(111)	(572)	(146)	(21)	(4)	(1,331)
Accumulated depreciation on deletions	-	-	-	4	8	164	8	2	1	187
Accumulated depreciation as at March 31, 2017	-	**(26)**	**(2,377)**	**(1,274)**	**(472)**	**(2,603)**	**(757)**	**(82)**	**(14)**	**(7,605)**
Carrying value as at March 31, 2017	**1,093**	**633**	**4,106**	**692**	**297**	**1,283**	**375**	**116**	**10**	**8,605**
Carrying value as at April 1, 2016	**970**	**617**	**4,023**	**629**	**310**	**1,286**	**372**	**33**	**8**	**8,248**

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

[(2)] Includes certain assets provided on cancellable operating lease to subsidiaries.

[(3)] Includes ₹168 crore and ₹25 crore spent on CSR activities for the year ended March 31, 2018 and March 31, 2017 respectively.

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

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

Tangible assets provided on operating lease to subsidiaries as at March 31, 2018 and March 31, 2017 are as follows:

(In ₹ crore)

Particulars	Cost	Accumulated depreciation	Net book value
Buildings	190	82	108
	197	*82*	*115*
Plant and machinery	33	25	8
	33	*19*	*14*
Furniture and fixtures	25	20	5
	25	*16*	*9*
Computer Equipment	3	2	1
	3	*2*	*1*
Office equipment	18	13	5
	18	*10*	*8*

(In ₹ crore)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Aggregate depreciation charged on above assets	20	19
Rental income from subsidiaries	67	65

2.2 GOODWILL AND OTHER INTANGIBLE ASSETS

2.2.1 Goodwill

Following is a summary of changes in the carrying amount of goodwill:

(In ₹ crore)

Particulars	As at	
	March 31, 2018	**March 31, 2017**
Carrying value at the beginning	**-**	**-**
Goodwill on business transfer of Noah (refer note 2.3.1)	29	-
Translation differences	-	-
Carrying value at the end	**29**	**-**

The goodwill which was transferred as part of the business transfer has been allocated to the Company's CGU which is represented by the Energy & Utilities, Communication and Services Segment.

2.2.2 Other Intangible Assets:
Accounting Policy

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

Research costs are expensed as incurred. Software product development costs are expensed as incurred unless technical and commercial feasibility of the project is demonstrated, future economic benefits are probable, the Company has an intention and ability to complete and use or sell the software and the costs can be measured reliably. The costs which can be capitalized include the cost of material, direct labour, overhead costs that are directly attributable to preparing the asset for its intended use.

Following are the changes in the carrying value of acquired intangible assets for the year ended March 31, 2018: *(In ₹ crore)*

Particulars	Customer related	Sub-Contracting rights related	Trade name related	Others	Total
Gross carrying value as at April 1, 2017	-	21	-	9	30
Transfer of Assets (refer note 2.3.1)	113	-	26	26	165
Deletions during the period	-	(21)	-	(9)	(30)
Gross carrying value as at March 31, 2018	**113**	**-**	**26**	**26**	**165**
Accumulated amortization as at April 1, 2017	-	(21)	-	(9)	(30)
Transfer of Assets (refer note 2.3.1)	(33)	-	(10)	(10)	(53)
Amortization expense	(7)	-	(2)	(2)	(11)
Accumulated amortization on deletions	-	21	-	9	30
Accumulated amortization as at March 31, 2018	**(40)**	**-**	**(12)**	**(12)**	**(64)**
Carrying value as at March 31, 2018	**73**	**-**	**14**	**14**	**101**
Carrying value as at April 1, 2017	-	-	-	-	-
Estimated Useful Life *(in years)*	7	-	5	5	-
Estimated Remaining Useful Life *(in years)*	5	-	3	3	-

Following are the changes in the carrying value of acquired intangible assets for the year ended March 31, 2017: *(In ₹ crore)*

Particulars	Sub-Contracting rights related	Others	Total
Gross carrying value as at April 1, 2016	21	9	30
Additions	-	-	-
Deletions	-	-	-
Gross carrying value as at March 31, 2017	**21**	**9**	**30**
Accumulated depreciation as at April 1, 2016	(21)	(9)	(30)
Depreciation	-	-	-
Accumulated depreciation on deletions	-	-	-
Accumulated depreciation as at March 31, 2017	**(21)**	**(9)**	**(30)**
Carrying value as at March 31, 2017	-	-	-
Carrying value as at April 1, 2016	-	-	-
Estimated Useful Life *(in years)*	-	-	-
Estimated Remaining Useful Life *(in years)*	-	-	-

Research and Development expense recognized in net profit in the statement of profit and loss for the year ended March 31, 2018 and March 31, 2017 is ₹374 crore and ₹351 crore, respectively.

2.3 INVESTMENTS

(In ₹ crore)

Particulars	As at March 31, 2018	As at March 31, 2017
Non-current investments		
Equity instruments of subsidiaries	5,013	7,305
Debentures of subsidiary	1,780	2,129
Preference securities and equity instruments	117	132
Others	7	3
Tax free bonds	1,831	1,833
Fixed maturity plans securities	376	357
Non-convertible debentures	2,869	3,575
	11,993	**15,334**
Current investments		
Liquid mutual fund units	-	1,755
Fixed maturity plans securities	-	151
Certificates of deposit	4,901	7,635
Government bonds	1	-
Non-convertible debentures	711	102
Commercial Paper	293	-
	5,906	**9,643**
Total carrying value	**17,899**	**24,977**

(In ₹ crore, except as otherwise stated)

Particulars	As at March 31, 2018	As at March 31, 2017
Non-current investments		
Unquoted		
Investment carried at cost		
Investments in equity instruments of subsidiaries		
Infosys BPM Limited (formerly Infosys BPO Limited) 3,38,22,319 (3,38,22,319) equity shares of ₹10/- each, fully paid	659	659
Infosys Technologies (China) Co. Limited	333	236
Infosys Technologies (Australia) Pty Limited [(1)] 1,01,08,869 (1,01,08,869) equity shares of AUD 0.11 par value, fully paid	38	66
Infosys Technologies, S. de R.L. de C.V., Mexico 17,49,99,990 (17,49,99,990) equity shares of MXN 1 par value, fully paid up	65	65
Infosys Technologies (Sweden) AB 1,000 (1,000) equity shares of SEK 100 par value, fully paid	76	76
Infosys Technologia do Brazil Ltda 5,91,24,348 (5,91,24,348) shares of BRL 1.00 par value, fully paid	149	149
Infosys Technologies (Shanghai) Company Limited	900	826
Infosys Public Services, Inc. 3,50,00,000 (3,50,00,000) shares of USD 0.50 par value, fully paid	99	99
Infosys Consulting Holding AG (formerly Lodestone Holding AG) 23,350 (23,350) - Class A shares of CHF 1,000 each and 29,400 (29,400) - Class B Shares of CHF 100 each, fully paid up	1,323	1,323
Infosys Americas Inc. 10,000 (10,000) shares of USD 10 per share, fully paid up	1	1
EdgeVerve Systems Limited 1,31,18,40,000 (1,31,18,40,000) equity shares of ₹10/- each, fully paid	1,312	1,312
Infosys Nova Holdings LLC [(1)*]	-	94
Noah Consulting LLC (refer note 2.3.1)	-	313
Infosys Consulting Pte Ltd (formerly Lodestone Management Consultants Pte Ltd) 1,09,90,000 (1,09,90,000) shares of SGD 1.00 par value, fully paid	10	10
Brilliant Basics Holding Limited (refer note 2.3.2) 1,170 (Nil) shares of GBP 0.005 each, fully paid up	46	-
Infosys Arabia Limited 70 (Nil) shares	2	-
Kallidus Inc. (refer note no 2.26) (10,21,35,416) shares	-	619
Skava Systems Private Limited (refer note no 2.26) (25,000) shares of ₹10/- per share, fully paid up	-	59
Panaya Inc. (refer note no 2.26) ** (2) shares of USD 0.01 per share, fully paid up	-	1,398
	5,013	**7,305**
Investment carried at amortized cost		
Investment in debentures of subsidiary		
EdgeVerve Systems Limited 17,80,00,000 (21,29,00,000) Unsecured redeemable, non-convertible debentures of ₹ 100/- each fully paid up	1,780	2,129
	1,780	**2,129**
Investments carried at fair value through profit or loss		
Others	7	3
	7	**3**

Investment carried at fair value through other comprehensive income (FVOCI)		
Preference securities	116	131
Equity instruments	1	1
	117	**132**

(In ₹ crore, except as otherwise stated)

Particulars	As at March 31, 2018	As at March 31, 2017
Quoted		
Investments carried at amortized cost		
Tax free bonds	1,831	1,833
	1,831	**1,833**
Investments carried at fair value through profit or loss		
Fixed maturity plans securities	376	357
	376	**357**
Investments carried at fair value through other comprehensive income		
Non-convertible debentures	2,869	3,575
	2,869	**3,575**
Total non-current investments	**11,993**	**15,334**
Current investments		
Unquoted		
Investments carried at fair value through profit or loss		
Liquid mutual fund units	-	1,755
	-	**1,755**
Investments carried at fair value through other comprehensive income		
Commercial Papers	293	-
Certificates of Deposit	4,901	7,635
	5,194	**7,635**
Quoted		
Investments carried at amortized cost		
Government bonds	1	-
	1	**-**
Investments carried at fair value through profit or loss		
Fixed maturity plans securities	-	151
	-	**151**
Investments carried at fair value through other comprehensive income		
Non-convertible debentures	711	102
	711	**102**
Total current investments	**5,906**	**9,643**
Total investments	**17,899**	**24,977**
Aggregate amount of quoted investments	5,788	6,018
Market value of quoted investments (including interest accrued)	6,045	6,327
Aggregate amount of unquoted investments	12,111	18,959
(1) Aggregate amount of impairment in value of investments	122	-
Aggregate amount of impairment in value of investments held for sale (refer note no 2.26)	589	-
Investments carried at cost	5,013	7,305
Investments carried at amortized cost	3,612	3,962
Investments carried at fair value through other comprehensive income	8,891	11,444
Investments carried at fair value through profit or loss	383	2,266

** During the three months ended June 30, 2017, Infosys Nova Holding LLC has written down the entire carrying value of its investment in its associate DWA Nova LLC. Consequently, the Company has written down the entire carrying value of the investment in its subsidiary Infosys Nova Holdings LLC, amounting to ₹94 crore.*

*** During the year ended March 31, 2018, there was an additional capital infusion of ₹38 crore in Panaya Inc.*

Refer to note 2.9 for accounting policies on financial instruments.

Details of amounts recorded in Other comprehensive income:

	Year ended					
	March 31, 2018			March 31, 2017		
	Gross	Tax	Net	Gross	Tax	Net
Net Gain/(loss) on						
Non-convertible debentures	(11)	2	(9)	(7)	-	(7)
Certificate of deposits	15	(5)	10	(5)	2	(3)
Unquoted equity and preference securities	4	3	7	(2)	(3)	(5)

Method of fair valuation:

Class of investment	Method	Fair value as at March 31	
		2018	2017
Mutual funds	Quoted price	-	1,755
Fixed maturity plan securities	Market observable inputs	376	508
Tax free bonds and government bonds	Quoted price and market observable inputs	2,079	2,142
Non-convertible debentures	Quoted price and market observable inputs	3,580	3,677
Commercial Paper	Market observable inputs	293	-
Certificate of deposits	Market observable inputs	4,901	7,635
Unquoted equity and preferance securities	Discounted cash flows method, Market multiples method, Option pricing model, etc.	117	132
Others	Discounted cash flows method, Market multiples method, Option pricing model, etc.	7	3

Certain quoted investments are classified as Level 2 in the absence of active market for such investments.

2.3.1 Business transfer- Noah

On July 14, 2017, the Board of Directors of Infosys authorized the Company to execute a Business Transfer Agreement and related documents with Noah Consulting LLC, a wholly owned subsidiary, to transfer the business of Noah Consulting LLC to Infosys Limited, subject to securing the requisite regulatory approvals for a consideration based on an independent valuation. Subsequently on October 17, 2017 , the company entered into a business transfer agreement to transfer the business for a consideration of $41 million (₹266 crore) and the transfer was with effect from October 25, 2017.

The transaction was between a holding company and a wholly owned subsidiary, the resultant impact on account of business transfer was recorded in 'Business Transfer Adjustment Reserve' during the three months ended December 31, 2017. The table below details out the assets and liabilities taken over upon business transfer:

Particulars	*(In ₹ crore)*
Goodwill	29
Trade name	16
Customer contracts	80
Other Intangibles	16
Deferred tax assets	13
Net assets / (liabilities), others	(117)
Total	**37**
Less: Consideration paid	266
Business transfer reserve	**(229)**

Subsequently, in November 2017, Noah Consulting LLC has been liquidated and the Company received ₹316 crore as proceeds on liquidation.

2.3.2 Brilliant Basics Holdings Limited.

On September 8, 2017, Infosys acquired 100% of the voting interests in Brilliant Basics Holdings Limited., UK, (Brilliant Basics) a product design and customer experience innovator with experience in executing global programs. The business acquisition was conducted by entering into a share purchase agreement for cash consideration of ₹29 crore, contingent consideration of up to ₹20 crore and an additional consideration of upto ₹13 crore, referred to as retention bonus, payable to the employees of Brilliant Basics at each anniversary year over the next two years, subject to their continuous employment with the group at each anniversary. The fair value of contingent consideration on the date of acquisition is ₹17 crore.

Proposed investment

On April 13, 2018, the Company entered into a definitive agreement to acquire WongDoody Holding Company Inc., a US-based creative and consumer insights agency for a total consideration of up to $75 million (approximately ₹489 crore) including contingent consideration and retention payouts, subject to regulatory approvals and fulfillment of closing conditions.

2.3.3 Details of Investments

The details of non-current other investments in preferred stock and equity instruments as at March 31, 2018 and March 31, 2017 are as follows:

(in ₹ crore)

Particulars	As at	
	March 31, 2018	March 31, 2017
Preference Securities		
Airviz Inc.		
2,82,279 (2,82,279) Series A Preferred Stock, fully paid up, par value USD 0.001 each	6	9
ANSR Consulting		
Nil (52,631) Series A Preferred Stock, fully paid up, par value USD 0.001 each	-	10
Whoop Inc		
16,48,352 (16,48,352) Series B Preferred Stock, fully paid up, par value USD 0.0001 each	20	15
CloudEndure Ltd.		
25,59,290 (25,59,290) Preferred Series B Shares, fully paid up, par value ILS 0.01 each	26	37
Nivetti Systems Private Limited		
2,28,501 (2,28,501) Preferred Stock, fully paid up, par value ₹1 each	10	10
Waterline Data Science, Inc		
39,33,910 (39,33,910) Preferred Series B Shares, fully paid up, par value USD 0.00001 each	23	24
Trifacta Inc.		
11,80,358 (11,80,358) Preferred Stock	21	26
Ideaforge		
5,402 (Nil) Series A compulsorily convertible cumulative Preference shares of ₹10 each, fully paid up.	10	-
Equity Instrument		
OnMobile Systems Inc., USA		
Nil (21,54,100) common stock at USD 0.4348 each, fully paid up, par value USD 0.001 each	-	-
Merasport Technologies Private Limited		
2,420 (2,420) equity shares at ₹ 8,052/- each, fully paid up, par value ₹10/- each	-	-
Global Innovation and Technology Alliance		
15,000 (15,000) equity shares at ₹1,000/- each, fully paid up, par value ₹1,000/- each	1	1
Ideaforge		
100 (Nil) equity shares at ₹10/-, fully paid up	-	-
Others		
Stellaris Venture Partners India	7	3
	124	**135**

2.3.4 Details of Investments in tax free bonds and government bonds

The balances held in tax free bonds as at March 31, 2018 and March 31, 2017 is as follows: *(In ₹ crore, except as otherwise stated)*

Particulars		March 31, 2018		March 31, 2017	
	Face Value ₹	Units	Amount	Units	Amount
7.04% Indian Railway Finance Corporation Limited Bonds 03MAR2026	10,00,000/-	470	50	470	50
7.16% Power Finance Corporation Limited Bonds 17JUL2025	10,00,000/-	1,000	106	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 Bonds 21DEC2030	1,000/-	4,22,800	42	4,22,800	42
7.28% National Highways Authority of India Limited Bonds 18SEP2030	10,00,000/-	3,300	343	3,300	343
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 Limited 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
8.10% Indian Railway Finance Corporation Limited Bonds 23FEB2027	1,000/-	5,00,000	52	5,00,000	53
8.26% India Infrastructure Finance Company Limited Bonds 23AUG2028	10,00,000/-	1,000	100	1,000	100
8.30% National Highways Authority of India Limited Bonds 25JAN2027	1,000/-	5,00,000	53	5,00,000	53
8.35% National Highways Authority of India Limited 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
		68,05,416	**1,831**	**68,05,416**	**1,833**

The balances held in government bonds as at March 31, 2018 and March 31, 2017 is as follows: *(In ₹ crore, except as otherwise stated)*

Particulars	Face Value PHP	March 31, 2018		March 31, 2017	
		Units	Amount	Units	Amount
Treasury Notes Phillippines Govt. 09MAY2018	100	1,00,000	1	-	-
		1,00,000	**1**	**-**	**-**

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

The balances held in liquid mutual fund as at March 31, 2018 and March 31, 2017 is as follows: *(In ₹ crore, except as otherwise stated)*

Particulars	March 31, 2018		March 31, 2017	
	Units	Amount	Units	Amount
Aditya Birla Sun Life Cash Plus- Growth- Direct Plan	-	-	1,33,97,873	350
ICICI Prudential Liquid- Direct Plan- Growth	-	-	1,03,88,743	250
IDFC Cash Fund- Direct Plan- Growth	-	-	12,65,679	250
Kotak Low Duration Fund- Direct Plan- Growth (Ulta Short Term)	-	-	15,02,564	305
L&T Liquid Fund- Direct Plan- Growth	-	-	6,72,806	150
Reliance Liquid Fund- Treasury Plan- Direct Growth Plan- Growth Option	-	-	8,82,465	350
SBI Premier Liquid Fund- Direct Plan- Growth	-	-	3,91,909	100
	-	-	**2,85,02,039**	**1,755**

The balances held in fixed maturity plan security as at March 31, 2018 and March 31, 2017 is as follows: *(In ₹ crore, except as otherwise stated)*

Particulars	March 31, 2018		March 31, 2017	
	Units	Amount	Units	Amount
Aditya Birla Sun Life Fixed Term Plan- Series OD 1145 Days- GR Direct	5,00,00,000	54	5,00,00,000	51
Aditya Birla Sun Life Fixed Term Plan- Series OE 1153 days- GR Direct	2,50,00,000	27	2,50,00,000	25
HDFC FMP 1155D Feb 2017- Direct Growth- Series 37	2,80,00,000	30	2,80,00,000	28
HDFC FMP 1169D Feb 2017- Direct- Quarterly Dividend- Series 37	4,50,00,000	45	4,50,00,000	45
ICICI FMP Series 80-1194 D Plan F Div	4,00,00,000	43	4,00,00,000	40
ICICI Prudential Fixed Maturity Plan Series 80- 1187 Days Plan G Direct Plan	4,20,00,000	45	4,20,00,000	42
ICICI Prudential Fixed Maturity Plan Series 80- 1253 Days Plan J Direct Plan	3,00,00,000	32	3,00,00,000	30
IDFC Fixed Term Plan Series 129 Direct Plan- Growth 1147 Days	1,00,00,000	11	1,00,00,000	10
IDFC Fixed Term Plan Series 131 Direct Plan- Growth 1139 Days	1,50,00,000	16	1,50,00,000	15
Kotak FMP Series 199 Direct- Growth	3,50,00,000	37	3,50,00,000	36
Reliance Fixed Horizon Fund- XXXII Series 8- Dividend Plan	3,50,00,000	36	3,50,00,000	35
Reliance Yearly Interval Fund Series 1- Direct Plan- Growth Plan	-	-	10,69,06,898	151
	35,50,00,000	**376**	**46,19,06,898**	**508**

2.3.6 Details of investments in non convertible debentures and certificate of deposits

The balances held in non convertible debenture units as at March 31, 2018 and March 31, 2017 is as follows: *(in ₹ crore, except as otherwise stated)*

Particulars		March 31, 2018		March 31, 2017	
	Face Value ₹	Units	Amount	Units	Amount
7.48% Housing Development Finance Corporation Ltd 18NOV2019	1,00,00,000/-	50	51	50	52
7.58% LIC Housing Finance Ltd 28FEB2020	10,00,000/-	1,000	101	1,000	100
7.58% LIC Housing Finance Ltd 11JUN2020	10,00,000/-	500	52	500	51
7.59% LIC Housing Finance Ltd 14OCT2021	10,00,000/-	3,000	306	3,000	309
7.75% LIC Housing Finance Ltd 27AUG2021	10,00,000/-	1,250	129	1,250	129
7.79% LIC Housing Finance Ltd 19JUN2020	10,00,000/-	500	53	500	52
7.80% Housing Development Finance Corporation Ltd 11NOV2019	1,00,00,000/-	150	153	150	155
7.81% LIC Housing Finance Ltd 27APR2020	10,00,000/-	2,000	214	2,000	208
7.95% Housing Development Finance Corporation Ltd 23SEP2019	1,00,00,000/-	50	53	50	53
8.02% LIC Housing Finance Ltd 18FEB2020	10,00,000/-	500	50	500	51
8.26% Housing Development Finance Corporation Ltd 12AUG2019	1,00,00,000/-	100	105	100	106
8.34% Housing Development Finance Corporation Ltd 06MAR2019	1,00,00,000/-	200	215	200	217
8.37% LIC Housing Finance Ltd 03OCT2019	10,00,000/-	2,000	216	2,000	218
8.37% LIC Housing Finance Ltd 10MAY2021	10,00,000/-	500	54	500	55
8.43% IDFC Bank Ltd 30JAN2018	10,00,000/-	-	-	1,000	102
8.46% Housing Development Finance Corporation Ltd 11MAR2019	1,00,00,000/-	50	54	50	54
8.47% LIC Housing Finance Ltd 21JAN2020	10,00,000/-	500	51	500	52
8.50% Housing Development Finance Corporation Ltd 31AUG2020	1,00,00,000/-	50	54	50	54
8.54% IDFC Bank Ltd 30MAY2018	10,00,000/-	1,500	194	1,500	182
8.59% Housing Development Finance Corporation Ltd 14JUN2019	1,00,00,000/-	50	51	50	51
8.60% LIC Housing Finance Ltd 29JUL2020	10,00,000/-	1,400	151	1,400	152
8.61% LIC Housing Finance Ltd 11DEC2019	10,00,000/-	1,000	104	1,000	104
8.66% IDFC Bank Ltd 25JUN2018	10,00,000/-	1,520	196	1,520	184
8.72% Housing Development Finance Corporation Ltd 15APR2019	1,00,00,000/-	75	76	75	77
8.75% Housing Development Finance Corporation Ltd 13JAN2020	500,000/-	5,000	256	5,000	260
8.75% LIC Housing Finance Ltd 14JAN2020	10,00,000/-	1,070	112	1,070	112
8.75% LIC Housing Finance Ltd 21DEC2020	10,00,000/-	1,000	102	1,000	104
8.97% LIC Housing Finance Ltd 29OCT2019	10,00,000/-	500	52	500	53
9.45% Housing Development Finance Corporation Ltd 21AUG2019	10,00,000/-	3,000	323	3,000	327
9.65% Housing Development Finance Corporation Ltd 19JAN2019	10,00,000/-	500	52	500	53
		29,015	**3,580**	**30,015**	**3,677**

The balances held in Certificate of Deposits as at March 31, 2018 and March 31, 2017 is as follows: *(in ₹ crore, except as otherwise stated)*

Particulars		March 31, 2018		March 31, 2017	
	Face Value ₹	Units	Amount	Units	Amount
Andhra Bank	1,00,000/-	-	-	35,000	344
Axis Bank	1,00,000/-	1,85,000	1,767	2,93,600	2,800
Corporation Bank	1,00,000/-	-	-	33,500	327
DBS Bank	1,00,000/-	-	-	5,000	49
HDFC Bank	1,00,000/-	15,000	147	-	-
ICICI Bank	1,00,000/-	1,10,000	1,035	42,500	413
IDFC Bank	1,00,000/-	-	-	1,35,000	1,281
IndusInd Bank	1,00,000/-	1,35,000	1,272	1,06,400	1,011
Kotak Bank	1,00,000/-	70,000	680	74,000	704
Vijaya Bank	1,00,000/-	-	-	14,000	137
Yes Bank	1,00,000/-	-	-	60,000	569
		5,15,000	**4,901**	**7,99,000**	**7,635**

The balances held in Commercial Paper as at March 31, 2018 and March 31, 2017 is as follows: *(in ₹ crore, except as otherwise stated)*

Particulars		March 31, 2018		March 31, 2017	
	Face Value ₹	Units	Amount	Units	Amount
LIC	5,00,000/-	6,000	293	-	-
		6,000	**293**	**-**	**-**

2.4 LOANS

(In ₹ crore)

Particulars	As at March 31, 2018	As at March 31, 2017
Non- Current		
Unsecured, considered good		
Other Loans		
Loans to employees	19	5
	19	**5**
Unsecured, considered doubtful		
Loans to employees	12	17
	31	**22**
Less: Allowance for doubtful loans to employees	12	17
	19	**5**
Current		
Unsecured, considered good		
Loans to subsidiaries *(Refer note no.2.23)*	185	69
Other Loans		
Loans to employees	208	241
	393	**310**
Total Loans	**412**	**315**

2.5 OTHER FINANCIAL ASSETS

(In ₹ crore)

Particulars	As at March 31, 2018	As at March 31, 2017
Non-current		
Security deposits (1)	48	81
Rental deposits (1)	129	135
	177	**216**
Current		
Security deposits (1)	2	2
Rental deposits (1)	6	2
Restricted deposits (1)	1,415	1,309
Unbilled revenues (1)(4)	3,573	3,200
Interest accrued but not due (1)	739	514
Foreign currency forward and options contracts (2)(3)	16	268
Others (1)(5)	155	108
	5,906	**5,403**
Total	**6,083**	**5,619**
(1) Financial assets carried at amortized cost	6,067	5,351
(2) Financial assets carried at fair value through other comprehensive income	12	52
(3) Financial assets carried at fair value through Profit or Loss	4	216
(4) Includes dues from subsidiaries (Refer note no. 2.23)	32	47
(5) Includes dues from subsidiaries (Refer note no. 2.23)	40	18

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

2.6 TRADE RECEIVABLES *(1)*

(In ₹ crore)

Particulars	As at March 31, 2018	As at March 31, 2017
Current		
Unsecured		
Considered good*(2)*	12,151	10,960
Considered doubtful	315	289
	12,466	11,249
Less: Allowances for credit losses	315	289
	12,151	**10,960**
(1) Includes dues from companies where directors are interested	-	1
(2) Includes dues from subsidiaries (refer note no. 2.23)	335	235

2.7 CASH AND CASH EQUIVALENTS

(In ₹ crore)

Particulars	As at March 31, 2018	As at March 31, 2017
Balances with banks		
In current and deposit accounts	10,789	12,222
Cash on hand	-	-
Others		
Deposits with financial institution	5,981	6,931
	16,770	**19,153**
Balances with banks in unpaid dividend accounts	22	17
Deposit with more than 12 months maturity	6,187	6,765
Balances with banks held as margin money deposits against guarantees	353	394

Cash and cash equivalents as at March 31, 2018 and March 31, 2017 include restricted cash and bank balances of ₹ 375 crore and ₹411 crore, respectively. The restrictions are primarily on account of bank balances held as margin money deposits against guarantees and balances held in unpaid dividend bank accounts.

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

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

(In ₹ crore)

Particulars	As at March 31, 2018	As at March 31, 2017
In current accounts		
ANZ Bank, Taiwan	9	3
Bank of America, USA	814	769
Bank of Baroda, Mauritius	1	-
BNP Paribas Bank, Norway	88	7
Citibank N.A., Australia	184	8
Citibank N.A., Dubai	5	1
Citibank N.A., EEFC (U.S. Dollar account)	4	1
Citibank N.A., Hungary	6	3
Citibank N.A., India	3	2
Citibank N.A., Japan	18	12
Citibank N.A., New Zealand	8	6
Citibank N.A., South Africa	33	9
Citibank N.A., South Korea	2	1
Deutsche Bank, Belgium	27	10
Deutsche Bank, EEFC (Australian Dollar account)	2	38
Deutsche Bank, EEFC (Euro account)	14	11
Deutsche Bank, EEFC (Swiss Franc account)	2	2
Deutsche Bank, EEFC (U.S. Dollar account)	27	73
Deutsche Bank, EEFC (United Kingdom Pound Sterling account)	8	8
Deutsche Bank, France	19	8
Deutsche Bank, Germany	70	48
Deutsche Bank, India	40	9
Deutsche Bank, Malaysia	5	7
Deutsche Bank, Netherlands	8	2
Deutsche Bank, Philippines	14	4
Deutsche Bank, Russia	3	3
Deutsche Bank, Russia (U.S. Dollar account)	5	1
Deutsche Bank, Singapore	17	6
Deutsche Bank, Spain	1	-
Deutsche Bank, Switzerland	18	5
Deutsche Bank, Switzerland (U.S. Dollar Account)	-	1
Deutsche Bank, United Kingdom	74	25
HSBC Bank, Hong Kong	2	1
ICICI Bank, EEFC (U.S. Dollar account)	5	3
ICICI Bank, India	33	40
Nordbanken, Sweden	26	22
Punjab National Bank, India	12	6
Royal Bank of Canada, Canada	9	5
Splitska Banka D.D., Société Générale Group, Croatia	8	-
State Bank of India	-	6
	1,624	**1,166**

(In ₹ crore)

Particulars	As at	
	March 31, 2018	March 31, 2017
In deposit accounts		
Axis Bank	-	945
Barclays Bank	200	825
HDFC Bank	2,423	349
HSBC Bank	-	500
ICICI Bank	3,467	4,351
IDBI Bank	-	1,750
IDFC Bank	1,500	-
IndusInd Bank	1,000	191
Kotak Mahindra Bank	-	500
South Indian Bank	200	200
Standard Chartered Bank	-	500
Syndicate Bank	-	49
Yes Bank	-	485
	8,790	**10,645**
In unpaid dividend accounts		
Axis Bank - Unpaid dividend account	1	2
HDFC Bank - Unpaid dividend account	1	2
ICICI Bank - Unpaid dividend account	20	13
	22	**17**
In margin money deposits against guarantees		
Canara Bank	151	177
ICICI Bank	202	217
	353	**394**
Deposits with financial institution		
HDFC Limited	4,781	6,231
LIC Housing Finance Limited	1,200	700
	5,981	**6,931**
Total cash and cash equivalents	**16,770**	**19,153**

2.8 OTHER ASSETS

(In ₹ crore)

Particulars	As at	
	March 31, 2018	March 31, 2017
Non-current		
Capital advances	420	562
Advances other than capital advance		
Prepaid gratuity (refer to note 2.20)	23	56
Others		
Prepaid expenses	49	95
Deferred contract cost	262	283
Withholding taxes and others	1,407	-
	2,161	**996**
Current		
Advances other than capital advance		
Payment to vendors for supply of goods	103	87
Others		
Prepaid expenses [(1)]	449	387
Deferred contract cost	44	74
Withholding taxes and others	843	1,665
	1,439	**2,213**
Total other assets	**3,600**	**3,209**
[(1)] *Includes dues from subsidiaries (Refer note no. 2.23)*	115	56

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.

2.9 FINANCIAL INSTRUMENTS

Accounting Policy

2.9.1 Initial recognition

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

2.9.2 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

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

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

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

(iv) Financial liabilities

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

(v) Investment in subsidiaries

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

b. Derivative financial instruments

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

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

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

Although the Company believes that these derivatives constitute hedges from an economic perspective, they may not qualify for hedge accounting under Ind AS 109, Financial Instruments. Any derivative that is either not designated 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 Company designates certain foreign exchange forward and options contracts as cash flow hedges to mitigate the risk of foreign exchange exposure on highly probable forecast cash transactions.

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

c. Share capital

Ordinary Shares

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

2.9.3 Derecognition of financial instruments

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

2.9.4 Fair value of financial instruments

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

Refer to table below 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.

2.9.5 Impairment

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

Financial instruments by category

The carrying value and fair value of financial instruments by categories as at March 31, 2018 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 Note no. 2.7)	16,770	-	-	-	-	16,770	16,770
Investments (Refer note no.2.3)							
Equity and preference securities and others	-	-	7	117	-	124	124
Tax free bonds and government bonds	1,832	-	-	-	-	1,832	2,079 *
Redeemable, non-convertible debentures [(1)]	1,780	-	-	-	-	1,780	1,780
Fixed maturity plans securities	-	-	376	-	-	376	376
Certificates of deposit	-	-	-	-	4,901	4,901	4,901
Non convertible debentures	-	-	-	-	3,580	3,580	3,580
Commercial papers	-	-	-	-	293	293	293
Trade receivables (Refer Note no. 2.6)	12,151	-	-	-	-	12,151	12,151
Loans (Refer note no. 2.4)	412	-	-	-	-	412	412
Other financial assets (Refer Note no. 2.5)	6,067	-	4	-	12	6,083	6,001 **
Total	**39,012**	**-**	**387**	**117**	**8,786**	**48,302**	**48,467**
Liabilities:							
Trade payables (Refer Note no. 2.12)	738	-	-	-	-	738	738
Other financial liabilities (Refer Note no. 2.11)	4,241	-	91	-	3	4,335	4,335
Total	**4,979**	**-**	**91**	**-**	**3**	**5,073**	**5,073**

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

** On account of fair value changes including interest accrued*

*** Excludes interest accrued on tax free bonds*

The carrying value and fair value of financial instruments by categories as at March 31, 2017 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 Note no. 2.7)	19,153	-	-	-	-	19,153	19,153
Investments (Refer Note no. 2.3)							
Equity and preference securities and others	-	-	3	132	-	135	135
Tax free bonds and government bonds	1,833	-	-	-	-	1,833	2,142 *
Liquid mutual fund units	-	-	1,755	-	-	1,755	1,755
Redeemable, non-convertible debentures [(1)]	2,129	-	-	-	-	2,129	2,129
Fixed maturity plans	-	-	508	-	-	508	508
Certificates of deposit	-	-	-	-	7,635	7,635	7,635
Non convertible debentures	-	-	-	-	3,677	3,677	3,677
Trade receivables (Refer Note no. 2.6)	10,960	-	-	-	-	10,960	10,960
Loans (Refer note no. 2.4)	315	-	-	-	-	315	315
Other financial assets (Refer Note no. 2.5)	5,351	-	216	-	52	5,619	5,537 **
Total	**39,741**	**-**	**2,482**	**132**	**11,364**	**53,719**	**53,946**
Liabilities:							
Trade payables (Refer note no. 2.12)	269	-	-	-	-	269	269
Other financial liabilities (Refer Note no. 2.11)	3,867	-	87	-	-	3,954	3,954
Total	**4,136**	**-**	**87**	**-**	**-**	**4,223**	**4,223**

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

** On account of fair value changes including interest accrued*

*** Excludes interest accrued on tax free bonds*

Fair value hierarchy

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

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

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

The following table presents fair value hierarchy of assets and liabilities as at March 31, 2018:

(In ₹ crore)

Particulars	**As at March 31, 2018**	**Fair value measurement at end of the reporting period/year using**		
		Level 1	**Level 2**	**Level 3**
Assets				
Investments in tax free bonds (Refer Note no. 2.3)	2,078	1,806	272	-
Investments in government bonds (Refer Note no. 2.3)	1	1	-	-
Investments in equity instruments (Refer Note no. 2.3)	1	-	-	1
Investments in preference securities (Refer Note no. 2.3)	116	-	-	116
Investments in fixed maturity plan securities (Refer Note no. 2.3)	376	-	376	-
Investments in certificates of deposit (Refer Note no. 2.3)	4,901	-	4,901	-
Investments in non convertible debentures (Refer Note no. 2.3)	3,580	2,493	1,087	-
Investments in commercial paper (Refer Note no. 2.3)	293	-	293	-
Other investments (Refer Note no. 2.3)	7	-	-	7
Derivative financial instruments - gain on outstanding foreign currency forward and option contracts (Refer Note no. 2.5)	16	-	16	-
Liabilities				
Derivative financial instruments - loss on outstanding foreign currency forward and option contracts (Refer Note no. 2.11)	40	-	40	-
Liability towards contingent consideration (Refer note no. 2.11)(1)(2)	54	-	-	54

(1) *Pertains to contingent consideration payable to selling shareholders of Kallidus and Brilliant Basics Holding Limited as per the share purchase agreement.*

(2) *Discounted ₹21 crore at 10% pertaining to Brilliant Basics*

During the year ended March 31, 2018, quoted debt securities of ₹402 crore were transferred from Level 2 to Level 1 of fair value hierarchy, since these were valued based on Quoted price, and ₹1,015 crore were transferred from Level 1 to Level 2 of fair value hierarchy, since these were valued based on market observable inputs.

The movement in level 3 investments from March 31, 2017 to March 31, 2018 is on account of purchase of additional investments, disposals during the year and change in fair value.

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

(In ₹ crore)

Particulars	**As at March 31, 2017**	**Fair value measurement at end of the reporting period/year using**		
		Level 1	**Level 2**	**Level 3**
Assets				
Investments in liquid mutual fund units (Refer Note no. 2.3)	1,755	1,755	-	-
Investments in tax free bonds (Refer Note no. 2.3)	2,142	206	1,936	-
Investments in equity instruments (Refer Note no. 2.3)	1	-	-	1
Investments in preference securities (Refer Note no. 2.3)	131	-	-	131
Investments in fixed maturity plan securities (Refer Note no. 2.3)	508	-	508	-
Investments in certificates of deposit (Refer Note no. 2.3)	7,635	-	7,635	-
Investments in non convertible debentures (Refer Note no. 2.3)	3,677	3,160	517	-
Other investments (Refer Note no. 2.3)	3	-	-	3
Derivative financial instruments - gain on outstanding foreign currency forward and option contracts (Refer Note no. 2.5)	268	-	268	-
Liabilities				
Derivative financial instruments - loss on outstanding foreign currency forward and option contracts (Refer note 2.11)	2	-	2	-
Liability towards contingent consideration (Refer note no. 2.11)(1)(2)	85	-	-	85

(1) *Pertains to contingent consideration payable to selling shareholders of Kallidus as per the share purchase agreement.*

(2) *Discounted ₹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.

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 at March 31, 2018 from March 31, 2017 is mainly on account of settlement of ₹45 crore pertaining to Kallidus acquisiton and addition of ₹17 crore in relation to acquisition of Brilliant Basics Holdings Limited.(Refer note no. 2.2)

Financial risk management

Financial risk factors

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

Market risk

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

The following table analysis foreign currency risk from financial instruments as at March 31, 2018:

(In ₹ crore)

Particulars	U.S. dollars	Euro	United Kingdom Pound Sterling	Australian dollars	Other currencies	Total
Cash and cash equivalents	858	139	82	186	271	1,536
Trade receivables	7,776	1,522	871	743	550	11,462
Other financials assets (including loans)	2,196	597	335	159	305	3,592
Trade payables	(312)	(60)	(168)	(36)	(22)	(598)
Other financial liabilities	(1,962)	(252)	(148)	(220)	(162)	(2,744)
Net assets / (liabilities)	**8,556**	**1,946**	**972**	**832**	**942**	**13,248**

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

(In ₹ crore)

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

Sensitivity analysis between Indian Rupee and USD

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Impact on the Company's incremental Operating Margins	0.52%	0.52%

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

Derivative financial instruments

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

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

Particulars	As at March 31, 2018		As at March 31, 2017	
	In million	In ₹ crore	In million	In ₹ crore
Derivatives designated as cash flow hedges				
Forward contracts				
In Australian dollars	-	-	130	644
In Euro	-	-	95	658
In United Kingdom Pound Sterling	-	-	40	324
Option Contracts				
In Australian dollars	60	300	-	-
In Euro	100	808	40	277
In United Kingdom Pound Sterling	20	184	-	-
Other derivatives				
Forward contracts				
In Australian dollars	-	-	30	149
In Canadian dollars	20	99	-	-
In Euro	86	695	106	735
In Japanese Yen	550	34	-	-
In New Zealand dollars	16	76	-	-
In Norwegian Krone	40	34	-	-
In South African Rand	25	14	-	-
In Singapore dollars	5	25	5	23
In Swedish Krona	50	40	50	36
In Swiss Franc	21	146	10	65
In U.S. dollars	556	3,624	480	3,113
In United Kingdom Pound Sterling	45	415	70	566
Option Contracts				
In Australian dollars	20	100	-	-
In Canadian dollars	-	-	13	65
In Euro	45	363	25	173
In Swiss Franc	5	33	-	-
In U.S. dollars	320	2,086	195	1,265
In United Kingdom Pound Sterling	25	231	30	243
Total forwards and options		**9,307**		**8,336**

The foreign exchange forward and option contracts mature within twelve months. The table below analyzes the derivative financial instruments into relevant maturity groupings based on the remaining period as at the balance sheet date:

(In ₹ crore)

Particulars	As at March 31, 2018	As at March 31, 2017
Not later than one month	2,693	2,215
Later than one month and not later than three months	4,274	4,103
Later than three months and not later than one year	2,340	2,018
	9,307	**8,336**

During the year ended March 31, 2018, the Company has designated certain foreign exchange forward and option 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 statement of profit or loss within 3 months.

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

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

The following table provides the reconciliation of effective portion of cash flow hedges for the year ended March 31, 2018 and March 31, 2017: *(In ₹ crore)*

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Balance at the beginning of the year	39	-
Gain / (Loss) recognized in other comprehensive income during the year	(93)	121
Amount reclassified to profit and loss during the year	41	(69)
Tax impact on above	13	(13)
Balance at the end of the year	-	39

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

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

(In ₹ crore)

Particulars	As at March 31, 2018		As at March 31, 2017	
	Derivative financial asset	Derivative financial liability	Derivative financial asset	Derivative financial liability
Gross amount of recognized financial asset/liability	20	(44)	269	(3)
Amount set off	(4)	4	(1)	1
Net amount presented in balance sheet	**16**	**(40)**	**268**	**(2)**

Credit risk

Credit risk refers to the risk of default on its obligation by the counterparty resulting in a financial loss. The maximum exposure to the credit risk at the reporting date is primarily from trade receivables amounting to ₹12,151 crore and ₹10,960 crore as at March 31, 2018 and March 31, 2017, respectively and unbilled revenue amounting to ₹3,573 crore and ₹3,200 crore as at March 31, 2018 and March 31, 2017, 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 Company through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business. The Company uses expected credit loss model to assess the impairment loss or gain. The Company uses a provision matrix to compute the expected credit loss allowance for trade receivables and unbilled revenues. The provision matrix takes into account available external and internal credit risk factors such as credit default swap quotes, credit ratings from international credit rating agencies and the Company's historical experience for customers.

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

(In %)

Particulars	**Year ended March 31,**	
	2018	**2017**
Revenue from top customer	3.9	3.9
Revenue from top ten customers	21.0	23.1

Credit risk exposure

The allowance for lifetime expected credit loss on customer balances for the year ended March 31, 2018 and March 31, 2017 was ₹18 crore and ₹135 crore respectively.

Movement in credit loss allowance:

(In ₹ crore)

Particulars	**Year ended March 31,**	
	2018	**2017**
Balance at the beginning	379	249
Impairment loss recognized/ reversed	18	135
Amounts written off	(3)	(1)
Translation differences	7	(4)
Balance at the end	**401**	**379**

Credit risk on cash and cash equivalents is limited as we generally invest in deposits with banks and financial institutions with high credit ratings assigned by international and domestic credit rating agencies. Investments primarily include investment in liquid mutual fund units, fixed maturity plan securities, quoted bonds issued by government and quasi government organizations, non convertible debentures issued by government aided institutions and certificates of deposit.

Liquidity risk

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

As at March 31, 2018, the Company had a working capital of ₹30,903 crore including cash and cash equivalents of ₹16,770 crore and current investments of ₹5,907 crore. As at March 31, 2017, the Company had a working capital of ₹35,896 crore including cash and cash equivalents of ₹19,153 crore and current investments of ₹9,643 crore.

As at March 31, 2018 and March 31, 2017, the outstanding compensated absences were ₹1,260 crore and ₹1,142 crore, respectively, which have been substantially funded. Accordingly, no liquidity risk is perceived.

The table below provides details regarding the contractual maturities of significant financial liabilities as at March 31, 2018:

(In ₹ crore)

Particulars	**Less than 1 year**	**1-2 years**	**2-4 years**	**4-7 years**	**Total**
Trade payables	738	-	-	-	738
Other financial liabilities (excluding liability towards acquisition) (Refer Note 2.11)	4,241	-	-	-	4,241
Liability towards acquisitions on an undiscounted basis (including contingent consideration)	41	7	7	-	55

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

(In ₹ crore)

Particulars	**Less than 1 year**	**1-2 years**	**2-4 years**	**4-7 years**	**Total**
Trade payables	269	-	-	-	269
Other financial liabilities (excluding liability towards acquisition) (Refer Note 2.11)	3,867	-	-	-	3,867
Liability towards acquisitions on an undiscounted basis (including contingent consideration)	45	46	-	-	91

2.10 EQUITY

EQUITY SHARE CAPITAL

(In ₹ crore, except as otherwise stated)

Particulars	As at March 31, 2018	As at March 31, 2017
Authorized		
Equity shares, ₹5/- par value		
2,40,00,00,000 (2,40,00,00,000) equity shares	1,200	1,200
Issued, Subscribed and Paid-Up		
Equity shares, ₹5/- par value [(1)]	1,092	1,148
2,18,41,14,257 (2,29,69,44,664) equity shares fully paid-up		
	1,092	**1,148**

[(1)] *Refer note no. 2.21 for details of basic and diluted shares*

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

The Company has only one class of shares referred to as equity shares having a par value of ₹5/-. Each holder of equity shares is entitled to one vote per share. The equity shares represented by American Depositary Shares (ADS) carry similar rights to voting and dividends as the other equity shares. Each ADS represents one underlying equity share

In the period of five years immediately preceding March 31, 2018:

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 postal ballot. For both the bonus issues, 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 holder remains unchanged. Options granted under the restricted stock unit plan (RSU) have been adjusted for bonus shares.

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.

Dividends

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

The Company declares and pays dividends in Indian rupees. The remittance of dividends outside India is governed by Indian law on foreign exchange and is subject to applicable distribution taxes. Dividend distribution tax paid by subsidiaries may be reduced / available as a credit against dividend distribution tax payable by Infosys Limited.

Amount of per share dividend recognized as distribution to equity shareholders: *(in ₹)*

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Final Dividend for fiscal 2016	-	14.25
Interim Dividend for fiscal 2017	-	11.00
Final Dividend for fiscal 2017	14.75	-
Interim Dividend for fiscal 2018	13.00	-

Effective from Financial Year 2018, the Company's policy is to payout up to 70% of the free cash flow of the corresponding Financial Year in such manner (including by way of dividend and / or share buyback) as may be decided by the Board from time to time, subject to applicable laws and requisite approvals, if any. Free cash flow is defined as net cash provided by operating activities less capital expenditure as per the consolidated statement of cash flows prepared under IFRS. Dividend payout includes dividend distribution tax.

The Board of Directors recommended a final dividend of ₹20.5/- per equity share for the financial year ended March 31, 2018 and a special dividend of ₹10/- per equity share. The payment is subject to the approval of the shareholders in the ensuing Annual General Meeting of the Company, to be held on June 23, 2018 and if approved would result in a cash outflow of approximately ₹7,982 crore, including dividend distribution tax.

The Board of Directors, in their meeting on October 24, 2017, declared an interim dividend of ₹13/- per equity share, which resulted in a cash outflow of ₹3,422 crore, inclusive of dividend distribution tax.

During the year ended March 31, 2018, the Company received ₹846 crore as dividend from its majority owned subsidiary. Dividend distribution tax paid by the subsidiary on such dividend has been reduced as credit against dividend distribution tax payable by Infosys.

Buyback

The Board, at its meeting on August 19, 2017, approved a proposal for the Company to buyback its fully paid-up equity shares of face value of ₹5/- each from the eligible equity shareholders of the Company for an amount not exceeding ₹13,000 crore. The shareholders approved the said proposal of buyback of Equity Shares through the postal ballot that concluded on October 7, 2017. The Buyback offer comprised a purchase of 11,30,43,478 Equity Shares aggregating 4.92% of the paid-up equity share capital of the Company at a price of ₹1,150/- per Equity share. The buyback was offered to all eligible equity shareholders (including those who became equity shareholders as on the Record date by cancelling American Depository Shares and withdrawing underlying Equity shares) of the Company as on the Record Date (i.e November 1, 2017) on a proportionate basis through the "Tender offer" route. The Company concluded the buyback procedures on December 27, 2017 and 11,30,43,478 equity shares were extinguished. The company has funded the buyback from its securities premium and general reserve. In accordance with section 69 of the Companies Act, 2013, the company has created 'Capital Redemption Reserve' of ₹56 crore equal to the nominal value of the shares bought back as an appropriation from general reserve.

The Company's objective when managing capital is to safeguard its ability to continue as a going concern and to maintain an optimal capital structure so as to maximize shareholder value. In order to maintain or achieve an optimal capital structure, the Company may adjust the amount of dividend payment, return capital to shareholders, issue new shares or buy back issued shares. As of March 31, 2018, the Company has only one class of equity shares and has no debt. Consequent to the above capital structure there are no externally imposed capital requirements

The details of shareholder holding more than 5% shares as at March 31, 2018 and March 31, 2017 are set out below :

Name of the shareholder	**As at March 31, 2018**		**As at March 31, 2017**	
	Number of shares	**% held**	**Number of shares**	**% held**
Deutsche Bank Trust Company Americas (Depository of ADR's - legal ownership)	37,99,05,859	17.39	38,33,17,937	16.69
Life Insurance Corporation of India	14,95,14,017	6.85	16,14,36,123	7.03

The reconciliation of the number of shares outstanding and the amount of share capital as at March 31, 2018 and March 31, 2017 is set out below:

in ₹ crore, except as stated otherwise

Particulars	**As at March 31, 2018**		**As at March 31, 2017**	
	Number of shares	**Amount**	**Number of shares**	**Amount**
Number of shares at the beginning of the period	2,29,69,44,664	1,148	2,29,69,44,664	1,148
Add: Shares issued on exercise of employee stock options	2,13,071	-	-	-
Less: Shares bought back	11,30,43,478	56	-	-
Number of shares at the end of the period	**2,18,41,14,257**	**1,092**	**2,29,69,44,664**	**1,148**

Employee Stock Option Plan (ESOP):

Accounting Policy

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

Amendment to Ind AS 102:

Effective April 1, 2017, the Company adopted amendment to Ind AS 102 which provides specific guidance to measurement of cash-settled awards, modification of cash-settled awards and awards that include a net settlement feature in respect of withholding taxes. The adoption of amendment did not have any material effect on the financial statements.

2015 Stock Incentive Compensation Plan (the 2015 Plan) (formerly 2011 RSU Plan):

On March 31, 2016, pursuant to the approval by the shareholders through postal ballot, the Board has been authorized to introduce, offer, issue and allot share-based incentives to eligible employees of the Company and its subsidiaries under the 2015 Stock Incentive Compensation Plan (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 are held by the trust towards the 2011 Plan as at March 31, 2016). Out 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 on the date of the grant. These instruments will generally vest over a period of 4 years and the Company expects to grant the instruments under the 2015 Plan over the period of 4 to 7 years.

Controlled trust holds 1,08,01,956 and 1,12,89,514 shares as at March 31, 2018 and March 31, 2017, respectively under the 2015 plan, out of which 1,00,000 equity shares have been earmarked for welfare activities of the employees.

Stock incentives granted to Salil Parekh (CEO & MD)

Pursuant to the approval of the shareholders through a postal ballot on February 20 , 2018, Salil Parekh (CEO & MD) is eligible to receive under the 2015 Plan , a) an annual grant of RSUs of fair value ₹3.25 crore which will vest over time in 3 equal annual installments upon completion of each year of service from the respective grant date

b) a one-time grant of RSUs of fair value ₹9.75 crore which will vest over time in 2 equal annual installments upon completion of each year of service from the grant date and

c) annual grant of performance based RSUs of fair value ₹13 crore which will vest after completion of three years the first of which concludes on March 31, 2021, subject to achievement of performance targets set by the Board or its committee.

The Board based on the recommendations of the Nomination and Remuneration committee approved on February 27, 2018, the annual time based grant for FY18 of 28,256 RSUs and the one-time time based grant of 84,768 RSUs. The grants were made effective February 27, 2018. Though the annual time based grants for the remaining employment term have not been granted as of March 31, 2018 , in accordance with Ind AS 102, Share based payments the company has recorded employment stock compensation expense.

Stock incentives granted to Dr. Vishal Sikka

Consequent to Dr. Vishal Sikka's resignation from the company on August 24, 2017, the unvested stock incentives (time-based and performance based awards) granted to him were forfeited.

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

Stock incentives granted to KMPs (other than CEO and COO and Dr. Vishal Sikka)
On November 1, 2016, 2,47,250 RSUs and 5,02,550 stock options were granted under the 2015 plan, to key management personnel, excluding Vishal Sikka and COO, based on fiscal 2016 performance. On August 1, 2017, 58,150 RSUs and 44,450 ESOPs were granted to the General Counsel. These RSUs and stock options will vest within 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. On February 27, 2018, based on the recommendation and approval of the Nomination and Remuneration Committee the company granted 214,950 RSUs to the KMP other than CEO and COO. These instruments will vest over a period of 4 years and are subject to continued service.

During the year ended March 31, 2018, three of the KMPs have resigned (Refer to note no. 2.23 Related party transactions for further details) and hence the RSUs and stock options granted to them were forfeited.

Stock incentive granted to other employees:
During fiscal 2017, the company granted 25,06,740 RSUs and 7,03,300 ESOPs and 1,12,210 incentive units (cash settled) to certain eligible employees at mid and senior levels under the 2015 plan. Further, on May 2, 2017, the company granted 37,090 RSUs (includes equity shares and equity shares represented by ADS) at par value, 73,600 employee stock options (ESOPs) (including equity shares and equity shares represented by ADS) to be exercised at market price at the time of grant, to certain employees at the senior management level. On August 1, 2017, 7,450 incentive units (cash settled) were granted to employees at the senior management level. These instruments will vest over a period of 4 years and are subject to continued service. On February 27, 2018 15,59,920 RSUs and 42,590 incentive units (cash settled) were granted to eligible employees. These instruments will vest over a period of 4 years and are subject to continued service.

As at March 31, 2018 and March 31, 2017, 1,11,757 and 1,06,845 incentive units were outstanding (net of forfeitures).

Break-up of employee stock compensation expenses *(₹ in crore)*

Particulars	Year ended March 31, 2018	2017
Granted to:		
KMP [(2)]	(13)	36
Employees other than KMP	85	71
Total [(1)]	**72**	**107**
[(1)] *Cash settled stock compensation expense included in the above*	1	1

[(2)] *Includes a reversal of stock compensation cost of ₹35 crore towards forfeiture of stock incentives granted to Dr. Vishal Sikka upon his resignation.*

The carrying value of liability towards cash settled share based payments was and ₹6 crore and ₹3 crore as at March 31, 2018 and March 31, 2017, respectively.

The activity in the 2015 Plan (formerly 2011 RSU Plan) for equity-settled share based payment transactions during the year ended March 31, 2018 is set out below:

Particulars	Year ended March 31, 2018		Year ended March 31, 2017	
	Shares arising out of options	Weighted average exercise price (₹)	Shares arising out of options	Weighted average exercise price (₹)
2015 Plan: RSU				
Outstanding at the beginning	29,61,373	5	2,21,505	5
Granted	22,80,608	5	28,74,690	5
Exercised	6,48,217	5	1,00,760	5
Forfeited and expired	8,43,355	5	34,062	5
Outstanding at the end	**37,50,409**	**5**	**29,61,373**	**5**
Exercisable at the end	24,205	5	-	-
2015 Plan: Employee Stock Options (ESOPs)				
Outstanding at the beginning	11,97,650	992	-	-
Granted	4,91,575	943	12,05,850	992
Exercised	52,412	983	-	-
Forfeited and expired	6,69,900	961	8,200	992
Outstanding at the end	**9,66,913**	**986**	**11,97,650**	992
Exercisable at the end	1,96,912	992	-	-

During the year ended March 31, 2018 and March 31, 2017, the weighted average share price of options exercised under the 2015 Plan on the date of exercise was ₹992 and ₹1,084 respectively.

The following table summarizes information about equity settled RSUs and ESOPs outstanding as at March 31, 2018:

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:			
0 - 5 (RSU)	37,50,409	1.89	5.00
900 - 1100 (ESOP)	9,66,913	6.60	992.68
	47,17,322	**2.57**	**207.45**

The following table summarizes information about equity settled RSUs and ESOPs outstanding as at 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:			
0 - 5 (RSU)	29,61,373	1.88	5.00
900 - 1100 (ESOP)	11,97,650	7.09	1,026.50
	41,59,023	**3.38**	**299.16**

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

Particulars	For options granted in			
	Fiscal 2018- Equity Shares-RSU	Fiscal 2018- Equity shares ESOP	Fiscal 2018- ADS-RSU	Fiscal 2018- ADS- ESOP
Weighted average share price (₹) / ($- ADS)	1,144	923	16.61	14.65
Exercise price (₹)/ ($- ADS)	5.00	919	0.08	14.67
Expected volatility (%)	20-25	25-28	21-26	25-31
Expected life of the option (years)	1 - 4	3 - 7	1 - 4	3 - 7
Expected dividends (%)	2.78	2.78	2.74	2.74
Risk-free interest rate (%)	6 - 7	6 - 7	1 - 2	1 - 2
Weighted average fair value as on grant date (₹) / ($- ADS)	1,066	254	15.47	2.93

Particulars	For options granted in			
	Fiscal 2017- Equity Shares-RSU	Fiscal 2017- Equity shares ESOP	Fiscal 2017- ADS-RSU	Fiscal 2017- ADS- ESOP
Weighted average share price (₹) / ($- ADS)	1,067	989	15.77	15.26
Exercise price (₹)/ ($- ADS)	5	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)	1,002	285	14.84	3.46

The expected life of the RSU / ESOP is estimated based on the vesting term and contractual term of the RSU / ESOP, as well as expected exercise behaviour of the employee who receives the RSU / ESOP. Expected volatility during the expected term of the RSU / ESOP is based on historical volatility of the observed market prices of the Company's publicly traded equity shares during a period equivalent to the expected term of the RSU / ESOP.

2.11 OTHER FINANCIAL LIABILITIES

(In ₹ crore)

Particulars	As at	
	March 31, 2018	March 31, 2017
Non-current		
Others		
Compensated absences	42	-
Payable for acquisition of business- Contingent consideration	13	40
	55	**40**
Current		
Unpaid dividends	22	17
Others		
Accrued compensation to employees	2,048	1,404
Accrued expenses (1)	1,776	2,013
Retention monies	63	153
Payable for acquisition of business - Contingent consideration	41	45
Capital creditors	148	36
Compensated absences	1,218	1,142
Other payables (2)	184	244
Foreign currency forward and options contracts	40	2
	5,540	**5,056**
Total financial liabilities	5,595	**5,096**
Financial liability carried at amortized cost	4,241	3,867
Financial liability carried at fair value through profit or loss	91	87
Financial liability carried at fair value through other comprehensive income	3	-
Liability towards acquisition of business on undiscounted basis	55	91
(1) *Includes dues to subsidiaries (Refer note no. 2.23)*	9	3
(2) *Includes dues to subsidiaries (Refer note no. 2.23)*	19	14

2.12 TRADE PAYABLES

(In ₹ crore)

Particulars	As at	
	March 31, 2018	March 31, 2017
Trade payables(1)	738	269
	738	**269**
(1) *Includes dues to subsidiaries (refer note no. 2.23)*	178	135

As at March 31, 2018 and March 31, 2017, there are no outstanding dues to micro and small enterprises. There are no interest due or outstanding on the same.

2.13 OTHER LIABILITIES

(In ₹ crore)

Particulars	As at	
	March 31, 2018	March 31, 2017
Non current		
Deferred income	36	42
Deferred rent	117	-
	153	**42**
Current		
Unearned revenue	1,887	1,320
Client deposits	32	-
Others		
Withholding taxes and others	1,029	1,027
Deferred Rent	24	2
	2,972	**2,349**
	3,125	**2,391**

2.14 PROVISIONS

Accounting Policy

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that is reasonably estimable, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

a. Post sales client support

The Company provides its clients with a fixed-period post sales support for corrections of errors and support on all its fixed-price, fixed-timeframe contracts. Costs associated with such support services are accrued at the time related revenues are recorded in the Statement of Profit and Loss. The Company estimates such costs based on historical experience and estimates are reviewed on a periodic basis for any material changes in assumptions and likelihood of occurrence.

b. Onerous contracts

Provisions for onerous contracts are recognized when the expected benefits to be derived by the Company from a contract are lower than the unavoidable costs of meeting the future obligations under the contract. The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the Company recognizes any impairment loss on the assets associated with that contract.

(In ₹ crore)

Particulars	As at March 31, 2018	As at March 31, 2017
Current		
Others		
Post-sales client support and warranties and others	436	350
	436	**350**

Provision for post-sales client support and warranties and others

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

(In ₹ crore)

Particulars	Year ended ended March 31, 2018
Balance at the beginning	350
Provision recognized/(reversed)	130
Provision utilized	(46)
Exchange difference	2
Balance at the end	**436**

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

2.15 INCOME TAXES

Accounting Policy

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

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

Income tax expense in the statement of profit and loss comprises: *(In ₹ crore)*

Particulars	Year ended March 31,	
	2018	2017
Current taxes	4,003	5,068
Deferred taxes	(250)	52
Income tax expense	**3,753**	**5,120**

Advance Pricing Agreement (“APA”)

During the three months ended December 31, 2017, the Company had concluded concluded an Advance Pricing Agreement (“APA”) with the US Internal Revenue Service ("IRS") for the US branch covering the years ending March 2011 to March 2021. Under the APA, the Company and the IRS have agreed on the methodology to allocate revenues and compute the taxable income of the Company’s US Branch operations

During the three months ended December 31, 2017, in accordance with the APA, the company has reversed income tax expense provision of ₹1,432 crore which pertains to previous periods. This comprises of current tax expense of ₹1,610 crore, reversal of ₹132 crore on account of deferred tax assets pertaining to the temporary differences which are no longer required and a deferred tax liability of ₹46 crore pertaining to Branch profit tax for the three months ended December 31, 2017 on account of conclusion of APA. In line with the APA, the Company has to pay an amount of approximately ₹1,488 crore due to the difference between the taxes payable for prior periods as per the APA and the actual taxes paid for such periods. The Company has paid ₹479 crore during the three months ended March 31, 2018, and the balance amount is expected to be paid over the next few quarters.

Additionally, income tax expense for the year ended March 31, 2018 and March 31, 2017 includes reversal (net of provisions) of ₹240 crore and ₹218 crore, respectively, pertaining to prior periods on account of adjudication of certain disputed matters in favor of the company across various jurisdictions.

The “Tax Cuts and Jobs Act (H.R. 1)” was signed into law on December 22, 2017 (“US Tax Reforms”). The US tax reforms has reduced federal tax rates from 35% to 21% effective January 1, 2018 amongst other measures. During the year ended March 31, 2018 , the US tax reforms has resulted in a positive impact of ₹155 crore on account of credits pertaining to deferred tax liabilities on branch profit. The impact of US tax reforms is expected to be not significant for future periods.

During the year ended March 31, 2018 and March 31, 2017, a current tax charge of ₹16 crore and current tax credit of ₹8 crore respectively have been recorded in other comprehensive income pertaining to remeasurement of defined benefit plan asset.

During the year ended March 31, 2018, a deferred tax credit of ₹13 crore and a deferred tax credit of less than ₹1 crore has been recorded in other comprehensive income pertaining to unrealized gains on derivatives designated as cash flow hedges and unrealized gain on investment in non-convertible debentures, certificates of deposit, commercial papers and equity & preference securities. During the year ended March 31, 2017, a deferred tax charge 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	**As at March 31,**	
	2018	**2017**
Profit before income taxes	19,908	18,938
Enacted tax rates in India	34.61%	34.61%
Computed expected tax expense	6,890	6,554
Tax effect due to non-taxable income for Indian tax purposes	(2,008)	(1,915)
Overseas taxes	678	735
Tax reversals, overseas and domestic	(1,566)	(218)
Effect of exempt non-operating income	(385)	(51)
Effect of non-deductible expenses	299	16
Branch profit tax	(209)	-
Others	54	(1)
Income tax expense	**3,753**	**5,120**

The applicable Indian statutory tax rate for each of the fiscal 2018 and fiscal 2017 is 34.61%.

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 at March 31, 2018, Infosys' U.S. branch net assets amounted to approximately ₹ 5 crore. During the year ended March 31, 2018, an additional deferred tax liability has been created for branch profit tax amounting to ₹46 crore on account of conclusion of APA explained above. Further, on account of US tax Reforms, the company has a credit of ₹155 crore pertaining to Branch Profit Tax for the year ended March 31, 2018. The company has also reversed ₹55 crore of Branch Profit tax during the year ended March 31, 2018 toward current taxes. As of March 31, 2018, the Company has a deferred tax liability for branch profit tax of ₹164 crore (net of credits), as the Company estimates that these branch profits are expected to be distributed in the foreseeable future.

Other income for the year ended March 31, 2018 includes interest on income tax refund of ₹257 crore.

The foreign tax expense is due to income taxes payable overseas, principally in the United States. In India, the Company has benefited from certain income tax incentives that the Government of India had provided for export of software from the units registered under the Special Economic Zones Act (SEZs), 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 for the eligible SEZ units and utilization of such reserve by the Company for acquiring new plant and machinery for the purpose of its business as per the provisions of the Income Tax Act, 1961.

Deferred income tax liabilities have not been recognized on temporary differences amounting to ₹5,045 crore and ₹5,309 crore as at March 31, 2018 and March 31, 2017, respectively, associated with investments in subsidiaries and branches as it is probable that the temporary differences will not reverse in the foreseeable future.

The following table provides the details of income tax assets and income tax liabilities as at March 31, 2018 and March 31, 2017:

(In ₹ crore)

Particulars	As at	
	March 31, 2018	**March 31, 2017**
Income tax assets	5,710	5,454
Current income tax liabilities	1,976	3,762
Net current income tax asset/ (liability) at the end	**3,734**	**1,692**

The gross movement in the current income tax asset/ (liability) for the year ended March 31, 2018 and March 31, 2017 is as follows:

(In ₹ crore)

	As at	
	March 31, 2018	**March 31, 2017**
Net current income tax asset/ (liability) at the beginning	1,692	1,716
Income tax paid	6,054	5,033
Current income tax expense	(4,003)	(5,068)
Income tax benefit arising on exercise of stock options	-	1
Income tax on other comprehensive income	(16)	8
Translation differences	7	2
Net current income tax asset/ (liability) at the end	**3,734**	**1,692**

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, 2018	**March 31, 2017**
Deferred income tax assets		
Property, plant and equipment	181	107
Computer software	-	40
Accrued compensation to employees	-	35
Trade receivables	129	123
Compensated absences	325	336
Post sales client support	92	93
Derivative financial instruments	13	-
Branch profit tax	341	-
Others	55	32
Total deferred income tax assets	**1,136**	**766**
Deferred income tax liabilities		
Branch profit tax	505	327
Derivative financial instruments	1	75
Others	7	18
Total deferred income tax liabilities	**513**	**420**
Deferred income tax assets after set off	1,128	346
Deferred income tax liabilities after set off	505	-

Deferred tax assets and deferred tax liabilities have been offset wherever the Company has a legally enforceable right to set off current tax assets against current tax liabilities and where the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority.

In assessing the 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, management believes that the Company will realize the benefits of those deductible differences. The amount of the deferred income tax assets considered realizable, however, could be reduced in the near term if estimates of future taxable income during the carry forward period are reduced.

The gross movement in the deferred income tax account for the year ended March 31, 2018 and March 31, 2017, are as follows: *(In ₹ crore)*

Particulars	**As at**	
	March 31, 2018	**March 31, 2017**
Net deferred income tax asset at the beginning	346	405
Additions on account of business transfer (refer note no 2.3.1)	13	-
Translation differences	1	6
Credits / (charge) relating to temporary differences	250	(52)
Temporary differences on other comprehensive income	13	(13)
Net deferred income tax asset at the end	**623**	**346**

Entire deferred income tax, except for a credit of ₹155 crore (on account of US Tax Reforms explained above), for the year ended March 31, 2018, relates to origination and reversal of temporary differences

The credit relating to temporary differences during the year ended March 31, 2018 are primarily on account of property plant and equipment and trade receivables partially offset by decrease in compensated absences and accrued compensation to employees. The charge relating to temperary differences during the year ended March 31, 2017 is primarily on account of property, plant and equipment, accrued compensation and compensated absences partially offset by trade receivables.

2.16 REVENUE FROM OPERATIONS

Accounting Policy

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 mainly either on a fixed-price, fixed-timeframe or on a time-and-material basis.

Revenue on time-and-material contracts are recognized as the related services are performed and revenue from the end of the last billing to the Balance Sheet date is recognized as unbilled revenues. Revenue from fixed-price, fixed-timeframe contracts, where there is no uncertainty as to measurement or collectability of consideration, is recognized as per the percentage-of-completion method. When there is uncertainty as to measurement or ultimate collectability, revenue recognition is postponed until such uncertainty is resolved. Efforts or costs expended have been used to measure progress towards completion as there is a direct relationship between input and productivity. Provisions for estimated losses, if any, on uncompleted contracts are recorded in the period in which such losses become probable based on the current contract estimates. Costs and earnings in excess of billings are classified as unbilled revenue while billings in excess of costs and earnings are classified as unearned revenue. Deferred contract costs are amortized over the term of the contract. Maintenance revenue is recognized 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 are allocated to each component of the contract in a manner, whereby revenue is deferred for the undelivered services and the residual amounts are recognized as revenue for delivered elements. In the absence of objective and reliable evidence of fair value for implementation, the entire arrangement fee for license and implementation is recognized using the percentage-of-completion method as the implementation is performed. Revenue from client training, support and other services arising due to the sale of software products is recognized as the services are performed. ATS revenue is recognized 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 Company accounts for volume discounts and pricing incentives to customers as a reduction of revenue based on the ratable allocation of the discounts/ incentives amount to each of the underlying revenue transaction that results in progress by the customer towards earning the discount/ incentive. Also, when the level of discount varies with increases in levels of revenue transactions, the Company recognizes the liability based on its estimate of the customer's future purchases. If it is probable that the criteria for the discount will not be met, or if the amount thereof cannot be estimated reliably, then discount is not recognized until the payment is probable and the amount can be estimated reliably. The Company recognizes changes in the estimated amount of obligations for discounts in the period in which the change occurs. The discounts are passed on to the customer either as direct payments or as a reduction of payments due from the customer.

The Company presents revenues net of indirect taxes in its Statement of Profit and Loss.

Revenue from operations for the year ended March 31, 2018 and March 31, 2017 is as follows: *(In ₹ crore)*

Particulars	Year ended March 31,	
	2018	**2017**
Revenue from software services	61,910	59,257
Revenue from software products	31	32
	61,941	**59,289**

2.17 OTHER INCOME, NET

2.17.1 Other income - Accounting policy

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.

2.17.2 Foreign currency - Accounting policy

Functional currency

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

Transactions and translations

Foreign-currency denominated monetary assets and liabilities are translated into the relevant functional currency at exchange rates in effect at the Balance Sheet date. The gains or losses resulting from such translations are included in net profit in the Statement of Profit and Loss. Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at fair value are translated at the exchange rate prevalent at the date when the fair value was determined. Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of the transaction.

Transaction gains or losses realized upon settlement of foreign currency transactions are included in determining net profit for the period in which the transaction is settled. Revenue, expense and cash-flow items denominated in foreign currencies are translated into the relevant functional currencies using the exchange rate in effect on the date of the transaction.

Other income for the year ended March 31, 2018 and March 31, 2017 is as follows: *(In ₹ crore)*

Particulars	**Year ended March 31,**	
	2018	**2017**
Interest income on financial assets carried at amortized cost		
Tax free bonds and government bonds	138	320
Deposit with Bank and others	1,540	2,028
Interest income on financial assets fair valued through other comprehensive income		
Non-convertible debentures, commercial papers and certificates of deposit	642	182
Income on investments carried at fair value through profit or loss		
Dividend income on liquid mutual funds	3	23
Gain / (loss) on liquid mutual funds	227	111
Dividend income from subsidiary	846	-
Write down of investment in subsidiary (refer note no 2.3)	(122)	-
Exchange gains/(losses) on foreign currency forward and options contracts	(12)	551
Exchange gains/(losses) on translation of assets and liabilities	265	(324)
Miscellaneous income, net	492	171
	4,019	**3,062**

2.18 EXPENSES

(In ₹ crore)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Employee benefit expenses		
Salaries including bonus	31,618	30,111
Contribution to provident and other funds	695	640
Share based payments to employees (Refer note no. 2.10)	72	107
Staff welfare	87	86
	32,472	**30,944**
Cost of software packages and others		
For own use	774	729
Third party items bought for service delivery to clients	496	506
	1,270	**1,235**
Other expenses		
Power and fuel	162	180
Brand and Marketing	247	276
Operating lease payments	328	284
Rates and taxes	116	118
Repairs and Maintenance	902	1,073
Consumables	22	31
Insurance	47	45
Provision for post-sales client support and warranties	127	84
Commission to non-whole time directors	9	9
Impairment loss recognized / (reversed) on financial assets	24	140
Auditor's remuneration		
Statutory audit fees	3	2
Tax matters	1	-
Other services	-	-
Contributions towards Corporate Social Responsibility	142	215
Others	54	89
	2,184	**2,546**

2.19 LEASES

Accounting policy

Leases under which the company assumes substantially all the risks and rewards of ownership are classified as finance leases. When acquired, such assets are capitalized at fair value or present value of the minimum lease payments at the inception of the lease, whichever is lower. Lease payments under operating leases are recognized as an expense on a straight line basis in net profit in the Statement of Profit and Loss over the lease term.

The lease rentals charged during the period is as follows:

(In ₹ crore)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Lease rentals recognized during the period	328	284

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, 2018	As at March 31, 2017
Not later than 1 year	267	275
Later than 1 year and not later than 5 years	877	809
Later than 5 years	755	631

The operating lease arrangements, are renewable on a periodic basis and for most of the leases extend upto a maximum of ten years from their respective dates of inception and relates to rented premises. Some of these lease agreements have price escalation clauses.

2.20 EMPLOYEE BENEFITS
Accounting Policy

2.20.1 Gratuity

The Company provides for gratuity, a defined benefit retirement plan ('the Gratuity Plan') covering eligible employees. The Gratuity Plan provides a lump-sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment with the Company.

Liabilities with regard to the Gratuity Plan are determined by actuarial valuation, performed by an independent actuary, at each Balance Sheet date using the projected unit credit method. The Company fully contributes all ascertained liabilities to the Infosys Limited Employees' Gratuity Fund Trust (the Trust). Trustees administer contributions made to the Trusts and contributions are invested in a scheme with Life Insurance Corporation of India as permitted by Indian law.

The Company recognizes the net obligation of a defined benefit plan in its Balance Sheet as an asset or liability. Gains and losses through re-measurements of the net defined benefit liability/(asset) are recognized in other comprehensive income and are not reclassified to profit or loss in subsequent periods. The actual return of the portfolio of plan assets, in excess of the yields computed by applying the discount rate used to measure the defined benefit obligation is recognized in other comprehensive income. The effect of any plan amendments are recognized in net profit in the Statement of Profit and Loss.

2.20.2 Superannuation

Certain employees of Infosys are participants in a defined contribution plan. The Company has no further obligations to the Plan beyond its monthly contributions which are periodically contributed to a trust fund, the corpus of which is invested with the Life Insurance Corporation of India.

2.20.3 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.

2.20.4 Compensated absences

The Company has a policy on compensated absences which are both accumulating and non-accumulating in nature. The expected cost of accumulating compensated absences is determined by actuarial valuation performed by an independent actuary at each Balance Sheet date using projected unit credit method on the additional amount expected to be paid/availed as a result of the unused entitlement that has accumulated at the Balance Sheet date. Expense on non-accumulating compensated absences is recognized in the period in which the absences occur.

a. Gratuity

The following tables set out the funded status of the gratuity plans and the amounts recognized in the Company's financial statements as at March 31, 2018 and March 31, 2017:

(In ₹ crore)

Particulars	As at March 31,	
	2018	2017
Change in benefit obligations		
Benefit obligations at the beginning	979	826
Service cost	131	111
Interest expense	64	61
Curtailment gain	-	(3)
Transfer of obligation	4	(1)
Remeasurements - Actuarial (gains)/ losses	(57)	61
Benefits paid	(93)	(76)
Benefit obligations at the end	**1,028**	**979**
Change in plan assets		
Fair value of plan assets at the beginning	1,035	828
Interest income	69	69
Transfer of assets	4	-
Remeasurements- Return on plan assets excluding amounts included in interest income	11	11
Contributions	25	203
Benefits paid	(93)	(76)
Fair value of plan assets at the end	**1,051**	**1,035**
Funded status	23	56

The amount for the year ended March 31, 2018 and March 31, 2017 recognized in the Statement of Profit and Loss under employee benefit expense are as follows:

(In ₹ crore)

Particulars	As at March 31, 2018	2017
Service cost	131	111
Net interest on the net defined benefit	(5)	(8)
Curtailment gain	-	(3)
Net gratuity cost	**126**	**100**

The amounts for the year ended March 31, 2018 and March 31, 2017 recognized in statement of other comprehensive income are as follows:

(In ₹ crore)

Particulars	As at March 31, 2018	2017
Remeasurements of the net defined benefit liability/ (asset)		
Actuarial (gains) / losses	(57)	61
(Return) / loss on plan assets excluding amounts included in the net interest on the net defined benefit liability/(asset)	(11)	(11)
	(68)	**50**

(In ₹ crore)

Particulars	As at March 31, 2018	2017
(Gain)/loss from change in demographic assumptions	-	-
(Gain)/loss from change in financial assumptions	(36)	49
(Gain)/loss from change in experience assumptions	(21)	12
	(57)	**61**

The weighted-average assumptions used to determine benefit obligations as at March 31, 2018 and March 31, 2017 are set out below:

Particulars	As at March 31, 2018	2017
Discount rate	7.5%	6.9%
Weighted average rate of increase in compensation levels	8.0%	8.0%

The weighted-average assumptions used to determine net periodic benefit cost for the year ended March 31, 2018 and March 31, 2017 are set out below:

Particulars	As at March 31, 2018	2017
Discount rate	6.9%	7.8%
Weighted average rate of increase in compensation levels	8.0%	8.0%
Weighted average duration of defined benefit obligation	6.1 years	6.1 years

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

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

Sensitivity of significant assumptions used for valuation of defined benefit obligations *(₹ in crore)*

Impact from percentage point increase / decrease in	As at March 31, 2018
Discount Rate	58
Weighted average rate of increase in compensation level	50

Sensitivity for significant actuarial assumptions is computed by varying one actuarial assumption used for the valuation of the defined benefit obligation by one percentage, keeping all other actuarial assumptions constant. The sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. In practice, this is not probable, and changes in some of the assumptions may be correlated.

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

The Company contributes all ascertained liabilities towards gratuity to the Infosys Limited Employees' Gratuity Fund Trust. Trustees administer contributions made to the trust. As at March 31, 2018 and March 31, 2017, the plan assets have been primarily invested in insurer managed funds.

Actual return on assets for each of the year ended March 31, 2018 and March 31, 2017 was ₹80 crore.

The Company expects to contribute ₹110 crore to the gratuity trusts during the fiscal 2019.

Maturity profile of defined benefit obligation:

	(In ₹ crore)
Within 1 year	144
1-2 year	151
2-3 year	165
3-4 year	176
4-5 year	186
5-10 years	928

b. Superannuation

The Company contributed ₹158 crore and ₹151 crore to the Superannuation trust during the year ended March 31, 2018 and March 31, 2017 respectively and the same has been recognized in the Statement of Profit and Loss account under the head employee benefit expense.

c. Provident fund

Infosys has an obligation to fund any shortfall on the yield of the trust's investments over the administered interest rates on an annual basis. These administered rates are determined annually predominantly considering the social rather than economic factors and in most cases the actual return earned by the Company has been higher in the past years. The actuary has provided a valuation for provident fund liabilities on the basis of guidance issued by Actuarial Society of India and based on the below provided assumptions there is no shortfall as at March 31, 2018 and March 31, 2017 respectively.

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

(In ₹ crore)

Particulars	**As at March 31,**	
	2018	**2017**
Plan assets at period end, at fair value	5,160	4,459
Present value of benefit obligation at period end	5,160	4,459
Asset recognized in balance sheet	-	-

The plan assets have been primarily invested in government securities.
Assumptions used in determining the present value obligation of the interest rate guarantee under the Deterministic Approach:

Particulars	**As at March 31,**	
	2018	**2017**
Government of India (GOI) bond yield	7.50%	6.90%
Remaining term to maturity of portfolio	5.9 years	6 years
Expected guaranteed interest rate	8.55%	8.60%

The Company contributed ₹397 crore and ₹378 crore during the year ended March 31, 2018 and March 31, 2017 respectively and the same has been recognized in the Statement of Profit and Loss under the head employee benefit expense.

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

Employee benefits cost include:

(In ₹ crore)

Particulars	**As at March 31,**	
	2018	**2017**
Salaries and bonus(1)(2)	31,791	30,315
Defined contribution plans	158	151
Defined benefit plans	523	478
	32,472	**30,944**

(1) *Includes employee stock compensation expense of ₹72 crore and ₹107 crore for the year ended March 31, 2018 and March 31, 2017, respectively (Refer note 2.10).*

(2) *Included in the above for the year ended March 31, 2018 is a reversal of stock compensation cost of ₹35 crore towards forfeiture of stock incentives granted to Dr. Vishal Sikka upon his resignation. (Refer note no. 2.10).*

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

Accounting policy

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 at the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented.

The number of equity shares and potentially dilutive equity shares are adjusted retrospectively for all periods presented for any share splits and bonus shares issues including for changes effected prior to the approval of the financial statements by the Board of Directors.

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

Particulars	Year ended March 31,	
	2018	2017
Basic earnings per equity share - weighted average number of equity shares outstanding	2,26,63,43,802	2,29,69,44,664
Effect of dilutive common equivalent shares - share options outstanding	10,48,819	2,15,006
Diluted earnings per equity share - weighted average number of equity shares and common equivalent shares outstanding	**2,26,73,92,621**	**2,29,71,59,670**

For the year ended March 31, 2018 and March 31, 2017 number of options to purchase equity shares that had an anti-dilutive effect are 27,876 and 77,942 respectively.

2.22 CONTINGENT LIABILITIES AND COMMITMENTS

(In ₹ crore)

Particulars	As at	
	March 31, 2018	March 31, 2017
Contingent liabilities :		
Claims against the Company, not acknowledged as debts[(1)]	4,627	6,596
[Amount paid to statutory authorities ₹6,486 crore (*₹4,694 crore*)]		
Commitments :		
Estimated amount of contracts remaining to be executed on capital contracts and not provided for (net of advances and deposits)	1,405	1,094
Other Commitments*	36	37

**Uncalled capital pertaining to investments*

(1) As at March 31, 2018, claims against the company not acknowledged as debts in respect of income tax matters amounted to ₹4,461 crore. These matters are pending before various Appellate Authorities and the management including its tax advisors expect that its position will likely be upheld on ultimate resolution and will not have a material adverse effect on the Company's financial position and results of operations.

Income tax claims amounting to ₹4,670 crore has not been considered as claims not acknowledged as debt because the Company has received favourable decisions on similar claims and therefore based on its assessment , is of the view that any liability resulting from these claims is remote and will not sustain on ultimate resolution.

Amount paid to statutory authorities against the above tax claims amounted to ₹6,475 crore.

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.

2.23 RELATED PARTY TRANSACTIONS

List of related parties:

Name of subsidiaries	Country	Holdings as at	
		March 31, 2018	March 31, 2017
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 Nova Holdings LLC. (Infosys Nova)	U.S.	100%	100%
EdgeVerve Systems Limited (EdgeVerve)	India	100%	100%
Lodestone Management Consultants GmbH (Lodestone Austria)[(1)]	Austria	100%	100%
Skava Systems Pvt. Ltd. (Skava Systems)	India	100%	100%
Kallidus Inc. (Kallidus)	U.S.	100%	100%
Infosys Chile SpA[(2)]	Chile	100%	-
Infosys Arabia Limited[(3)]	Saudi Arabia	70%	-
Infosys Americas Inc., (Infosys Americas)	U.S.	100%	100%
Infosys Technologies (Australia) Pty. Limited (Infosys Australia)[(4)]	Australia	100%	100%
Infosys Public Services, Inc. USA (Infosys Public Services)	U.S.	100%	100%
Infosys Canada Public Services Ltd. [(5)(6)]	Canada	-	-
Infosys BPM Limited (formerly Infosys BPO Limited)	India	99.98%	99.98%
Infosys (Czech Republic) Limited s.r.o.[(7)]	Czech Republic	99.98%	99.98%
Infosys Poland, Sp z.o.o[(7)]	Poland	99.98%	99.98%
Infosys McCamish Systems LLC [(7)]	U.S.	99.98%	99.98%

Portland Group Pty Ltd[(7)]	Australia	99.98%	99.98%
Infosys BPO Americas LLC.[(7)]	U.S.	99.98%	99.98%
Infosys Consulting Holding AG (Infosys Lodestone)	Switzerland	100%	100%
Lodestone Management Consultants Inc.[(4)(8)]	U.S.	100%	100%
Infosys Management Consulting Pty Limited[(8)]	Australia	100%	100%
Infosys Consulting AG[(8)]	Switzerland	100%	100%
Infosys Consulting GmbH[(8)]	Germany	100%	100%
Infosys Consulting SAS[(8)]	France	100%	100%
Infosys Consulting s.r.o.[(8)]	Czech Republic	100%	100%
Lodestone Management Consultants Co., Ltd.[(8)]	China	100%	100%
Infy Consulting Company Ltd[(8)]	U.K.	100%	100%
Infy Consulting B.V.[(8)]	The Netherlands	100%	100%
Infosys Consulting Sp. z.o.o[(8)]	Poland	100%	100%
Lodestone Management Consultants Portugal, Unipessoal, Lda. [(8)]	Portugal	100%	100%
S.C. Infosys Consulting S.R.L.[(8)]	Romania	100%	100%
Infosys Consulting S.R.L.[(8)]	Argentina	100%	100%
Lodestone GmbH[(8)(9)]	Switzerland	-	-
Lodestone Augmentis AG [(10)(11)]	Switzerland	-	-
Infosys Consulting (Belgium) NV (formerly Lodestone Management Consultants (Belgium) S.A.)[(12)]	Belgium	99.90%	99.90%
Infosys Consulting Ltda.[(12)]	Brazil	99.99%	99.99%
Panaya Inc. (Panaya)	U.S.	100%	100%
Panaya Ltd. [(13)]	Israel	100%	100%
Panaya GmbH[(13)]	Germany	100%	100%
Panaya Japan Co. Ltd[(4)(13)]	Japan	100%	100%
Panaya Pty Ltd. [(13)(14)]	Australia	-	-
Noah Consulting LLC (Noah)[(15)]	U.S.	-	100%
Noah Information Management Consulting Inc. (Noah Canada)[(16)(17)]	Canada	-	100%
Brilliant Basics Holdings Limited[(18)]	U.K.	100%	-
Brilliant Basics Limited[(19)]	U.K.	100%	-
Brilliant Basics (MENA) DMCC[(19)]	Dubai	100%	-
Infosys Consulting Pte Limited[(1)]	Singapore	100%	100%
Infosys Middle East FZ LLC[(20)]	Dubai	100%	-

(1) *Wholly-owned subsidiary of Infosys Limited*
(2) *Incorporated effective November 20, 2017*
(3) *Subsidiary of Infosys Limited*
(4) *Under liquidation*
(5) *Wholly owned subsidiary of Infosys Public Services, Inc.*
(6) *Liquidated effective May 9, 2017*
(7) *Wholly owned subsidiary of Infosys BPM (formerly Infosys BPO Limited).*
(8) *Wholly owned subsidiaries of Infosys Consulting Holding AG (formerly Lodestone Holding AG)*
(9) *Liquidated effective December 21, 2016*
(10) *Wholly owned subsidiary of Infosys Consulting AG (formerly Lodestone Management Consultants AG)*
(11) *Liquidated effective October 5, 2016*
(12) *Majority owned and controlled subsidiaries of Infosys Consulting Holding AG (formerly Lodestone Holding AG)*
(13) *Wholly owned subsidiary of Panaya Inc*
(14) *Liquidated effective November 16, 2016*
(15) *Liquidated effective November 9, 2017*
(16) *Wholly owned subsidiary of Noah*
(17) *Liquidated effective December 20, 2017*
(18) *On September 8, 2017, Infosys acquired 100% of the voting interests in Brilliant Basics Holdings Limited., UK. Refer note no. 2.1*
(19) *Wholly-owned subsidiary of Brilliant Basics Holding Limited.*
(20) *Wholly-owned subsidiary of Infosys Consulting Pte Ltd*

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

Name of Associates	**Country**	**Holdings as at**	
		March 31, 2018	**March 31, 2017**
DWA Nova LLC[(1)]	U.S.	-	16%

(1) During the three months ended June 30, 2017, the Company has written down the entire carrying value of the investment in its associate DWA Nova LLC. DWA Nova LLC has been liquidated w.e.f November 17, 2017

List of other related party

Particulars	**Country**	**Nature**
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 Employees' Welfare Trust	India	Controlled trust
Infosys Employee Benefits Trust	India	Controlled trust
Infosys Science Foundation	India	Controlled trust

Refer note no. 2.20 for information on transactions with post-employment benefit plans mentioned above.

List of key management personnel

Whole-time directors

Salil Parekh appointed as Chief Executive Officer and Managing Director effective January 2, 2018. The appointment is for a term of 5 years with effect from January 2, 2018 to January 1, 2023 and the remuneration is approved by shareholders through postal ballot dated February 20, 2018.

U. B. Pravin Rao, Chief Operating officer appointed as Interim-Chief Executive Officer and Managing Director effective August 18, 2017. Subsequently he stepped down as the interim CEO and Managing Director effective January 2, 2018 and will continue as Chief Operating Officer and a whole-time director of the Company.

Dr. Vishal Sikka resigned as Chief Executive Officer and Managing Director effective August 18, 2017 and as Executive Vice Chairman effective August 24, 2017

Non-whole-time directors

Nandan M. Nilekani (appointed as Non-Executive, Non-Independent Chairman effective August 24, 2017)
Ravi Venkatesan (resigned from his position as Co-Chairman effective August 24, 2017)
Kiran Mazumdar-Shaw
Roopa Kudva
Dr. Punita Kumar-Sinha
D. N. Prahlad (appointed effective October 14, 2016)
D. Sundaram (appointed effective July 14, 2017)
Prof. Jeffrey Lehman, (resigned effective August 24, 2017)
R. Seshasayee (resigned effective August 24, 2017)
Prof. John Etchemendy (resigned effective August 24, 2017)

Executive Officers

M. D. Ranganath, Chief Financial Officer
David D. Kennedy, General Counsel and Chief Compliance Officer (resigned effective December 31, 2016)
Mohit Joshi, President (appointed effective October 13, 2016)
Rajesh K. Murthy, President (appointed effective October 13, 2016 and resigned effective January 31, 2018)
Ravi Kumar S, President and Deputy Chief Operating Officer (appointed effective October 13, 2016)
Sandeep Dadlani, President (resigned effective July 14, 2017)
Krishnamurthy Shankar, Group Head - Human Resources (appointed effective October 13, 2016)
Gopi Krishnan Radhakrishnan - Acting General Counsel (resigned effective June 24, 2017)
Inderpreet Sawhney, Group General Counsel and Chief Compliance Officer (appointed as executive officer effective July 14, 2017)

Company Secretary

A. G. S. Manikantha

The details of amounts due to or due from related parties as at March 31, 2018 and March 31, 2017 are as follows:

(In ₹ crore)

Particulars	As at	
	March 31, 2018	March 31, 2017
Investment in debentures		
EdgeVerve[(1)]	1,780	2,129
	1,780	**2,129**
Trade receivables		
Infosys China	29	41
Infosys Mexico	4	2
Infosys Brasil	1	1
Infosys BPM (formerly Infosys BPO)	5	5
Infy Consulting Company Ltd.	77	73
Infosys Public Services	53	61
Infosys Shanghai	7	-
Infosys Sweden	1	1
Kallidus	13	6
Infosys McCamish Systems LLC	70	1
Panaya Ltd	75	44
	335	**235**
Loans		
Infosys China[(2)]	73	69
Infosys Consulting Holding AG[(3)]	104	-
Brilliant Basics Holdings Limited[(4)]	8	-
	185	**69**
Prepaid expense and other assets		
Panaya Ltd.	114	56
Brilliant Basics Limited	1	-
	115	**56**
Other financial assets		
Infosys BPM (formerly Infosys BPO)	10	5
Panaya Ltd.	2	1
Infosys Consulting SAS	-	3
Infosys Consulting GmbH	1	1
Infosys China	2	1
Infy Consulting Company Ltd.	9	4
Infosys Consulting AG	1	1
Infosys Public Services	6	-
Infy Consulting B.V.	-	1
Infosys Consulting Pte Ltd.	1	1
Kallidus	1	-
Infosys Consulting Ltda.	1	-
Skava Systems Pvt. Ltd.	1	-
Lodestone Management Consultants Co., Ltd	1	-
Edgeverve	3	-
Infosys Mexico	1	-
	40	**18**
Unbilled revenues		
EdgeVerve	32	45
Kallidus	-	2
	32	**47**

Trade payables		
Infosys China	7	10
Infosys BPM (formerly Infosys BPO)	54	33
Infosys (Czech Republic) Limited s.r.o.	3	3
Infosys Mexico	6	2
Infosys Sweden	5	5
Infosys Shanghai	6	-
Infosys Management Consulting Pty Limited	8	8
Infosys Consulting Pte Ltd.	2	4
Infy Consulting Company Ltd.	67	9
Infosys Brasil	2	1
Brilliant Basics Limited	7	-
Noah Consulting LLC	-	17
Panaya Ltd.	6	1
Infosys Public Services	2	3
Kallidus	-	35
Noah Canada	-	3
Infosys Poland Sp Z.o.o	3	1
	178	**135**
Other financial liabilities		
Infosys BPM (formerly Infosys BPO)	2	2
Infosys Mexico	1	1
Infosys Consulting Holding AG	-	10
Infosys Public Services	5	-
Infosys China	1	-
Infosys Consulting GmbH	1	1
Infosys Middle East FZ-LLC	8	-
Infosys Consulting AG	1	-
	19	**14**
Accrued expenses		
Infosys BPM (formerly Infosys BPO)	9	-
Panaya Ltd	-	3
	9	**3**

(1) At an interest rate of 7.7% per annum.

(2) The above loan carries an interest of 6% per annum and shall be repayable on demand

(3) The above loan carries an interest of 2.5% per annum and shall be repayable on demand.

(4) The above loan carries an interest rate of 3.5% per annum repayable in full no later than 12 months or such later date as the parties may agree

Particulars	**Maximum amount outstanding during the**	
	year ended March 31, 2018	**Year ended March 31, 2017**
Loans and advances in the nature of loans given to Subsidiaries:		
Infosys China	92	72
Brilliant Basics	8	-
Infosys Sweden	-	25
Infosys Consulting Holding AG	105	-

The details of the related parties transactions entered into by the Company for the year ended March 31, 2018 and March 31, 2017 are as follows:

(In ₹ crore)

Particulars	Year ended March 31, 2018	2017
Capital transactions:		
Financing transactions		
Equity		
Panaya Inc	38	-
Infosys China	97	67
Infosys Sweden	-	76
Infosys Shanghai	74	180
Infosys Consulting Pte Ltd	-	10
Noah Consulting LLC [(1)]	-	71
Brilliant Basics Holdings Limited	29	-
Infosys Arabia Limited	2	-
	240	**404**
Debenture (net of repayment)		
EdgeVerve	(349)	(420)
	(349)	**(420)**
Loans (net of repayment)		
Infosys Sweden[(2)]	-	(1)
Infosys China	-	3
Infosys Consulting Holding AG	99	-
Brilliant Basics Holdings Limited	7	-
	106	**2**
Revenue transactions:		
Purchase of services		
Infosys China	88	120
Infosys Management Consulting Pty Limited	99	125
Infy Consulting Company Limited	729	697
Infosys Consulting Pte Ltd.	41	36
Portland Group Pty Ltd	9	3
Infosys (Czech Republic) Limited s.r.o.	40	31
Infosys BPM (formerly Infosys BPO)	502	391
Infosys Sweden	56	72
Infosys Shanghai	65	-
Infosys Mexico	27	22
Infosys Public Services	22	22
Panaya Ltd.	84	50
Infosys Brasil	13	8
Infosys Poland Sp Z.o.o	14	4
Kallidus	7	75
Noah Consulting, LLC	91	135
McCamish Systems LLC	3	-
Brilliant Basics Limited	24	-
Noah Canada	2	4
Infosys Middle East FZ-LLC	22	-
	1,938	**1,795**
Purchase of shared services including facilities and personnel		
Panaya Ltd.	-	2
Infosys BPM (formerly Infosys BPO)	21	19
Infosys Mexico	2	-
Infosys Consulting AG	1	-
Kallidus Inc	4	-
Brilliant Basics	1	-
	29	**21**
Interest income		
Infosys China	4	4
Infosys Sweden	-	1
Infosys Consulting Holding AG	2	-
EdgeVerve	156	197
	162	**202**
Dividend income		
Infosys BPM (formerly Infosys BPO)	846	-
	846	**-**
Sale of services		
Infosys China	27	15
Infosys Mexico	22	31
Infy Consulting Company Limited	40	75
Infosys Brasil	5	12
Infosys BPM (formerly Infosys BPO)	70	58
McCamish Systems LLC	113	1
Infosys Sweden	11	17
Infosys Shanghai	7	-
EdgeVerve	407	303
Kallidus inc	2	6
Infosys Public Services	628	893
	1,332	**1,411**
Sale of shared services including facilities and personnel		
EdgeVerve	40	40
Panaya Ltd.	48	32
Infy Consulting Company Limited	3	3
Infy Consulting B.V	1	1
Infosys BPM (formerly Infosys BPO)	67	46
Infosys Public Services	2	1
Infosys Consulting SAS	1	2
	162	**125**

(1) Refer Note 2.3

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

Transactions with key management personnel

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

(In ₹ crore)

Particulars	Year ended March 31, 2018	2017
Salaries and other employee benefits to whole-time directors and executive officers [(1)(2)(3)(4)]	48	84
Commission and other benefits to non-executive/independent directors	10	10
Total	**58**	**94**

[(1)] *On December 2, 2017, the Board appointed Salil Parekh as the Chief Executive Officer and Managing Director of the Company with effect from January 2, 2018. The appointment is for a term of 5 years with effect from January 2, 2018 to January 1, 2023 and the remuneration is approved by shareholders through postal ballot dated February 20, 2018.*

[(2)] *Total employee stock compensation expense for the year ended March 31, 2018 includes a reversal of ₹13 crore towards key managerial personnel. Employee stock compensation expense for the year ended March 31, 2017 includes an expense of ₹36 crore towards key managerial personnel.(Refer to note 2.9)*

[(3)] *Includes a reversal of stock compensation cost of ₹35 crore for the year ended March 31, 2018 towards forfeiture of stock incentives granted to Dr. Vishal Sikka upon his resignation. (Refer to note 2.9)*

[(4)] *Includes ₹6 crore payable under severance agreement to David Kennedy, General counsel and Chief compliance officer during the three months ended December 31, 2016.*

2.24 CORPORATE SOCIAL RESPONSIBILITY

As per Section 135 of the Companies Act, 2013, a company, meeting the applicability threshold, needs to spend at least 2% of its average net profit for the immediately preceding three financial years on corporate social responsibility (CSR) activities. The areas for CSR activities are eradication of hunger and malnutrition, promoting education, art and culture, healthcare, destitute care and rehabilitation, environment sustainability, disaster relief and rural development projects. A CSR committee has been formed by the company as per the Act. The funds were primarily allocated to a corpus and utilized through the year on these activities which are specified in Schedule VII of the Companies Act, 2013.

a) Gross amount required to be spent by the company during the year is ₹310 crore.

b) Amount spent during the year on:

in ₹ crore

Particulars	In Cash	Yet to be paid in Cash	Total
1. Construction / acquisition of any asset	171	-	171
2. On purposes other than (1) above	142	-	142

2.25 SEGMENT REPORTING

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

Business segments of the Company are primarily enterprises in Financial Services (FS), enterprises in Manufacturing (MFG), enterprises in Retail, Consumer packaged goods and Logistics (RCL), enterprises in the Energy & utilities, Communication and Services (ECS), enterprises in Hi-tech (Hi-tech), enterprises in Life Sciences, Healthcare and Insurance (HILIFE) and all other segments. The FS reportable segments has been aggregated to include the Financial Services operating segment and the Finacle operating segment because of the similarity of the economic characteristics. All other segments represents the operating segments of businesses in India, Japan and China. Geographic segmentation is based on business sourced from that geographic region and delivered from both on-site and off-shore locations. North America comprises the United States of America, Canada and Mexico, Europe includes continental Europe (both the east and the west), Ireland and the United Kingdom, and the Rest of the World comprising all other places except those mentioned above and India.

Revenue and identifiable operating expenses in relation to segments are categorized based on items that are individually identifiable to that segment. Revenue for "all other segments" represents revenue generated from customers located in India, Japan and China. Allocated expenses of segments include expenses incurred for rendering services from the Company's offshore software development centres and on-site expenses, which are categorized in relation to the associated turnover of the segment. Certain expenses such as depreciation, which form a significant component of total expenses, are not specifically allocable to specific segments as the underlying assets are used interchangeably. 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 Company.

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

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

Business segments
Year ended March 31, 2018 and March 31, 2017

(In ₹ crore)

Particulars	**FS**	**MFG**	**ECS**	**RCL**	**HILIFE**	**Hi-tech**	**All other segments**	**Total**
Revenue from operations	**15,860**	**6,485**	**15,457**	**10,247**	**7,825**	**4,782**	**1,285**	**61,941**
	15,735	*6,086*	*13,999*	*10,280*	*7,065*	*4,901*	*1,223*	*59,289*
Identifiable operating expenses	8,628	3,523	7,957	5,118	3,946	2,582	659	32,413
	8,408	*3,136*	*6,931*	*5,127*	*3,607*	*2,595*	*788*	*30,592*
Allocated expenses	2,964	1,221	2,909	1,929	1,474	901	242	11,640
	3,036	*1,180*	*2,713*	*1,994*	*1,369*	*952*	*236*	*11,480*
Segment operating income	**4,268**	**1,741**	**4,591**	**3,200**	**2,405**	**1,299**	**384**	**17,888**
	4,291	***1,770***	***4,355***	***3,159***	***2,089***	***1,354***	***199***	***17,217***
Unallocable expenses								1,410
								1,341
Operating profit								**16,478**
								15,876
Impairment loss on assets held for sale (refer note no 2.26)								*589*
								-
Other income, net								4,019
								3,062
Profit before tax								**19,908**
								18,938
Tax expense								3,753
								5,120
Profit for the period								**16,155**
								13,818
Depreciation and amortization expense								1,408
								1,331
Non-cash expenses other than depreciation and amortization								713
								10

Geographic segments
Year ended March 31, 2018 and March 31, 2017

(In ₹ crore)

Particulars	North America	Europe	India	Rest of the World	Total
Revenue from operations	38,984	14,426	1,861	6,670	61,941
	38,578	*13,019*	*1,798*	*5,894*	59,289
Identifiable operating expenses	20,761	7,702	649	3,301	32,413
	20,337	*6,664*	*786*	*2,805*	30,592
Allocated expenses	7,339	2,713	348	1,240	11,640
	7,479	*2,523*	*345*	*1,133*	11,480
Segment operating income	**10,884**	**4,011**	**864**	**2,129**	**17,888**
	10,762	***3,832***	***667***	***1,956***	***17,217***
Unallocable expenses					1,410
					1,341
Operating profit					**16,478**
					15,876
Impairment loss on assets held for sale (refer note no 2.26)					*589*
					-
Other income, net					4,019
					3,062
Profit before tax					**19,908**
					18,938
Tax expense					3,753
					5,120
Profit for the period					**16,155**
					13,818
Depreciation and amortization expense					1,408
					1,331
Non-cash expenses other than depreciation and amortization					713
					10

Significant clients

No client individually accounted for more than 10% of the revenues in the year ended March 31, 2018 and March 31, 2017.

2.26 ASSETS HELD FOR SALE

Accounting policy

Non current assets and disposal groups are classified as held for sale if their carrying amount is intended to be recovered principally through sale rather than through continuing use. The condition for classification of held for sale is met when the non current asset or the disposal group is available for immediate sale and the same is highly probable of being completed within one year from the date of classification as held for sale. Non current assets and disposal groups held for sale are measured at the lower of carrying amount and fair value less cost to sell.

In the quarter ended March 2018, on conclusion of a strategic review of the portfolio businesses, the Company initiated identification and evaluation of potential buyers for its subsidiaries, Kallidus and Skava (together referred to as "Skava") and Panaya . The Company anticipates completion of the sale by March 2019 and accordingly, investments amounting to ₹ 1,525 crore in respect of these subsidiaries have been reclassified as "held for sale". On reclassification, these investments has been measured at the lower of carrying amount and fair value less cost to sell and consequently, an impairment loss of ₹589 crore in respect of Panaya has been recognized in the standalone profit and loss for the year ended March 31, 2018.

2.27 Function-wise classification of Statement of Profit and Loss

(In ₹ crore)

Particulars	Note No.	Year ended March 31, 2018	Year ended March 31, 2017
Revenue from operations	2.16	61,941	59,289
Cost of sales		39,138	37,057
Gross Profit		**22,803**	**22,232**
Operating expenses			
Selling and marketing expenses		2,763	2,728
General and administration expenses		3,562	3,628
Total operating expenses		6,325	6,356
Operating profit		**16,478**	**15,876**
Impairment loss on assets classified as held for sale	2.26	589	-
Other income, net	2.17	4,019	3,062
Profit before tax		**19,908**	**18,938**
Tax expense:			
Current tax	2.15	4,003	5,068
Deferred tax	2.15	(250)	52
Profit for the period		16,155	13,818
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss			
Remeasurement of the net defined benefit liability/asset, net		52	(42)
Equity instruments through other comprehensive income, net		7	(5)
Items that will be reclassified subsequently to profit or loss			
Fair value changes on derivatives designated as cash flow hedge, net		(39)	39
Fair value changes on investments, net	2.3	1	(10)
Total other comprehensive income, net of tax		21	**(18)**
Total comprehensive income for the period		**16,176**	**13,800**

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

Nandan M. Nilekani
Chairman

Salil Parekh
Chief Executive officer
and Managing Director

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

D. Sundaram
Director

M. D. Ranganath
Chief Financial Officer

A. G. S. Manikantha
Company Secretary

Bengaluru
April 13, 2018

INDEPENDENT AUDITOR’S REPORT
To The Members of INFOSYS LIMITED
Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of **INFOSYS LIMITED** (“the Company”), which comprise the Balance Sheet as at March 31, 2018, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended and a summary of the significant accounting policies and other explanatory information.

Management’s Responsibility for the Standalone Financial Statements

The Company’s Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 (“the Act”) with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and 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 standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor’s Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit. In conducting our 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 and the Order issued under section 143(11) of the Act.

We conducted our audit of the standalone financial statements 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 standalone financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone financial statements. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company’s preparation of the standalone 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 Company’s Directors, as well as evaluating the overall presentation of the standalone 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 standalone financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone 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, of the state of affairs of the Company as at March 31, 2018, and its profit, total comprehensive income, the changes in equity and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit 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.

   b) in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

   c) the Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the books of account.

   d) in our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act.

   e) on the basis of the written representations received from the directors of the Company as on March 31, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018 from being appointed as a director 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 Company and the operating effectiveness of such controls, refer to our separate Report in “Annexure A”. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company’s internal financial controls over financial reporting.

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

      i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements.

      ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.

      iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

P.R. RAMESH
Partner
(Membership No. 70928)

Bengaluru, April 13, 2018

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT
(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Infosys Limited of even date)

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

We have audited the internal financial controls over financial reporting of **INFOSYS LIMITED** ("the Company") as of March 31, 2018 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Board of Directors of the Company is 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. 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, 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.

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Company 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 the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. 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 judgement, including the assessment of the risks of material misstatement of the 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 authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

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, to the best of our information and according to the explanations given to us, the Company has, 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 March 31, 2018, 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.

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
(Firm Registration No.117366W / W-100018)

P.R. RAMESH
Partner
(Membership No.70928)

Bengaluru, April 13, 2018

ANNEXURE ‘B’ TO THE INDEPENDENT AUDITOR’S REPORT

(Referred to in paragraph 2 under ‘Report on Other Legal and Regulatory Requirements’ section of our report to the Members of Infosys Limited of even date)

i. In respect of the Company’s fixed assets:

(a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) The Company has a program of verification to cover all the items of fixed assets in a phased manner which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain fixed assets were physically verified by the management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.

(c) According to the information and explanations given to us, the records examined by us and based on the examination of the conveyance deeds provided to us, we report that, the title deeds, comprising all the immovable properties of land and buildings which are freehold, are held in the name of the Company as at the balance sheet date. In respect of immovable properties of land and building that have been taken on lease and disclosed as fixed assets in the standalone financial statements, the lease agreements are in the name of the Company.

ii. The Company is in the business of providing software services and does not have any physical inventories. Accordingly, reporting under clause 3 (ii) of the Order is not applicable to the Company.

iii. According to the information and explanations given to us, the Company has granted unsecured loans to three bodies corporate, covered in the register maintained under section 189 of the Companies Act, 2013, in respect of which:

(a) The terms and conditions of the grant of such loans are, in our opinion, *prima facie,* not prejudicial to the Company’s interest.

(b) The schedule of repayment of principal and payment of interest has been stipulated and repayments or receipts of principal amounts and interest have been regular as per stipulations.

(c) There is no overdue amount remaining outstanding as at the year-end.

iv. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Act in respect of grant of loans, making investments and providing guarantees and securities, as applicable.

v. The Company has not accepted deposits during the year and does not have any unclaimed deposits as at March 31, 2018 and therefore, the provisions of the clause 3 (v) of the Order are not applicable to the Company.

vi. The maintenance of cost records has not been specified by the Central Government under section 148(1) of the Companies Act, 2013 for the business activities carried out by the Company. Thus reporting under clause 3(vi) of the order is not applicable to the Company.

vii. According to the information and explanations given to us, in respect of statutory dues:

(a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees’ State Insurance, Income Tax, Sales Tax, Service Tax, Goods and Service Tax, Value Added Tax, Customs Duty, Excise Duty, Cess and other material statutory dues applicable to it with the appropriate authorities.

(b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, Value Added Tax, Goods and Service Tax, Customs Duty, Excise Duty, Cess and other material statutory dues in arrears as at March 31, 2018 for a period of more than six months from the date they became payable.

(c) Details of dues of Income Tax, Sales Tax, Service Tax, Excise Duty and Value Added Tax which have not been deposited as at March 31, 2018 on account of dispute are given below:

Nature of the statute	Nature of dues	Forum where Dispute is Pending	Period to which the Amount Relates	Amount ₹ Crores
The Income Tax Act, 1961	Income Tax	Appellate Tribunal	A.Y. 2010-11 to A.Y. 2013-14 and AY 2016-17	1,391
	Income Tax	Appellate Authority upto Commissioner's level	A.Y. 2008-09 to A.Y. 2018-19	2,192
Finance Act, 1994	Service Tax	Appellate Tribunal	F.Y 2004-05 to F.Y 2014-15	60
Central Excise Act, 1944	Excise Duty	Appellate Tribunal	F.Y 2005-16 to F.Y 2015-16	68
Sales Tax Act and VAT Laws	Sales Tax and Interest	High Court	F.Y. 2007-08	#
		Appellate Authority upto Commissioner's level	F.Y. 2007 to F.Y. 2010-11, F.Y 2012-13 and F.Y 2014-15 to F.Y 2016-17	22
		Specified Officer of SEZ	F.Y 2008-09 to F.Y 2011-12	5

- Less than ₹ 1 crore

viii. The Company has not taken any loans or borrowings from financial institutions, banks and government or has not issued any debentures. Hence reporting under clause 3 (viii) of the Order is not applicable to the Company.

ix. The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans and hence reporting under clause 3 (ix) of the Order is not applicable to the Company.

x. To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or no material fraud on the Company by its officers or employees has been noticed or reported during the year.

xi. In our opinion and according to the information and explanations given to us, the Company has paid/provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.

xii. The Company is not a Nidhi Company and hence reporting under clause 3 (xii) of the Order is not applicable to the Company.

xiii. In our opinion and according to the information and explanations given to us, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013 where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.

xiv. During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly paid convertible debentures and hence reporting under clause 3 (xiv) of the Order is not applicable to the Company.

xv. In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its Directors or persons connected to its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.

xvi. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants
(Firm Registration No. 117366W/W-100018)

P. R. RAMESH
Partner
(Membership No. 70928)

Bengaluru, April 13, 2018

INFOSYS LIMITED

Standalone Financial Statements under Indian Accounting Standards (Ind AS) for the three months and year ended March 31, 2018

Index

INFOSYS LIMITED

(In ₹ crore)

Condensed Balance Sheet as at	Note No.	March 31, 2018	March 31, 2017
ASSETS			
Non-current assets			
Property, plant and equipment	2.1	9,027	8,605
Capital work-in-progress		1,442	1,247
Goodwill		29	-
Other intangible assets		101	-
Financial assets			
Investments	2.2	11,993	15,334
Loans	2.3	19	5
Other financial assets	2.4	177	216
Deferred tax assets (net)		1,128	346
Income tax assets (net)		5,710	5,454
Other non-current assets	2.7	2,161	996
Total non - current Assets		**31,787**	**32,203**
Current assets			
Financial assets			
Investments	2.2	5,906	9,643
Trade receivables	2.5	12,151	10,960
Cash and cash equivalents	2.6	16,770	19,153
Loans	2.3	393	310
Other financial assets	2.4	5,906	5,403
Other current assets	2.7	1,439	2,213
		42,565	**47,682**
Assets held for sale	2.22	1,525	-
Total current assets		**44,090**	**47,682**
Total Assets		**75,877**	**79,885**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	2.9	1,092	1,148
Other equity		62,410	66,869
Total equity		**63,502**	**68,017**
LIABILITIES			
Non-current liabilities			
Financial liabilities			
Other financial liabilities	2.10	55	40
Deferred tax liabilities (net)		505	-
Other non-current liabilities	2.12	153	42
Total non - current liabilities		**713**	**82**
Current liabilities			
Financial liabilities			
Trade payables	2.11	738	269
Other financial liabilities	2.10	5,540	5,056
Other current liabilities	2.12	2,972	2,349
Provisions	2.13	436	350
Income tax liabilities (net)		1,976	3,762
Total current liabilities		**11,662**	**11,786**
Total equity and liabilities		**75,877**	**79,885**

The accompanying notes form an integral part of the interim condensed financial statements.

As per our report of even date attached

for Deloitte Haskins & Sells LLP
Chartered Accountants
Firm's Registration Number:
117366W/W-100018

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

P. R. Ramesh
Partner
Membership No. 70928

Nandan M. Nilekani
Chairman

Salil Parekh
Chief Executive officer and Managing Director

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

Bengaluru
April 13, 2018

D. Sundaram
Director

M. D. Ranganath
Chief Financial Officer

A. G. S. Manikantha
Company Secretary

INFOSYS LIMITED

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

Condensed Statement of Profit and Loss for the	Note No.	Three months ended March 31, 2018	Three months ended March 31, 2017	Year ended March 31, 2018	Year ended March 31, 2017
Revenue from operations	2.15	15,984	14,920	61,941	59,289
Other income, net	2.16	636	733	4,019	3,062
Total income		**16,620**	**15,653**	**65,960**	**62,351**
Expenses					
Employee benefit expenses	2.17	8,418	7,667	32,472	30,944
Cost of technical sub-contractors		1,434	1,263	5,494	4,809
Travel expenses		369	342	1,479	1,638
Cost of software packages and others	2.17	320	341	1,270	1,235
Communication expenses		75	104	330	372
Consultancy and professional charges		233	176	826	538
Depreciation and amortization expense		363	336	1,408	1,331
Other expenses	2.17	429	641	2,184	2,546
Impairment loss on assets held for sale	2.22	589	-	589	-
Total expenses		**12,230**	**10,870**	**46,052**	**43,413**
Profit before tax		**4,390**	**4,783**	**19,908**	**18,938**
Tax expense:					
Current tax	2.14	1,397	1,141	4,003	5,068
Deferred tax	2.14	(164)	80	(250)	52
Profit for the period		**3,157**	**3,562**	**16,155**	**13,818**
Other comprehensive income					
Items that will not be reclassified subsequently to profit or loss					
Remeasurement of the net defined benefit liability/asset, net		31	16	52	(42)
Equity instruments through other comprehensive income, net		7	(5)	7	(5)
Items that will be reclassified subsequently to profit or loss					
Fair value changes on derivatives designated as cash flow hedge, net		2	11	(39)	39
Fair value changes on investments, net	2.2	(12)	(10)	1	(10)
Total other comprehensive income/ (loss), net of tax		**28**	**12**	**21**	**(18)**
Total comprehensive income for the period		**3,185**	**3,574**	**16,176**	**13,800**
Earnings per equity share					
Equity shares of par value ₹5/- each					
Basic (₹)		14.45	15.51	71.28	60.16
Diluted (₹)		14.45	15.51	71.25	60.15
Weighted average equity shares used in computing earnings per equity share					
Basic	2.18	2,18,40,80,668	2,29,69,44,664	2,26,63,43,802	2,29,69,44,664
Diluted	2.18	2,18,46,42,294	2,29,72,89,436	2,26,73,92,621	2,29,71,59,670

The accompanying notes form an integral part of the interim condensed financial statements.

As per our report of even date attached

for Deloitte Haskins & Sells LLP
Chartered Accountants
Firm's Registration Number:
117366W/W-100018

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

P. R. Ramesh
Partner
Membership No. 70928

Nandan M. Nilekani
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Chief Executive officer and Managing Director

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

Bengaluru
April 13, 2018

D. Sundaram
Director

M. D. Ranganath
Chief Financial Officer

A. G. S. Manikantha
Company Secretary

INFOSYS LIMITED

Condensed Statement of Changes in Equity

(In ₹ crore)

Particulars	Equity Share Capital	Other Equity											Total equity attributable to equity holders of the Company
		Reserves & Surplus								Other comprehensive income			
		Securities Premium Account	Retained earnings	General reserve	Share Options Outstanding Account	Special Economic Zone Re-investment reserve (1)	Capital reserve: Capital reserve	Capital reserve: Business transfer adjustment reserve(2)	Capital redemption reserve	Equity Instruments through other comprehensive income	Effective portion of Cash flow hedges	Other items of other comprehensive income	
Balance as at April 1, 2016	**1,148**	**2,204**	**44,698**	**9,508**	**9**	**-**	**54**	**3,448**	**-**	**-**	**-**	**13**	**61,082**
Changes in equity for the year ended March 31, 2017													
Transfer to general reserve	-	-	(1,579)	1,579	-	-	-	-	-	-	-	-	-
Transferred to Special Economic Zone Re-investment reserve	-	-	(953)	-	-	953	-	-	-	-	-	-	-
Transferred from Special Economic Zone Re-investment reserve on utilization	-	-	953	-	-	(953)	-	-	-	-	-	-	-
Exercise of stock options (refer note no. 2.9)	-	3	-	-	(3)	-	-	-	-	-	-	-	-
Income tax benefit arising on exercise of stock options	-	1	-	-	-	-	-	-	-	-	-	-	1
Share based payment to employees of the group (refer note no. 2.9)	-	-	-	-	114	-	-	-	-	-	-	-	114
Remeasurement of the net defined benefit liability/asset*	-	-	-	-	-	-	-	-	-	-	-	(42)	(42)
Fair value changes on derivatives designated as cash flow hedge* (Refer note no. 2.8)	-	-	-	-	-	-	-	-	-	-	39	-	39
Fair value changes on investments, net* (Refer note no. 2.2)	-	-	-	-	-	-	-	-	-	-	-	(10)	(10)
Equity instruments through other comprehensive income* (Refer note no. 2.2)	-	-	-	-	-	-	-	-	-	(5)	-	-	(5)
Dividends (including dividend distribution tax)	-	-	(6,980)	-	-	-	-	-	-	-	-	-	(6,980)
Profit for the period	-	-	13,818	-	-	-	-	-	-	-	-	-	13,818
Balance as at March 31, 2017	**1,148**	**2,208**	**49,957**	**11,087**	**120**	**-**	**54**	**3,448**	**-**	**(5)**	**39**	**(39)**	**68,017**

INFOSYS LIMITED

Condensed Statement of Changes in Equity

(In ₹ crore)

Particulars	Equity Share Capital	Other Equity											Total equity attributable to equity holders of the Company
		Reserves & Surplus								Other comprehensive income			
		Securities Premium Account	Retained earnings	General reserve	Share Options Outstanding Account	Special Economic Zone Re-investment reserve [1]	Capital reserve		Capital redemption reserve	Equity Instruments through other comprehensive income	Effective portion of Cash flow hedges	Other items of other comprehensive income	
							Capital reserve	Business transfer adjustment reserve[2]					
Balance as at April 1, 2017	**1,148**	**2,208**	**49,957**	**11,087**	**120**	**-**	**54**	**3,448**	**-**	**(5)**	**39**	**(39)**	**68,017**
Changes in equity for the year ended March 31, 2018													
Transfer to general reserve	-	-	(1,382)	1,382	-	-	-	-	-	-	-	-	-
Transferred to Special Economic Zone Re-investment reserve	-	-	(2,141)	-	-	2,141	-	-	-	-	-	-	-
Transferred from Special Economic Zone Re-investment reserve on utilization	-	-	582	-	-	(582)	-	-	-	-	-	-	-
Exercise of stock options (refer note no.2.9)	-	67	-	2	(69)	-	-	-	-	-	-	-	-
Shares issued on exercise of employee stock options	-	5	-	-	-	-	-	-	-	-	-	-	5
Share based payment to employees of the group (refer note no. 2.9)	-	-	-	-	79	-	-	-	-	-	-	-	79
Amount paid upon buyback (refer note no. 2.9)	(56)	(2,206)	-	(10,738)	-	-	-	-	-	-	-	-	(13,000)
Transaction costs related to buyback (refer note no. 2.9)	-	(46)	-	-	-	-	-	-	-	-	-	-	(46)
Amount transferred to capital redemption reserve upon Buyback (refer note no. 2.9)	-	-	-	(56)	-	-	-	-	56	-	-	-	-
Loss recorded upon business transfer (refer note 2.2)	-	-	-	-	-	-	-	(229)	-	-	-	-	(229)
Remeasurement of the net defined benefit liability/asset*	-	-	-	-	-	-	-	-	-	-	-	52	52
Equity instruments through other comprehensive income* (refer note no. 2.2)	-	-	-	-	-	-	-	-	-	7	-	-	7
Fair value changes on derivatives designated as cash flow hedge* (refer note no. 2.8)	-	-	-	-	-	-	-	-	-	-	(39)	-	(39)
Fair value changes on investments, net* (refer note no.2.2)	-	-	-	-	-	-	-	-	-	-	-	1	1
Dividends (including dividend distribution tax)	-	-	(7,500)	-	-	-	-	-	-	-	-	-	(7,500)
Profit for the period	-	-	16,155	-	-	-	-	-	-	-	-	-	16,155
Balance as at March 31, 2018	**1,092**	**28**	**55,671**	**1,677**	**130**	**1,559**	**54**	**3,219**	**56**	**2**	**-**	**14**	**63,502**

**net of tax*

[1] The Special Economic Zone Re-investment Reserve has been created out of the profit of eligible SEZ units in terms of the provisions of Sec 10AA(1)(ii) of Income Tax Act,1961. The reserve should be utilized by the Company for acquiring new plant and machinery for the purpose of its business in the terms of the Sec 10AA(2) of the Income Tax Act, 1961.

[2] Profit on transfer of business between entities under common control taken to reserve.

The accompanying notes form an integral part of the interim condensed financial statements.

As per our report of even date attached
for Deloitte Haskins & Sells LLP
Chartered Accountants
Firm's Registration Number:
117366W/W-100018

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

P. R. Ramesh
Partner
Membership No. 70928

Nandan M. Nilekani
Chairman

Salil Parekh
Chief Executive officer and Managing Director

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

Bengaluru
April 13, 2018

D. Sundaram
Director

M. D. Ranganath
Chief Financial Officer

A. G. S. Manikantha
Company Secretary

INFOSYS LIMITED

Condensed Statement of Cash Flows

Accounting Policy

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. The company considers all highly liquid investments that are readily convertible to known amounts of cash to be cash equivalents.

Amendment to Ind AS 7

Effective April 1, 2017, the Company adopted the amendment to Ind AS 7, which require 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 adoption of amendment did not have any material impact on the financial statements.

(In ₹ crore)

Particulars	Year ended March 31,	
	2018	2017
Cash flow from operating activities:		
Profit for the period	16,155	13,818
Adjustments to reconcile net profit to net cash provided by operating activities:		
Depreciation and amortization	1,408	1,331
Income tax expense	3,753	5,120
Allowance for credit losses on financial assets	18	135
Interest and dividend income	(3,169)	(2,553)
Other adjustments	40	48
Impairment loss on assets held for sale	589	-
Exchange differences on translation of assets and liabilities	3	39
Changes in assets and liabilities		
Trade receivables and unbilled revenue	(1,579)	(1,825)
Loans and other financial assets and other assets	(207)	(427)
Trade payables	466	(354)
Other financial liabilities, other liabilities and provisions	1,052	179
Cash generated from operations	**18,529**	**15,511**
Income taxes paid	(6,054)	(5,033)
Net cash generated by operating activities	**12,475**	**10,478**
Cash flow from investing activities:		
Expenditure on property, plant and equipment net of sale proceeds	(1,842)	(2,292)
Deposits placed with corporations	(106)	(155)
Loans to employees	19	23
Loan given to subsidiaries	(106)	-
Repayment of debentures	349	420
Investment in subsidiaries	(212)	(369)
Proceeds on liquidation of Noah (Refer note 2.2)	316	-
Payment towards acquisition of business (Refer note 2.2)	(295)	-
Payment towards contingent consideration pertaining to acquisition	(33)	(36)
Payments to acquire financial assets		
Preference and equity securities	(13)	(43)
Liquid mutual fund units and fixed maturity plan securities	(57,250)	(49,648)
Tax free bonds	(1)	(312)
Non-convertible debentures	-	(3,664)
Certificates of deposit	(6,290)	(7,555)
Commercial papers	(291)	-
Proceeds on sale of financial assets		
Preference and equity securities	10	-
Liquid mutual fund units and fixed maturity plan securities	59,364	47,495
Tax free bonds	-	2
Non-convertible debentures	100	-
Certificates of deposit	9,411	-
Dividend received from subsidiaries	846	-
Interest and dividend received	1,708	2,640
Net cash used in investing activities	**5,684**	**(13,494)**
Cash flow from financing activities:		
Shares issued on exercise of employee stock options	5	-
Buyback including transaction cost	(13,046)	-
Payment of dividends (including dividend distribution tax)	(7,495)	(6,968)
Net cash used in financing activities	**(20,536)**	**(6,968)**
Effect of exchange differences on translation of foreign currency cash and cash equivalents	(6)	(39)
Net decrease in cash and cash equivalents	(2,377)	(9,984)
Cash and cash equivalents at the beginning of the period	19,153	29,176
Cash and cash equivalents at the end of the period	**16,770**	**19,153**
Supplementary information:		
Restricted cash balance	375	411

The accompanying notes form an integral part of the interim condensed financial statements.

As per our report of even date attached

for Deloitte Haskins & Sells LLP
Chartered Accountants
Firm's Registration Number:
117366W/W-100018

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

P. R. Ramesh
Partner
Membership No. 70928

Nandan M. Nilekani
Chairman

Salil Parekh
Chief Executive officer and Managing Director

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

Bengaluru
April 13, 2018

D. Sundaram
Director

M. D. Ranganath
Chief Financial Officer

A. G. S. Manikantha
Company Secretary

INFOSYS LIMITED

Notes to the Financial Statements

1. Overview

1.1 Company overview

Infosys Limited ('the Company' or Infosys) is a leading provider of consulting, technology, outsourcing and next-generation services and software. 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. Its new offerings span areas like digital, big data and analytics, cloud, data and mainframe modernization, cyber security, IoT engineering Services and API & micro services.

The Company is a public limited company incorporated and domiciled in India and has its registered office at Bengaluru, Karnataka, India. The Company has its primary listings on the BSE Limited and National Stock Exchange of India Limited, in India. The Company’s American Depositary Shares representing equity shares are also listed on the New York Stock Exchange (NYSE), Euronext London and Euronext Paris.

The Company has proposed to voluntarily delist its American Depositary Shares ("ADS") from the Euronext Paris and Euronext London exchanges due to low average daily trading volume of Infosys ADS on these exchanges. The proposed delisting is subject to approval from said stock exchanges.

The financial statements are approved for issue by the Company's Board of Directors on April 13, 2018.

1.2 Basis of preparation of financial statements

These financial statements are prepared in accordance with Indian Accounting Standard (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 relevant amendment rules issued there after

Effective April 1, 2016, the Company has adopted all the Ind AS standards and the adoption was carried out in accordance with Ind AS 101 First time adoption of Indian Accounting Standards, with April 1, 2015 as the transition date. 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.

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.

Amounts for the three months and year ended March 31, 2017 and as at March 31, 2017 were audited by previous auditors - B S R & Co LLP.

As the year end figures are taken from the source and rounded to the nearest digits, the figures reported for the previous quarters might not always add up to the year end figures reported in this statement.

1.3 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. The 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 no. 1.4. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

1.4 Critical accounting estimates

a. Revenue recognition

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

b. Income taxes

The Company's two major tax jurisdictions are India and the U.S., though the Company also files tax returns in other overseas jurisdictions. Significant 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 no.2.14 and note no. 2.19.

c. Property, plant and equipment

Property, plant and equipment represent a significant proportion of the asset base of the Company. The charge in respect of periodic depreciation is derived after determining an estimate of an asset’s expected useful life and the expected residual value at the end of its life. The useful lives and residual values of Company's assets are determined by 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.

d. Non-current assets held for sale

Assets held for sale are measured at the lower of carrying amount or fair value less costs to sell. The determination of fair value less costs to sell includes use of management estimates and assumptions. The fair value of the assets held for sale has been estimated using valuation techniques (mainly income and market approach) which includes unobservable inputs.

1.5 Recent accounting pronouncements

Appendix B to Ind AS 21, Foreign currency transactions and advance consideration: On March 28, 2018, Ministry of Corporate Affairs ("MCA") has notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 containing Appendix B to Ind AS 21, Foreign currency transactions and advance consideration which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency.
The amendment will come into force from April 1, 2018. The Company has evaluated the effect of this on the financial statements and the impact is not material.

Ind AS 115- Revenue from Contract with Customers: On March 28, 2018, Ministry of Corporate Affairs ("MCA") has notified the Ind AS 115, Revenue from Contract with Customers. The core principle of the new standard is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Further the new standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers.

The standard permits two possible methods of transition:
• Retrospective approach - Under this approach the standard will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors
• Retrospectively with cumulative effect of initially applying the standard recognized at the date of initial application (Cumulative catch - up approach)
The effective date for adoption of Ind AS 115 is financial periods beginning on or after April 1, 2018.

The Company will adopt the standard on April 1, 2018 by using the cumulative catch-up transition method and accordingly comparatives for the year ending or ended March 31, 2018 will not be retrospectively adjusted. The effect on adoption of Ind AS 115 is expected to be insignificant.

2.1 PROPERTY, PLANT AND EQUIPMENT

Accounting Policy

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 Company depreciates property, plant and equipment over their estimated useful lives using the straight-line method. The estimated useful lives of assets are as follows:

Building[1]	22-25 years
Plant and machinery[1]	5 years
Office equipment	5 years
Computer equipment[1]	3-5 years
Furniture and fixtures[1]	5 years
Vehicles[1]	5 years
Leasehold improvements	Over lease term

[1] *Based on technical evaluation, the management believes that the useful lives as given above best represent the period over which management expects to use these assets. Hence, the useful lives for these assets is different from the useful lives as prescribed under Part C of Schedule II of the Companies Act 2013.*

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

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

Impairment

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 (Cash Generating Unit) 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 depreciation) had no impairment loss been recognized for the asset in prior years.

Following are the changes in the carrying value of property, plant and equipment for the three months ended March 31, 2018: *(In ₹ crore)*

Particulars	Land-Freehold	Land-Leasehold	Buildings[1][2]	Plant and machinery[2]	Office Equipment[2]	Computer equipment[2]	Furniture and fixtures[2]	Leasehold Improvements	Vehicles	Total
Gross carrying value as at January 1, 2018	**1,135**	**659**	**6,856**	**2,116**	**818**	**4,133**	**1,208**	**215**	**27**	**17,167**
Additions	92	2	416	95	24	108	40	20	2	799
Deletions	-	-	(1)	(2)	(1)	(12)	(1)	-	-	(17)
Gross carrying value as at March 31, 2018	**1,227**	**661**	**7,271**	**2,209**	**841**	**4,229**	**1,247**	**235**	**29**	**17,949**
Accumulated depreciation as at January 1, 2018	**-**	**(29)**	**(2,558)**	**(1,460)**	**(555)**	**(3,005)**	**(860)**	**(97)**	**(17)**	**(8,581)**
Depreciation	-	(1)	(63)	(67)	(28)	(150)	(37)	(10)	-	**(356)**
Accumulated depreciation on deletions	-	-	-	1	1	12	1	-	-	15
Accumulated depreciation as at March 31, 2018	**-**	**(30)**	**(2,621)**	**(1,526)**	**(582)**	**(3,143)**	**(896)**	**(107)**	**(17)**	**(8,922)**
Carrying value as at March 31, 2018	**1,227**	**631**	**4,650**	**683**	**259**	**1,086**	**351**	**128**	**12**	**9,027**
Carrying value as at January 1, 2018	**1,135**	**630**	**4,298**	**656**	**263**	**1,128**	**348**	**118**	**10**	**8,586**

The changes in the carrying value of property, plant and equipment for the three months ended March 31, 2017 are as follows: *(In ₹ crore)*

Particulars	Land-Freehold	Land-Leasehold	Buildings[1][2]	Plant and machinery[2]	Office Equipment[2]	Computer equipment[2]	Furniture and fixtures[2]	Leasehold Improvements	Vehicles	Total
Gross carrying value as at January 1, 2017	**1,011**	**659**	**6,335**	**1,902**	**750**	**3,788**	**1,105**	**166**	**23**	**15,739**
Additions	82	-	148	67	20	117	29	34	1	498
Deletions	-	-	-	(3)	(1)	(19)	(2)	(2)	-	(27)
Gross carrying value as at March 31, 2017	**1,093**	**659**	**6,483**	**1,966**	**769**	**3,886**	**1,132**	**198**	**24**	**16,210**
Accumulated depreciation as at January 1, 2017	**-**	**(25)**	**(2,321)**	**(1,213)**	**(445)**	**(2,483)**	**(722)**	**(75)**	**(12)**	**(7,296)**
Depreciation	-	(1)	(56)	(64)	(28)	(139)	(37)	(9)	(2)	(336)
Accumulated depreciation on deletions	-	-	-	3	1	19	2	2	-	27
Accumulated depreciation as at March 31, 2017	-	**(26)**	**(2,377)**	**(1,274)**	**(472)**	**(2,603)**	**(757)**	**(82)**	**(14)**	**(7,605)**
Carrying value as at March 31, 2017	**1,093**	**633**	**4,106**	**692**	**297**	**1,283**	**375**	**116**	**10**	**8,605**
Carrying value as at January 1, 2017	**1,011**	**634**	**4,014**	**689**	**305**	**1,305**	**383**	**91**	**11**	**8,443**

Following are the changes in the carrying value of property, plant and equipment for the year ended March 31, 2018: *(In ₹ crore)*

Particulars	Land-Freehold	Land-Leasehold	Buildings(1)(2)	Plant and machinery(2)	Office Equipment(2)	Computer equipment(2)	Furniture and fixtures(2)	Leasehold Improvements	Vehicles	Total
Gross carrying value as at April 1, 2017	**1,093**	**659**	**6,483**	**1,966**	**769**	**3,886**	**1,132**	**198**	**24**	16,210
Additions	134	2	789	250	78	396	121	48	5	1,823
Deletions	-	-	(1)	(7)	(6)	(53)	(6)	(11)	-	(84)
Gross carrying value as at March 31, 2018	**1,227**	**661**	**7,271**	**2,209**	**841**	**4,229**	**1,247**	**235**	**29**	**17,949**
Accumulated depreciation as at April 1, 2017	**-**	**(26)**	**(2,377)**	**(1,274)**	**(472)**	**(2,603)**	**(757)**	**(82)**	**(14)**	**(7,605)**
Depreciation	-	(4)	(244)	(258)	(115)	(592)	(145)	(36)	(3)	**(1,397)**
Accumulated depreciation on deletions	-	-	-	6	5	52	6	11	-	80
Accumulated depreciation as at March 31, 2018	**-**	**(30)**	**(2,621)**	**(1,526)**	**(582)**	**(3,143)**	**(896)**	**(107)**	**(17)**	**(8,922)**
Carrying value as at March 31, 2018	**1,227**	**631**	**4,650**	**683**	**259**	**1,086**	**351**	**128**	**12**	**9,027**
Carrying value as at April 1, 2017	**1,093**	**633**	**4,106**	**692**	**297**	**1,283**	**375**	**116**	**10**	**8,605**

The changes in the carrying value of property, plant and equipment for the year ended March 31, 2017 are as follows: *(In ₹ crore)*

Particulars	Land-Freehold	Land-Leasehold	Buildings(1)(2)	Plant and machinery(2)	Office Equipment(2)	Computer equipment(2)	Furniture and fixtures(2)	Leasehold Improvements	Vehicles	Total
Gross carrying value as at April 1, 2016	**970**	**638**	**6,173**	**1,662**	**679**	**3,481**	**991**	**96**	**19**	**14,709**
Additions	123	21	310	308	122	654	169	104	6	1,817
Deletions	-	-	-	(4)	(32)	(249)	(28)	(2)	(1)	(316)
Gross carrying value as at March 31, 2017	**1,093**	**659**	**6,483**	**1,966**	**769**	**3,886**	**1,132**	**198**	**24**	**16,210**
Accumulated depreciation as at April 1, 2016	**-**	**(21)**	**(2,150)**	**(1,033)**	**(369)**	**(2,195)**	**(619)**	**(63)**	**(11)**	**(6,461)**
Depreciation	-	(5)	(227)	(245)	(111)	(572)	(146)	(21)	(4)	(1,331)
Accumulated depreciation on deletions	-	-	-	4	8	164	8	2	1	187
Accumulated depreciation as at March 31, 2017	-	**(26)**	**(2,377)**	**(1,274)**	**(472)**	**(2,603)**	**(757)**	**(82)**	**(14)**	**(7,605)**
Carrying value as at March 31, 2017	**1,093**	**633**	**4,106**	**692**	**297**	**1,283**	**375**	**116**	**10**	**8,605**
Carrying value as at April 1, 2016	**970**	**617**	**4,023**	**629**	**310**	**1,286**	**372**	**33**	**8**	**8,248**

(1) *Buildings include ₹250/- being the value of five shares of ₹50/- each in Mittal Towers Premises Co-operative Society Limited.*

(2) *Includes certain assets provided on cancellable operating lease to subsidiaries.*

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

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

Tangible assets provided on operating lease to subsidiaries as at March 31, 2018 and March 31, 2017 are as follows:

(In ₹ crore)

Particulars	Cost	Accumulated depreciation	Net book value
Buildings	190	82	108
	197	*82*	*115*
Plant and machinery	33	25	8
	33	*19*	*14*
Furniture and fixtures	25	20	5
	25	*16*	*9*
Computer Equipment	3	2	1
	3	*2*	*1*
Office equipment	18	13	5
	18	*10*	*8*

(In ₹ crore)

Particulars	Three months ended March 31,		Year ended March 31,	
	2018	**2017**	**2018**	**2017**
Aggregate depreciation charged on above assets	*5*	4	*20*	19
Rental income from subsidiaries	17	16	67	65

2.2 INVESTMENTS

(In ₹ crore)

Particulars	As at March 31, 2018	As at March 31, 2017
Non-current investments		
Equity instruments of subsidiaries	5,013	7,305
Debentures of subsidiary	1,780	2,129
Preference securities and equity instruments	117	132
Others	7	3
Tax free bonds	1,831	1,833
Fixed maturity plans securities	376	357
Non-convertible debentures	2,869	3,575
	11,993	**15,334**
Current investments		
Liquid mutual fund units	-	1,755
Fixed maturity plans securities	-	151
Certificates of deposit	4,901	7,635
Government bonds	1	-
Non-convertible debentures	711	102
Commercial Paper	293	-
	5,906	**9,643**
Total carrying value	**17,899**	**24,977**

(In ₹ crore, except as otherwise stated)

Particulars	As at March 31, 2018	As at March 31, 2017
Non-current investments		
Unquoted		
Investment carried at cost		
Investments in equity instruments of subsidiaries		
Infosys BPM Limited (formerly Infosys BPO Limited) 3,38,22,319 (3,38,22,319) equity shares of ₹10/- each, fully paid	659	659
Infosys Technologies (China) Co. Limited	333	236
Infosys Technologies (Australia) Pty Limited [(1)] 1,01,08,869 (1,01,08,869) equity shares of AUD 0.11 par value, fully paid	38	66
Infosys Technologies, S. de R.L. de C.V., Mexico 17,49,99,990 (17,49,99,990) equity shares of MXN 1 par value, fully paid up	65	65
Infosys Technologies (Sweden) AB 1,000 (1,000) equity shares of SEK 100 par value, fully paid	76	76
Infosys Technologia do Brazil Ltda 5,91,24,348 (5,91,24,348) shares of BRL 1.00 par value, fully paid	149	149
Infosys Technologies (Shanghai) Company Limited	900	826
Infosys Public Services, Inc. 3,50,00,000 (3,50,00,000) shares of USD 0.50 par value, fully paid	99	99
Infosys Consulting Holding AG (formerly Lodestone Holding AG) 23,350 (23,350) - Class A shares of CHF 1,000 each and 29,400 (29,400) - Class B Shares of CHF 100 each, fully paid up	1,323	1,323
Infosys Americas Inc. 10,000 (10,000) shares of USD 10 per share, fully paid up	1	1
EdgeVerve Systems Limited 1,31,18,40,000 (1,31,18,40,000) equity shares of ₹10/- each, fully paid	1,312	1,312
Infosys Nova Holdings LLC * [(1)]	-	94
Noah Consulting LLC (refer note 2.2.1)	-	313
Infosys Consulting Pte Ltd (formerly Lodestone Management Consultants Pte Ltd) 1,09,90,000 (1,09,90,000) shares of SGD 1.00 par value, fully paid	10	10
Brilliant Basics Holding Limited (refer note 2.2.2) 1,170 (Nil) shares of GBP 0.005 each, fully paid up	46	-
Infosys Arabia Limited 70 (Nil) shares	2	
Kallidus Inc. (refer note no. 2.22) (10,21,35,416) shares	-	619
Skava Systems Private Limited (refer note no. 2.22) (25,000) shares of ₹10/- per share, fully paid up	-	59
Panaya Inc. (refer note no. 2.22)** (2) shares of USD 0.01 per share, fully paid up	-	1,398
	5,013	**7,305**
Investment carried at amortized cost		
Investment in debentures of subsidiary		
EdgeVerve Systems Limited 17,80,00,000 (21,29,00,000) Unsecured redeemable, non-convertible debentures of ₹ 100/- each fully paid up	1,780	2,129
	1,780	**2,129**
Investments carried at fair value through profit or loss		
Others	7	3
	7	**3**
Investment carried at fair value through other comprehensive income (FVOCI)		
Preference securities	116	131
Equity instruments	1	1
	117	**132**

(In ₹ crore, except as otherwise stated)

Particulars	As at	
	March 31, 2018	March 31, 2017
Quoted		
Investments carried at amortized cost		
Tax free bonds	1,831	1,833
	1,831	**1,833**
Investments carried at fair value through profit or loss		
Fixed maturity plans securities	376	357
	376	**357**
Investments carried at fair value through other comprehensive income		
Non-convertible debentures	2,869	3,575
	2,869	**3,575**
Total non-current investments	**11,993**	**15,334**
Current investments		
Unquoted		
Investments carried at fair value through profit or loss		
Liquid mutual fund units	-	1,755
	-	**1,755**
Investments carried at fair value through other comprehensive income		
Commercial Papers	293	-
Certificates of Deposit	4,901	7,635
	5,194	**7,635**
Quoted		
Investments carried at amortized cost		
Government bonds	1	-
	1	**-**
Investments carried at fair value through profit or loss		
Fixed maturity plans securities	-	151
	-	**151**
Investments carried at fair value through other comprehensive income		
Non-convertible debentures	711	102
	711	**102**
Total current investments	**5,906**	**9,643**
Total investments	**17,899**	**24,977**
Aggregate amount of quoted investments	5,788	6,018
Market value of quoted investments (including interest accrued)	6,045	6,327
Aggregate amount of unquoted investments	12,111	18,959
(1) Aggregate amount of impairment in value of investments	122	-
Aggregate amount of impairment in value of investments held for sale (refer note no 2.22)	589	-
Investments carried at cost	5,013	7,305
Investments carried at amortized cost	3,612	3,962
Investments carried at fair value through other comprehensive income	8,891	11,444
Investments carried at fair value through profit or loss	383	2,266

** During the three months ended June 30, 2017, Infosys Nova Holding LLC has written down the entire carrying value of its investment in its associate DWA Nova LLC. Consequently, the Company has written down the entire carrying value of the investment in its subsidiary Infosys Nova Holdings LLC, amounting to ₹94 crore.*

*** During the year ended March 31, 2018, there was an additional capital infusion of ₹38 crore in Panaya Inc.*

Refer to note 2.9 for accounting policies on financial instruments.

Details of amounts recorded in Other comprehensive income:

	Three months ended					
	March 31, 2018			March 31, 2017		
	Gross	Tax	Net	Gross	Tax	Net
Net Gain/(loss) on						
Non-convertible debentures	(22)	3	(19)	(7)	-	(7)
Certificate of deposits	11	(4)	7	(5)	2	(3)
Unquoted equity and preference securities	4	3	7	(2)	(3)	(5)

	Year ended					
	March 31, 2018			March 31, 2017		
	Gross	Tax	Net	Gross	Tax	Net
Net Gain/(loss) on						
Non-convertible debentures	(11)	2	(9)	(7)	-	(7)
Certificate of deposits	15	(5)	10	(5)	2	(3)
Unquoted equity and preference securities	4	3	7	(2)	(3)	(5)

Method of fair valuation:

Class of investment	**Method**	**Fair value as at March 31,**	
		2018	**2017**
Mutual funds	Quoted price	-	1,755
Fixed Maturity plan securities	Market observable inputs	376	508
Tax free bonds and government bonds	Quoted price and market observable inputs	2,079	2,142
Non-convertible debentures	Quoted price and market observable inputs	3,580	3,677
Certificate of deposits	Market observable inputs	4,901	7,635
Commercial papers	Market observable inputs	293	-
Unquoted equity and preference securities	Discounted cash flows method, Market multiples method, Option pricing model, etc.	117	132
Others	Discounted cash flows method, Market multiples method, Option pricing model, etc.	7	3

Certain quoted investments are classified as Level 2 in the absence of active market for such investments.

2.2.1 Business transfer- Noah

On July 14, 2017, the Board of Directors of Infosys authorized the Company to execute a Business Transfer Agreement and related documents with Noah Consulting LLC, a wholly owned subsidiary, to transfer the business of Noah Consulting LLC to Infosys Limited, subject to securing the requisite regulatory approvals for a consideration based on an independent valuation. Subsequently on October 17, 2017 , the company entered into a business transfer agreement to transfer the business for a consideration of $41 million (₹266 crore) and the transfer was with effect from October 25, 2017.

The transaction was between a holding company and a wholly owned subsidiary, the resultant impact on account of business transfer was recorded in 'Business Transfer Adjustment Reserve' during the three months ended December 31, 2017. The table below details out the assets and liabilities taken over upon business transfer:

Particulars	*(In ₹ crore)*
Goodwill	29
Trade name	16
Customer contracts	80
Other intangibles	16
Deferred tax assets	13
Net assets / (liabilities), others	(117)
Total	**37**
Less: Consideration paid	266
Business transfer reserve	**(229)**

Subsequently, in November 2017, Noah Consulting LLC has been liquidated and the Company received ₹316 crore as proceeds on liquidation.

2.2.2 Brilliant Basics Holdings Limited.

On September 8, 2017, Infosys acquired 100% of the voting interests in Brilliant Basics Holdings Limited., UK, (Brilliant Basics) a product design and customer experience innovator with experience in executing global programs. The business acquisition was conducted by entering into a share purchase agreement for cash consideration of ₹29 crore, contingent consideration of up to ₹20 crore and an additional consideration of upto ₹13 crore, referred to as retention bonus, payable to the employees of Brilliant Basics at each anniversary year over the next two years, subject to their continuous employment with the group at each anniversary. The fair value of contingent consideration on the date of acquisition is ₹17 crore.

Proposed investment

On April 13, 2018, the Company entered into a definitive agreement to acquire WongDoody Holding Company Inc, a US-based creative and consumer insights agency for a total consideration of up to US $75 million (approximately ₹489 crore) including contingent consideration and retention payouts, subject to regulatory approvals and fulfillment of closing conditions.

2.3 LOANS

(In ₹ crore)

Particulars	As at March 31, 2018	As at March 31, 2017
Non- Current		
Unsecured, considered good		
Other Loans		
Loans to employees	19	5
	19	**5**
Unsecured, considered doubtful		
Loans to employees	12	17
	31	**22**
Less: Allowance for doubtful loans to employees	12	17
	19	**5**
Current		
Unsecured, considered good		
Loans to subsidiaries *(Refer note no.2.20)*	185	69
Other Loans		
Loans to employees	208	241
	393	**310**
Total Loans	**412**	**315**

2.4 OTHER FINANCIAL ASSETS

(In ₹ crore)

Particulars	As at March 31, 2018	As at March 31, 2017
Non-current		
Security deposits [1]	48	81
Rental deposits [1]	129	135
	177	**216**
Current		
Security deposits [1]	2	2
Rental deposits [1]	6	2
Restricted deposits [1]	1,415	1,309
Unbilled revenues [1][4]	3,573	3,200
Interest accrued but not due [1]	739	514
Foreign currency forward and options contracts [2][3]	16	268
Others [1][5]	155	108
	5,906	**5,403**
Total	**6,083**	**5,619**
[1] Financial assets carried at amortized cost	6,067	5,351
[2] Financial assets carried at fair value through other comprehensive income	12	52
[3] Financial assets carried at fair value through Profit or Loss	4	216
[4] *Includes dues from subsidiaries (Refer note no. 2.20)*	32	47
[5] *Includes dues from subsidiaries (Refer note no. 2.20)*	40	18

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

2.5 TRADE RECEIVABLES

(In ₹ crore)

Particulars	As at March 31, 2018	As at March 31, 2017
Current		
Unsecured		
Considered good[2]	12,151	10,960
Considered doubtful	315	289
	12,466	11,249
Less: Allowances for credit losses	315	289
Total[1]	**12,151**	**10,960**
[1] *Includes dues from companies where directors are interested*	-	1
[2] *Includes dues from subsidiaries (refer note no. 2.20)*	335	235

2.6 CASH AND CASH EQUIVALENTS

(In ₹ crore)

Particulars	As at March 31, 2018	As at March 31, 2017
Balances with banks		
In current and deposit accounts	10,789	12,222
Cash on hand	-	-
Others		
Deposits with financial institution	5,981	6,931
	16,770	**19,153**
Balances with banks in unpaid dividend accounts	22	17
Deposit with more than 12 months maturity	6,187	6,765
Balances with banks held as margin money deposits against guarantees	353	394

Cash and cash equivalents as at March 31, 2018 and March 31, 2017 include restricted cash and bank balances of ₹375 crore and ₹411 crore, respectively. The restrictions are primarily on account of bank balances held as margin money deposits against guarantees and balances held in unpaid dividend bank accounts.

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

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

(In ₹ crore)

Particulars	As at March 31, 2018	As at March 31, 2017
In current accounts		
ANZ Bank, Taiwan	9	3
Bank of America, USA	814	769
Bank of Baroda, Mauritius	1	-
BNP Paribas Bank, Norway	88	7
Citibank N.A., Australia	184	8
Citibank N.A., Dubai	5	1
Citibank N.A., EEFC (U.S. Dollar account)	4	1
Citibank N.A., Hungary	6	3
Citibank N.A., India	3	2
Citibank N.A., Japan	18	12
Citibank N.A., New Zealand	8	6
Citibank N.A., South Africa	33	9
Citibank N.A., South Korea	2	1
Deutsche Bank, Belgium	27	10
Deutsche Bank, EEFC (Australian Dollar account)	2	38
Deutsche Bank, EEFC (Euro account)	14	11
Deutsche Bank, EEFC (Swiss Franc account)	2	2
Deutsche Bank, EEFC (U.S. Dollar account)	27	73
Deutsche Bank, EEFC (United Kingdom Pound Sterling account)	8	8
Deutsche Bank, France	19	8
Deutsche Bank, Germany	70	48
Deutsche Bank, India	40	9
Deutsche Bank, Malaysia	5	7
Deutsche Bank, Netherlands	8	2
Deutsche Bank, Philippines	14	4
Deutsche Bank, Russia	3	3
Deutsche Bank, Russia (U.S. Dollar account)	5	1
Deutsche Bank, Singapore	17	6
Deutsche Bank, Spain	1	-
Deutsche Bank, Switzerland	18	5
Deutsche Bank, Switzerland (U.S. Dollar Account)	-	1
Deutsche Bank, United Kingdom	74	25
HSBC Bank, Hong Kong	2	1
ICICI Bank, EEFC (U.S. Dollar account)	5	3
ICICI Bank, India	33	40
Nordbanken, Sweden	26	22
Punjab National Bank, India	12	6
Royal Bank of Canada, Canada	9	5
Splitska Banka D.D., Société Générale Group, Croatia	8	-
State Bank of India	-	6
	1,624	**1,166**

(In ₹ crore)

Particulars	As at March 31, 2018	As at March 31, 2017
In deposit accounts		
Axis Bank	-	945
Barclays Bank	200	825
HDFC Bank	2,423	349
HSBC Bank	-	500
ICICI Bank	3,467	4,351
IDBI Bank	-	1,750
IDFC Bank	1,500	-
IndusInd Bank	1,000	191
Kotak Mahindra Bank	-	500
South Indian Bank	200	200
Standard Chartered Bank	-	500
Syndicate Bank	-	49
Yes Bank	-	485
	8,790	**10,645**
In unpaid dividend accounts		
Axis Bank - Unpaid dividend account	1	2
HDFC Bank - Unpaid dividend account	1	2
ICICI Bank - Unpaid dividend account	20	13
	22	**17**
In margin money deposits against guarantees		
Canara Bank	151	177
ICICI Bank	202	217
	353	**394**
Deposits with financial institution		
HDFC Limited	4,781	6,231
LIC Housing Finance Limited	1,200	700
	5,981	**6,931**
Total cash and cash equivalents	**16,770**	**19,153**

2.7 OTHER ASSETS

(In ₹ crore)

Particulars	As at March 31, 2018	As at March 31, 2017
Non-current		
Capital advances	420	562
Advances other than capital advance		
Prepaid gratuity	23	56
Others		
Prepaid expenses	49	95
Deferred contract cost	262	283
Withholding taxes and others	1,407	-
	2,161	**996**
Current		
Advances other than capital advance		
Payment to vendors for supply of goods	103	87
Others		
Prepaid expenses [1]	449	387
Deferred contract cost	44	74
Withholding taxes and others	843	1,665
	1,439	**2,213**
Total other assets	**3,600**	**3,209**
[1] *Includes dues from subsidiaries (Refer note no. 2.20)*	115	56

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.

2.8 FINANCIAL INSTRUMENTS

Accounting Policy

2.8.1 Initial recognition

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

2.8.2 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

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

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

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

(iv) Financial liabilities

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

(v) Investment in subsidiaries

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

b. Derivative financial instruments

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

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

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

Although the Company believes that these derivatives constitute hedges from an economic perspective, they may not qualify for hedge accounting under Ind AS 109, Financial Instruments. Any derivative that is either not designated 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 Company designates certain foreign exchange forward and options contracts as cash flow hedges to mitigate the risk of foreign exchange exposure on highly probable forecast cash transactions.

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

c. Share capital

Ordinary Shares

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

2.8.3 Derecognition of financial instruments

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

2.8.4 Fair value of financial instruments

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

Refer to table below 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.

2.8.5 Impairment

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

Financial instruments by category

The carrying value and fair value of financial instruments by categories as at March 31, 2018 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 Note no. 2.6)	16,770	-	-	-	-	16,770	16,770
Investments (Refer note no.2.2)							
Equity and preference securities and others	-	-	7	117	-	124	124
Tax free bonds and government bonds	1,832	-	-	-	-	1,832	2,079 *
Liquid mutual fund units	-	-	-	-	-	-	-
Redeemable, non-convertible debentures [(1)]	1,780	-	-	-	-	1,780	1,780
Fixed maturity plans securities	-	-	376	-	-	376	376
Certificates of deposit	-	-	-	-	4,901	4,901	4,901
Non convertible debentures	-	-	-	-	3,580	3,580	3,580
Commercial papers	-	-	-	-	293	293	293
Trade receivables (Refer Note no. 2.5)	12,151	-	-	-	-	12,151	12,151
Loans (Refer note no. 2.3)	412	-	-	-	-	412	412
Other financial assets (Refer Note no. 2.4)	6,067	-	4	-	12	6,083	6,001 **
Total	**39,012**	**-**	**387**	**117**	**8,786**	**48,302**	**48,467**
Liabilities:							
Trade payables (Refer Note no. 2.11)	738	-	-	-	-	738	738
Other financial liabilities (Refer Note no. 2.10)	4,241	-	91	-	3	4,335	4,335
Total	**4,979**	**-**	**91**	**-**	**3**	**5,073**	**5,073**

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

** On account of fair value changes including interest accrued*

*** Excludes interest accrued on tax free bonds*

The carrying value and fair value of financial instruments by categories as at March 31, 2017 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 Note no. 2.6)	19,153	-	-	-	-	19,153	19,153
Investments (Refer Note no. 2.2)							
Equity and preference securities and others	-	-	3	132	-	135	135
Tax free bonds and government bonds	1,833	-	-	-	-	1,833	2,142 *
Liquid mutual fund units	-	-	1,755	-	-	1,755	1,755
Redeemable, non-convertible debentures [(1)]	2,129	-	-	-	-	2,129	2,129
Fixed maturity plans	-	-	508	-	-	508	508
Certificates of deposit	-	-	-	-	7,635	7,635	7,635
Non convertible debentures	-	-	-	-	3,677	3,677	3,677
Trade receivables (Refer Note no. 2.5)	10,960	-	-	-	-	10,960	10,960
Loans (Refer note no. 2.3)	315	-	-	-	-	315	315
Other financial assets (Refer Note no. 2.4)	5,351	-	216	-	52	5,619	5,537 **
Total	**39,741**	**-**	**2,482**	**132**	**11,364**	**53,719**	**53,946**
Liabilities:							
Trade payables (Refer note no. 2.11)	269	-	-	-	-	269	269
Other financial liabilities (Refer Note no. 2.10)	3,867	-	87	-	-	3,954	3,954
Total	**4,136**	**-**	**87**	**-**	**-**	**4,223**	**4,223**

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

** On account of fair value changes including interest accrued*

*** Excludes interest accrued on tax free bonds*

Fair value hierarchy

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

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

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

The following table presents fair value hierarchy of assets and liabilities as at March 31, 2018:

(In ₹ crore)

Particulars	As at March 31, 2018	Fair value measurement at end of the reporting period/year using		
		Level 1	Level 2	Level 3
Assets				
Investments in tax free bonds (Refer note no. 2.2)	2,078	1,806	272	-
Investments in government bonds (Refer note no. 2.2)	1	1	-	-
Investments in equity instruments (Refer note no. 2.2)	1	-	-	1
Investments in preference securities (Refer note no. 2.2)	116	-	-	116
Investments in fixed maturity plan securities (Refer note no. 2.2)	376	-	376	-
Investments in certificates of deposit (Refer note no. 2.2)	4,901	-	4,901	-
Investments in non convertible debentures (Refer note no. 2.2)	3,580	2,493	1,087	-
Investments in commercial paper (Refer note no. 2.2)	293	-	293	-
Other investments (Refer note no. 2.2)	7	-	-	7
Derivative financial instruments - gain on outstanding foreign currency forward and option contracts (Refer note no. 2.4)	16	-	16	-
Liabilities				
Derivative financial instruments - loss on outstanding foreign currency forward and option contracts (Refer Note no. 2.10)	40	-	40	-
Liability towards contingent consideration (Refer note no. 2.10)(1)(2)	54	-	-	54

(1) *Pertains to contingent consideration payable to selling shareholders of Kallidus and Brilliant Basics Holding Limited as per the share purchase agreement.*

(2) *Discounted ₹21 crore at 10%, pertaining to Brilliant Basics*

During the year ended March 31, 2018, quoted debt securities of ₹402 crore were transferred from Level 2 to Level 1 of fair value hierarchy, since these were valued based on Quoted price, and ₹1,015 crore were transferred from Level 1 to Level 2 of fair value hierarchy, since these were valued based on market observable inputs.

The following table presents fair value hierarchy of assets and liabilities as at March 31, 2017:

(In ₹ crore)

Particulars	As at March 31, 2017	Fair value measurement at end of the reporting period/year using		
		Level 1	Level 2	Level 3
Assets				
Investments in liquid mutual fund units (Refer Note no. 2.2)	1,755	1,755	-	-
Investments in tax free bonds (Refer Note no. 2.2)	2,142	206	1,936	-
Investments in equity instruments (Refer Note no. 2.2)	1	-	-	1
Investments in preference securities (Refer Note no. 2.2)	131	-	-	131
Investments in fixed maturity plan securities (Refer Note no. 2.2)	508	-	508	-
Investments in certificates of deposit (Refer Note no. 2.2)	7,635	-	7,635	-
Investments in non convertible debentures (Refer Note no. 2.2)	3,677	3,160	517	-
Other investments (Refer Note no. 2.2)	3	-	-	3
Derivative financial instruments - gain on outstanding foreign currency forward and option contracts (Refer Note no. 2.4)	268	-	268	-
Liabilities				
Derivative financial instruments - loss on outstanding foreign currency forward and option contracts (Refer note 2.10)	2	-	2	-
Liability towards contingent consideration (Refer note no. 2.10)(1)(2)	85	-	-	85

(1) *Pertains to contingent consideration payable to selling shareholders of Kallidus as per the share purchase agreement.*

(2) *Discounted ₹91 crore at 14.2%*

The movement in level 3 investments from March 31, 2017 to March 31, 2018 is on account of purchase of additional investments, disposals during the year and change in fair value.

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.

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 at March 31, 2018 from March 31, 2017 is mainly on account of settlement of ₹45 crore pertaining to Kallidus acquisiton and addition of ₹17 crore in relation to acquisition of Brilliant Basics Holdings Limited. (Refer note no. 2.2)

Financial risk management

Financial risk factors

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

Market risk

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

The following table analysis foreign currency risk from financial instruments as at March 31, 2018:

(In ₹ crore)

Particulars	U.S. dollars	Euro	United Kingdom Pound Sterling	Australian dollars	Other currencies	Total
Cash and cash equivalents	858	139	82	186	271	1,536
Trade receivables	7,776	1,522	871	743	550	11,462
Other financials assets (including loans)	2,196	597	335	159	305	3,592
Trade payables	(312)	(60)	(168)	(36)	(22)	(598)
Other financial liabilities	(1,962)	(252)	(148)	(220)	(162)	(2,744)
Net assets / (liabilities)	**8,556**	**1,946**	**972**	**832**	**942**	**13,248**

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

(In ₹ crore)

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

Sensitivity analysis between Indian Rupee and USD

Particulars	Three months ended March 31,		Year ended March 31,	
	2018	2017	2018	2017
Impact on the Company's incremental Operating Margins	0.52%	0.52%	0.52%	0.52%

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

Derivative financial instruments

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

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

Particulars	As at March 31, 2018		As at March 31, 2017	
	In million	In ₹ crore	In million	In ₹ crore
Derivatives designated as cash flow hedges				
Forward contracts				
In Australian dollars	-	-	130	644
In Euro	-	-	95	658
In United Kingdom Pound Sterling	-	-	40	324
Option Contracts				
In Australian dollars	60	300	-	-
In Euro	100	808	40	277
In United Kingdom Pound Sterling	20	184	-	-
Other derivatives				
Forward contracts				
In Australian dollars	-	-	30	149
In Canadian dollars	20	99	-	-
In Euro	86	695	106	735
In Japanese Yen	550	34	-	-
In New Zealand dollars	16	76	-	-
In Norwegian Krone	40	34	-	-
In South African Rand	25	14	-	-
In Singapore dollars	5	25	5	23
In Swedish Krona	50	40	50	36
In Swiss Franc	21	146	10	65
In U.S. dollars	556	3,624	480	3,113
In United Kingdom Pound Sterling	45	415	70	566
Option Contracts				
In Australian dollars	20	100	-	-
In Canadian dollars	-	-	13	65
In Euro	45	363	25	173
In Swiss Franc	5	33	-	-
In U.S. dollars	320	2,086	195	1,265
In United Kingdom Pound Sterling	25	231	30	243
Total forwards and options		**9,307**		**8,336**

The foreign exchange forward and option contracts mature within twelve months. The table below analyzes the derivative financial instruments into relevant maturity groupings based on the remaining period as at the balance sheet date:

(In ₹ crore)

Particulars	As at March 31, 2018	As at March 31, 2017
Not later than one month	2,693	2,215
Later than one month and not later than three months	4,274	4,103
Later than three months and not later than one year	2,340	2,018
	9,307	**8,336**

During the year ended March 31, 2018, the Company has designated certain foreign exchange forward and option 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 statement of profit or loss within 3 months.

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

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

The following table provides the reconciliation of effective portion of cash flow hedges for the three months and year ended March 31, 2018 and March 31, 2017:

(In ₹ crore)

Particulars	Three months ended March 31,		Year ended March 31,	
	2018	2017	2018	2017
Balance at the beginning of the period/ year	(2)	28	39	-
Gain / (Loss) recognized in other comprehensive income during the period/ year	(9)	73	(93)	121
Amount reclassified to profit and loss during the period/year	11	(59)	41	(69)
Tax impact on above	-	(3)	13	(13)
Balance at the end of the period/ year	**-**	**39**	**-**	**39**

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

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

(In ₹ crore)

Particulars	As at March 31, 2018		As at March 31, 2017	
	Derivative financial asset	Derivative financial liability	Derivative financial asset	Derivative financial liability
Gross amount of recognized financial asset/liability	20	(44)	269	(3)
Amount set off	(4)	4	(1)	1
Net amount presented in balance sheet	**16**	**(40)**	**268**	**(2)**

Credit risk

Credit risk refers to the risk of default on its obligation by the counterparty resulting in a financial loss. The maximum exposure to the credit risk at the reporting date is primarily from trade receivables amounting to ₹12,151 crore and ₹10,960 crore as at March 31, 2018 and March 31, 2017, respectively and unbilled revenue amounting to ₹3,573 crore and ₹ 3,200 crore as at March 31, 2018 and March 31, 2017, 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 Company through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business. The Company uses expected credit loss model to assess the impairment loss or gain. The Company uses a provision matrix to compute the expected credit loss allowance for trade receivables and unbilled revenues. The provision matrix takes into account available external and internal credit risk factors such as credit default swap quotes, credit ratings from international credit rating agencies and the Company's historical experience for customers.

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

(In %)

Particulars	Three months ended March 31,		Year ended March 31,	
	2018	2017	2018	2017
Revenue from top customer	4.1	3.8	3.9	3.9
Revenue from top ten customers	20.8	21.9	21.0	23.1

Credit risk exposure

The reversal of allowance for lifetime expected credit loss on customer balances for the three months ended March 31, 2018 was ₹23 crore and the allowance for the three months ended March 31, 2017 was ₹61 crore. The allowance for lifetime expected credit loss on customer balances for the year ended March 31, 2018 and March 31, 2017 was ₹18 crore and ₹135 crore respectively.

Movement in credit loss allowance:

(In ₹ crore)

Particulars	Three months ended March 31,		Year ended March 31,	
	2018	2017	2018	2017
Balance at the beginning	418	323	379	249
Impairment loss recognized/ reversed	(23)	61	18	135
Amounts written off	-	-	(3)	(1)
Translation differences	6	(5)	7	(4)
Balance at the end	**401**	**379**	**401**	**379**

Credit risk on cash and cash equivalents is limited as we generally invest in deposits with banks and financial institutions with high credit ratings assigned by international and domestic credit rating agencies. Investments primarily include investment in liquid mutual fund units, fixed maturity plan securities, quoted bonds issued by government and quasi government organizations, non convertible debentures issued by government aided institutions and certificates of deposit.

Liquidity risk

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

As at March 31, 2018, the Company had a working capital of ₹30,903 crore including cash and cash equivalents of ₹16,770 crore and current investments of ₹5,907 crore. As at March 31, 2017, the Company had a working capital of ₹35,896 crore including cash and cash equivalents of ₹19,153 crore and current investments of ₹9,643 crore.

As at March 31, 2018 and March 31, 2017, the outstanding compensated absences were ₹1,260 crore and ₹1,142 crore, respectively, which have been substantially funded. Accordingly, no liquidity risk is perceived.

The table below provides details regarding the contractual maturities of significant financial liabilities as at March 31, 2018:

(In ₹ crore)

Particulars	Less than 1 year	1-2 years	2-4 years	4-7 years	Total
Trade payables	738	-	-	-	738
Other financial liabilities (excluding liability towards acquisition) (Refer Note 2.10)	4,241	-	-	-	4,241
Liability towards acquisitions on an undiscounted basis (including contingent consideration)	41	7	7	-	55

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

(In ₹ crore)

Particulars	Less than 1 year	1-2 years	2-4 years	4-7 years	Total
Trade payables	269	-	-	-	269
Other financial liabilities (excluding liability towards acquisition) (Refer Note 2.10)	3,867	-	-	-	3,867
Liability towards acquisitions on an undiscounted basis (including contingent consideration)	45	46	-	-	91

2.9 EQUITY

EQUITY SHARE CAPITAL

(In ₹ crore, except as otherwise stated)

Particulars	As at	
	March 31, 2018	**March 31, 2017**
Authorized		
Equity shares, ₹5/- par value		
2,40,00,00,000 (2,40,00,00,000) equity shares	1,200	1,200
Issued, Subscribed and Paid-Up		
Equity shares, ₹5/- par value (1)	1,092	1,148
2,18,41,14,257 (2,29,69,44,664) equity shares fully paid-up		
	1,092	**1,148**

(1) *Refer note no. 2.18 for details of basic and diluted shares*

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

The Company has only one class of shares referred to as equity shares having a par value of ₹5/-. Each holder of equity shares is entitled to one vote per share. The equity shares represented by American Depositary Shares (ADS) carry similar rights to voting and dividends as the other equity shares. Each ADS represents one underlying equity share

Dividends

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

The Company declares and pays dividends in Indian rupees. The remittance of dividends outside India is governed by Indian law on foreign exchange and is subject to applicable distribution taxes. Dividend distribution tax paid by subsidiaries may be reduced / available as a credit against dividend distribution tax payable by Infosys Limited.

Amount of per share dividend recognized as distribution to equity shareholders: *(in ₹)*

Particulars	Year ended March 31,	
	2018	**2017**
Final Dividend for fiscal 2016	-	14.25
Interim Dividend for fiscal 2017	-	11.00
Final Dividend for fiscal 2017	14.75	-
Interim Dividend for fiscal 2018	13.00	-

Effective from Financial Year 2018, the Company's policy is to payout up to 70% of the free cash flow of the corresponding Financial Year in such manner (including by way of dividend and / or share buyback) as may be decided by the Board from time to time, subject to applicable laws and requisite approvals, if any. Free cash flow is defined as net cash provided by operating activities less capital expenditure as per the consolidated statement of cash flows prepared under IFRS. Dividend payout includes dividend distribution tax.

The Board of Directors recommended a final dividend of ₹20.5/- per equity share for the financial year ended March 31, 2018 and a special dividend of ₹10/- per equity share. The payment is subject to the approval of the shareholders in the ensuing Annual General Meeting of the Company, to be held on June 23, 2018 and if approved would result in a cash outflow of approximately ₹7,982 crore, including dividend distribution tax.

The Board of Directors, in their meeting on October 24, 2017, declared an interim dividend of ₹13/- per equity share, which resulted in a cash outflow of ₹3,422 crore, inclusive of dividend distribution tax.

During the year ended March 31, 2018, the Company received ₹846 crore as dividend from its majority owned subsidiary. Dividend distribution tax paid by the subsidiary on such dividend has been reduced as credit against dividend distribution tax payable by Infosys.

Buyback

The Board, at its meeting on August 19, 2017, approved a proposal for the Company to buyback its fully paid-up equity shares of face value of ₹5/- each from the eligible equity shareholders of the Company for an amount not exceeding ₹13,000 crore. The shareholders approved the said proposal of buyback of Equity Shares through the postal ballot that concluded on October 7, 2017. The Buyback offer comprised a purchase of 11,30,43,478 Equity Shares aggregating 4.92% of the paid-up equity share capital of the Company at a price of ₹1,150/- per Equity share. The buyback was offered to all eligible equity shareholders (including those who became equity shareholders as on the Record date by cancelling American Depository Shares and withdrawing underlying Equity shares) of the Company as on the Record Date (i.e November 1, 2017) on a proportionate basis through the "Tender offer" route. The Company concluded the buyback procedures on December 27, 2017 and 11,30,43,478 equity shares were extinguished. The company has funded the buyback from its securities premium and general reserve. In accordance with section 69 of the Companies Act, 2013, the company has created 'Capital Redemption Reserve' of ₹56 crore equal to the nominal value of the shares bought back as an appropriation from general reserve.

The Company's objective when managing capital is to safeguard its ability to continue as a going concern and to maintain an optimal capital structure so as to maximize shareholder value. In order to maintain or achieve an optimal capital structure, the Company may adjust the amount of dividend payment, return capital to shareholders, issue new shares or buy back issued shares. As of March 31, 2018, the Company has only one class of equity shares and has no debt. Consequent to the above capital structure there are no externally imposed capital requirements.

The reconciliation of the number of shares outstanding and the amount of share capital as at March 31, 2018 and March 31, 2017 is set out below:

in ₹ crore, except as stated otherwise

Particulars	As at March 31, 2018		As at March 31, 2017	
	Number of shares	Amount	Number of shares	Amount
Number of shares at the beginning of the period	2,29,69,44,664	1,148	2,29,69,44,664	1,148
Add: Shares issued on exercise of employee stock options	2,13,071	-	-	-
Less: Shares bought back	11,30,43,478	56	-	-
Number of shares at the end of the period	**2,18,41,14,257**	**1,092**	**2,29,69,44,664**	**1,148**

Employee Stock Option Plan (ESOP):

Accounting Policy

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

Amendment to Ind AS 102:

Effective April 1, 2017, the Company adopted amendment to Ind AS 102 which provides specific guidance to measurement of cash-settled awards, modification of cash-settled awards and awards that include a net settlement feature in respect of withholding taxes. The adoption of amendment did not have any material effect on the financial statements.

2015 Stock Incentive Compensation Plan (the 2015 Plan) (formerly 2011 RSU Plan):

On March 31, 2016, pursuant to the approval by the shareholders through postal ballot, the Board has been authorized to introduce, offer, issue and allot share-based incentives to eligible employees of the Company and its subsidiaries under the 2015 Stock Incentive Compensation Plan (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 are held by the trust towards the 2011 Plan as at March 31, 2016). Out 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 on the date of the grant. These instruments will generally vest over a period of 4 years and the Company expects to grant the instruments under the 2015 Plan over the period of 4 to 7 years.

Controlled trust holds 1,08,01,956 and 1,12,89,514 shares as at March 31, 2018 and March 31, 2017, respectively under the 2015 plan, out of which 1,00,000 equity shares have been earmarked for welfare activities of the employees.

Stock incentives granted to Salil Parekh (CEO & MD)

Pursuant to the approval of the shareholders through a postal ballot on February 20 , 2018, Salil Parekh (CEO & MD) is eligible to receive under the 2015 Plan , a) an annual grant of RSUs of fair value ₹3.25 crore which will vest over time in 3 equal annual installments upon completion of each year of service from the respective grant date b) a one-time grant of RSUs of fair value ₹9.75 crore which will vest over time in 2 equal annual installments upon completion of each year of service from the grant date and c) annual grant of performance based RSUs of fair value ₹13 crore which will vest after completion of three years the first of which concludes on March 31, 2021, subject to achievement of performance targets set by the Board or its committee.

The board based on the recommendations of the Nomination and Remuneration committee approved on February 27, 2018, the annual time based grant for FY18 of 28,256 RSUs and the one-time time based grant of 84,768 RSUs. The grants were made effective February 27, 2018. Though the annual time based grants for the remaining employment term have not been granted as of March 31, 2018 , in accordance with Ind AS 102, Share based payments the company has recorded employment stock compensation expense.

Stock incentives granted to Dr. Vishal Sikka

Consequent to Dr. Vishal Sikka's resignation from the company on August 24, 2017, the unvested stock incentives (time-based and performance based awards) granted to him were forfeited.

Stock incentives granted to COO:

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

Stock incentives granted to KMPs (other than Dr. Vishal Sikka and COO)

On November 1, 2016, 2,47,250 RSUs and 5,02,550 stock options were granted under the 2015 plan, to key management personnel, excluding Vishal Sikka and COO, based on fiscal 2016 performance. On August 1, 2017 58,150 RSUs and 44,450 ESOPs were granted to the General Counsel. These RSUs and stock options will vest within 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. On February 27, 2018, based on the recommendation and approval of the Nomination and Remuneration Committee the company granted 214,950 RSUs to the KMP other than CEO and COO. These instruments will vest over a period of 4 years and are subject to continued service.

During the year ended March 31, 2018, three of the KMPs have resigned (Refer to note no. 2.20 Related party transactions for further details) and hence the RSUs and stock options granted to them were forfeited.

Stock incentive granted to other employees:
During fiscal 2017, the company granted 25,06,740 RSUs and 7,03,300 ESOPs and 1,12,210 incentive units (cash settled) to certain eligible employees at mid and senior levels under the 2015 plan. Further, on May 2, 2017, the company granted 37,090 RSUs (includes equity shares and equity shares represented by ADS) at par value, 73,600 employee stock options (ESOPs) (including equity shares and equity shares represented by ADS) to be exercised at market price at the time of grant, to certain employees at the senior management level. On August 1, 2017, 7,450 incentive units (cash settled) were granted to employees at the senior management level. These instruments will vest over a period of 4 years and are subject to continued service. On February 27, 2018 15,59,920 RSUs and 42,590 incentive units (cash settled) were granted to eligible employees. These instruments will vest over a period of 4 years and are subject to continued service.

As at March 31, 2018 and March 31, 2017, 1,11,757 and 1,06,845 incentive units were outstanding (net of forfeitures).

Break-up of employee stock compensation expenses *(₹ in crore)*

Particulars	**Three months ended March 31,**		**Year ended March 31,**	
	2018	**2017**	**2018**	**2017**
Granted to:				
KMP [(2)]	1	12	(13)	36
Employees other than KMP	22	28	85	71
Total [(1)]	**23**	**40**	**72**	**107**
[(1)] *Cash settled stock compensation expense included in the above*	-	-	1	1

[(2)] *Includes a reversal of stock compensation cost of ₹35 crore towards forfeiture of stock incentives granted to Dr. Vishal Sikka upon his resignation*

The carrying value of liability towards cash settled share based payments was ₹6 crore and ₹3 crore as at March 31, 2018 and March 31, 2017, respectively.

The activity in the 2015 Plan (formerly 2011 RSU Plan) for equity-settled share based payment transactions during the three months and year ended March 31, 2018 is set out below:

Particulars	**Three months ended March 31, 2018**		**Year ended March 31, 2018**	
	Shares arising out of options	**Weighted average exercise price (₹)**	**Shares arising out of options**	**Weighted average exercise price (₹)**
2015 Plan: RSU				
Outstanding at the beginning	20,84,284	5	29,61,373	5
Granted	18,87,894	5	22,80,608	5
Exercised	1,15,996	5	6,48,217	5
Forfeited and expired	1,05,773	5	8,43,355	5
Outstanding at the end	**37,50,409**	**5**	**37,50,409**	**5**
Exercisable at the end	24,205	5	24,205	5
2015 Plan: Employee Stock Options (ESOPs)				
Outstanding at the beginning	11,58,400	992	11,97,650	992
Granted	-	-	4,91,575	943
Exercised	52,412	983	52,412	983
Forfeited and expired	1,39,075	963	6,69,900	961
Outstanding at the end	**9,66,913**	**986**	**9,66,913**	**986**
Exercisable at the end	1,96,912	992	1,96,912	992

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

Particulars	Three months ended March 31, 2017		Year ended March 31, 2017	
	Shares arising out of options	Weighted average exercise price (₹)	Shares arising out of options	Weighted average exercise price (₹)
2015 Plan: RSU				
Outstanding at the beginning	20,30,758	5	2,21,505	5
Granted	-	-	28,74,690	5
Exercised	23,410	5	1,00,760	5
Forfeited and expired	3,420	5	34,062	5
Outstanding at the end	20,03,928	5	**29,61,373**	**5**
Exercisable at the end	-	-	-	-
2015 Plan: Employee Stock Options (ESOPs)				
Outstanding at the beginning	3,09,650	992	-	-
Granted	-	-	12,05,850	992
Exercised	-	-	-	-
Forfeited and expired	-	-	8,200	992
Outstanding at the end	3,09,650	992	**11,97,650**	992
Exercisable at the end	-	-	-	-

During the three months ended March 31, 2018 and March 31, 2017, the weighted average share price of options exercised under the 2015 Plan on the date of exercise was ₹1,119 and ₹972 respectively.

During the year ended March 31, 2018 and March 31, 2017, the weighted average share price of options exercised under the 2015 Plan on the date of exercise was ₹992 and ₹1,084 respectively.

The following table summarizes information about equity settled RSUs and ESOPs outstanding as at March 31, 2018:

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:			
0 - 5 (RSU)	37,50,409	1.89	5.00
900 - 1100 (ESOP)	9,66,913	6.60	992.68
	47,17,322	**2.57**	**207.45**

The following table summarizes information about equity settled RSUs and ESOPs outstanding as at 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:			
0 - 5 (RSU)	29,61,373	1.88	5.00
900 - 1100 (ESOP)	11,97,650	7.09	1,026.50
	41,59,023	**3.38**	**299.16**

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

Particulars	For options granted in			
	Fiscal 2018- Equity Shares-RSU	Fiscal 2018- Equity shares ESOP	Fiscal 2018- ADS-RSU	Fiscal 2018- ADS- ESOP
Weighted average share price (₹) / ($- ADS)	1,144	923	16.61	14.65
Exercise price (₹)/ ($- ADS)	5.00	919	0.08	14.67
Expected volatility (%)	20-25	25-28	21-26	25-31
Expected life of the option (years)	1 - 4	3 - 7	1 - 4	3 - 7
Expected dividends (%)	2.78	2.78	2.74	2.74
Risk-free interest rate (%)	6 - 7	6 - 7	1 - 2	1 - 2
Weighted average fair value as on grant date (₹) / ($- ADS)	1,066	254	15.47	2.93

Particulars	For options granted in			
	Fiscal 2017- Equity Shares-RSU	Fiscal 2017- Equity shares ESOP	Fiscal 2017- ADS-RSU	Fiscal 2017- ADS- ESOP
Weighted average share price (₹) / ($- ADS)	1,067	989	15.77	15.26
Exercise price (₹)/ ($- ADS)	5	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)	1,002	285	14.84	3.46

The expected life of the RSU / ESOP is estimated based on the vesting term and contractual term of the RSU / ESOP, as well as expected exercise behaviour of the employee who receives the RSU / ESOP. Expected volatility during the expected term of the RSU / ESOP is based on historical volatility of the observed market prices of the Company's publicly traded equity shares during a period equivalent to the expected term of the RSU / ESOP.

2.10 OTHER FINANCIAL LIABILITIES

(In ₹ crore)

Particulars	As at	
	March 31, 2018	March 31, 2017
Non-current		
Compensated absences	42	-
Payable for acquisition of business- Contingent consideration	13	40
	55	**40**
Current		
Unpaid dividends	22	17
Others		
Accrued compensation to employees	2,048	1,404
Accrued expenses [(1)]	1,776	2,013
Retention monies	63	153
Payable for acquisition of business - Contingent consideration	41	45
Capital creditors	148	36
Compensated absences	1,218	1,142
Other payables [(2)]	184	244
Foreign currency forward and options contracts	40	2
	5,540	**5,056**
Total financial liabilities	5,595	**5,096**
Financial liability carried at amortized cost	4,241	3,867
Financial liability carried at fair value through profit or loss	91	87
Financial liability carried at fair value through other comprehensive income	3	-
Liability towards acquisition of business on undiscounted basis	55	91
[(1)] *Includes dues to subsidiaries (Refer note no. 2.20)*	9	3
[(2)] *Includes dues to subsidiaries (Refer note no. 2.20)*	19	14

2.11 TRADE PAYABLES

(In ₹ crore)

Particulars	As at	
	March 31, 2018	March 31, 2017
Trade payables[(1)]	738	269
	738	**269**
[(1)] *Includes dues to subsidiaries (refer note no. 2.20)*	178	135

2.12 OTHER LIABILITIES

(In ₹ crore)

Particulars	As at	
	March 31, 2018	March 31, 2017
Non current		
Deferred income	36	42
Deferred rent	117	-
	153	**42**
Current		
Unearned revenue	1,887	1,320
Client deposits	32	-
Others		
Withholding taxes and others	1,029	1,027
Deferred Rent	24	2
	2,972	**2,349**
	3,125	**2,391**

2.13 PROVISIONS

Accounting Policy

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that is reasonably estimable, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

a. Post sales client support

The Company provides its clients with a fixed-period post sales support for corrections of errors and support on all its fixed-price, fixed-timeframe contracts. Costs associated with such support services are accrued at the time related revenues are recorded in the Statement of Profit and Loss. The Company estimates such costs based on historical experience and estimates are reviewed on a periodic basis for any material changes in assumptions and likelihood of occurrence.

b. Onerous contracts

Provisions for onerous contracts are recognized when the expected benefits to be derived by the Company from a contract are lower than the unavoidable costs of meeting the future obligations under the contract. The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the Company recognizes any impairment loss on the assets associated with that contract.

(In ₹ crore)

Particulars	As at	
	March 31, 2018	**March 31, 2017**
Current		
Others		
Post-sales client support and warranties and others	436	350
	436	**350**

Provision for post-sales client support and warranties and others

The movement in the provision for post-sales client support and warranties and others is as follows : *(In ₹ crore)*

Particulars	Three months ended March 31, 2018	Year ended March 31, 2018
Balance at the beginning	399	350
Provision recognized/(reversed)	43	130
Provision utilized	(15)	(46)
Exchange difference	9	2
Balance at the end	**436**	**436**

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

2.14 INCOME TAXES

Accounting Policy

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

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

Income tax expense in the statement of profit and loss comprises: *(In ₹ crore)*

Particulars	**Three months ended March 31,**		**Year ended March 31,**	
	2018	**2017**	**2018**	**2017**
Current taxes	1,397	1,141	4,003	5,068
Deferred taxes	(164)	80	(250)	52
Income tax expense	**1,233**	**1,221**	**3,753**	**5,120**

Advance Pricing Agreement ("APA")

During the three months ended December 31, 2017, the Company had concluded an Advance Pricing Agreement ("APA") with the US Internal Revenue Service ("IRS") for the US branch covering the years ending March 2011 to March 2021. Under the APA, the Company and the IRS have agreed on the methodology to allocate revenues and compute the taxable income of the Company's US Branch operations

During the three months ended December 31, 2017, in accordance with the APA, the company has reversed income tax expense provision of ₹1,432 crore which pertains to previous periods. This comprises of current tax expense of ₹1,610 crore, reversal of ₹132 crore on account of deferred tax assets pertaining to the temporary differences which are no longer required and a deferred tax liability of ₹46 crore pertaining to Branch profit tax for the three months ended December 31, 2017 on account of conclusion of APA. In line with the APA, the Company has to pay an amount of approximately ₹1,488 crore due to the difference between the taxes payable for prior periods as per the APA and the actual taxes paid for such periods. The company has paid ₹479 crore during the three months ended March 31, 2018 and the balance amount is expected to be paid over the next few quarters.

Additionally, income tax expense for the three months ended March 31, 2018 and March 31, 2017 includes reversal (net of provisions) of ₹82 crore and ₹95 crore, respectively, pertaining to prior periods on account of adjudication of certain disputed matters in favor of the company across various jurisdictions.

Income tax expense for the year ended March 31, 2018 and March 31, 2017 includes reversal (net of provisions) of ₹240 crore and ₹218 crore, respectively, pertaining to prior periods on account of adjudication of certain disputed matters in favor of the company across various jurisdictions.

The "Tax Cuts and Jobs Act (H.R. 1)" was signed into law on December 22, 2017 ("US Tax Reforms"). The US tax reforms has reduced federal tax rates from 35% to 21% effective January 1, 2018 amongst other measures. During the year ended March 31, 2018 , the US tax reforms has resulted in a positive impact of ₹155 crore on account of credits pertaining to deferred tax liabilities on branch profit. The impact of US tax reforms is expected to be not significant for future periods.

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 at March 31, 2018, Infosys' U.S. branch net assets amounted to approximately ₹ 5 crore. During the year ended March 31, 2018, an additional deferred tax liability has been created for branch profit tax amounting to ₹46 crore on account of conclusion of APA explained above. Further, on account of US tax Reforms, the company has a credit of ₹155 crore pertaining to Branch Profit Tax for the year ended March 31, 2018. The company has also reversed ₹55 crore of Branch Profit tax during the year ended March 31, 2018 towards current taxes. As at March 31, 2018, the Company has a deferred tax liability for branch profit tax of ₹164 crore (net of credits), as the Company estimates that these branch profits are expected to be distributed in the foreseeable future.

Entire deferred income tax, except for a credit of ₹155 crore (on account of US Tax Reforms explained above), for the year ended March 31, 2018, relates to origination and reversal of temperary differences.

Other income for the three months and year ended March 31, 2018 includes interest on income tax refund of Nil crore and ₹257 crore, respectively.

The foreign tax expense is due to income taxes payable overseas, principally in the United States. In India, the Company has benefited from certain income tax incentives that the Government of India had provided for export of software from the units registered under the Special Economic Zones Act (SEZs), 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 for the eligible SEZ units and utilization of such reserve by the Company for acquiring new plant and machinery for the purpose of its business as per the provisions of the Income Tax Act, 1961.

2.15 REVENUE FROM OPERATIONS

Accounting Policy

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 mainly either on a fixed-price, fixed-timeframe or on a time-and-material basis.

Revenue on time-and-material contracts are recognized as the related services are performed and revenue from the end of the last billing to the Balance Sheet date is recognized as unbilled revenues. Revenue from fixed-price, fixed-timeframe contracts, where there is no uncertainty as to measurement or collectability of consideration, is recognized as per the percentage-of-completion method. When there is uncertainty as to measurement or ultimate collectability, revenue recognition is postponed until such uncertainty is resolved. Efforts or costs expended have been used to measure progress towards completion as there is a direct relationship between input and productivity. Provisions for estimated losses, if any, on uncompleted contracts are recorded in the period in which such losses become probable based on the current contract estimates. Costs and earnings in excess of billings are classified as unbilled revenue while billings in excess of costs and earnings are classified as unearned revenue. Deferred contract costs are amortized over the term of the contract. Maintenance revenue is recognized 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 are allocated to each component of the contract in a manner, whereby revenue is deferred for the undelivered services and the residual amounts are recognized as revenue for delivered elements. In the absence of objective and reliable evidence of fair value for implementation, the entire arrangement fee for license and implementation is recognized using the percentage-of-completion method as the implementation is performed. Revenue from client training, support and other services arising due to the sale of software products is recognized as the services are performed. ATS revenue is recognized 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 Company accounts for volume discounts and pricing incentives to customers as a reduction of revenue based on the ratable allocation of the discounts/ incentives amount to each of the underlying revenue transaction that results in progress by the customer towards earning the discount/ incentive. Also, when the level of discount varies with increases in levels of revenue transactions, the Company recognizes the liability based on its estimate of the customer's future purchases. If it is probable that the criteria for the discount will not be met, or if the amount thereof cannot be estimated reliably, then discount is not recognized until the payment is probable and the amount can be estimated reliably. The Company recognizes changes in the estimated amount of obligations for discounts in the period in which the change occurs. The discounts are passed on to the customer either as direct payments or as a reduction of payments due from the customer.

The Company presents revenues net of indirect taxes in its Statement of Profit and Loss.

Revenue from operations for the year ended March 31, 2018 and March 31, 2017 is as follows: *(In ₹ crore)*

Particulars	**Three months ended March 31,**		**Year ended March 31,**	
	2018	**2017**	**2018**	**2017**
Revenue from software services	15,971	14,910	61,910	59,257
Revenue from software products	13	10	31	32
	15,984	**14,920**	**61,941**	**59,289**

2.16 OTHER INCOME, NET

2.16.1 Other income - Accounting Policy

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.

2.16.2 Foreign currency - Accounting Policy

Functional currency

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

Transactions and translations

Foreign-currency denominated monetary assets and liabilities are translated into the relevant functional currency at exchange rates in effect at the Balance Sheet date. The gains or losses resulting from such translations are included in net profit in the Statement of Profit and Loss. Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at fair value are translated at the exchange rate prevalent at the date when the fair value was determined. Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of the transaction.

Transaction gains or losses realized upon settlement of foreign currency transactions are included in determining net profit for the period in which the transaction is settled. Revenue, expense and cash-flow items denominated in foreign currencies are translated into the relevant functional currencies using the exchange rate in effect on the date of the transaction.

Other income for the year ended March 31, 2018 and March 31, 2017 is as follows: *(In ₹ crore)*

Particulars	**Three months ended March 31,**		**Year ended March 31,**	
	2018	**2017**	**2018**	**2017**
Interest income on financial assets carried at amortized cost				
Tax free bonds and government bonds	34	80	138	320
Deposit with Bank and others	353	363	1,540	2,028
Interest income on financial assets fair valued through other comprehensive income				
Non-convertible debentures, commercial papers and certificates of deposit	122	152	642	182
Income on investments carried at fair value through profit or loss				
Dividend income on liquid mutual funds	-	-	3	23
Gain / (loss) on liquid mutual funds	35	61	227	111
Dividend income from subsidiary	-	-	846	-
Write down of investment in subsidiary (refer note no 2.2)	(28)	-	(122)	-
Exchange gains/(losses) on foreign currency forward and options contracts	(125)	268	(12)	551
Exchange gains/(losses) on translation of assets and liabilities	189	(234)	265	(324)
Miscellaneous income, net	56	43	492	171
	636	**733**	**4,019**	**3,062**

2.17 EXPENSES

Accounting Policy

2.17.1 Gratuity

The Company provides for gratuity, a defined benefit retirement plan ('the Gratuity Plan') covering eligible employees. The Gratuity Plan provides a lump-sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment with the Company.

Liabilities with regard to the Gratuity Plan are determined by actuarial valuation, performed by an independent actuary, at each Balance Sheet date using the projected unit credit method. The Company fully contributes all ascertained liabilities to the Infosys Limited Employees' Gratuity Fund Trust (the Trust). Trustees administer contributions made to the Trusts and contributions are invested in a scheme with Life Insurance Corporation of India as permitted by Indian law.

The Company recognizes the net obligation of a defined benefit plan in its Balance Sheet as an asset or liability. Gains and losses through re-measurements of the net defined benefit liability/(asset) are recognized in other comprehensive income and are not reclassified to profit or loss in subsequent periods. The actual return of the portfolio of plan assets, in excess of the yields computed by applying the discount rate used to measure the defined benefit obligation is recognized in other comprehensive income. The effect of any plan amendments are recognized in net profit in the Statement of Profit and Loss.

2.17.2 Superannuation

Certain employees of Infosys are participants in a defined contribution plan. The Company has no further obligations to the Plan beyond its monthly contributions which are periodically contributed to a trust fund, the corpus of which is invested with the Life Insurance Corporation of India.

2.17.3 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.

2.17.4 Compensated absences

The Company has a policy on compensated absences which are both accumulating and non-accumulating in nature. The expected cost of accumulating compensated absences is determined by actuarial valuation performed by an independent actuary at each Balance Sheet date using projected unit credit method on the additional amount expected to be paid/availed as a result of the unused entitlement that has accumulated at the Balance Sheet date. Expense on non-accumulating compensated absences is recognized in the period in which the absences occur.

(In ₹ crore)

Particulars	Three months ended March 31,		Year ended March 31,	
	2018	**2017**	**2018**	**2017**
Employee benefit expenses				
Salaries including bonus	8,185	7,441	31,618	30,111
Contribution to provident and other funds	179	160	695	640
Share based payments to employees (Refer note no. 2.9)	23	40	72	107
Staff welfare	31	26	87	86
	8,418	**7,667**	**32,472**	**30,944**
Cost of software packages and others				
For own use	195	199	774	729
Third party items bought for service delivery to clients	125	142	496	506
	320	**341**	**1,270**	**1,235**
Other expenses				
Power and fuel	39	35	162	180
Brand and Marketing	58	63	247	276
Operating lease payments	77	87	328	284
Rates and taxes	(12)	24	116	118
Repairs and Maintenance	227	291	902	1,073
Consumables	6	7	22	31
Insurance	13	14	47	45
Provision for post-sales client support and warranties	48	15	127	84
Commission to non-whole time directors	2	2	9	9
Impairment loss recognized / (reversed) on financial assets	(21)	62	24	140
Auditor's remuneration				
Statutory audit fees	-	1	3	2
Tax matters	1	-	1	-
Reimbursement of expenses	-	-	-	-
Contributions towards Corporate Social Responsibility	17	38	142	215
Others	(26)	2	54	89
	429	**641**	**2,184**	**2,546**

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

Accounting Policy

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 at the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented.

The number of equity shares and potentially dilutive equity shares are adjusted retrospectively for all periods presented for any share splits and bonus shares issues including for changes effected prior to the approval of the financial statements by the Board of Directors.

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

Particulars	**Three months ended March 31,**		**Year ended March 31,**	
	2018	**2017**	**2018**	**2017**
Basic earnings per equity share - weighted average number of equity shares outstanding	2,18,40,80,668	2,29,69,44,664	2,26,63,43,802	2,29,69,44,664
Effect of dilutive common equivalent shares - share options outstanding	5,61,626	3,44,772	10,48,819	2,15,006
Diluted earnings per equity share - weighted average number of equity shares and common equivalent shares outstanding	**2,18,46,42,294**	**2,29,72,89,436**	**2,26,73,92,621**	**2,29,71,59,670**

For the three months and year ended March 31, 2018 number of options to purchase equity shares that had an anti-dilutive effect are 574 and 27,876 respectively. For the three months and year ended March 31, 2017 1,79,926 and 77,942 number of options to purchase equity shares had an anti-dilutive effect.

2.19 CONTINGENT LIABILITIES AND COMMITMENTS

(In ₹ crore)

Particulars	**As at**	
	March 31, 2018	**March 31, 2017**
Contingent liabilities :		
Claims against the Company, not acknowledged as debts[(1)]	4,627	6,596
[Amount paid to statutory authorities ₹6,486 crore (*₹4,694 crore*)]		
Commitments :		
Estimated amount of contracts remaining to be executed on capital contracts and not provided for (net of advances and deposits)	1,405	1,094
Other Commitments*	36	37

**Uncalled capital pertaining to investments*

[(1)] As at March 31, 2018, claims against the company not acknowledged as debts in respect of income tax matters amounted to ₹4,461crore. These matters are pending before various Appellate Authorities and the management including its tax advisors expect that its position will likely be upheld on ultimate resolution and will not have a material adverse effect on the Company's financial position and results of operations.

Income tax claims amounting to ₹4,670 crore has not been considered as claims not acknowledged as debt because the Company has received favourable decisions on similar claims and therefore based on its assessment , is of the view that any liability resulting from these claims is remote and will not sustain on ultimate resolution.

Amount paid to statutory authorities against the above tax claims amounted to ₹6,475 crore.

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.

2.20 RELATED PARTY TRANSACTIONS

Refer to the Company's Annual Report for the year ended March 31, 2017 for the full names and other details of the Company's subsidiaries, associate and controlled trusts.

Changes in Subsidiaries and Associates

During the year ended March 31, 2018, the following are the changes in the subsidiaries and associate:

- the name of Infosys BPO Ltd has been changed to Infosys BPM Ltd.
- Infosys Chile Spa was incorporated as a wholly owned subsidiary of Infosys Ltd.
- Noah Consulting LLC, Noah Information Management Consulting Inc. and DWA Nova LLC have been liquidated.
- Infosys Middle East Fz LLC, a wholly owned subsidiary of Infosys Consulting Pte Ltd
- Effective February, 2018, Lodestone Management Consultants GmbH, became wholly owned subsidiary of Infosys Limited.
- Infosys Arabia Limited, majority owned subsidiary of Infosys Limited

The details of amounts due to or due from related parties as at March 31, 2018 and March 31, 2017 are as follows:

(In ₹ crore)

Particulars	As at	
	March 31, 2018	March 31, 2017
Investment in debentures		
EdgeVerve*(1)*	1,780	2,129
	1,780	**2,129**
Trade receivables		
Infosys China	29	41
Infosys Mexico	4	2
Infosys Brasil	1	1
Infosys BPM (formerly Infosys BPO)	5	5
Infy Consulting Company Ltd.	77	73
Infosys Public Services	53	61
Infosys Shanghai	7	-
Infosys Sweden	1	1
Kallidus	13	6
Infosys McCamish Systems LLC	70	1
Panaya Ltd	75	44
	335	**235**
Loans		
Infosys China (2)	73	69
Infosys Consulting Holding AG(3)	104	-
Brilliant Basics Holdings Limited (4)	8	-
	185	**69**
Prepaid expense and other assets		
Panaya Ltd.	114	56
Brilliant Basics Limited	1	-
	115	**56**
Other financial assets		
Infosys BPM (formerly Infosys BPO)	10	5
Panaya Ltd.	2	1
Infosys Consulting SAS	-	3
Infosys Consulting GmbH	1	1
Infosys China	2	1
Infy Consulting Company Ltd.	9	4
Infosys Consulting AG	1	1
Infosys Public Services	6	-
Infy Consulting B.V.	-	1
Infosys Consulting Pte Ltd.	1	1
Kallidus	1	-
Infosys Consulting Ltda.	1	-
Skava Systems Pvt. Ltd.	1	-
Lodestone Management Consultants Co., Ltd	1	-
Edgeverve	3	-
Infosys Mexico	1	-
	40	**18**
Unbilled revenues		
EdgeVerve	32	45
Kallidus	-	2
	32	**47**

Trade payables		
Infosys China	7	10
Infosys BPM (formerly Infosys BPO)	54	33
Infosys (Czech Republic) Limited s.r.o.	3	3
Infosys Mexico	6	2
Infosys Sweden	5	5
Infosys Shanghai	6	-
Infosys Management Consulting Pty Limited	8	8
Infosys Consulting Pte Ltd.	2	4
Infy Consulting Company Ltd.	67	9
Infosys Brasil	2	1
Brilliant Basics Limited	7	-
Noah Consulting LLC	-	17
Panaya Ltd.	6	1
Infosys Public Services	2	3
Kallidus	-	35
Noah Canada	-	3
Infosys Poland Sp Z.o.o	3	1
	178	**135**
Other financial liabilities		
Infosys BPM (formerly Infosys BPO)	2	2
Infosys Mexico	1	1
Infosys Consulting Holding AG	-	10
Infosys Public Services	5	-
Infosys China	1	-
Infosys Consulting GmbH	1	1
Infosys Middle East FZ-LLC	8	-
Infosys Consulting AG	1	-
	19	**14**
Accrued expenses		
Infosys BPM (formerly Infosys BPO)	9	-
Panaya Ltd	-	3
	9	**3**

(1) At an interest rate of 7.7% per annum.

(2) The above loan carries an interest of 6% per annum and shall be repayable on demand

(3) The above loan carries an interest of 2.5% per annum and shall be repayable on demand.

(4) The above loan carries an interest rate of 3.5% per annum repayable in full no later than 12 months or such later date as the parties may agree

The details of the related parties transactions entered into by the Company for the three months and year ended March 31, 2018 and March 31, 2017 are as follows:

(In ₹ crore)

Particulars	Three months ended March 31,		Year ended March 31,	
	2018	**2017**	**2018**	**2017**
Capital transactions:				
Financing transactions				
Equity				
Panaya Inc	-	-	38	-
Infosys China	-	-	97	67
Infosys Sweden	-	19	-	76
Infosys Shanghai	-	-	74	180
Infosys Consulting Pte Ltd	-	10	-	10
Noah Consulting LLC (1)	-	-	-	71
Brilliant Basics Holdings Limited	-	-	29	-
Infosys Arabia Limited	2	-	2	-
	2	**29**	**240**	**404**
Debenture (net of repayment)				
EdgeVerve	(170)	(50)	(349)	(420)
	(170)	**(50)**	**(349)**	**(420)**
Loans (net of repayment)				
Infosys Sweden(2)	-	-	-	(1)
Infosys China	(2)	-	-	3
Infosys Consulting Holding AG	-	-	99	-
Brilliant Basics Holdings Limited	-	-	7	-
	(2)	**-**	**106**	**2**

Revenue transactions:				
Purchase of services				
Infosys China	20	30	88	120
Infosys Management Consulting Pty Limited	22	30	99	125
Infy Consulting Company Limited	189	153	729	697
Infosys Consulting Pte Ltd.	7	13	41	36
Portland Group Pty Ltd	-	1	9	3
Infosys (Czech Republic) Limited s.r.o.	11	8	40	31
Infosys BPM (formerly Infosys BPO)	137	104	502	391
Infosys Sweden	14	16	56	72
Infosys Shanghai	20	-	65	-
Infosys Mexico	9	5	27	22
Infosys Public Services	4	7	22	22
Panaya Ltd.	21	15	84	50
Infosys Brasil	3	3	13	8
Infosys Poland Sp Z.o.o	6	1	14	4
Kallidus	(4)	43	7	75
Noah Consulting, LLC	-	46	91	135
McCamish Systems LLC	1	-	3	-
Brilliant Basics Limited	18	-	24	-
Noah Canada	-	1	2	4
Infosys Middle East FZ-LLC	22	-	22	-
	500	**476**	**1,938**	**1,795**
Purchase of shared services including facilities and personnel				
Panaya Ltd.	-	-	-	2
Infosys BPM (formerly Infosys BPO)	7	2	21	19
Infosys Mexico	-	-	2	-
Brilliant Basics Limited	1	-	1	-
Kallidus Inc	4	-	4	-
Infosys Consulting AG	1	-	1	-
	13	**2**	**29**	**21**
Interest income				
Infosys China	1	1	4	4
Infosys Consulting Holding AG	1	-	2	-
Infosys Sweden	-	-	-	1
EdgeVerve	36	45	156	197
	38	**46**	**162**	**202**
Dividend income				
Infosys BPM (formerly Infosys BPO)	-	-	846	-
	-	**-**	**846**	**-**
Sale of services				
Infosys China	7	4	27	15
Infosys Mexico	6	8	22	31
Infy Consulting Company Limited	10	10	40	75
Infosys Brasil	1	4	5	12
Infosys BPM (formerly Infosys BPO)	19	16	70	58
McCamish Systems LLC	37	1	113	1
Infosys Sweden	2	5	11	17
Infosys Shanghai	3	-	7	-
EdgeVerve	104	97	407	303
Kallidus Inc	-	6	2	6
Infosys Public Services	153	178	628	893
	342	**329**	**1,332**	**1,411**
Sale of shared services including facilities and personnel				
EdgeVerve	10	10	40	40
Panaya Ltd.	12	10	48	32
Infy Consulting Company Limited	-	2	3	3
Infy Consulting B.V	-	1	1	1
Infosys BPM (formerly Infosys BPO)	19	8	67	46
Infosys Public Services	-	-	2	1
Infosys Consulting SAS	1	2	1	2
	42	**33**	**162**	**125**

(1) *Refer Note 2.2*

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

Changes in Key Management personnel

The following were the changes in key management personnel:-

• Salil Parekh appointed as Chief Executive Officer and Managing Director effective January 2, 2018. The appointment is for a term of 5 years with effect from January 2, 2018 to January 1, 2023 and the remuneration is approved by shareholders through postal ballot dated February 20, 2018

• U. B. Pravin Rao, Chief Operating officer appointed as Interim-Chief Executive Officer and Managing Director effective August 18, 2017. Subsequently he stepped down as the interim CEO and Managing Director effective January 2, 2018 and will continue as Chief Operating Officer and a whole-time director of the Company.

• Nandan M. Nilekani appointed as Non-Executive, Non-Independent Chairman effective August 24, 2017

• D. Sundaram appointed as Independent director effective July 14, 2017

• R. Seshasayee, Chairman, resigned effective August 24, 2017

• Ravi Venkatesan, resigned from his position as Co-Chairman effective August 24, 2017

• Prof. Jeffrey Lehman, Independent director resigned effective August 24, 2017

• Prof. John Etchemendy, Independent director resigned effective August 24, 2017

• Dr. Vishal Sikka, resigned as Chief Executive Officer and Managing Director effective August 18, 2017 and as Executive Vice Chairman effective August 24, 2017

• Sandeep Dadlani, President, resigned effective July 14, 2017

• Inderpreet Sawhney, Group General Counsel and Chief Compliance Officer, appointed as Executive Officer effective July 14, 2017

• Rajesh K. Murthy, President, resigned effective January 31, 2018

• Gopi Krishnan Radhakrishnan, Acting General Counsel, resigned effective June 24, 2017

Transactions with key management personnel

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

(In ₹ crore)

Particulars	Three months ended March 31,		Year ended March 31,	
	2018	**2017**	**2018**	**2017**
Salaries and other employee benefits to whole-time directors and executive officers [(1)(2)(3)(4)]	19	18	48	84
Commission and other benefits to non-executive/independent directors	2	3	10	10
Total	**21**	**21**	**58**	**94**

[(1)] On December 2, 2017, the Board appointed Salil Parekh as the Chief Executive Officer and Managing Director of the Company with effect from January 2, 2018. The appointment is for a term of 5 years with effect from January 2, 2018 to January 1, 2023 and the remuneration is approved by shareholders through postal ballot dated February 20, 2018.

[(2)] Total employee stock compensation expense for the three months and year ended March 31, 2018 includes a charge of ₹1 crore and a reversal of ₹13 crore, respectively towards key managerial personnel. For the three months and year ended March 31, 2017, an employee stock compensation expense of ₹12 crore and ₹36 crore, respectively, was recorded towards key managerial personnel.(Refer to note 2.9)

[(3)] Iincludes a reversal of stock compensation cost of ₹35 crore for the year ended March 31, 2018 towards forfeiture of stock incentives granted to Dr. Vishal Sikka upon his resignation. (Refer to note 2.9)

[(4)] Includes ₹6 crore payable under severance agreement to David Kennedy, General counsel and Chief compliance officer during the three months ended December 31, 2016.

2.21 SEGMENT REPORTING

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

Business segments of the Company are primarily enterprises in Financial Services (FS), enterprises in Manufacturing (MFG), enterprises in Retail, Consumer packaged goods and Logistics (RCL), enterprises in the Energy & utilities, Communication and Services (ECS), enterprises in Hi-tech (Hi-tech), enterprises in Life Sciences, Healthcare and Insurance (HILIFE) and all other segments. The FS reportable segments has been aggregated to include the Financial Services operating segment and the Finacle operating segment because of the similarity of the economic characteristics. All other segments represents the operating segments of businesses in India, Japan and China. Geographic segmentation is based on business sourced from that geographic region and delivered from both on-site and off-shore locations. North America comprises the United States of America, Canada and Mexico, Europe includes continental Europe (both the east and the west), Ireland and the United Kingdom, and the Rest of the World comprising all other places except those mentioned above and India.

Revenue and identifiable operating expenses in relation to segments are categorized based on items that are individually identifiable to that segment. Revenue for "all other segments" represents revenue generated from customers located in India, Japan and China. Allocated expenses of segments include expenses incurred for rendering services from the Company's offshore software development centres and on-site expenses, which are categorized in relation to the associated turnover of the segment. Certain expenses such as depreciation, which form a significant component of total expenses, are not specifically allocable to specific segments as the underlying assets are used interchangeably. 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 Company.

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

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

Business segments
Three months ended March 31, 2018 and March 31, 2017

(In ₹ crore)

Particulars	**FS**	**MFG**	**ECS**	**RCL**	**HILIFE**	**Hi-tech**	**All other segments**	**Total**
Revenue from operations	**4,012**	**1,666**	**4,106**	**2,617**	**2,046**	**1,239**	**298**	**15,984**
	3,924	*1,566*	*3,630*	*2,503*	*1,860*	*1,157*	*280*	*14,920*
Identifiable operating expenses	2,162	924	2,117	1,300	1,025	656	140	8,324
	2,068	*810*	*1,813*	*1,270*	*933*	*629*	*175*	*7,698*
Allocated expenses	736	309	761	485	379	230	56	2,956
	741	*298*	*691*	*476*	*354*	*220*	*53*	*2,833*
Segment operating income	**1,114**	**433**	**1,228**	**832**	**642**	**353**	**102**	**4,704**
	1,115	***458***	***1,126***	***757***	***573***	***308***	***52***	***4,389***
Unallocable expenses								361
								339
Operating profit								**4,343**
								4,050
Impairment loss on assets held for sale (refer note no 2.22)								589
								-
Other income, net								636
								733
Profit before tax								**4,390**
								4,783
Tax expense								1,233
								1,221
Profit for the period								**3,157**
								3,562
Depreciation and amortization expense								363
								336
Non-cash expenses other than depreciation and amortization								615
								3

Geographic segments
Three months ended March 31, 2018 and March 31, 2017

(In ₹ crore)

Particulars	North America	Europe	India	Rest of the World	Total
Revenue from operations	9,854	3,894	434	1,802	15,984
	9,753	*3,207*	*455*	*1,505*	14,920
Identifiable operating expenses	5,221	2,088	140	875	8,324
	5,158	*1,663*	*184*	*693*	7,698
Allocated expenses	1,825	721	80	330	2,956
	1,855	*610*	*85*	*283*	2,833
Segment operating income	**2,808**	**1,085**	**214**	**597**	**4,704**
	2,740	***934***	***186***	***529***	***4,389***
Unallocable expenses					361
					339
Operating profit					**4,343**
					4,050
Impairment loss on assets held for sale (refer note no 2.22)					589
					-
Other income, net					636
					733
Profit before tax					**4,390**
					4,783
Tax expense					1,233
					1,221
Profit for the period					**3,157**
					3,562
Depreciation and amortization expense					363
					336
Non-cash expenses other than depreciation and amortization					615
					3

Business segments
Year ended March 31, 2018 and March 31, 2017

Particulars	FS	MFG	ECS	RCL	HILIFE	Hi-tech	All other segments	Total
Revenue from operations	**15,860**	**6,485**	**15,457**	**10,247**	**7,825**	**4,782**	**1,285**	**61,941**
	15,735	*6,086*	*13,999*	*10,280*	*7,065*	*4,901*	*1,223*	*59,289*
Identifiable operating expenses	8,628	3,523	7,957	5,118	3,946	2,582	659	32,413
	8,408	*3,136*	*6,931*	*5,127*	*3,607*	*2,595*	*788*	*30,592*
Allocated expenses	2,964	1,221	2,909	1,929	1,474	901	242	11,640
	3,036	*1,180*	*2,713*	*1,994*	*1,369*	*952*	*236*	*11,480*
Segment operating income	**4,268**	**1,741**	**4,591**	**3,200**	**2,405**	**1,299**	**384**	**17,888**
	4,291	***1,770***	***4,355***	***3,159***	***2,089***	***1,354***	***199***	***17,217***
Unallocable expenses								1,410
								1,341
Operating profit								**16,478**
								15,876
Impairment loss on assets held for sale (refer note no 2.22)								*589*
								-
Other income, net								4,019
								3,062
Profit before tax								**19,908**
								18,938
Tax expense								3,753
								5,120
Profit for the period								**16,155**
								13,818
Depreciation and amortization expense								1,408
								1,331
Non-cash expenses other than depreciation and amortization								713
								10

Geographic segments
Year ended March 31, 2018 and March 31, 2017

(In ₹ crore)

Particulars	North America	Europe	India	Rest of the World	Total
Revenue from operations	38,984	14,426	1,861	6,670	61,941
	38,578	*13,019*	*1,798*	*5,894*	59,289
Identifiable operating expenses	20,761	7,702	649	3,301	32,413
	20,337	*6,664*	*786*	*2,805*	30,592
Allocated expenses	7,339	2,713	348	1,240	11,640
	7,479	*2,523*	*345*	*1,133*	11,480
Segment operating income	**10,884**	**4,011**	**864**	**2,129**	**17,888**
	10,762	***3,832***	***667***	***1,956***	***17,217***
Unallocable expenses					1,410
					1,341
Operating profit					**16,478**
					15,876
Impairment loss on assets held for sale (refer note no 2.22)					*589*
					-
Other income, net					4,019
					3,062
Profit before tax					**19,908**
					18,938
Tax expense					3,753
					5,120
Profit for the period					**16,155**
					13,818
Depreciation and amortization expense					1,408
					1,331
Non-cash expenses other than depreciation and amortization					713
					10

Significant clients

No client individually accounted for more than 10% of the revenues in the three months and year ended March 31, 2018 and March 31, 2017.

2.22 ASSETS HELD FOR SALE

Accounting policy

Non current assets and disposal groups are classified as held for sale if their carrying amount is intended to be recovered principally through sale rather than through continuing use. The condition for classification of held for sale is met when the non current asset or the disposal group is available for immediate sale and the same is highly probable of being completed within one year from the date of classification as held for sale. Non current assets and disposal groups held for sale are measured at the lower of carrying amount and fair value less cost to sell.

On conclusion of a strategic business review in the quarter ending March 31, 2018, the company evaluated its portfolio of businesses and has planned for the sale of its investment in subsidiaries, Kallidus and Skava (together herein referred to as "Skava") and Panaya. The company has initiated the sale process including identification and evaluation of potential buyers for the investment in the above subsidiaries. The Company anticipates completion of the sale by March, 2019 and accordingly, the Company has reclassified the investments in these subsidiaries amounting to ₹1,525 crore as "Assets held for sale". On such reclassification, these investments are measured at the lower of carrying amount and fair value less cost to sell and accordingly, the Company has recognized an impairment loss of ₹589 crore in respect of Panaya in the standalone books of Infosys Limited.

2.23 FUNCTION-WISE CLASSIFICATION OF STATEMENT OF PROFIT AND LOSS

(In ₹ crore)

Particulars	Note No.	Three months ended March 31,		Year ended March 31,	
		2018	**2017**	**2018**	**2017**
Revenue from operations	2.15	15,984	14,920	61,941	59,289
Cost of sales		10,074	9,232	39,138	37,057
Gross Profit		**5,910**	**5,688**	**22,803**	**22,232**
Operating expenses					
Selling and marketing expenses		747	682	2,763	2,728
General and administration expenses		820	956	3,562	3,628
Total operating expenses		1,567	1,638	6,325	6,356
Operating profit		**4,343**	**4,050**	**16,478**	**15,876**
Impairment loss on assets held for sale	2.22	589	-	589	-
Other income, net	2.16	636	733	4,019	3,062
Profit before tax		**4,390**	**4,783**	**19,908**	**18,938**
Tax expense:					
Current tax	2.14	1,397	1,141	4,003	5,068
Deferred tax	2.14	(164)	80	(250)	52
Profit for the period		**3,157**	**3,562**	**16,155**	**13,818**
Other comprehensive income					
Items that will not be reclassified subsequently to profit or loss					
Remeasurement of the net defined benefit liability/asset		31	16	52	(42)
Equity instruments through other comprehensive income		7	(5)	7	(5)
Items that will be reclassified subsequently to profit or loss					
Fair value changes on derivatives designated as cash flow hedge, net		2	11	(39)	39
Fair value changes on investments, net	2.2	(12)	(10)	1	(10)
Total other comprehensive income, net of tax		**28**	**12**	**21**	**(18)**
Total comprehensive income for the period		**3,185**	**3,574**	**16,176**	**13,800**

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

Nandan M. Nilekani
Chairman

Salil Parekh
Chief Executive officer
and Managing Director

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

D. Sundaram
Director

M. D. Ranganath
Chief Financial Officer

A. G. S. Manikantha
Company Secretary

Bengaluru
April 13, 2018

INDEPENDENT AUDITOR'S REPORT

TO THE BOARD OF DIRECTORS OF
INFOSYS LIMITED

Report on the Interim Condensed Standalone Financial Statements

We have audited the accompanying interim condensed standalone financial statements of **INFOSYS LIMITED** ("the Company"), which comprise the Condensed Balance Sheet as at March 31, 2018, Condensed Statement of Profit and Loss (including Other Comprehensive Income) for the three months and year ended on that date, the Condensed Statement of Changes in Equity and the Condensed Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the interim condensed standalone financial statements").

Management's Responsibility for the Interim Condensed Standalone Financial Statements

The Company's Board of Directors is responsible for the preparation of these interim condensed standalone financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34") prescribed under Section 133 of the Companies Act, 2013 ("the Act") read with relevant rules issued thereunder and other accounting principles generally accepted in India.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and 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 interim condensed standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these interim condensed standalone financial statements based on our audit.

We conducted our audit of the interim condensed standalone financial statements 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 interim condensed standalone financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the interim condensed standalone financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the interim condensed standalone financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial controls relevant to the Company's preparation and presentation of the interim condensed standalone financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Board of Directors, as well as evaluating the overall presentation of the interim condensed standalone 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 interim condensed standalone financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid interim condensed standalone financial statements give a true and fair view in conformity with Ind AS 34 and accounting principles generally accepted in India of the state of affairs of the Company as at March 31, 2018, its profit and total comprehensive income for the three months and year ended on that date, changes in equity and its cash flows for the year ended on that date.

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

P. R. RAMESH
Partner
(Membership No.70928)

Bengaluru, April 13, 2018

INFOSYS LIMITED AND SUBSIDIARIES

Consolidated Financial Statements under Indian Accounting Standards (Ind AS) for the year ended March 31, 2018

Index

INFOSYS LIMITED AND SUBSIDIARIES

(In ₹ crore)

Consolidated Balance Sheet as at	Note No.	March 31, 2018	March 31, 2017
ASSETS			
Non-current assets			
Property, plant and equipment	2.2	10,116	9,751
Capital work-in-progress		1,606	1,365
Goodwill	2.3 and 2.25	2,211	3,652
Other intangible assets	2.3	247	776
Investment in associate	2.23	-	71
Financial assets:			
Investments	2.4	5,756	6,382
Loans	2.5	36	29
Other financial assets	2.6	284	309
Deferred tax assets (net)	2.15	1,282	540
Income tax assets (net)	2.15	6,070	5,716
Other non-current assets	2.9	2,265	1,059
Total non-current assets		**29,873**	**29,650**
Current assets			
Financial assets:			
Investments	2.4	6,407	9,970
Trade receivables	2.7	13,142	12,322
Cash and cash equivalents	2.8	19,818	22,625
Loans	2.5	239	272
Other financial assets	2.6	6,684	5,980
Other current assets	2.9	1,667	2,536
		47,957	**53,705**
Assets held for sale	2.25	2,060	-
Total current assets		**50,017**	**53,705**
Total assets		**79,890**	**83,355**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	2.11	1,088	1,144
Other equity		63,835	67,838
Total equity attributable to equity holders of the Company		64,923	68,982
Non-controlling interests		1	-
Total equity		**64,924**	**68,982**
Liabilities			
Non-current liabilities			
Financial Liabilities			
Other financial liabilities	2.12	61	70
Deferred tax liabilities (net)	2.15	541	207
Other non-current liabilities	2.13	259	83
Total non-current liabilities		**861**	**360**
Current liabilities			
Financial Liabilities			
Trade payables		694	367
Other financial liabilities	2.12	6,946	6,349
Provisions	2.14	492	405
Income tax liabilities (net)	2.15	2,043	3,885
Other current liabilities	2.13	3,606	3,007
		13,781	**14,013**
Liabilities directly associated with assets held for sale	2.25	324	-
Total current liabilities		**14,105**	**14,013**
Total equity and liabilities		**79,890**	**83,355**

The accompanying notes form an integral part of the consolidated financial statements

As per our report of even date attached

for Deloitte Haskins & Sells LLP
Chartered Accountants
Firm's Registration No :
117366W/ W-100018

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

P. R. Ramesh *Partner* Membership No. 70928	Nandan M. Nilekani *Chairman*	Salil Parekh *Chief Executive officer and Managing Director*	U. B. Pravin Rao *Chief Operating Officer and Whole-time Director*
Bengaluru April 13, 2018	D. Sundaram *Director*	M. D. Ranganath *Chief Financial Officer*	A. G. S. Manikantha *Company Secretary*

INFOSYS LIMITED AND SUBSIDIARIES

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

Consolidated Statement of Profit and Loss for the	**Note No.**	**Year ended March 31, 2018**	**2017**
Revenue from operations	2.16	70,522	68,484
Other income, net	2.17 and 2.25	3,193	3,080
Total income		**73,715**	**71,564**
Expenses			
Employee benefit expenses	2.18	38,893	37,659
Cost of technical sub-contractors		4,297	3,833
Travel expenses		1,995	2,235
Cost of software packages and others	2.18	1,870	1,597
Communication expenses		489	549
Consultancy and professional charges		1,043	763
Depreciation and amortisation expenses	2.2 and 2.3	1,863	1,703
Other expenses	2.18	2,924	3,244
Total expenses		**53,374**	**51,583**
Profit before non-controlling interests/share in net profit/(loss) of associate		**20,341**	**19,981**
Share in net profit/(loss) of associate, including impairment	2.23	(71)	(30)
Profit before tax		**20,270**	**19,951**
Tax expense:			
Current tax	2.15	4,581	5,653
Deferred tax	2.15	(340)	(55)
Profit for the period		**16,029**	**14,353**
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss			
Remeasurement of the net defined benefit liability/asset, net		55	(45)
Equity instruments through other comprehensive income, net		7	(5)
		62	**(50)**
Items that will be reclassified subsequently to profit or loss			
Fair value changes on derivatives designated as cash flow hedge, net	2.10	(39)	39
Exchange differences on translation of foreign operations		321	(257)
Fair value changes on investments, net		(1)	(10)
		281	**(228)**
Total other comprehensive income/ (loss), net of tax		**343**	**(278)**
Total comprehensive income for the period		**16,372**	**14,075**
Profit attributable to:			
Owners of the Company		16,029	14,353
Non-controlling interests		-	-
		16,029	**14,353**
Total comprehensive income attributable to:			
Owners of the Company		16,372	14,075
Non-controlling interests		-	-
		16,372	**14,075**
Earnings per Equity share			
Equity shares of par value ₹5/- each			
Basic (₹)		71.07	62.80
Diluted (₹)		71.00	62.77
Weighted average equity shares used in computing earnings per equity share	2.21		
Basic		2,255,332,322	2,285,639,447
Diluted		2,257,573,870	2,286,396,745

The accompanying notes form an integral part of the consolidated financial statements

As per our report of even date attached

for Deloitte Haskins & Sells LLP
Chartered Accountants
Firm's Registration No :
117366W/ W-100018

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

P. R. Ramesh
Partner
Membership No. 70928

Nandan M. Nilekani
Chairman

Salil Parekh
Chief Executive officer and Managing Director

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

Bengaluru
April 13, 2018

D. Sundaram
Director

M. D. Ranganath
Chief Financial Officer

A. G. S. Manikantha
Company Secretary

INFOSYS LIMITED AND SUBSIDIARIES

Consolidated Statement of Changes in Equity

(In ₹ crore)

Particulars		OTHER EQUITY												
		RESERVES & SURPLUS								Other comprehensive income				
	Equity Share capital [1]	Securities Premium Account	Retained earnings	Capital reserve	General reserve	Share Options Outstanding Account	Special Economic Zone Re-investment reserve [2]	Other reserves[3]	Capital redemption reserve	Equity instruments through other comprehensive income	Exchange differences on translating the financial statements of a foreign operation	Effective portion of Cash Flow Hedges	Other items of other comprehensive income / (loss)	Total equity attributable to equity holders of the Company
Balance as at 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														
Income tax benefit arising on exercise of stock options	-	-	-	-	-	1	-	-	-	-	-	-	-	1
Excersice of stock options (refer note no. 2.11)	-	3	-	-	-	(3)	-	-	-	-	-	-	-	-
Dividends (including dividend distribution 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)	-	-	-	-	-	-	-
Share based payments to employees (refer note no. 2.11)	-	-	-	-	-	114	-	-	-	-	-	-	-	114
Remeasurement of the net defined benefit liability/asset* (refer note no. 2.20.1 and 2.15)	-	-	-	-	-	-	-	-	-	-	-	-	(45)	(45)
Equity instruments through other comprehensive income* (refer to note no.2.4)	-	-	-	-	-	-	-	-	-	(5)	-	-	-	(5)
Fair value changes on investments, net* (refer to note no.2.4)	-	-	-	-	-	-	-	-	-	-	-	-	(10)	(10)
Fair value changes on derivatives designated as cash flow hedge*(refer note no. 2.10)	-	-	-	-	-	-	-	-	-	-	-	39	-	39
Profit for the period	-	-	14,353	-	-	-	-	-	-	-	-	-	-	14,353
Exchange differences on translation of foreign operations	-	-	-	-	-	-	-	-	-	-	(257)	-	-	(257)
Balance as at March 31, 2017	**1,144**	**2,216**	**52,882**	**54**	**12,135**	**120**	**-**	**5**	**-**	**(5)**	**458**	39	**(66)**	**68,982**

Consolidated Statement of Changes in Equity (contd.)

(In ₹ crore)

Particulars	Equity Share capital (1)	OTHER EQUITY: RESERVES & SURPLUS: Securities Premium Account	Retained earnings	Capital reserve	General reserve	Share Options Outstanding Account	Special Economic Zone Re-investment reserve (2)	Other reserves(3)	Capital redemption reserve	Other comprehensive income: Equity instruments through Other comprehensive income	Exchange differences on translating the financial statements of a foreign operation	Effective portion of Cash Flow Hedges	Other items of other comprehensive income / (loss)	Total equity attributable to equity holders of the Company
Balance as at April 1, 2017	**1,144**	**2,216**	**52,882**	**54**	**12,135**	**120**	**-**	**5**	**-**	**(5)**	**458**	**39**	**(66)**	**68,982**
Changes in equity for the year ended March 31, 2018														
Share based payments to employees (refer to note no. 2.11)	-	-	-	-	-	79	-	-	-	-	-	-	-	79
Share issued on exerices of stock options (Refer to 2.11)	-	5	-	-	-	-	-	-	-	-	-	-	-	5
Exercise of stock options (refer to note no. 2.11)	-	67	-	-	2	(69)	-	-	-	-	-	-	-	-
Dividends (including dividend distribution tax)	-	-	(7,469)	-	-	-	-	-	-	-	-	-	-	(7,469)
Transfer to general reserve	-	-	(1,382)	-	1,382	-	-	-	-	-	-	-	-	-
Transferred to Special Economic Zone Re-investment reserve	-	-	(2,200)	-	-	-	2,200	-	-	-	-	-	-	-
Transferred from Special Economic Zone Re-investment reserve on utilization	-	-	617	-	-	-	(617)	-	-	-	-	-	-	-
Amount paid upon buyback (refer note no. 2.11)	(56)	(2,206)	-	-	(10,738)	-	-	-	-	-	-	-	-	(13,000)
Transaction costs related to buyback*(refer note no. 2.11)	-	(46)	-	-	-	-	-	-	-	-	-	-	-	(46)
Amount transferred to capital redemption reserve upon buyback (refer note no. 2.11)	-	-	-	-	(56)	-	-	-	56	-	-	-	-	-
Remeasurement of the net defined benefit liability/asset* (refer note no. 2.20.1 and 2.15)	-	-	-	-	-	-	-	-	-	-	-	-	55	55
Equity instruments through other comprehensive income* (refer to note no.2.4)	-	-	-	-	-	-	-	-	-	7	-	-	-	7
Fair value changes on investments, net* (refer to note no.2.4)	-	-	-	-	-	-	-	-	-	-	-	-	(1)	(1)
Fair value changes on derivatives designated as cash flow hedge* (refer note no. 2.10)	-	-	-	-	-	-	-	-	-	-	-	(39)	-	(39)
Profit for the period	-	-	16,029	-	-	-	-	-	-	-	-	-	-	16,029
Exchange differences on translation of foreign operations	-	-	-	-	-	-	-	-	-	-	321	-	-	321
Balance as at March 31, 2018	**1,088**	**36**	**58,477**	**54**	**2,725**	**130**	**1,583**	**5**	**56**	**2**	**779**	**-**	**(12)**	**64,923**

** Net of tax*

(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 Sec 10AA(1)(ii) of Income Tax Act,1961. The reserve should be utilized by the Company for acquiring new plant and machinery for the purpose of its business in the terms of the Sec 10AA(2) of the Income Tax Act, 1961.

(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 Deloitte Haskins & Sells LLP
Chartered Accountants
Firm’s Registration No : 117366W/ W-100018

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

P. R. Ramesh
Partner
Membership No. 70928

Nandan M. Nilekani
Chairman

Salil Parekh
Chief Executive officer and Managing Director

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

Bengaluru
April 13, 2018

D. Sundaram
Director

M. D. Ranganath
Chief Financial Officer

A. G. S. Manikantha
Company Secretary

INFOSYS LIMITED AND SUBSIDIARIES

Consolidated Statement of Cash Flows

Accounting policy

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. The company considers all highly liquid investments that are readily convertible to known amounts of cash to be cash equivalents.

Amendment to Ind AS 7:

Effective April 1, 2017, the Group adopted the amendment to Ind AS 7, which require 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 adoption of amendment did not have any material effect on the consolidated financial statements.

(In ₹ crore)

Particulars		**Year ended March 31,**	
	Note No.	**2018**	**2017**
Cash flow from operating activities			
Profit for the period		16,029	14,353
Adjustments to reconcile net profit to net cash provided by operating activities:			
Income tax expense		4,241	5,598
Depreciation and amortization		1,863	1,703
Interest and dividend income		(2,360)	(2,668)
Allowances for credit losses on financial assets		34	132
Exchange differences on translation of assets and liabilities		16	38
Impairment loss on assets held for sale	2.25	118	-
Share in net profit/(loss) of associate, including impairment		71	30
Stock compensation expense		84	117
Other adjustments		(133)	37
Changes in assets and liabilities			
Trade receivables and unbilled revenue		(1,523)	(1,743)
Loans, other financial assets and other assets		(186)	(683)
Trade payables		328	(19)
Other financial liabilities, other liabilities and provisions		1,465	289
Cash generated from operations		**20,047**	**17,184**
Income taxes paid		(6,829)	(5,653)
Net cash generated by operating activities		**13,218**	**11,531**
Cash flows from investing activities			
Expenditure on property, plant and equipment net of sale proceeds		(1,998)	(2,760)
Loans to employees		28	27
Deposits placed with corporation		(130)	(164)
Interest and dividend received		1,768	2,753
Payment of contingent consideration for acquisition of business		(33)	(36)
Payment for acquisition of business, net of cash acquired		(27)	-
Payments to acquire financial assets			
Preference and equity securities		(23)	(68)
Tax free bonds and government bonds		(2)	(322)
Liquid mutual funds and fixed maturity plan securities		(62,063)	(54,215)
Non convertible debentures		(104)	(3,956)
Certificates of deposit		(6,653)	(7,823)
Commercial papers		(291)	-
Others		(23)	(26)
Proceeds on sale of financial assets			
Tax free bonds and government bonds		15	7
Non-convertible debentures		100	-
Certificates of deposit		9,690	-
Liquid mutual funds and fixed maturity plan securities		64,163	52,041
Preference and equity securities		35	-
Net cash used in investing activities		**4,452**	**(14,542)**

(In ₹ crore)

Particulars	Note No.	Year ended March 31, 2018	2017
Cash flows from financing activities:			
Payment of dividends (including dividend distribution tax)		(7,464)	(6,939)
Exercise of employee stock options		5	-
Buyback including transaction cost		(13,046)	-
Net cash used in financing activities		**(20,505)**	**(6,939)**
Net increase / (decrease) in cash and cash equivalents		(2,835)	(9,950)
Cash and cash equivalents at the beginning of the period		22,625	32,697
Effect of exchange rate changes on cash and cash equivalents		81	(122)
Cash and cash equivalents at the end of the period		**19,871**	**22,625**
Supplementary information:			
Restricted cash balance		533	572

The accompanying notes form an integral part of the consolidated financial statements

As per our report of even date attached
for Deloitte Haskins & Sells LLP
Chartered Accountants
Firm's Registration No :
117366W/ W-100018

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

P. R. Ramesh
Partner
Membership No. 70928

Nandan M. Nilekani
Chairman

Salil Parekh
Chief Executive officer and Managing Director

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

Bengaluru
April 13, 2018

D. Sundaram
Director

M. D. Ranganath
Chief Financial Officer

A. G. S. Manikantha
Company Secretary

INFOSYS LIMITED AND SUBSIDIARIES

Notes to the Consolidated financial statements

1. Overview

1.1 Company overview

Infosys Limited ('the Company' or Infosys) is a leading provider of consulting, technology, outsourcing and next-generation services and software. 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. Its new offerings span areas like digital, big data and analytics, cloud, data and mainframe modernization, cyber security, IoT engineering Services and API & micro services.

Infosys together with its subsidiaries and controlled trusts is herein after referred to as 'the Group'.

The Company is a public limited company incorporated and domiciled in India and has its registered office at Bengaluru, Karnataka, India. The Company has its primary listings on the BSE Limited and National Stock Exchange of India Limited 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 Company has proposed to voluntarily delist its ADS from the Euronext Paris and Euronext London exchanges due to low average daily trading volume of its ADS on these exchanges. The proposed delisting is subject to approval from the said stock exchanges.

The Group's consolidated financial statements are approved for issue by the Company's Board of Directors on April 13, 2018.

1.2 Basis of preparation of financial statements

These consolidated financial statements are prepared in accordance with Indian Accounting Standards (Ind AS), under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values, the provisions of the Companies Act, 2013 ('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 relevant amendment rules issued thereafter.

Effective April 1, 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, with April 1, 2015 as the transition date. The transition was carried out from Indian Accounting Principles generally accepted in India as prescribed under Sec 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (IGAAP), which was the previous GAAP.

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.

Amounts for the year ended March 31, 2017 and as at March 31, 2017 were audited by previous auditors - B S R & Co LLP.

As the quarter and year-to-date figures are taken from the source and rounded to the nearest digits, the quarter figures in this statement added up to the figures reported for the previous quarters might not always add up to the year-to-date 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, its subsidiaries and associate, as disclosed in Note no. 2.23. 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, judgements and assumptions. These estimates, judgements and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the period. Application of accounting policies that require critical accounting estimates involving complex and subjective judgements and the use of assumptions in these financial statements have been disclosed in Note no. 1.5. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the consolidated financial statements.

1.5 Critical accounting estimates

a. Revenue recognition

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

b. Income taxes

The Company's two major tax jurisdictions are India and the U.S., though the Company also files tax returns in other overseas jurisdictions. Significant judgements are involved in determining the provision for income taxes, including amount expected to be paid/recovered for uncertain tax positions. Also refer to Note no. 2.15 and 2.22

c. Business combinations and intangible assets

Business combinations are accounted for using Ind AS 103, Business Combinations. Ind AS 103 requires the identifiable intangible assets and contingent consideration to be fair valued in order to ascertain the net fair value of identifiable assets, liabilities and contingent liabilities of the acquiree. Significant estimates are required to be made in determining the value of contingent consideration and intangible assets. These valuations are conducted by independent valuation experts.

d. Property, plant and equipment

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

e. Impairment of Goodwill

Goodwill is tested for impairment on an annual basis and whenever there is an indication that the recoverable amount of a cash generating unit (CGUs) 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 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 cash-generating units which are benefiting from the synergies of the acquisition and which represents the lowest level at which goodwill is monitored for internal management purposes.

Market related information and estimates are used to determine the recoverable amount. Key assumptions on which management has based its determination of recoverable amount include estimated long term growth rates, weighted average cost of capital and estimated operating margins. Cash flow projections take into account past experience and represent management’s best estimate about future developments.

f. Non-current assets and disposal group held for sale

Assets and liabilities of disposal groups held for sale are measured at the lower of carrying amount and fair value less costs to sell. The determination of fair value less costs to sell includes use of management estimates and assumptions. The fair value of the disposal groups have been estimated using valuation techniques (including income and market approach) which includes unobservable inputs.

1.6 Recent accounting pronouncements

Appendix B to Ind AS 21, Foreign currency transactions and advance consideration: On March 28, 2018, MCA has notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 containing Appendix B to Ind AS 21, Foreign currency transactions and advance consideration which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency.
This amendment will come into force from April 1, 2018. The Group has evaluated the effect of this on the consolidated financial statements and the impact is not material.

Ind AS 115, Revenue from Contract with Customers: On March 28, 2018, Ministry of Corporate Affairs has notified the Ind AS 115, Revenue from Contract with Customers. The core principle of the new standard is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Further the new standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity’s contracts with customers.

The standard permits two possible methods of transition:
• Retrospective approach - Under this approach the standard will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8- Accounting Policies, Changes in Accounting Estimates and Errors
• Retrospectively with cumulative effect of initially applying the standard recognized at the date of initial application (Cumulative catch - up approach)
The effective date for adoption of Ind AS 115 is financial periods beginning on or after April 1, 2018.

The Group will adopt the standard on April 1, 2018 by using the cumulative catch-up transition method and accordingly comparatives for the year ending or ended March 31, 2018 will not be retrospectively adjusted. The effect on adoption of Ind AS 115 is expected to be insignificant.

2.1 BUSINESS COMBINATIONS

Accounting policy

Business combinations have been accounted for using the acquisition method under the provisions of Ind AS 103, Business Combinations.

The cost of an acquisition is measured at the fair value of the assets transferred, equity instruments issued and liabilities incurred or assumed at the date of acquisition, which is the date on which control is transferred to the Group. The cost of acquisition also includes the fair value of any contingent consideration. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair value on the date of acquisition.

Business combinations between entities under common control is accounted for at carrying value.

Transaction costs that the Group incurs in connection with a business combination such as finder's fees, legal fees, due diligence fees, and other professional and consulting fees are expensed as incurred.

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 $33 million (approximately ₹216 crore), contingent consideration of upto $5 million (approximately ₹33 crore on acquisition date) and an additional consideration of upto $32 million (approximately ₹212 crore on acquisition date), referred to as retention bonus, payable to the employees of Noah at each anniversary year following the acquisition date over the next three years, subject to their continuous employment with the group at each anniversary. The retention bonus is treated as a post-acquisition employee remuneration expense as per Ind AS 103. During the year ended March 31, 2016 based on an assessment of Noah achieving the targets, the entire contingent consideration was reversed in the Consolidated Statement of Profit and Loss.

Business transfer

On July 14, 2017, the Board of Directors of Infosys authorized the Company to execute a Business Transfer Agreement and related documents with Noah Consulting LLC, a wholly owned subsidiary, to transfer the business of Noah Consulting LLC to Infosys Limited, subject to securing the requisite regulatory approvals for a consideration based on an independent valuation. Subsequently on October 17, 2017 , the company entered into a business transfer agreement to transfer the business for a consideration of $41 million (approximately ₹266 crore) and the transfer was with effect from October 25, 2017. The transaction was between a holding company and a wholly owned subsidiary and therefore was accounted for at carrying values and did not have any impact on the consolidated financial statements. Subsequently in November 2017, Noah Consulting LLC has been liquidated.

Kallidus Inc. (d.b.a Skava)

On June 2, 2015, Infosys acquired 100% of the voting interests in Kallidus Inc., US (Kallidus), a leading provider of digital experience solutions, including mobile commerce and in-store shopping experiences to large retail clients and 100% of the voting interests of Skava Systems Private Limited, India, an affiliate of Kallidus. The business acquisition was conducted by entering into a share purchase agreement for cash consideration of $91 million (approximately ₹578 crore) and a contingent consideration of up to $20 million (approximately ₹128 crore on acquisition date).

The balance contingent consideration as at March 31, 2018 and March 31, 2017 is ₹34 crore and ₹91 crore, respectively, on an undiscounted basis.

Brilliant Basics Holdings Limited.

On September 8, 2017, Infosys acquired 100% of the voting interests in Brilliant Basics Holdings Limited., UK, (Brilliant Basics) a product design and customer experience innovator with experience in executing global programs. The business acquisition was conducted by entering into a share purchase agreement for cash consideration of ₹29 crore, a contingent consideration of up to ₹20 crore and an additional consideration of upto ₹13 crore, referred to as retention bonus, payable to the employees of Brilliant Basics at each anniversary year over the next two years, subject to their continuous employment with the group at each anniversary.

The payment of contingent consideration to sellers of Brilliant Basics is dependent upon the achievement of certain financial targets by Brilliant Basics over a period of 3 years ending on March 2020.

The fair value of contingent consideration is determined by discounting the estimated amount payable to the sellers of Brilliant Basics on achievement of certain financial targets. The key inputs used in determination of the fair value of contingent consideration are the discount rate of 10% and the probabilities of achievement of the financial targets.

The excess of the purchase consideration paid over the fair value of assets acquired has been attributed to goodwill.

The purchase price has been allocated based on management's estimates and independent appraisal of fair values as follows:

(In ₹ crore)

Component	Acquiree's carrying amount	Fair value adjustments	Purchase price allocated
Net assets(*)	1	–	1
Intangible assets - customer relationships	–	12	12
Deferred tax liabilities on intangible assets	–	(2)	(2)
	1	**10**	**11**
Goodwill			35
Total purchase price			**46**

*Includes cash and cash equivalents acquired of *₹2 crore*

The goodwill is not tax deductible.

The gross amount of trade receivables acquired and its fair value is ₹3 crore and the amounts have been largely collected.

The fair value of each major class of consideration as at the acquisition date is as follows:

(In ₹ crore)

Component	Consideration settled
Cash paid	29
Fair value of contingent consideration	17
Total purchase price	**46**

The transaction costs of ₹2 crore related to the acquisition have been included in the Consolidated Statement of Profit and Loss.

Proposed acquisition

On April 13, 2018, the Company entered into a definitive agreement to acquire WongDoody Holding Company Inc., a US-based creative and consumer insights agency for a total consideration of up to $75 million (approximately ₹489 crore) including contingent consideration and retention payouts, subject to regulatory approvals and fulfillment of closing conditions.

2.2 PROPERTY, PLANT AND EQUIPMENT

Accounting policy

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

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
Leasehold improvements	Over lease term

[1] Based on technical evaluation, the management believes that the useful lives as given above best represent the period over which management expects to use these assets. Hence, the useful lives for these assets is different from the useful lives as prescribed under Part C of Schedule II of the Companies Act 2013.

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

Advances paid towards the acquisition of property, plant and equipment outstanding at each Balance Sheet date is classified as capital advances under other non-current assets and the cost of assets not put to use before such date are disclosed under 'Capital work-in-progress'. Subsequent expenditures relating to property, plant and equipment is capitalized only when it is probable that future economic benefits associated with these will flow to the Group and the cost of the item can be measured reliably. Repairs and maintenance costs are recognized in the Consolidated 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 Consolidated Statement of Profit and Loss. Assets to be disposed off are reported at the lower of the carrying value or the fair value less cost to sell.

Impairment

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 Consolidated 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 Consolidated 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 depreciation) had no impairment loss been recognized for the asset in prior years.

Following are the changes in the carrying value of property, plant and equipment for the year ended March 31, 2018:

(In ₹ crore)

Particulars	Land-Freehold	Land-Leasehold	Buildings [1]	Plant and machinery [2]	Office Equipment	Computer equipment	Furniture and fixtures	Leasehold Improvements	Vehicles	Total
Gross carrying value as at April 1, 2017	**1,095**	**671**	**7,279**	**2,048**	**922**	**4,540**	**1,277**	**469**	**31**	**18,332**
Additions	134	2	789	264	86	471	130	74	5	1,955
Deletions	-	-	(1)	(8)	(8)	(109)	(10)	(12)	(5)	(153)
Reclassified as assets held for sale (refer note no 2.25)	-	-	-	(1)	(2)	(40)	(8)	(17)	-	(68)
Translation difference	-	-	63	3	4	22	4	17	-	113
Gross carrying value as at March 31, 2018	**1,229**	**673**	**8,130**	**2,306**	**1,002**	**4,884**	**1,393**	**531**	**31**	**20,179**
Accumulated depreciation as at April 1, 2017	**-**	**(27)**	**(2,440)**	**(1,337)**	**(599)**	**(3,053)**	**(869)**	**(239)**	**(17)**	**(8,581)**
Depreciation	-	(4)	(276)	(266)	(125)	(693)	(160)	(105)	(5)	(1,634)
Accumulated depreciation on deletions	-	-	-	7	6	107	9	11	4	144
Reclassified as assets held for sale (refer note no 2.25)	-	-	-	1	1	25	5	15	-	47
Translation difference	-	-	(3)	(2)	(2)	(18)	(2)	(12)	-	(39)
Accumulated depreciation as at March 31, 2018	**-**	**(31)**	**(2,719)**	**(1,597)**	**(719)**	**(3,632)**	**(1,017)**	**(330)**	**(18)**	**(10,063)**
Carrying value as at March 31, 2018	**1,229**	**642**	**5,411**	**709**	**283**	**1,252**	**376**	**201**	**13**	**10,116**
Carrying value as at March 31, 2017	**1,095**	**644**	**4,839**	**711**	**323**	**1,487**	**408**	**230**	**14**	**9,751**

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

(In ₹ crore)

	Land-Freehold	Land-Leasehold	Buildings [1]	Plant and machinery [2]	Office Equipment	Computer equipment	Furniture and fixtures	Leasehold Improvements	Vehicles	Total
Gross carrying value as at April 1, 2016	**972**	**650**	**6,325**	**1,742**	**839**	**4,072**	**1,130**	**331**	**29**	**16,090**
Additions	123	21	981	313	138	800	191	224	8	2,799
Deletions	-	-	-	(4)	(52)	(315)	(39)	(74)	(6)	(490)
Translation difference	-	-	(27)	(3)	(3)	(17)	(4)	(13)	-	(67)
Gross carrying value as at March 31, 2017	**1,095**	**671**	**7,279**	**2,048**	**922**	**4,540**	**1,278**	**468**	**31**	**18,332**
Accumulated depreciation as at April 1, 2016	**-**	**(22)**	**(2,201)**	**(1,089)**	**(509)**	**(2,618)**	**(729)**	**(268)**	**(17)**	**(7,453)**
Depreciation	-	(5)	(239)	(256)	(119)	(678)	(161)	(54)	(5)	(1,517)
Accumulated depreciation on deletions	-	-	-	4	27	230	18	74	5	358
Translation difference	-	-	-	4	2	13	3	9	-	31
Accumulated depreciation as at March 31, 2017	**-**	**(27)**	**(2,440)**	**(1,337)**	**(599)**	**(3,053)**	**(869)**	**(239)**	**(17)**	**(8,581)**
Carrying value as of March 31, 2017	**1,095**	**644**	**4,839**	**711**	**323**	**1,487**	**409**	**229**	**14**	**9,751**
Carrying value as at April 1, 2016	**972**	**628**	**4,124**	**653**	**330**	**1,454**	**401**	**63**	**12**	**8,637**

Notes: [1] Buildings include ₹ 250/- being the value of 5 shares of ₹ 50/- each in Mittal Towers Premises Co-operative Society Limited.

[2] Includes CSR spend amounting to ₹ 168 crore and ₹ 25 crore for the year ending March 31, 2018 and March 31, 2017 respectively

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

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

2.3 GOODWILL AND OTHER INTANGIBLE ASSETS

2.3.1 Goodwill

Accounting policy

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, the bargain purchase excess is recognized after reassesing the fair value of net assets acquired in the capital reserve. Goodwill is measured at cost less accumulated impairment losses.

Impairment

Goodwill is tested for impairment on an annual basis and whenever there is an indication that goodwill may be impaired, relying on a number of factors including operating results, business plans and future cash flows. For the purpose of impairment testing, goodwill acquired in a business combination is allocated to the Group's cash generating units (CGU) or groups of CGU's expected to benefit from the synergies arising from the business combination. A CGU is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or group of assets. Impairment occurs when the carrying amount of a CGU including the goodwill, exceeds the estimated recoverable amount of the CGU. The recoverable amount of a CGU is the higher of its fair value less cost to sell and its value-in-use. Value-in-use is the present value of future cash flows expected to be derived from the CGU.

Total impairment loss of a CGU is allocated first to reduce the carrying amount of goodwill allocated to the CGU and then to the other assets of the CGU pro-rata on the basis of the carrying amount of each asset in the CGU. An impairment loss on goodwill is recognized in net profit in the Consolidated Statement of Profit and Loss and is not reversed in the subsequent period.

Following is a summary of changes in the carrying amount of goodwill:

(In ₹ crore)

Particulars	As at	
	March 31, 2018	March 31, 2017
Carrying value at the beginning	3,652	3,764
Goodwill on Brilliant Basics acquisition (refer note no. 2.1)	35	-
Goodwill reclassified as assets held for sale (refer note no 2.25)	(1,609)	-
Translation differences	133	(112)
Carrying value at the end	**2,211**	**3,652**

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to the CGU 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 goodwill has been allocated to the operating segments as at March 31, 2018 and March 31, 2017:

(In ₹ crore)

Segment	As at	
	March 31, 2018	March 31, 2017
Financial services	474	826
Manufacturing	252	409
Retail, Consumer packaged goods and Logistics	314	556
Life Sciences, Healthcare and Insurance	446	638
Energy & Utilities, Communication and Services	470	765
	1,956	3,194
Operating segments without significant goodwill	255	458
Total	**2,211**	**3,652**

The entire goodwill relating to Infosys BPM's (formerly Infosys BPO) 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 BPM, Infosys Lodestone, Portland, Panaya and Kallidus d.b.a Skava acquistions has been allocated to the groups of CGUs which are represented by a majority of the entity's operating segment as at March 31, 2017.

The goodwill relating to Infosys BPM, Infosys Lodestone, Portland and Brilliant Basics acquistions has been allocated to the groups of CGUs which are represented by a majority of the entity's operating segment as at March 31, 2018.

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 at March 31, 2018 and March 31, 2017, the estimated recoverable amount of the CGU exceeded its carrying amount. The key assumptions used for the calculations are as follows:

(in %)

	As at	
	March 31, 2018	March 31, 2017
Long term growth rate	8-10	8-10
Operating margins	17-20	17-20
Discount rate	13.5	14.4

The above discount rate is based on the Weighted Average Cost of Capital (WACC) of the Company. The Management believes that any reasonable possible changes in the key assumptions would not cause the carrying amount to exceed the recoverable amount of the cash generating unit.

2.3.2 Other intangible assets

Accounting policy

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

Research costs are expensed as incurred. Software product development costs are expensed as incurred unless technical and commercial feasibility of the project is demonstrated, future economic benefits are probable, the Company has an intention and ability to complete and use or sell the software and the costs can be measured reliably. The costs which can be capitalized include the cost of material, direct labour, overhead costs that are directly attributable to preparing the asset for its intended use.

Impairment

Intangible assets 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 Consolidated 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 Consolidated 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) had no impairment loss been recognized for the asset in prior years.

Following are the changes in the carrying value of acquired intangible assets for the year ended March 31, 2018:

(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 at April 1, 2017	**750**	**405**	**21**	**1**	**66**	**90**	**62**	**1,395**
Additions during the peiod	12	-	-	-	-	-	-	12
Deletions during the period	(172)	-	(21)	-	-	(29)	(35)	(257)
Reclassified as assets held for sale (refer note no 2.25)	(157)	(388)	-	(1)	-	(37)	-	(583)
Translation differences	12	2	-	-	7	2	-	23
Gross carrying value as at March 31, 2018	**445**	**19**	**-**	**-**	**73**	**26**	**27**	**590**
Accumulated amortization as at April 1, 2017	**(382)**	**(121)**	**(21)**	**(1)**	**(7)**	**(49)**	**(38)**	**(619)**
Amortization expense	(127)	(79)	-	-	(1)	(12)	(10)	(229)
Deletions during the period	172	-	21	-	-	29	35	257
Reclassified as assets held for sale (refer note no 2.25)	56	182	-	1	-	21	-	260
Translation differences	(8)	(1)	-	-	(2)	(1)	-	(12)
Accumulated amortization as at March 31, 2018	**(289)**	**(19)**	**-**	**-**	**(10)**	**(12)**	**(13)**	**(343)**
Carrying value as at April 1, 2017	**368**	**284**	**-**	**-**	**59**	**41**	**24**	**776**
Carrying value as at March 31, 2018	**156**	**-**	**-**	**-**	**63**	**14**	**14**	**247**
Estimated Useful Life *(in years)*	2-10	5-8	-	-	50	3-10	5	
Estimated Remaining Useful Life *(in years)*	1-5	-	-	-	43	3-7	3	

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

(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 at April 1, 2016	**775**	**414**	**21**	**1**	**72**	**93**	**63**	**1,439**
Additions during the period	-	-	-	-	-	-	-	-
Deletions during the period	-	-	-	-	-	-	-	-
Translation differences	(25)	(9)	-	-	(6)	(3)	(1)	**(44)**
Gross carrying value as at March 31, 2017	**750**	**405**	**21**	**1**	**66**	**90**	**62**	**1,395**
Accumulated amortization as at April 1, 2016	**(303)**	**(62)**	**(21)**	**(1)**	**(6)**	**(38)**	**(23)**	**(454)**
Amortization expense	(91)	(63)	-	-	(1)	(14)	(17)	(186)
Deletions during the period	-	-	-	-	-	-	-	-
Translation differences	12	4	-	-	-	3	2	21
Accumulated amortization as at March 31, 2017	**(382)**	**(121)**	**(21)**	**(1)**	**(7)**	**(49)**	**(38)**	**(619)**
Carrying value as at April 1, 2016	**472**	**352**	**-**	**-**	**66**	**55**	**40**	**985**
Carrying value as at March 31, 2017	**368**	**284**	**-**	**-**	**59**	**41**	**24**	**776**
Estimated Useful Life *(in years)*	3-10	5-8	-	-	50	3-10	3-5	
Estimated Remaining Useful Life *(in years)*	1-6	3-6	-	-	44	1-8	1-4	

During the year ended March 31, 2017, the management based on an internal evaluation reassessed the remaining useful life of certain technology assets acquired as a part of business combinations. Accordingly, the remaining useful life of the said asset which was 8 years had been revised to 3 years. Amortization expense for the year ended March 31, 2017 was higher by ₹19 crore due to the revision.

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 year ended March 31, 2018 and March 31, 2017 was ₹748 crore and ₹789 crore respectively.

2.4 INVESTMENTS

(In ₹ crore)

Particulars	As at March 31, 2018	As at March 31, 2017
Non-current		
Unquoted		
Investments carried at fair value through other comprehensive income (*refer note no. 2.4.1*)		
Preference securities	116	144
Equity instruments	22	15
	138	**159**
Investments carried at fair value through profit or loss (*refer note no. 2.4.1*)		
Convertible promissory note	12	10
Others	66	35
	78	**45**
Quoted		
Investments carried at amortized cost *(refer note no. 2.4.2)*		
Tax free bonds	1,896	1,898
	1,896	**1,898**
Investments carried at fair value through profit or loss (*refer note no. 2.4.3*)		
Fixed maturity plan securities	429	407
	429	**407**
Investments carried at fair value through other comprehensive income (*refer note no. 2.4.4*)		
Non convertible debentures	3,215	3,873
	3,215	**3,873**
Total non-current investments	**5,756**	**6,382**
Current		
Unquoted		
Investments carried at fair value through profit or loss *(refer note no. 2.4.3)*		
Liquid mutual fund units	81	1,803
	81	**1,803**
Investments carried at fair value through other comprehensive income		
Commercial Papers *(refer note no. 2.4.4)*	293	-
Certificates of deposit *(refer note no. 2.4.4)*	5,269	7,905
	5,562	**7,905**
Quoted		
Investment carried at amortized cost *(refer note no.2.4.2)*		
Government Bonds	1	9
	1	**9**
Investments carried at fair value through profit or loss *(refer note no. 2.4.3)*		
Fixed maturity plan securities	-	151
	-	**151**
Investments carried at fair value through other comprehensive income (*refer note no. 2.4.4*)		
Non-convertible debentures	763	102
	763	**102**
Total current investments	**6,407**	**9,970**
Total investments	**12,163**	**16,352**
Aggregate amount of quoted investments	6,304	6,440
Market value of quoted investments (including interest accrued)	6,568	6,701
Aggregate amount of unquoted investments (including investment in associate)	5,859	9,983
Aggregate amount of impairment made for non-current unquoted investments (including investment in associate)	-	18
Investments carried at amortized cost	1,897	1,907
Investments carried at fair value through other comprehensive income	9,678	12,039
Investments carried at fair value through profit or loss	588	2,406

Refer to Note no 2.10 for Accounting policies on Financial Instrument.

Details of amounts recorded in Other comprehensive income: *(In ₹ crore)*

	Year ended March 31, 2018			Year ended March 31, 2017		
	Gross	Tax	Net	Gross	Tax	Net
Net Gain/(loss) on						
Non-convertible debentures	(13)	2	(11)	(7)	-	(7)
Commercial papers	-	-	-	-	-	-
Certificate of deposits	16	(6)	10	(5)	2	(3)
Unquoted equity and preference securities	4	3	7	(2)	(3)	(5)

Method of fair valuation: *(In ₹ crore)*

Class of investment	Method	Fair value as at March 31, 2018	Fair value as at March 31, 2017
Mutual funds	Quoted price	81	1,803
Fixed maturity plan securities	Market observable inputs	429	558
Tax free bonds and government bonds	Quoted price and market observable inputs	2,151	2,168
Non-convertible debentures	Quoted price and market observable inputs	3,978	3,975
Commercial Papers	Market observable inputs	293	-
Certificate of deposits	Market observable inputs	5,269	7,905
Unquoted equity and preference securities	Discounted cash flows method, Market multiples method, Option pricing model, etc.	138	159
Unquoted convertible promissory note	Discounted cash flows method, Market multiples method, Option pricing model, etc.	12	10
Others	Discounted cash flows method, Market multiples method, Option pricing model, etc.	66	35
		12,417	**16,613**

Certain quoted investments are classified as Level 2 in the absence of active market for such investments.

2.4.1 Details of investments

The details of investments in preference, equity and other instruments as at March 31, 2018 and March 31, 2017 are as follows:

(In ₹ crore, except otherwise stated)

Particulars	As at March 31, 2018	As at March 31, 2017
Preference securities		
Airviz Inc.	6	9
2,82,279 (2,82,279) Series A Preferred Stock, fully paid up, par value USD 0.001 each		
ANSR Consulting	-	10
Nil (52,631) Series A Preferred Stock, fully paid up, par value USD 0.001 each		
Whoop Inc	20	15
16,48,352 (16,48,352) Series B Preferred Stock, fully paid up, par value USD 0.0001 each		
CloudEndure Ltd.	26	37
25,59,290 (25,59,290) Series B Preferred 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	23	24
39,33,910 (39,33,910) Series B Preferred Shares, fully paid up, par value USD 0.00001 each		
Trifacta Inc.	21	26
11,80,358 (11,80,358) Series C-1 Preferred Stock		
Cloudyn Software Ltd	-	13
Nil (27,022) Series B-3 Preferred shares, fully paid up, par value ILS 0.01 each		
Ideaforge		
5,402 (Nil) Series A compulsorily convertible cumulative Preference shares of ₹10 each, fully paid up	10	-
Equity Instruments		
OnMobile Systems Inc., USA	-	-
Nil (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	21	14
69,894 (69,894) Equity Shares, fully paid up, par value DKK 1 each		
Ideaforge		
100 (Nil) equity shares at ₹10/-, fully paid up	-	-
Others		
Stellaris Venture Partners India	7	3
Vertex Ventures US Fund L.L.P	59	32
Convertible promissory note		
Tidalscale	12	10
	216	**204**

2.4.2 Details of investments in tax free bonds and government bonds

The balances held in tax free bonds as at March 31, 2018 and March 31, 2017 are as follows:

(In ₹ crore, except as otherwise stated)

Particulars	Face Value ₹	As at March 31, 2018 Units	As at March 31, 2018 Amount	As at March 31, 2017 Units	As at March 31, 2017 Amount
7.04% Indian Railway Finance Corporation Limited Bonds 03MAR2026	10,00,000/-	470	50	470	50
7.16% Power Finance Corporation Limited Bonds 17JUL2025	10,00,000/-	1,000	106	1,000	107
7.18% Indian Railway Finance Corporation Limited Bonds 19FEB2023	1,000/-	2,000,000	201	20,00,000	201
7.28% Indian Railway Finance Corporation Limited Bonds 21DEC2030	1,000/-	422,800	42	4,22,800	42
7.28% National Highways Authority of India Limited Bonds 18SEP2030	10,00,000/-	3,300	343	3,300	343
7.34% Indian Railway Finance Corporation Limited Bonds 19FEB2028	1,000/-	2,100,000	211	21,00,000	211
7.35% National Highways Authority of India Limited Bonds 11JAN2031	1,000/-	571,396	57	5,71,396	57
7.93% Rural Electrification Corporation Limited Bonds 27MAR2022	1,000/-	200,000	21	2,00,000	21
8.00% Indian Railway Finance Corporation Limited Bonds 23FEB2022	1,000/-	150,000	15	1,50,000	15
8.10% Indian Railway Finance Corporation Limited Bonds 23FEB2027	1,000/-	500,000	52	5,00,000	53
8.20% Power Finance Corporation Limited Bonds 01FEB2022	1,000/-	500,000	50	5,00,000	50
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 Limited 'Bonds 25JAN2027	1,000/-	500,000	53	5,00,000	53
8.35% National Highways Authority of India Limited Bonds 22NOV2023	10,00,000/-	1,500	150	1,500	150
8.46% India Infrastructure Finance Company Limited Bonds 30AUG2028	10,00,000/-	2,000	200	2,000	200
8.46% Power Finance Corporation Limited Bonds 30AUG2028	10,00,000/-	1,500	150	1,500	150
8.48% India Infrastructure Finance Company Limited Bonds 05SEP2028	10,00,000/-	450	45	450	45
8.54% Power Finance Corporation Limited Bonds 16NOV2028	1,000/-	500,000	50	5,00,000	50
		74,55,416	**1,896**	**74,55,416**	**1,898**

The balances held in government bonds as at March 31, 2018 and March 31, 2017 are as follows: *(In ₹ crore, except as otherwise stated)*

Particulars	Face Value	As at March 31, 2018		As at March 31, 2017	
	PHP	Units	Amount	Units	Amount
Treasury Notes PHY6972FWQ99 MAT DATE 07 Jun 2017	100	-	-	3,40,000	4
Treasury Notes PIBL1217E082 MAT DATE 09 May 2018	100	1,00,000	1	-	-
Treasury Notes PIBL1217C056 MAT DATE 14 Mar 2018	100	-	-	4,00,000	5
		1,00,000	**1**	**7,40,000**	**9**

2.4.3 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, 2018 and March 31, 2017 are as follows: *(In ₹ crore, except as otherwise stated)*

Particulars	As at March 31, 2018		As at March 31, 2017	
	Units	Amount	Units	Amount
Aditya Birla Sun Life Cash Plus- Growth- Direct Plan	1,631,554	45	1,45,22,491	380
BSL Cash Manager- Growth	-	-	2,66,264	11
ICICI Prudential Liquid- Direct Plan- Growth	1,365,687	36	1,03,88,743	250
IDFC Cash Fund- Direct Plan- Growth	-	-	12,65,679	250
Kotak Low Duration Fund- Direct Plan- Growth (Ulta 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
Reliance Liquid Fund- Treasury Plan- Direct Growth Plan- Growth Option	-	-	8,82,465	350
SBI Premier Liquid Fund- Direct Plan- Growth	-	-	3,91,909	100
	29,97,241	**81**	**2,99,21,226**	**1,803**

The balances held in fixed maturity plan securities as at March 31, 2018 and March 31, 2017 are as follows: *(In ₹ crore, except as otherwise stated)*

Particulars	As at March 31, 2018		As at March 31, 2017	
	Units	Amount	Units	Amount
Aditya Birla Sun Life Fixed Term Plan- Series OD 1145 Days- GR Direct	6,00,00,000	65	6,00,00,000	61
Aditya Birla Sun Life Fixed Term Plan- Series OE 1153 Days- GR Direct	2,50,00,000	27	2,50,00,000	25
HDFC FMP 1155D Feb 2017- Direct Growth- Series 37	3,80,00,000	41	3,80,00,000	38
HDFC FMP 1169D Feb 2017- Direct- Quarterly Dividend- Series 37	4,50,00,000	45	4,50,00,000	45
ICICI FMP Series 80-1194 D Plan F Div	5,50,00,000	59	5,50,00,000	55
ICICI Prudential Fixed Maturity Plan Series 80- 1187 Days Plan G Direct Plan	4,20,00,000	45	4,20,00,000	42
ICICI Prudential Fixed Maturity Plan Series 80- 1253 Days Plan J Direct Plan	3,00,00,000	32	3,00,00,000	30
IDFC Fixed Term Plan Series 129 Direct Plan- Growth 1147 Days	1,00,00,000	11	1,00,00,000	10
IDFC Fixed Term Plan Series 131 Direct Plan- Growth 1139 Days	1,50,00,000	16	1,50,00,000	15
Kotak FMP Series 199 Direct- Growth	3,50,00,000	37	3,50,00,000	36
Reliance Fixed Horizon Fund- XXXII Series 8- Dividend Plan	5,00,00,000	51	5,00,00,000	50
Reliance Yearly Interval Fund Series 1- Direct Plan- Growth Plan	-	-	10,69,06,898	151
	40,50,00,000	**429**	**51,19,06,898**	**558**

2.4.4 Details of investments in non convertible debentures and certificates of deposit

The balances held in non convertible debenture units as at March 31, 2018 and March 31, 2017 is as follows: *(In ₹ crore, except as otherwise stated)*

Particulars		As at March 31, 2018		As at March 31, 2017	
	Face Value ₹	Units	Amount	Units	Amount
7.48% Housing Development Finance Corporation Ltd 18NOV2019	1,00,00,000/-	50	51	50	52
7.58% LIC Housing Finance Ltd 28FEB2020	10,00,000/-	1,000	101	1,000	100
7.58% LIC Housing Finance Ltd 11JUN2020	10,00,000/-	500	52	500	51
7.59% LIC Housing Finance Ltd 14OCT2021	10,00,000/-	3,000	306	3,000	309
7.75% LIC Housing Finance Ltd 27AUG2021	10,00,000/-	1,250	129	1,250	129
7.78% Housing Development Finance Corporation Ltd 24MAR2020	1,00,00,000/-	100	99	-	-
7.79% LIC Housing Finance Ltd 19JUN2020	10,00,000/-	500	53	500	52
7.80% Housing Development Finance Corporation Ltd 11NOV2019	1,00,00,000/-	150	153	150	155
7.81% LIC Housing Finance Ltd 27APR2020	10,00,000/-	2,000	214	2,000	208
7.95% Housing Development Finance Corporation Ltd 23SEP2019	1,00,00,000/-	50	53	50	53
8.02% LIC Housing Finance Ltd 18FEB2020	10,00,000/-	500	50	500	51
8.26% Housing Development Finance Corporation Ltd 12AUG2019	1,00,00,000/-	100	105	100	106
8.34% Housing Development Finance Corporation Ltd 06MAR2019	1,00,00,000/-	200	215	200	217
8.37% LIC Housing Finance Ltd 03OCT2019	10,00,000/-	2,000	216	2,000	218
8.37% LIC Housing Finance Ltd 10MAY2021	10,00,000/-	500	54	500	55
8.43% IDFC Bank Ltd 30JAN2018	10,00,000/-	-	-	1,000	102
8.46% Housing Development Finance Corporation Ltd 11MAR2019	1,00,00,000/-	50	54	50	54
8.47% LIC Housing Finance Ltd 21JAN2020	10,00,000/-	500	51	500	52
8.49% Housing Development Finance Corporation Ltd 27APR2020	5,00,000/-	900	49	900	49
8.50% Housing Development Finance Corporation Ltd 31AUG2020	1,00,00,000/-	100	108	100	108
8.54% IDFC Bank Ltd 30MAY2018	10,00,000/-	1,500	194	1,500	182
8.59% Housing Development Finance Corporation Ltd 14JUN2019	1,00,00,000/-	50	51	50	51
8.60% LIC Housing Finance Ltd 22JUL2020	10,00,000/-	1,000	107	1,000	108
8.60% LIC Housing Finance Ltd 29JUL2020	10,00,000/-	1,750	188	1,750	190
8.61% LIC Housing Finance Ltd 11DEC2019	10,00,000/-	1,000	104	1,000	104
8.66% IDFC Bank Ltd 25JUN2018	10,00,000/-	1520	196	1,520	184
8.66% IDFC Bank Ltd 27DEC2018	10,00,000/-	400	52	400	49
8.72% Housing Development Finance Corporation Ltd 15APR2019	1,00,00,000/-	75	76	75	77
8.75% Housing Development Finance Corporation Ltd 13JAN2020	5,00,000/-	5,000	256	5,000	260
8.75% LIC Housing Finance Ltd 14JAN2020	10,00,000/-	1,070	112	1,070	112
8.75% LIC Housing Finance Ltd 21DEC2020	10,00,000/-	1,000	102	1,000	104
8.97% LIC Housing Finance Ltd 29OCT2019	10,00,000/-	500	52	500	53
9.45% Housing Development Finance Corporation Ltd 21AUG2019	10,00,000/-	3,000	323	3,000	327
9.65% Housing Development Finance Corporation Ltd 19JAN2019	10,00,000/-	500	52	500	53
		31,815	**3,978**	**32,715**	**3,975**

The balances held in certificates of deposit as at March 31, 2018 and March 31, 2017 are as follows: *(In ₹ crore, except as otherwise stated)*

Particulars		As at March 31, 2018		As at March 31, 2017	
	Face Value ₹	Units	Amount	Units	Amount
Andhra Bank	1,00,000/-	-	-	35,000	344
Axis Bank	1,00,000/-	208,000	1,985	305,600	2,914
Corporation Bank	1,00,000/-	-	-	33,500	327
DBS Bank	1,00,000/-	-	-	5,000	49
HDFC Bank	1,00,000/-	15,000	147	-	-
ICICI Bank	1,00,000/-	126,000	1,186	42,500	413
IDFC Bank	1,00,000/-	-	-	140,000	1,328
IndusInd Bank	1,00,000/-	135,000	1,271	106,400	1,011
Kotak Bank	1,00,000/-	70,000	680	85,500	813
Vijaya Bank	1,00,000/-	-	-	14,000	137
Yes Bank	1,00,000/-	-	-	60,000	569
		554,000	**5,269**	**827,500**	**7,905**

The balances held in commercial papers as at March 31, 2018 and March 31, 2017 are as follows: *(In ₹ crore, except as otherwise stated)*

Particulars		As at March 31, 2018		As at March 31, 2017	
	Face Value ₹	Units	Amount	Units	Amount
LIC	5,00,000/-	6,000	293	-	-
		6,000	**293**	**-**	**-**

2.5 LOANS

(In ₹ crore)

Particulars	As at March 31, 2018	As at March 31, 2017
Non Current		
Unsecured, considered good		
Other loans		
Loans to employees	36	29
	36	**29**
Unsecured, considered doubtful		
Loans to employees	17	24
	53	**53**
Less: Allowance for doubtful loans to employees	17	24
	36	**29**
Current		
Unsecured, considered good		
Other loans		
Loans to employees	239	272
	239	**272**
Total loans	**275**	**301**

2.6 OTHER FINANCIAL ASSETS

(In ₹ crore)

Particulars	As at March 31, 2018	As at March 31, 2017
Non Current		
Security deposits [1]	53	86
Rental deposits [1]	171	175
Restricted deposits[1]	60	48
	284	**309**
Current		
Security deposits [1]	9	10
Rental deposits [1]	13	9
Restricted deposits [1]	1,535	1,416
Unbilled revenues [1]	4,261	3,648
Interest accrued but not due [1]	766	576
Foreign currency forward and options contracts [2] [3]	16	284
Others [1]	84	37
	6,684	**5,980**
Total financial assets	**6,968**	**6,289**
[1] Financial assets carried at amortized cost	6,952	6,005
[2] Financial assets carried at fair value through other comprehensive income	12	52
[3] Financial assets carried at fair value through profit or loss	4	232

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

2.7 TRADE RECEIVABLES [1]

(In ₹ crore)

Particulars	As at March 31, 2018	As at March 31, 2017
Current		
Unsecured		
Considered good	13,142	12,322
Considered doubtful	354	318
	13,496	12,640
Less: Allowances for credit loss	354	318
	13,142	**12,322**
[1] Includes dues from Companies where directors are interested	-	1

2.8 CASH AND CASH EQUIVALENTS

(In ₹ crore)

Particulars	As at March 31, 2018	As at March 31, 2017
Balances with banks		
In current and deposit accounts	13,168	14,889
Cash on hand	-	-
Others		
Deposits with financial institutions	6,650	7,736
	19,818	**22,625**
Cash and cash equivalents included under assets classifed as held for sale (refer note no 2.25)	53	-
	19,871	**22,625**
Balances with banks in unpaid dividend accounts	22	17
Deposit with more than 12 months maturity	6,332	6,954
Balances with banks held as margin money deposits against guarantees	356	404

Cash and cash equivalents as at March 31, 2018 and March 31, 2017 include restricted cash and bank balances of ₹533 crore and ₹572 crore, respectively. The restrictions are primarily on account of cash and bank balances held by irrevocable trusts controlled by the Company, bank balances held as margin money deposits against guarantees and balances held in unpaid dividend bank accounts.

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

The details of balances as on Balance Sheet dates with banks are as follows:

(In ₹ crore)

Particulars	As at March 31, 2018	As at March 31, 2017
Current accounts		
ANZ Bank, Taiwan	9	3
Axis Bank, India	-	1
Banamex Bank, Mexico	2	2
Banamex Bank, Mexico (U.S. Dollar account)	13	8
Bank Leumi, Israel	-	11
Bank Leumi, Israel (US Dollar account)	-	2
Bank of America, Mexico	25	54
Bank of America, USA	1,172	1,030
Bank of Baroda, Mauritius	1	-
Bank of Tokyo-Mitsubishi UFJ Ltd., Japan	1	-
Bank Zachodni WBK S.A, Poland	17	4
Barclays Bank, UK	40	1
BNP Paribas Bank, Norway	88	17
China Merchants Bank, China	6	9
Citibank N.A., Australia	223	19
Citibank N.A., Brazil	14	30
Citibank N.A., China	116	61
Citibank N.A., China (U.S. Dollar account)	9	11
Citibank N.A., Costa Rica	1	5
Citibank N.A., Dubai	6	1
Citibank N.A., EEFC (U.S. Dollar account)	4	1
Citibank N.A., Hungary	6	3
Citibank N.A., India	3	3
Citibank N.A., Japan	18	12
Citibank N.A., New Zealand	11	10
Citibank N.A., Philippines (U.S. Dollar account)	-	1
Citibank N.A., Portugal	8	2
Citibank N.A., Romania	2	-
Citibank N.A., Singapore	4	2
Citibank N.A., South Africa	33	9
Citibank N.A., South Africa (Euro account)	1	1
Citibank N.A., South Korea	2	1
Citibank N.A., USA	3	78
Commerzbank, Germany	-	18
Danske Bank, Sweden	1	-
Deutsche Bank, Belgium	27	10
Deutsche Bank, Czech Republic	16	8
Deutsche Bank, Czech Republic (Euro account)	3	7
Deutsche Bank, Czech Republic (U.S. Dollar account)	2	30
Deutsche Bank, EEFC (Australian Dollar account)	2	38
Deutsche Bank, EEFC (Euro account)	34	25
Deutsche Bank, EEFC (Swiss Franc account)	2	2
Deutsche Bank, EEFC (U.S. Dollar account)	32	76
Deutsche Bank, EEFC (United Kingdom Pound Sterling account)	9	10
Deutsche Bank, France	19	8
Deutsche Bank, Germany	100	48
Deutsche Bank, Hong Kong	1	-
Deutsche Bank, India	44	12

Deutsche Bank, Malaysia	5	7
Deutsche Bank, Netherlands	15	2
Deutsche Bank, Philippines	25	5
Deutsche Bank, Philippines (U.S. Dollar account)	3	4
Deutsche Bank, Poland	18	12
Deutsche Bank, Poland (Euro account)	8	4
Deutsche Bank, Russia	3	3
Deutsche Bank, Russia (U.S. Dollar account)	5	1
Deutsche Bank, Singapore	17	6
Deutsche Bank, Spain	1	-
Deutsche Bank, Switzerland	29	9
Deutsche Bank, Switzerland (U.S. Dollar account)	-	1
Deutsche Bank, United Kingdom	79	26
Deutsche Bank, USA	2	12
HSBC Bank, Brazil	-	1
HSBC Bank, Dubai	2	-
HSBC Bank, Hong Kong	2	1
HSBC Bank, United Kingdom	6	-
ICICI Bank, EEFC (Euro account)	1	1
ICICI Bank, EEFC (U.S. Dollar account)	40	5
ICICI Bank, EEFC (United Kingdom Pound Sterling account)	11	1
ICICI Bank, India	52	53
ING Bank, Belgium	-	2
Nordbanken, Sweden	50	33
Punjab National Bank, India	12	6
Raiffeisen Bank, Czech Republic	5	4
Raiffeisen Bank, Romania	3	4
Royal Bank of Canada, Canada	166	83
Santander Bank, Argentina	1	1
Silicon Valley Bank, USA	-	4
Silicon Valley Bank (Euro account)	-	19
Silicon Valley Bank (United Kingdom Pound Sterling account)	-	2
Splitska Banka D.D., Société Générale Group, Croatia	8	-
State Bank of India, India	1	7
The Saudi British Bank, Saudi Arabia	3	-
Union Bank of Switzerland AG	-	3
Union Bank of Switzerland AG (Euro account)	-	4
Wells Fargo Bank N.A., USA	-	33
Westpac, Australia	-	1
	2,703	**2,044**

(In ₹ crore)

Particulars	**As at**	
	March 31, 2018	**March 31, 2017**
Deposit accounts		
Axis Bank	-	1,175
Bank BGZ BNP Paribas S.A.	144	183
Barclays Bank	200	825
Canara Bank	84	84
Citibank	224	165
Deutsche Bank, AG	24	-
Deutsche Bank, Poland	211	71
HDFC Bank	2,498	469
HSBC Bank	-	500
ICICI Bank	3,497	4,644
IDBI Bank	250	1,750
IDFC Bank	1,500	200
IndusInd Bank	1,000	191
Kotak Mahindra Bank	-	535
South Indian Bank	450	450
Standard Chartered Bank	-	500
Syndicate Bank	-	49
Yes Bank	5	633
	10,087	**12,424**
Unpaid dividend accounts		
Axis Bank - Unpaid dividend account	1	2
HDFC Bank - Unpaid dividend account	1	2
ICICI Bank - Unpaid dividend account	20	13
	22	**17**

Margin money deposits against guarantees		
Canara Bank	151	177
Citibank	3	2
ICICI Bank	202	225
	356	**404**
Deposits with financial institutions		
HDFC Limited	5,450	7,036
LIC Housing Finance Limited	1,200	700
	6,650	**7,736**
Total cash and cash equivalents	**19,818**	**22,625**

2.9 OTHER ASSETS

(In ₹ crore)

Particulars	**As at**	
	March 31, 2018	**March 31, 2017**
Non Current		
Capital advances	421	600
Advances other than capital advances		
Prepaid gratuity (*refer note no. 2.20.1*)	43	79
Others		
Withholding taxes and others	1,428	-
Prepaid expenses	111	96
Deferred Contract Cost	262	284
	2,265	**1,059**
Current		
Advances other than capital advances		
Payment to vendors for supply of goods	119	131
Others		
Withholding taxes and others	1,032	1,886
Prepaid expenses	472	441
Deferred Contract Cost	44	78
	1,667	**2,536**
Total other assets	**3,932**	**3,595**

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.

2.10 FINANCIAL INSTRUMENTS

Accounting policy

2.10.1 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.

2.10.2 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. The Company has made an irrevocable election for its investments which are classified as equity instruments to present the subsequent changes in fair value in other comprehensive income based on its business model. Further, in cases where the 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 is 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 or loss. For trade and other payables maturing within one year from the Balance Sheet date, the carrying amounts approximate the fair value due to the short maturity of these instruments.

b. Derivative financial instruments

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

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

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

Although the Group believes that these derivatives constitute hedges from an economic perspective, they may not qualify for hedge accounting under Ind AS 109, Financial Instruments. Any derivative that is either not designated 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 consolidated 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 consolidated 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 Consolidated 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 Consolidated 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 and buyback of ordinary shares 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.

2.10.3 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.

2.10.4 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 table below 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 approximates fair value due to the short maturity of those instruments.

2.10.5 Impairment

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 ECLs (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised is recognized as an impairment gain or loss in Consolidated Statement of Profit and Loss.

Financial instruments by category

The carrying value and fair value of financial instruments by categories as at March 31, 2018 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 Note no. 2.8)	19,818	-	-	-	-	19,818	19,818
Investments (Refer Note no. 2.4)							
Equity and preference securities	-	-	-	138	-	138	138
Tax-free bonds and government bonds	1,897	-	-	-	-	1,897	2,151 *
Liquid mutual fund units	-	-	81	-	-	81	81
Non convertible debentures	-	-	-	-	3,978	3,978	3,978
Certificates of deposit	-	-	-	-	5,269	5,269	5,269
Commercial Paper	-	-	-	-	293	293	293
Convertible promissory note	-	-	12	-	-	12	12
Other investments	-	-	66	-	-	66	66
Fixed maturity plan securities	-	-	429	-	-	429	429
Trade receivables (Refer Note no. 2.7)	13,142	-	-	-	-	13,142	13,142
Loans (Refer Note no. 2.5)	275	-	-	-	-	275	275
Other financials assets (Refer Note no. 2.6)	6,952	-	4	-	12	6,968	6,884 **
Total	**42,084**	**-**	**592**	**138**	**9,552**	**52,366**	**52,536**
Liabilities:							
Trade payables	694	-	-	-	-	694	694
Other financial liabilities (Refer Note no. 2.12)	5,442	-	93	-	3	5,538	5,538
Total	**6,136**	**-**	**93**	**-**	**3**	**6,232**	**6,232**

** On account of fair value changes including interest accrued*

*** Excludes interest accrued on tax free bonds and government bonds*

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

(In ₹ crore)

	Amortised cost	Financial assets/ liabilities at fair value through profit or loss		Financial assets/liabilities at fair value through OCI		Total carrying value	Total fair value
		Designated upon initial recognition	Mandatory	Equity instruments designated upon initial recognition	Mandatory		
Assets:							
Cash and cash equivalents (Refer Note no. 2.8)	22,625	-	-	-	-	22,625	22,625
Investments (Refer Note no. 2.4)							
Equity and preference securities	-	-	-	159	-	159	159
Tax-free bonds and government bonds	1,907	-	-	-	-	1,907	2,168 *
Liquid mutual fund units	-	-	1,803	-	-	1,803	1,803
Non convertible debentures	-	-	-	-	3,975	3,975	3,975
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 Note no. 2.7)	12,322	-	-	-	-	12,322	12,322
Loans (Refer Note no. 2.5)	301	-	-	-	-	301	301
Other financials assets (Refer Note no. 2.6)	6,005	-	232	-	52	6,289	6,205 **
Total	**43,160**	**-**	**2,638**	**159**	**11,932**	**57,889**	**58,066**
Liabilities:							
Trade payables	367	-	-	-	-	367	367
Other financial liabilities (Refer Note no. 2.12)	4,973	-	87	-	-	5,060	5,060
Total	**5,340**	**-**	**87**	**-**	**-**	**5,427**	**5,427**

** On account of fair value changes including interest accrued*

*** Excludes interest accrued on tax free bonds and government bonds*

Fair value hierarchy

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.
Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

The following table presents fair value hierarchy of assets and liabilities as at March 31, 2018:

(In ₹ crore)

	As at March 31, 2018	Fair value measurement at end of the reporting period/year using		
		Level 1	Level 2	Level 3
Assets				
Investments in liquid mutual funds units (Refer Note no. 2.4)	81	81	-	-
Investments in tax-free bonds (Refer Note no. 2.4)	2,150	1,878	272	-
Investments in government bonds (Refer Note no. 2.4)	1	1	-	-
Investments in equity instruments (Refer Note no. 2.4)	22	-	-	22
Investments in preference securities (Refer Note no. 2.4)	116	-	-	116
Investments in non convertible debentures (Refer Note no. 2.4)	3,978	2,695	1,283	-
Investments in certificates of deposit (Refer Note no. 2.4)	5,269	-	5,269	-
Investments in commercial paper (Refer Note no. 2.4)	293	-	293	-
Investments in fixed maturity plan securities (Refer Note no. 2.4)	429	-	429	-
Investments in convertible promissory note (Refer Note no. 2.4)	12	-	-	12
Other investments (Refer Note no. 2.4)	66	-	-	66
Derivative financial instruments - gain on outstanding foreign currency forward and option contracts (Refer Note no. 2.6)	16	-	16	-
Liabilities				
Derivative financial instruments - loss on outstanding foreign currency forward and option contracts (Refer Note no. 2.12)	42	-	42	-
Liability towards contingent consideration (Refer note no. 2.12)*	54	-	-	54

**Discounted ₹34 crore at 14.2% ₹21 crore at 10%*

During the year ended March 31, 2018, quoted debt securities of ₹402 crore were transferred from Level 2 to Level 1 of fair value hierarchy, since these were valued based on Quoted price and ₹1,122 crores were transferred from Level 1 to Level 2 of fair value hierarchy, since these were valued based on market observable inputs.

The movement in level 3 investments from March 31, 2017 to March 31, 2018 is on account of purchase of additional investments, disposals during the year and change in fair value.

The following table presents fair value hierarchy of assets and liabilities as at March 31, 2017:

(In ₹ crore)

	As at March 31, 2017	Fair value measurement at end of the reporting period/year using		
		Level 1	Level 2	Level 3
Assets				
Investments in liquid mutual funds units (Refer Note no. 2.4)	1,803	1,803	-	-
Investments in tax free bonds (Refer Note no. 2.4)	2,159	282	1,877	-
Investments in government bonds (Refer Note no. 2.4)	9	9	-	-
Investments in equity instruments (Refer Note no. 2.4)	15	-	-	15
Investments in preference securities (Refer Note no. 2.4)	144	-	-	144
Investments in non convertible debentures (Refer Note no. 2.4)	3,975	3,371	604	-
Investments in certificates of deposit (Refer Note no. 2.4)	7,905	-	7,905	-
Investments in fixed maturity plan securities (Refer Note no. 2.4)	558	-	558	-
Investments in convertible promissory note (Refer Note no. 2.4)	10	-	-	10
Other investments (Refer Note no. 2.4)	35	-	-	35
Derivative financial instruments - gain on outstanding foreign currency forward and option contracts (Refer Note no. 2.6)	284	-	284	-
Liabilities				
Derivative financial instruments - loss on outstanding foreign currency forward and option contracts (Refer Note no. 2.12)	2	-	2	-
Liability towards contingent consideration (Refer note no. 2.12)*	85	-	-	85

**Discounted ₹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.

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

The movement in contingent consideration as at March 31, 2018 from March 31, 2017 is mainly on account of settlement of ₹45 crore pertaining to Kallidus acquisiton and addition of ₹17 crore in relation to acquisition of Brilliant Basics Holdings Limited. . (Refer note no. 2.3)

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

Market risk

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

The following table analyzes foreign currency risk from financial instruments as at March 31, 2018:

(In ₹ crore)

Particulars	U.S. dollars	Euro	United Kingdom Pound Sterling	Australian dollars	Other currencies	Total
Cash and cash equivalents	1,287	218	147	353	1,192	3,197
Trade receivables	8,317	1,751	845	788	781	12,482
Other financial assets (including loans)	2,636	663	330	173	470	4,272
Trade payables	(273)	(81)	(114)	(30)	(58)	(556)
Other financial liabilities	(2,289)	(417)	(215)	(273)	(596)	(3,790)
Net assets / (liabilities)	**9,678**	**2,134**	**993**	**1,011**	**1,789**	**15,605**

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

(In ₹ crore)

Particulars	U.S. dollars	Euro	United Kingdom Pound Sterling	Australian dollars	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**

Sensitivity analysis between Indian rupee and U.S. Dollar

Particulars	Year ended March 31,	
	2018	2017
Impact on the Group's incremental operating margins	0.50%	0.50%

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

Derivative financial instruments

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

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

Particulars	As at March 31, 2018		As at March 31, 2017	
	In million	In ₹ crore	In million	In ₹ crore
Derivatives designated as cash flow hedges				
Forward contracts				
In Australian dollars	-	-	130	644
In Euro	-	-	95	658
In United Kingdom Pound Sterling	-	-	40	324
Option Contracts				
In Australian dollars	60	300	-	-
In Euro	100	808	40	277
In United Kingdom Pound Sterling	20	184	-	-
Other derivatives				
Forward contracts				
In Australian dollars	5	25	35	174
In Canadian dollars	20	99	-	-
In Euro	91	735	114	786
In Japanese Yen	550	34	-	-
In New Zealand dollars	16	76	-	-
In Norwegian Krone	40	34	-	-
In Singapore dollars	5	25	5	23
In South African Rand	25	14	-	-
In Swedish Krona	50	40	50	36
In Swiss Franc	21	146	10	65
In U.S. dollars	623	4,061	526	3,411
In United Kingdom Pound Sterling	51	466	75	609
Option Contracts				
In Australian dollars	20	100	-	-
In Canadian dollars	-	-	13	65
In Euro	45	363	25	173
In Swiss Franc	5	33	-	-
In U.S. dollars	320	2,086	195	1,265
In United Kingdom Pound Sterling	25	231	30	243
Total forwards and options		**9,860**		**8,753**

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

(In ₹ crore)

Particulars	As at	
	March 31, 2018	**March 31, 2017**
Not later than one month	2,828	2,303
Later than one month and not later than three months	4,568	4,316
Later than three months and not later than one year	2,464	2,134
	9,860	**8,753**

During the year ended March 31, 2018, the group has designated certain foreign exchange forward and option 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 hedges are expected to occur and reclassified to the consolidated statement of profit and loss within 3 months.

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

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

The following table provides the reconciliation of cash flow hedge reserve for the year ended March 31, 2018: *(In ₹ crore)*

Particulars	Year ended March 31,	
	2018	**2017**
Balance at the beginning of the year	39	-
Gain / (Loss) recognised in other comprehensive income during the year	(93)	121
Amount reclassified to profit and loss during the year	41	(69)
Tax impact on above	13	(13)
Balance at the end of the year	**-**	**39**

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

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

(In ₹ crore)

Particulars	As at		As at	
	March 31, 2018		**March 31, 2017**	
	Derivative financial asset	**Derivative financial liability**	**Derivative financial asset**	**Derivative financial liability**
Gross amount of recognized financial asset/liability	20	(46)	285	(3)
Amount set off	(4)	4	(1)	1
Net amount presented in Balance Sheet	**16**	**(42)**	**284**	**(2)**

Credit risk

Credit risk refers to the risk of default on its obligation by the counterparty resulting in a financial loss. The maximum exposure to the credit risk at the reporting date is primarily from trade receivables amounting to ₹13,142 crore and ₹12,322 crore as at March 31, 2018 and March 31, 2017, respectively and unbilled revenues amounting to ₹4,261 crore and ₹3,648 crore as at March 31, 2018 and March 31, 2017, respectively. Trade receivables and unbilled revenues 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. As per Ind AS 109, the Group uses expected credit loss model to assess the impairment loss or gain. The Group uses a provision matrix to compute the expected credit loss allowance for trade receivables and unbilled revenues. The provision matrix takes into account available external and internal credit risk factors such as credit default swap quotes, credit ratings from international credit rating agencies and the Group's historical experience for customers.

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

(In %)

	Year ended March 31,	
	2018	2017
Revenue from top customer	3.4	3.4
Revenue from top ten customers	19.3	21.0

Credit risk exposure

The allowance of lifetime expected credit loss on customer balances for the year ended March 31, 2018 and March 31, 2017 was ₹34 crore and was ₹132 crore respectively.

Movement in credit loss allowance:

(In ₹ crore)

	Year ended March 31,	
	2018	2017
Balance at the beginning	411	289
Impairment loss recognized / (reversed)	34	132
Write-offs	(5)	(1)
Reclassified as held for sale (refer note no 2.25)	(1)	-
Translation differences	10	(9)
Balance at the end	**449**	**411**

Credit exposure

The Company's credit period generally ranges from 30-60 days.

(In ₹crore except otherwise stated)

	As at	
	March 31, 2018	March 31, 2017
Trade receivables	13,142	12,322
Unbilled revenues	4,261	3,648
Days Sales Outstanding- DSO (days)	67	68

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 borrowings. The Group believes that the working capital is sufficient to meet its current requirements.

As at March 31, 2018, the Group had a working capital of ₹34,176 crore including cash and cash equivalents of ₹19,818 crore and current investments of ₹6,407 crore. As at 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 at March 31, 2018 and March 31, 2017, the outstanding compensated absences were ₹1,469 crore and ₹1,359 crore, respectively, which have been substantially funded. Accordingly no liquidity risk is perceived.

The table below provides details regarding the contractual maturities of significant financial liabilities as at March 31, 2018:

(In ₹ crore)

Particulars	Less than 1 year	1-2 years	2-4 years	4-7 years	Total
Trade payables	694	-	-	-	694
Other financial liabilities (excluding liability towards acquisition) (Refer Note no. 2.12)	5,442	-	-	-	5,442
Liability towards acquisitions on an undiscounted basis (including contingent consideration) (Refer Note no. 2.12)	41	7	7	-	55

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

(In ₹ crore)

Particulars	Less than 1 year	1-2 years	2-4 years	4-7 years	Total
Trade payables	367	-	-	-	367
Other financial liabilities (excluding liability towards acquisition) (Refer Note no. 2.12)	4,943	31	-	-	4,974
Liability towards acquisitions on an undiscounted basis (including contingent consideration) (Refer Note no. 2.12)	45	46	-	-	91

2.11 EQUITY

SHARE CAPITAL

(In ₹ crore, except as otherwise stated)

Particulars	**As at March 31, 2018**	**March 31, 2017**
Authorized		
Equity shares, ₹5 par value		
2,40,00,00,000 (2,40,00,00,000) equity shares	1,200	1,200
Issued, Subscribed and Paid-Up		
Equity shares, ₹5 par value [(1)]	1,088	1,144
2,17,33,12,301 (2,28,56,55,150) equity shares fully paid-up[(2)]		
	1,088	**1,144**

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

[(1)] *Refer note no. 2.21 for details of basic and diluted shares*

[(2)] *Net of treasury shares 1,08,01,956 (1,12,89,514)*

The Company has only one class of shares referred to as equity shares having a par value of ₹5/-. Each holder of equity shares is entitled to one vote per share. The equity shares represented by American Depositary Shares (ADS) carry similar rights to voting and dividends as the other equity shares. Each ADS represents one underlying equity share.

In the period of five years immediately preceding March 31, 2018:

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 postal ballot. For both the bonus issues, 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 holder remains unchanged. Options granted under the restricted stock unit plan (RSU) have been adjusted for bonus shares.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the Company in proportion to the number of equity shares held by the shareholders, after distribution of all preferential amounts. However, no such preferential amounts exist currently, other than the amounts held by irrevocable controlled trusts. For irrevocable controlled trusts, the corpus would be settled in favour of the beneficiaries.

Dividend

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.

The Company declares and pays dividends in Indian rupees. The remittance of dividends outside India is governed by Indian law on foreign exchange and is subject to applicable distribution taxes. Dividend distribution tax paid by subsidiaries may be reduced / available as credit against dividend distribution tax payable by Infosys Limited.

Amount of per share dividend recognized as distribution to equity shareholders:

(in ₹)

Particulars	**Year ended March 31, 2018**	**2017**
Final dividend for fiscal 2016	-	14.25
Interim dividend for fiscal 2017	-	11.00
Final dividend for fiscal 2017	14.75	-
Interim dividend for fiscal 2018	13.00	-

Effective from Financial Year 2018, the Company's policy is to payout up to 70% of the free cash flow of the corresponding Financial Year in such manner (including by way of dividend and / or share buyback) as may be decided by the Board from time to time, subject to applicable laws and requisite approvals, if any. Free cash flow is defined as net cash provided by operating activities less capital expenditure as per the consolidated statement of cash flows prepared under IFRS. Dividend payout includes dividend distribution tax.

The Board of Directors recommended a final dividend of ₹20.50/- per equity share for the financial year ended March 31, 2018 and a special dividend of ₹10/- per equity share. The payment is subject to the approval of the shareholders in the ensuing Annual General Meeting of the Company, to be held on June 23, 2018 and if approved would result in a cash outflow of approximately ₹7,949 crore, (excluding dividend paid on treasury shares) including dividend distribution tax.

The Board of directors in their meeting on October 24, 2017 declared an interim dividend of ₹13/- per equity share which resulted in a net cash outflow of approximately ₹3,408 crore (excluding dividend paid on treasury shares) inclusive of dividend distribution tax.

Buyback

The Board, at its meeting on August 19, 2017, approved a proposal for the Company to buyback its fully paid-up equity shares of face value of ₹5 each from the eligible equity shareholders of the Company for an amount not exceeding ₹13,000 crore. The shareholders approved the said proposal of buyback of Equity Shares through the postal ballot that concluded on October 7, 2017. The Buyback offer comprised a purchase of 11,30,43,478 Equity Shares aggregating 4.92% of the paid-up equity share capital of the Company at a price of ₹1,150 per Equity share. The buyback was offered to all eligible equity shareholders (including those who became equity shareholders as on the Record date by cancelling American Depository Shares and withdrawing underlying Equity shares) of the Company as on the Record Date (i.e November 1, 2017) on a proportionate basis through the "Tender offer" route. The Company concluded the buyback procedures on December 27, 2017 and 11,30,43,478 equity shares were extinguished. The Company has funded the buyback from its securities premium and general reserve. In accordance with section 69 of the Companies Act, 2013, the Company has created 'Capital Redemption Reserve' of ₹56 crore equal to the nominal value of the shares bought back as an appropriation from general reserve.

The Company's objective when managing capital is to safeguard its ability to continue as a going concern and to maintain an optimal capital structure so as to maximize shareholder value. In order to maintain or achieve an optimal capital structure, the Company may adjust the amount of dividend payment, return capital to shareholders, issue new shares or buy back issued shares. As of March 31, 2018, the Company has only one class of equity shares and has no debt. Consequent to the above capital structure there are no externally imposed capital requirements.

The details of shareholder holding more than 5% shares as at March 31, 2018 and March 31, 2017 are set out below :

Name of the shareholder	**As at March 31, 2018**		**As at March 31, 2017**	
	Number of shares	**% held**	**Number of shares**	**% held**
Deutsche Bank Trust Company Americas (Depository of ADR's - legal ownership)	37,99,05,859	17.39	38,33,17,937	16.69
Life Insurance Corporation of India	14,95,14,017	6.85	16,14,36,123	7.03

The reconciliation of the number of shares outstanding and the amount of share capital as at March 31, 2018 and March 31, 2017 is as follows:

(In ₹ crore, except as stated otherwise)

Particulars	**As at March 31, 2018**		**As at March 31, 2017**	
	Number of shares	**Amount**	**Number of shares**	**Amount**
At the beginning of the period	228,56,55,150	1,144	228,56,21,088	1,144
Add: Shares issued on exercise of employee stock options	7,00,629	-	34,062	-
Less: Shares bought back	113,043,478	56	-	-
At the end of the period	**217,33,12,301**	**1,088**	**228,56,55,150**	**1,144**

Employee Stock Option Plan (ESOP):

Accounting policy

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.

Amendment to Ind AS 102:

Effective April 1, 2017, the Group adopted amendment to Ind AS 102 which provides specific guidance to measurement of cash-settled awards, modification of cash-settled awards and awards that include a net settlement feature in respect of withholding taxes. The adoption of amendment did not have any material effect on the Consolidated financial statements.

2015 Stock Incentive Compensation Plan (the 2015 Plan) (Formerly 2011 RSU Plan):

On March 31, 2016, pursuant to the approval by the shareholders through postal ballot, the Board has been authorized to introduce, offer, issue and allot share-based incentives to eligible employees of the Company and its subsidiaries under the 2015 Stock Incentive Compensation Plan (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 are held by the trust towards the 2011 Plan as at March 31, 2016). Out 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 on the date of the grant. These instruments will vest over a period of 4 years and the Company expects to grant the instruments under the 2015 Plan over the period of 4 to 7 years.

Controlled trust holds 1,08,01,956 and 1,12,89,514 shares as at March 31, 2018 and March 31, 2017, respectively under the 2015 plan, out of which 1,00,000 equity shares have been earmarked for welfare activities of the employees.

Stock incentives granted to Salil Parekh (CEO & MD)

Pursuant to the approval of the shareholders through a postal ballot on February 20 , 2018, Salil Parekh (CEO & MD) is eligible to receive under the 2015 Plan , a) an annual grant of RSUs of fair value ₹3.25 crore which will vest over time in 3 equal annual installments upon completion of each year of service from the respective grant date b) a one-time grant of RSUs of fair value ₹9.75 crore which will vest over time in 2 equal annual installments upon completion of each year of service from the grant date and c) annual grant of performance based RSUs of fair value ₹13 crore which will vest after completion of three years the first of which concludes on March 31, 2021, subject to achievement of performance targets set by the Board or its committee.

The board based on the recommendations of the Nomination and Remuneration committee approved on February 27, 2018, the annual time based grant for FY18 of 28,256 RSUs and the one-time time based grant of 84,768 RSUs. The grants were made effective February 27, 2018. Though the annual time based grants for the remaining employment term have not been granted as of March 31, 2018 , in accordance with Ind AS 102, Share based payments the company has recorded employment stock compensation expense.

Stock incentives granted to Dr. Vishal Sikka

Consequent to Dr. Vishal Sikka's resignation from the Company on August 24, 2017, the unvested stock incentives (time-based and performance based awards) granted to him were forfeited.

Stock incentives granted to COO:

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

Stock incentives granted to KMPs (other than Dr. Vishal Sikka and COO)

On November 1, 2016, 2,47,250 RSUs and 5,02,550 stock options were granted under the 2015 plan, to key management personnel, other than Dr. Vishal Sikka and COO, based on fiscal 2016 performance. On August 1, 2017 58,150 RSUs and 44,450 ESOPs were granted to the General Counsel. These RSUs and stock options will vest within 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. On February 27, 2018, based on the recommendation and approval of the Nomination and Remuneration Committee the company granted 214,950 RSUs to the KMP other than CEO and COO. These instruments will vest over a period of 4 years and are subject to continued service.

During the year ended March 31, 2018, three of the KMPs have resigned (Refer note no. 2.23 Related party transactions for further details) and hence the RSUs and stock options granted to them were forfeited.

Stock incentive granted to other employees:

During fiscal 2017, the company granted 25,06,740 RSUs and 7,03,300 ESOPs and 1,12,210 incentive units (cash settled) to certain eligible employees at mid and senior levels under the 2015 plan. Further, on May 2, 2017, the Company granted 37,090 RSUs (includes equity shares and equity shares represented by ADS) at par value, 73,600 employee stock options (ESOPs) (including equity shares and equity shares represented by ADS) to be exercised at market price at the time of grant, to certain employees at the senior management level. On August 1, 2017, 7,450 incentive units (cash settled) were granted to employees at the senior management level. These instruments will vest over a period of 4 years and are subject to continued service. On February 27, 2018 15,59,920 RSUs and 42,590 incentive units (cash settled) were granted to eligible employees. These instruments will vest over a period of 4 years and are subject to continued service.

As at March 31, 2018 and March 31, 2017, 1,11,757 and 1,06,845 incentive units were outstanding (net of forfeitures).

Break-up of employee stock compensation expense

(in ₹ crore)

	Year ended March 31,	
	2018	**2017**
Granted to:		
KMP[(2)]	(13)	36
Employees other than KMP	97	81
Total [(1)]	**84**	**117**
[(1)] *Cash settled stock compensation expense included in the above*	5	1

[(2)] *Includes a reversal of stock compensation cost of ₹35 crore towards forfeiture of stock incentives granted to Dr. Vishal Sikka upon his resignation*

The carrying value of liability towards cash settled share based payments was ₹6 crore and ₹3 crore as at March 31, 2018 and March 31, 2017 respectively.

The activity in the 2015 Plan (formerly 2011 RSU Plan) for equity-settled share based payment transactions during the year ended March 31, 2018 is set out below:

Particulars	**Year ended March 31, 2018**	
	Shares arising out of options	**Weighted average exercise price (₹)**
2015 Plan: RSU		
Outstanding at the beginning	2,961,373	5
Granted	2,280,608	5
Exercised	648,217	5
Forfeited and expired	843,355	5
Outstanding at the end	**3,750,409**	**5**
Exercisable at the end	24,205	5
2015 Plan: Employee Stock Options (ESOPs)		
Outstanding at the beginning	1,197,650	992
Granted	491,575	943
Exercised	52,412	983
Forfeited and expired	669,900	961
Outstanding at the end	**966,913**	**986**
Exercisable at the end	196,912	992

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

Particulars	**Year ended March 31, 2017**	
	Shares arising out of options	**Weighted average exercise price (₹)**
2015 Plan: RSU		
Outstanding at the beginning	221,505	5
Granted	2,874,690	5
Forfeited and expired	100,760	5
Exercised	34,062	5
Outstanding at the end	**2,961,373**	**5**
Exercisable at the end	-	-
2015 Plan: Employee Stock Options (ESOPs)		
Outstanding at the beginning	-	-
Granted	1,205,850	992
Forfeited and expired	8,200	992
Exercised	-	-
Outstanding at the end	**1,197,650**	**992**
Exercisable at the end	-	-

During the year ended March 31, 2018, the weighted average share price of options exercised under the 2015 Plan on the date of exercise was ₹992 .

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

The following table summarizes information about equity settled RSUs and ESOPs outstanding as at March 31, 2018:

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:			
0 - 5 (RSU)	3,750,409	1.89	5.00
900 - 1100 (ESOP)	966,913	6.60	992.68
	4,717,322	**2.57**	**207.45**

The following table summarizes information about equity settled RSUs and ESOPs outstanding as at 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:			
0 - 5 (RSU)	2,961,373	1.88	5.00
900 - 1100 (ESOP)	1,197,650	7.09	1,026.50
	4,159,023	**3.38**	**299.16**

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

Particulars	**For options granted in**			
	Fiscal 2018-Equity Shares-RSU	**Fiscal 2018-Equity shares ESOP**	**Fiscal 2018-ADS-RSU**	**Fiscal 2018-ADS- ESOP**
Weighted average share price (₹) / ($- ADS)	1,144	923	16.61	14.65
Exercise price (₹)/ ($- ADS)	5.00	919	0.08	14.67
Expected volatility (%)	20-25	25-28	21-26	25-31
Expected life of the option (years)	1 - 4	3 - 7	1 - 4	3 - 7
Expected dividends (%)	2.78	2.78	2.74	2.74
Risk-free interest rate (%)	6 - 7	6 - 7	1 - 2	1 - 2
Weighted average fair value as on grant date (₹) / ($- ADS)	1,066	254	15.47	2.93

Particulars	**For options granted in**			
	Fiscal 2017-Equity Shares-RSU	**Fiscal 2017-Equity shares ESOP**	**Fiscal 2017-ADS-RSU**	**Fiscal 2017-ADS- ESOP**
Weighted average share price (₹) / ($- ADS)	1,067	989	15.77	15.26
Exercise price (₹)/ ($- 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)	1,002	285	14.84	3.46

The expected life of the RSU / ESOP is estimated based on the vesting term and contractual term of the RSU / ESOP, as well as expected exercise behaviour of the employee who receives the RSU / ESOP. Expected volatility during the expected term of the RSU / ESOP is based on historical volatility of the observed market prices of the Company's publicly traded equity shares during a period equivalent to the expected term of the RSU / ESOP.

2.12 OTHER FINANCIAL LIABILITIES

(In ₹ crore)

Particulars	As at March 31, 2018	As at March 31, 2017
Non-current		
Others		
Accrued compensation to employees [1]	-	30
Compensated absences	48	-
Payable for acquisition of business (refer note no. 2.1) [2]		
Contingent consideration	13	40
	61	**70**
Current		
Unpaid dividends [1]	22	17
Others		
Accrued compensation to employees [1]	2,509	1,881
Accrued expenses [1]	2,452	2,585
Retention monies [1]	132	220
Payable for acquisition of business		
Contingent consideration (refer note no. 2.1) [2]	41	45
Payable by controlled trusts [1]	139	145
Compensated absences	1,421	1,359
Foreign currency forward and options contracts [2][3]	42	2
Capital creditors [1]	155	48
Other payables [1]	33	47
	6,946	**6,349**
Total financial liabilities	**7,007**	**6,419**
[1] Financial liability carried at amortized cost	5,442	4,973
[2] Financial liability carried at fair value through profit or loss	93	87
[3] Financial liability carried at fair value through other comprehensive income	3	-
Contingent consideration on undiscounted basis	55	91

2.13 OTHER LIABILITIES

(In ₹ crore)

Particulars	As at March 31, 2018	As at March 31, 2017
Non-current		
Others		
Deferred income - government grant on land use rights	44	41
Accrued gratuity (refer note no. 2.20.1)	28	
Deferred rent	151	-
Deferred income	36	42
	259	**83**
Current		
Unearned revenue	2,295	1,777
Client deposit	38	-
Others		
Withholding taxes and others	1,240	1,226
Accrued gratuity (refer note no. 2.20.1)	-	1
Deferred rent	32	2
Deferred income - government grant on land use rights	1	1
	3,606	**3,007**

2.14 PROVISIONS

Accounting policy

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 Consolidated Statement of Profit and Loss. 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.

(In ₹ crore)

Particulars	**As at**	
	March 31, 2018	**March 31, 2017**
Current		
Others		
Post-sales client support and warranties and others	492	405
	492	**405**

Provision for post-sales client support and warranties and others

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

(In ₹ crore)

Particulars	**Year ended March 31, 2018**	**Year ended March 31, 2017**
Balance at the beginning	405	512
Provision recognized/(reversed)	143	94
Provision utilized	(62)	(195)
Exchange difference	6	(6)
Balance at the end	**492**	**405**

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

2.15 INCOME TAXES

Accounting policy

Income tax expense comprises current and deferred income tax. Income tax expense is recognized in net profit in the Consolidated 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.

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

	Year ended March 31,	
	2018	**2017**
Current taxes	4,581	5,653
Deferred taxes	(340)	(55)
Income tax expense	**4,241**	**5,598**

Advance Pricing Agreement (“APA”)

During the three months ended December 31, 2017, the Company had concluded an Advance Pricing Agreement (“APA”) with the US Internal Revenue Service ("IRS") for the US branch covering the years ending March 2011 to March 2021. Under the APA, the Company and the IRS have agreed on the methodology to allocate revenues and compute the taxable income of the Company’s US Branch operations.

During the three months ended December 31, 2017, in accordance with the APA, the company has reversed income tax expense provision of ₹1,432 crore which pertains to previous periods. This comprises of current tax expense of ₹1,610 crore, reversal of ₹132 crore on account of deferred tax assets pertaining to the temporary differences which are no longer required and a deferred tax liability of ₹46 crore pertaining to Branch profit tax for the three months ended December 31, 2017 on account of conclusion of APA. In line with the APA, the Company has to pay an amount of approximately ₹1,488 crore due to the difference between the taxes payable for prior periods as per the APA and the actual taxes paid for such periods. The company has paid ₹479 crore during the three months ended March 31, 2018, and the balance amount is expected to be paid over the next few quarters.

Additionally, income tax expense for the year ended March 31, 2018 includes reversal (net of provisions) of ₹291 crore, pertaining to prior periods on account of adjudication of certain disputed matters in favor of the Company across various jurisdictions.

Income tax expense for the year ended March 31, 2017 includes reversal (net of provisions) of ₹152 crore, pertaining to prior periods.

The “Tax Cuts and Jobs Act (H.R. 1)” was signed into law on December 22, 2017 (“US Tax Reforms”). The US tax reforms has reduced federal tax rates from 35% to 21% effective January 1, 2018 amongst other measures. During the year ended March 31, 2018 , the US tax reforms has resulted in a positive impact of ₹155 crore on account of credits pertaining to deferred tax liabilities on branch profit. The impact of US tax reforms is expected to be not significant for future periods.

During the year ended March 31, 2018 and March 31, 2017, a current tax charge of ₹17 crore and current tax credit ₹10 crore respectively have been recorded in other comprehensive income pertaining to remeasurement of defined benefit plan asset.

During the year ended March 31, 2018, a deferred tax credit of ₹13 crore and a deferred tax charge of ₹1 crore has been recorded in other comprehensive income pertaining to unrealized gains on derivatives designated as cash flow hedges and unrealized gain on investment in non-convertible debentures, certificates of deposit, commercial papers and equity & preference securities.

During the year ended March 31, 2017, a deferred tax charge 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)

	Year ended March 31,	
	2018	**2017**
Profit before income taxes	20,270	19,951
Enacted tax rates in India	34.61%	34.61%
Computed expected tax expense	7,015	6,905
Tax effect due to non-taxable income for Indian tax purposes	(2,068)	(1,982)
Overseas taxes	701	750
Tax provision (reversals)	(1,617)	(152)
Effect of exempt non-operating income	(66)	(65)
Effect of unrecognized deferred tax assets	188	93
Effect of differential overseas tax rates	52	64
Effect of non-deductible expenses	57	26
Branch profit tax (net of credits)	(210)	-
Subsidiary dividend distribution tax	172	-
Others	17	(41)
Income tax expense	**4,241**	**5,598**

The applicable Indian statutory tax rates for each of the fiscals 2018 and 2017 is 34.61%.

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, 2018, Infosys' U.S. branch net assets amounted to approximately ₹5,030 crore. During the year ended March 31, 2018, an additional deferred tax liability has been created for branch profit tax amounting to ₹46 crore on account of conclusion of APA explained above. Further, on account of US tax Reforms, the company has a credit of ₹155 crore pertaining to Branch Profit Tax for the year ended March 31, 2018 towards current taxes. The Company has also reversed ₹55 crore of Branch Profit tax during the year ended March 31, 2018 towards current taxes. As of March 31, 2018, the Company has a deferred tax liability for branch profit tax of ₹164 crore (net of credits), as the Company estimates that these branch profits are expected to be distributed in the foreseeable future.

Other income for the year ended March 31, 2018 includes interest on income tax refund of ₹262 crore.

The foreign tax expense is due to income taxes payable overseas, principally in the United States. In India, the Company has benefited from certain income tax incentives that the Government of India had provided for export of software from the units registered under the Special Economic Zones Act (SEZs), 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 for the eligible SEZ units and utilization of such reserve by the Company for acquiring new plant and machinery for the purpose of its business as per the provisions of the Income Tax Act, 1961.

During the year ended December 31, 2017, the Company received ₹846 crore as dividend from its majority owned subsidiary. Dividend distribution tax paid by the subsidiary on such dividend has been reduced as credit against dividend distribution tax payable by Infosys. Accordingly, the Group has recorded a charge of ₹ 1 crore as income tax expense during the year ended March 31, 2018.

Deferred income tax liabilities have not been recognized on temporary differences amounting to ₹5,045 crore and ₹5,309 crore as at March 31, 2018 and March 31, 2017, respectively, associated with investments in subsidiaries and branches as it is probable that the temporary differences will not reverse in the foreseeable future.

The following table provides the details of income tax assets and income tax liabilities as at March 31, 2018 and March 31, 2017:

(In ₹ crore)

Particulars	**As at**	
	March 31, 2018	**March 31, 2017**
Income tax assets	6,070	5,716
Current income tax liabilities	2,043	3,885
Net current income tax asset/ (liability) at the end	**4,027**	**1,831**

The gross movement in the current income tax asset/ (liability) for the year ended March 31, 2018 and March 31, 2017 is as follows:

(In ₹ crore)

	Year ended March 31,	
	2018	**2017**
Net current income tax asset/ (liability) at the beginning	1,831	1,820
Translation differences	6	-
Income tax paid	6,829	5,653
Current income tax expense	(4,581)	(5,653)
Income tax benefit arising on exercise of stock options	-	1
Income tax on other comprehensive income	(17)	10
Reclassified as assets held for sale (refer note no 2.25)	(41)	-
Net current income tax asset/ (liability) at the end	**4,027**	**1,831**

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

(In ₹ crore)

	As at	
	March 31, 2018	March 31, 2017
Deferred income tax assets		
Property, plant and equipment	215	138
Computer software	-	40
Accrued compensation to employees	12	57
Trade receivables	141	136
Compensated absences	366	374
Post sales client support	98	97
Derivative financial instruments	13	-
Intangibles	9	22
Credits related to branch profits	341	-
Others	117	143
Total deferred income tax assets	**1,312**	**1,007**
Deferred income tax liabilities		
Intangible asset	(38)	(206)
Branch profit tax	(505)	(327)
Derivative financial instruments	(2)	(74)
Others	(26)	(67)
Total deferred income tax liabilities	**(571)**	**(674)**
Deferred income tax assets after set off	**1,282**	**540**
Deferred income tax liabilities after set off	**(541)**	**(207)**

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.

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, management believes that the Group will realize the benefits of those deductible differences. The amount of the deferred income tax assets considered realizable, however, could be reduced in the near term if estimates of future taxable income during the carry forward period are reduced.

The gross movement in the deferred income tax account for the year ended March 31, 2018 and March 31, 2017, is as follows:

(In ₹ crore)

	Year ended March 31,	
	2018	2017
Net deferred income tax asset at the beginning	333	284
Addition through business combination (Refer note no. 2.1)	(2)	-
Translation differences	5	7
Credits / (charge) relating to temporary differences	340	55
Temporary differences on other comprehensive income	12	(13)
Reclassified as assets held for sale (refer note no 2.25)	53	-
Net deferred income tax asset at the end	**741**	**333**

Entire deferred income tax, except for a credit of ₹155 crore (on account of US Tax Reforms explained above), for the year ended March 31, 2018, relates to origination and reversal of temporary differences

The credit relating to temporary differences during the year ended March 31, 2018 are primarily on account of property plant and equipment and trade receivables partially offset by accrued compensation to employees. The credit 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.

2.16 REVENUE FROM OPERATIONS

Accounting policy

The Company derives revenues primarily from software development and related services and from the licensing of software products. Arrangements with customers for software related services are either on a fixed-price, fixed-timeframe or on a time-and-material basis.

Revenue on time-and-material contracts are recognized as the related services are performed and revenue from the end of the last billing to the Balance Sheet date is recognized as unbilled revenues. Revenue from fixed-price, fixed-timeframe contracts, where there is no uncertainty as to measurement or collectability of consideration, is recognized as per the percentage-of-completion method. When there is uncertainty as to measurement or ultimate collectability, revenue recognition is postponed until such uncertainty is resolved. Efforts or costs expended have been used to measure progress towards completion as there is a direct relationship between input and productivity. Provisions for estimated losses, if any, on uncompleted contracts are recorded in the period in which such losses become probable based on the current contract estimates. Costs and earnings in excess of billings are classified as unbilled revenue, while billings in excess of costs and earnings are classified as unearned revenue. Deferred contract costs are amortized over the term of the contract. Maintenance revenue is recognized 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 are allocated to each component of the contract in a manner, whereby revenue is deferred for the undelivered services and the residual amounts are recognized as revenue for delivered elements. In the absence of objective and reliable evidence of fair value for implementation, the entire arrangement fee for license and implementation is recognized using the percentage-of-completion method as the implementation is performed. Revenue from client training, support and other services arising due to the sale of software products is recognized as the services are performed. ATS revenue is recognized 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 Group presents revenues net of indirect taxes in its Consolidated Statement of Profit and Loss.

Revenues for the year ended March 31, 2018 and March 31, 2017 are as follows:

(In ₹ crore)

Particulars	Year ended March 31,	
	2018	**2017**
Revenue from software services	68,460	66,383
Revenue from software products	2,062	2,101
	70,522	**68,484**

2.17 OTHER INCOME, NET

Accounting policy

Other income is comprised primarily of interest income, dividend income, gain/loss on investment 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.

Foreign currency

Accounting policy

Functional currency

The functional currency of Infosys, Infosys BPM (formerly 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 Consolidated Statement of Profit and Loss. Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at fair value are translated at the exchange rate prevalent at the date when the fair value was determined. Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of transaction.

Transaction gains or losses realized upon settlement of foreign currency transactions are included in determining net profit for the period in which the transaction is settled. Revenue, expense and cash-flow items denominated in foreign currencies are translated into the relevant functional currencies using the exchange rate in effect on the date of the transaction.

The translation of financial statements of the foreign subsidiaries to the presentation currency is performed for assets and liabilities using the exchange rate in effect at the Balance Sheet date and for revenue, expense and cash-flow items using the average exchange rate for the respective periods. The gains or losses resulting from such translation are included in currency translation reserves under other components of equity. When a subsidiary is disposed off, in full, the relevant amount is transferred to net profit in the Consolidated 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.

Government grant

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 Consolidated 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 Consolidated Statement of Profit and Loss over the periods necessary to match them with the related costs which they are intended to compensate.

Other income for the year ended March 31, 2018 and March 31, 2017 is as follows:

(In ₹ crore)

Particulars	**Year ended March 31,**	
	2018	**2017**
Interest income on financial assets carried at amortized cost:		
Tax free bonds and government bonds	143	128
Deposit with Bank and others	1,531	2,233
Interest income on financial assets carried at fair value through other comprehensive income:		
Non-convertible debentures, certificates of deposit and commercial paper	682	190
Income on investments carried at fair value through profit or loss		
Dividend income on liquid mutual funds	4	29
Gain / (loss) on liquid mutual funds	253	119
Exchange gains/ (losses) on foreign currency forward and options contracts	1	591
Exchange gains/ (losses) on translation of assets and liabilities	233	(359)
Impairment loss on assets classifed as held for sale (refer note no 2.25)	(118)	-
Miscellaneous Income, net	464	149
	3,193	**3,080**

2.18 EXPENSES

(In ₹ crore)

Particulars	**Year ended March 31,**	
	2018	**2017**
Employee benefit expenses		
Salaries including bonus	37,764	36,557
Contribution to provident and other funds	828	770
Share based payments to employees *(Refer note no. 2.11)*	84	117
Staff welfare	217	215
	38,893	**37,659**
Cost of software packages and others		
For own use	887	795
Third party items bought for service delivery to clients	983	802
	1,870	**1,597**
Other expenses		
Repairs and maintenance	1,089	1,242
Power and fuel	207	228
Brand and marketing	305	342
Operating lease payments	528	491
Rates and taxes	166	148
Consumables	30	40
Insurance	59	56
Provision for post-sales client support and warranties	142	80
Commission to non-whole time directors	9	10
Impairment loss recognized / (reversed) on financial assets	71	140
Contributions towards Corporate Social responsibility	156	230
Others	162	237
	2,924	**3,244**

2.19 LEASES

Accounting policy

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 Consolidated Statement of Profit and Loss over the lease term.

The lease rentals charged during the period is as follows:

(In ₹ crore)

Particulars	Year ended March 31, 2018	2017
Lease rentals recognized during the period	528	491

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, 2018	March 31, 2017
Not later than 1 year	456	461
Later than 1 year and not later than 5 years	1,388	1,237
Later than 5 years	874	740

The operating lease arrangements, are renewable on a periodic basis and for most of the leases extend upto a maximum of ten years from their respective dates of inception and relates to rented premises. Some of these lease agreements have price escalation clauses.

2.20 EMPLOYEE BENEFITS

Accounting policy

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 BPM (formerly 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 re-measurements of the net defined benefit liability/(asset) are recognized in other comprehensive income and are not reclassified to Consolidated Statement of 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 the Consolidated Statement of Profit and Loss.

Superannuation

Certain employees of Infosys, Infosys BPM (formerly 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.

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.

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.

2.20.1 Gratuity

The following tables set out the funded status of the gratuity plans and the amounts recognized in the Group's financial statements as at March 31, 2018 and March 31, 2017:

(In ₹ crore)

Particulars	As at	
	March 31, 2018	**March 31, 2017**
Change in benefit obligations		
Benefit obligations at the beginning	1,117	944
Service cost	150	129
Interest expense	73	69
Remeasurements - Actuarial (gains)/ losses	(59)	67
Transfer in	28	-
Curtailment gain	-	(3)
Benefits paid	(107)	(89)
Reclassified as held for sale (refer note no 2.25)	(1)	-
Benefit obligations at the end	**1,201**	**1,117**
Change in plan assets		
Fair value of plan assets at the beginning	1,195	947
Interest income	80	79
Remeasurements- Return on plan assets excluding amounts included in interest income	13	12
Contributions	35	246
Benefits paid	(107)	(89)
Fair value of plan assets at the end	**1,216**	**1,195**
Funded status	15	78
Prepaid gratuity benefit	43	79
Accrued gratuity	(28)	(1)

Amount for the year ended March 31, 2018 and March 31, 2017 recognized in the cosolidated statement of Profit and Loss under employee benefit expense:

(In ₹ crore)

Particulars	Year ended March 31,	
	2018	**2017**
Service cost	150	129
Net interest on the net defined benefit liability/asset	(7)	(10)
Curtailment gain	-	(3)
Net gratuity cost	**143**	**116**

Amount for the year ended March 31, 2018 and March 31, 2017 recognized in the consolidated statement of other comprehensive income:

(In ₹ crore)

Particulars	Year ended March 31,	
	2018	**2017**
Remeasurements of the net defined benefit liability/ (asset)		
Actuarial (gains) / losses	(59)	67
(Return) / loss on plan assets excluding amounts included in the net interest on the net defined benefit liability/(asset)	(13)	(12)
	(72)	**55**

(In ₹ crore)

Particulars	Year ended March 31,	
	2018	**2017**
(Gain)/loss from change in demographic assumptions	-	-
(Gain)/loss from change in financial assumptions	(41)	56
(Gain)/loss from experience adjustment	(18)	11
	(59)	**67**

The weighted-average assumptions used to determine benefit obligations as at March 31, 2018 and March 31, 2017 are set out below:

Particulars	As at	
	March 31, 2018	**March 31, 2017**
Discount rate	7.5%	6.9%
Weighted average rate of increase in compensation levels	8.0%	8.0%

The weighted-average assumptions used to determine net periodic benefit cost for the year ended March 31, 2018 and March 31, 2017 are set out below:

Particulars	Year ended March 31,	
	2018	**2017**
Discount rate	6.9%	7.8%
Weighted average rate of increase in compensation levels	8.0%	8.0%
Weighted average duration of defined benefit obligation	6.1 years	6.1 years

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

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

Sensitivity of significant assumptions used for valuation of defined benefit obligation:

(in ₹ crore)

Impact from percentage point increase / decrease in	**As at March 31, 2018**
Discount rate	58
Weighted average rate of increase in compensation levels	50

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. The sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. In practice, this is not probable, and changes in some of the assumptions may be correlated.

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

The Company contributes all ascertained liabilities towards gratuity to the Infosys Limited Employees' Gratuity Fund Trust. In case of Infosys BPM (formerly 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 at March 31, 2018 and March 31, 2017, the plan assets have been primarily invested in insurer managed funds.

Actual return on assets for the year ended March 31, 2018, and March 31, 2017 were ₹93 crore and ₹91 crore, respectively.

The Group expects to contribute ₹130 crore to the gratuity trusts during the remainder of fiscal 2019.

Maturity profile of defined benefit obligation:

	(In ₹ crore)
Within 1 year	174
1-2 year	178
2-3 year	192
3-4 year	203
4-5 year	211
5-10 years	1,023

2.20.2 Superannuation

The Group contributed ₹173 crore and ₹168 crore during the year ended March 31, 2018 and March 31, 2017, respectively and the same has been recognized in the Consolidated Statement of Profit and Loss under the head employee benefit expense.

2.20.3 Provident fund

Infosys has an obligation to fund any shortfall on the yield of the trust's investments over the administered interest rates on an annual basis. These administered rates are determined annually predominantly considering the social rather than economic factors and in most cases the actual return earned by the Company has been higher in the past years. The actuary has provided a valuation for provident fund liabilities on the basis of guidance issued by Actuarial Society of India and based on the assumptions provided below there is no shortfall as at March 31, 2018 and March 31, 2017, respectively.

The details of fund and plan asset position are as follows:

(In ₹ crore)

Particulars	**As at**	
	March 31, 2018	**March 31, 2017**
Plan assets at period end, at fair value	5,160	4,459
Present value of benefit obligation at period end	5,160	4,459
Asset recognized in Balance Sheet	-	-

The plan assets have been primarily invested in government securities.
Assumptions used in determining the present value obligation of the interest rate guarantee under the Deterministic Approach:

Particulars	**As at**	
	March 31, 2018	**March 31, 2017**
Government of India (GOI) bond yield	7.50%	6.90%
Remaining term to maturity of portfolio	5.9 year	6.0 year
Expected guaranteed interest rate	8.55%	8.60%

The Group contributed ₹484 crore and ₹462 crore during the year ended March 31, 2018 and March 31, 2017, respectively. The same has been recognized in the Consolidated Statement of Profit and Loss under the head employee benefit expense.

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

2.20.4 Employee benefit costs include:

(In ₹ crore)

Particulars	**Year ended March 31,**	
	2018	**2017**
Salaries and bonus[(1)(2)]	38,093	36,913
Defined contribution plans	260	252
Defined benefit plans	540	494
	38,893	**37,659**

(1) Includes a employee stock compensation expense of ₹84 crore, for the year ended March 31, 2018. Similarly, includes employee stock compensation expense of ₹117 crore for the year ended March 31, 2017.

(2) Included in the above is a reversal of stock compensation cost of ₹35 crore towards forfeiture of stock incentives granted to Dr. Vishal Sikka upon his resignation. Refer note no. 2.11.

2.21 RECONCILIATION OF BASIC AND DILUTED SHARES USED IN COMPUTING EARNINGS PER SHARE

Accounting policy

Basic earnings per equity share is computed by dividing the net profit attributable to the equity holders of the Company by the weighted average number of equity shares outstanding during the period. Diluted earnings per equity share is computed by dividing the net profit attributable to the equity holders of the Company by the weighted average number of equity shares considered for deriving basic earnings per equity share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. The dilutive potential equity shares are adjusted for the proceeds receivable had the equity shares been actually issued at fair value (i.e. the average market value of the outstanding equity shares). Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented.

The number of equity shares and potentially dilutive equity shares are adjusted retrospectively for all periods presented for any share splits and bonus shares issues including for changes effected prior to the approval of the financial statements by the Board of Directors.

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

Particulars	**Year ended March 31,**	
	2018	**2017**
Basic earnings per equity share - weighted average number of equity shares outstanding[(1)]	2,255,332,322	2,285,639,447
Effect of dilutive common equivalent shares - share options outstanding	2,241,548	757,298
Diluted earnings per equity share - weighted average number of equity shares and common equivalent shares outstanding	**225,75,73,870**	**228,63,96,745**

[(1)] *Excludes treasury shares*

For the year ended March 31, 2018, 67,238 number of options to purchase equity shares had an anti-dilutive effect.
For the year ended March 31, 2017, 112,190 number of options to purchase equity shares had an anti-dilutive effect.

2.22 CONTINGENT LIABILITIES AND COMMITMENTS

(In ₹ crore)

Particulars	**As at**	
	March 31, 2018	**March 31, 2017**
Contingent liabilities :		
Claims against the Company, not acknowledged as debts[(1)] [Amount paid to statutory authorities ₹6,551 crore (*₹4,717 crore*)]	4,802	6,714
Commitments :		
Estimated amount of contracts remaining to be executed on capital contracts and not provided for (net of advances and deposits)	1,452	1,149
Other commitments*	81	114

**Uncalled capital pertaining to investments*

[(1)] As at March 31, 2018, claims against the Group not acknowledged as debts in respect of income tax matters amounted to ₹4,542 crore. These matters are pending before various Appellate Authorities and the management including its tax advisors expect that its position will likely be upheld on ultimate resolution and will not have a material adverse effect on the Group's financial position and results of operations.

Income tax claims amounting to ₹4,670 crore has not been considered as claims not acknowledged as debt because the Company has received favourable decisions on similar claims and therefore based on its assessment , is of the view that any liability resulting from these claims is remote and will not sustain on ultimate resolution.

Amount paid to statutory authorities against the above tax claims amounted to ₹6,540 crore.

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.

2.23 RELATED PARTY TRANSACTIONS

List of related parties:

Name of subsidiaries	**Country**	**Holdings as at**	
		March 31, 2018	**March 31, 2017**
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 Nova Holdings LLC. (Infosys Nova)	U.S.	100%	100%
EdgeVerve Systems Limited (EdgeVerve)	India	100%	100%
Lodestone Management Consultants GmbH(1)	Austria	100%	100%
Skava Systems Pvt. Ltd. (Skava Systems)	India	100%	100%
Kallidus Inc. (Kallidus)	U.S.	100%	100%
Infosys Chile SpA(2)	Chile	100%	-
Infosys Arabia Limited(3)	Saudi Arabia	70%	-
Infosys Americas Inc., (Infosys Americas)	U.S.	100%	100%
Infosys Technologies (Australia) Pty. Limited (Infosys Australia)(4)	Australia	100%	100%
Infosys Public Services, Inc. USA (Infosys Public Services)	U.S.	100%	100%
Infosys Canada Public Services Ltd. (5)(6)	Canada	-	-
Infosys BPM Limited (formerly Infosys BPO Limited)	India	99.98%	99.98%
Infosys (Czech Republic) Limited s.r.o.(7)	Czech Republic	99.98%	99.98%
Infosys Poland, Sp z.o.o(7)	Poland	99.98%	99.98%
Infosys McCamish Systems LLC (7)	U.S.	99.98%	99.98%
Portland Group Pty Ltd(7)	Australia	99.98%	99.98%
Infosys BPO Americas LLC.(7)	U.S.	99.98%	99.98%
Infosys Consulting Holding AG (Infosys Lodestone)	Switzerland	100%	100%
Lodestone Management Consultants Inc.(4)(8)	U.S.	100%	100%
Infosys Management Consulting Pty Limited(8)	Australia	100%	100%
Infosys Consulting AG(8)	Switzerland	100%	100%
Infosys Consulting GmbH(8)	Germany	100%	100%
Infosys Consulting SAS(8)	France	100%	100%
Infosys Consulting s.r.o.(8)	Czech Republic	100%	100%
Lodestone Management Consultants Co., Ltd.(8)	China	100%	100%
Infy Consulting Company Ltd(8)	U.K.	100%	100%
Infy Consulting B.V.(8)	The Netherlands	100%	100%
Infosys Consulting Sp. z.o.o(8)	Poland	100%	100%
Lodestone Management Consultants Portugal, Unipessoal, Lda. (8)	Portugal	100%	100%
S.C. Infosys Consulting S.R.L.(8)	Romania	100%	100%
Infosys Consulting S.R.L.(8)	Argentina	100%	100%
Lodestone GmbH(8)(9)	Switzerland	-	-
Lodestone Augmentis AG (10)(11)	Switzerland	-	-
Infosys Consulting (Belgium) NV (formerly Lodestone Management Consultants (Belgium) S.A.)(12)	Belgium	99.90%	99.90%
Infosys Consulting Ltda.(12)	Brazil	99.99%	99.99%
Panaya Inc. (Panaya)	U.S.	100%	100%
Panaya Ltd. (13)	Israel	100%	100%
Panaya GmbH(13)	Germany	100%	100%
Panaya Japan Co. Ltd(4)(13)	Japan	100%	100%
Panaya Pty Ltd. (13)(14)	Australia	-	-
Noah Consulting LLC (Noah)(15)	U.S.	-	100%
Noah Information Management Consulting Inc. (Noah Canada)(16)(17)	Canada	-	100%
Brilliant Basics Holdings Limited(18)	U.K.	100%	-
Brilliant Basics Limited(19)	U.K.	100%	-
Brilliant Basics (MENA) DMCC(19)	Dubai	100%	-
Infosys Consulting Pte Limited(1)	Singapore	100%	100%
Infosys Middle East FZ LLC(20)	Dubai	100%	-

(1) *Wholly-owned subsidiary of Infosys Limited*
(2) *Incorporated effective November 20, 2017*
(3) *Subsidiary of Infosys Limited*
(4) *Under liquidation*
(5) *Wholly owned subsidiary of Infosys Public Services, Inc.*
(6) *Liquidated effective May 9, 2017*
(7) *Wholly owned subsidiary of Infosys BPM (formerly Infosys BPO Limited).*
(8) *Wholly owned subsidiaries of Infosys Consulting Holding AG (formerly Lodestone Holding AG)*
(9) *Liquidated effective December 21, 2016*
(10) *Wholly owned subsidiary of Infosys Consulting AG (formerly Lodestone Management Consultants AG)*
(11) *Liquidated effective October 5, 2016*
(12) *Majority owned and controlled subsidiaries of Infosys Consulting Holding AG (formerly Lodestone Holding AG)*
(13) *Wholly owned subsidiary of Panaya Inc*
(14) *Liquidated effective November 16, 2016*
(15) *Liquidated effective November 9, 2017*
(16) *Wholly owned subsidiary of Noah*
(17) *Liquidated effective December 20, 2017*
(18) *On September 8, 2017, Infosys acquired 100% of the voting interests in Brilliant Basics Holdings Limited., UK. Refer note no. 2.1*
(19) *Wholly-owned subsidiary of Brilliant Basics Holding Limited.*
(20) *Wholly-owned subsidiary of Infosys Consulting Pte Ltd*

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

Name of Associates	Country	Holdings as at	
		March 31, 2018	March 31, 2017
DWA Nova LLC[1]	U.S.	-	16%

[1] During the three months ended June 30, 2017, the Company has written down the entire carrying value of the investment in its associate DWA Nova LLC amounting to ₹71 crore. DWA Nova LLC has been liquidated w.e.f November 17, 2017

List of other related party

Particulars	Country	Nature of relationship
Infosys Limited Employees' Gratuity Fund Trust	India	Post-employment benefit plan of Infosys
Infosys Limited Employees' Provident Fund Trust	India	Post-employment benefit plan of Infosys
Infosys Limited Employees' Superannuation Fund Trust	India	Post-employment benefit plan of Infosys
Infosys BPO Limited Employees' Superannuation Fund Trust	India	Post-employment benefit plan of Infosys BPM
Infosys BPO Limited Employees' Gratuity Fund Trust	India	Post-employment benefit plan of Infosys BPM
EdgeVerve Systems Limited Employees' Gratuity Fund Trust	India	Post-employment benefit plan of EdgeVerve
EdgeVerve Systems Limited Employees' Superannuation Fund Trust	India	Post-employment benefit plan of EdgeVerve
Infosys Employees Welfare Trust	India	Controlled trust
Infosys Employee Benefits Trust	India	Controlled trust
Infosys Science Foundation	India	Controlled trust

Refer note no. 2.20 for information on transactions with post-employment benefit plans mentioned above.

List of key management personnel

Whole-time directors

Salil Parekh appointed as Chief Executive Officer and Managing Director effective January 2, 2018. The appointment is for a term of 5 years with effect from January 2, 2018 to January 1, 2023 and the remuneration is approved by shareholders through postal ballot dated February 20, 2018.

U. B. Pravin Rao, Chief Operating officer appointed as Interim-Chief Executive Officer and Managing Director effective August 18, 2017. Subsequently he stepped down as the interim CEO and Managing Director effective January 2, 2018 and will continue as Chief Operating Officer and a whole-time director of the Company.

Dr. Vishal Sikka resigned as Chief Executive Officer and Managing Director effective August 18, 2017 and as Executive Vice Chairman effective August 24, 2017

Non-whole-time directors

Nandan M. Nilekani (appointed as Non-Executive, Non-Independent Chairman effective August 24, 2017)

Ravi Venkatesan (resigned from his position as Co-Chairman effective August 24, 2017)

Kiran Mazumdar-Shaw

Roopa Kudva

Dr. Punita Kumar-Sinha

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

D. Sundaram (appointed effective July 14, 2017)

Prof. Jeffrey Lehman, (resigned effective August 24, 2017)

R. Seshasayee (resigned effective August 24, 2017)

Prof. John Etchemendy (resigned effective August 24, 2017)

Executive Officers

M. D. Ranganath, Chief Financial Officer

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

Mohit Joshi, President (effective October 13, 2016)

Rajesh K. Murthy, President (appointed effective October 13, 2016 and resigned effective January 31, 2018)

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

Sandeep Dadlani, President (resigned effective July 14, 2017)

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

Gopi Krishnan Radhakrishnan - Acting General Counsel (resigned effective June 24, 2017)

Inderpreet Sawhney, Group General Counsel and Chief Compliance Officer (appointed as executive officer effective July 14, 2017)

Company Secretary

A. G. S. Manikantha

Transaction with key management personnel:

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

(In ₹ crore)

Particulars	Year ended March 31,	
	2018	2017
Salaries and other employee benefits to whole-time directors and executive officers [1][2][3][4]	48	84
Commission and other benefits to non-executive/independent directors	10	11
Total	58	95

[1] *On December 2, 2017, the Board appointed Salil Parekh as the Chief Executive Officer and Managing Director of the Company with effect from January 2, 2018. The appointment is for a term of 5 years with effect from January 2, 2018 to January 1, 2023 and the remuneration is approved by shareholders through postal ballot dated February 20, 2018.*

[2] *Total employee stock compensation expense for the year ended March 31, 2018 includes a reversal of ₹13 crore, towards key managerial personnel. For the year ended March 31, 2017, an employee stock compensation expense of ₹36 crore, was recorded towards key managerial personnel. (Refer to note 2.11)*

[3] *Includes a reversal of stock compensation cost of ₹35 crore for the year ended March 31, 2018 towards forfeiture of stock incentives granted to Dr. Vishal Sikka upon his resignation. (Refer to note 2.11)*

[4] *Includes ₹6 crore payable under severance agreement to David Kennedy, General counsel and Chief compliance officer during the three moths ended December 31, 2016.*

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 %age of consolidated net assets	Amount	as %age of consolidated profit or loss	Amount	as %age of consolidated other comprehensive income	Amount	as %age of consolidated total comprehensive income	Amount
Infosys Ltd.	93.2%	63,502	97.3%	16,155	95.5%	21	97.3%	16,176
Indian Subsidiaries								
Infosys BPM	5.1%	3,441	2.8%	469	-22.7%	(5)	2.8%	464
EdgeVerve	-2.1%	(1,397)	1.9%	312	27.3%	6	1.9%	318
Skava Systems	0.1%	38	0.1%	15	0.0%	-	0.1%	15
Foreign Subsidiaries								
Infosys China	0.2%	151	-0.4%	(66)	0.0%	-	-0.4%	(66)
Infosys Mexico	0.2%	161	0.2%	31	0.0%	-	0.2%	31
Infosys Sweden	0.0%	24	0.0%	6	0.0%	-	0.0%	6
Infosys Shanghai	1.2%	808	-0.7%	(109)	0.0%	-	-0.7%	(109)
Infosys Brasil	0.2%	123	0.2%	26	0.0%	-	0.2%	26
Infosys Public Services	0.7%	463	0.4%	73	0.0%	-	0.4%	73
Infosys Americas	0.0%	1	0.0%	-	0.0%	-	0.0%	-
Infosys (Czech Republic) Limited s.r.o.	0.1%	75	0.0%	1	0.0%	-	0.0%	1
Infosys BPO (Poland) Sp Z.o.o	0.9%	581	0.4%	68	0.0%	-	0.4%	68
Infosys BPO Americas	0.0%	(2)	0.0%	(5)	0.0%	-	0.0%	(5)
Infosys McCamish Systems LLC	0.2%	170	0.3%	42	0.0%	-	0.3%	42
Portland Group Pty Ltd	0.2%	109	0.0%	2	0.0%	-	0.0%	2
Infosys Australia	0.1%	38	0.0%	1	0.0%	-	0.0%	1
Infosys Lodestone	0.3%	228	0.1%	14	0.0%	-	0.1%	14
Lodestone Management Consultants Inc	0.0%	26	0.0%	(3)	0.0%	-	0.0%	(3)
Infosys Management Consulting Pty Limited	0.0%	12	0.1%	15	0.0%	-	0.1%	15
Infosys Consulting AG	0.1%	80	0.1%	12	0.0%	-	0.1%	12
Infosys Conslting (Belgium) NV	0.0%	(24)	0.0%	1	0.0%	-	0.0%	1
Infosys Consulting GmbH	-0.1%	(36)	0.0%	(1)	0.0%	-	0.0%	(1)
Infosys Consulting Pte Ltd.	0.0%	1	0.0%	3	0.0%	-	0.0%	3
Infosys Consulting SAS	0.0%	6	0.0%	7	0.0%	-	0.0%	7
Infosys Consulting s.r.o.	0.0%	5	0.0%	-	0.0%	-	0.0%	-
Lodestone Management Consultants GmbH	0.0%	-	0.0%	2	0.0%	-	0.0%	2
Lodestone Management Consultants Co., Ltd	-0.2%	(137)	-0.4%	(69)	0.0%	-	-0.4%	(69)
Infy Consulting Company Ltd.	0.0%	9	0.1%	24	0.0%	-	0.1%	24
Infy Consulting B.V.	0.0%	32	0.0%	3	0.0%	-	0.0%	3
Infosys Consulting Ltda.	-0.1%	(72)	-0.3%	(54)	0.0%	-	-0.3%	(54)
Infosys Consulting Sp. Z.o.o	0.0%	7	0.0%	5	0.0%	-	0.0%	5
Lodestone Management Consultants Portugal, Unipessoal, Lda.	0.0%	3	0.0%	1	0.0%	-	0.0%	1
S.C. Infosys Consulting S.R.L.	0.0%	4	0.0%	1	0.0%	-	0.0%	1
Infosys Consulting S.R.L.	0.0%	(4)	0.0%	(3)	0.0%	-	0.0%	(3)
Infosys Nova	0.0%	-	-0.5%	(79)	0.0%	-	-0.5%	(79)
Panaya Inc.	0.2%	110	0.0%	3	0.0%	-	0.0%	3
Panaya Ltd.	-0.6%	(435)	-0.9%	(149)	0.0%	-	-0.9%	(149)
Panaya Gmbh	0.0%	(2)	0.0%	1	0.0%	-	0.0%	1
Panaya Japan Co. Ltd.	0.0%	(1)	0.0%	-	0.0%	-	0.0%	-
Kallidus	0.1%	51	-0.5%	(82)	0.0%	-	-0.5%	(82)
Noah	0.0%	1	-0.3%	(46)	0.0%	-	-0.3%	(46)
Noah Canada	0.0%	-	0.1%	14	0.0%	-	0.1%	14
Brilliant Basics Holdings	0.0%	-	0.0%	-	0.0%	-	0.0%	-
Brilliant Basics Limited	0.0%	(5)	0.0%	(4)	0.0%	-	0.0%	(4)
Brilliant Basics (MENA)	0.0%	(2)	0.0%	(3)	0.0%	-	0.0%	(3)
CMA Systems FZ-LLC	0.0%	(26)	-0.2%	(26)	0.0%	-	-0.2%	(26)
Infosys Arabia Limited	0.0%	3	0.0%	-	0.0%	-	0.0%	-
Subtotal	**100%**	**68,120**	**100%**	**16,608**	**100%**	**22**	**100%**	**16,630**
Adjustment arising out of consolidation		(3,312)		(572)		321		(251)
Minority interest in subsidiaries		1		-		-		-
Controlled Trusts		115		(7)		-		(7)
Total		**64,924**		**16,029**		**343**		**16,372**

2.24 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 has been aggregated to include the Financial Services operating segment and the Finacle operating segment because of the similarity of the economic characteristics. All other segments represents the operating segments of businesses in India, Japan, China and IPS. Geographic segmentation is based on business sourced from that geographic region and delivered from both on-site and off-shore locations. North America comprises the United States of America, Canada and Mexico, Europe includes continental Europe (both the east and the west), Ireland and the United Kingdom, and the Rest of the World comprising all other places except those mentioned above and India.

Revenue and identifiable operating expenses in relation to segments are categorized based on items that are individually identifiable to that segment. Revenue for 'all other segments' represents revenue generated by IPS and revenue generated from customers located in India, Japan and China. Allocated expenses of segments include expenses incurred for rendering services from the Company's offshore software development centres and on-site expenses, which are categorized in relation to the associated turnover of the segment. Certain expenses such as depreciation, which form a significant component of total expenses, are not specifically allocable to specific segments as the underlying assets are used interchangeably. 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

Year ended March 31, 2018 and March 31, 2017:

(In ₹ crore)

Particulars	FS	MFG	ECS	RCL	HILIFE	Hi-Tech	All other segments	Total
Revenue from operations	18,638	7,699	16,757	11,104	9,271	5,047	2,006	**70,522**
	18,555	*7,507*	*15,430*	*11,225*	*8,437*	*5,122*	*2,208*	*68,484*
Identifiable operating expenses	9,476	4,135	8,411	5,339	4,596	2,679	1,162	35,798
	9,271	*3,922*	*7,430*	*5,378*	*4,178*	*2,659*	*1,406*	*34,244*
Allocated expenses	3,955	1,745	3,796	2,516	2,100	1,144	455	15,711
	4,075	*1,737*	*3,569*	*2,598*	*1,951*	*1,186*	*510*	*15,626*
Segmental operating income	**5,207**	**1,819**	**4,550**	**3,249**	**2,575**	**1,224**	**389**	**19,013**
	5,209	*1,848*	*4,431*	*3,249*	*2,308*	*1,277*	*292*	*18,614*
Unallocable expenses								1,865
								1,713
Other income, net (Refer to note 2.17 and 2.25)								3,193
								3,080
Share in net profit/(loss) of associate, including impairment								(71)
								(30)
Profit before tax								**20,270**
								19,951
Tax expense								4,241
								5,598
Profit for the period								**16,029**
								14,353
Depreciation and amortization expense								1,863
								1,703
Non-cash expenses other than depreciation and amortization								191
								28

Geographic Segments

Year ended March 31, 2018 and March 31, 2017:

(In ₹ crore)

Particulars	North America	Europe	India	Rest of the World	Total
Revenue from operations	42,575	16,738	2,231	8,978	**70,522**
	42,408	*15,392*	*2,180*	*8,504*	*68,484*
Identifiable operating expenses	22,105	8,535	906	4,252	**35,798**
	21,618	*7,694*	*1,002*	*3,930*	*34,244*
Allocated expenses	9,624	3,778	426	1,883	**15,711**
	9,799	*3,548*	*442*	*1,837*	*15,626*
Segmental operating income	**10,846**	**4,425**	**899**	**2,843**	**19,013**
	10,991	*4,150*	*736*	*2,737*	*18,614*
Unallocable expenses					1,865
					1,713
Other income, net (Refer to note 2.17 and 2.25)					3,193
					3,080
Share in net profit/(loss) of associate, including impairment					(71)
					(30)
Profit before tax					*20,270*
					19,951
Tax expense					4,241
					5,598
Profit for the period					*16,029*
					14,353
Depreciation and amortization expense					1,863
					1,703
Non-cash expenses other than depreciation and amortization					191
					28

Significant clients

No client individually accounted for more than 10% of the revenues in the year ended March 31, 2018 and March 31, 2017.

2.25 DISPOSAL GROUP HELD FOR SALE

Accounting policy

Non current assets and disposal groups are classified as held for sale if their carrying amount is intended to be recovered principally through sale rather than through continuing use. The condition for classification of held for sale is met when the non current asset or the disposal group is available for immediate sale and the same is highly probable of being completed within one year from the date of classification as held for sale. Non current assets and disposal groups held for sale are measured at the lower of carrying amount and fair value less cost to sell.

In the quarter ended March 2018, on conclusion of a strategic review of the portfolio businesses, the Company initiated identification and evaluation of potential buyers for its subsidiaries, Kallidus and Skava (together referred to as "Skava") and Panaya (collectively referred to as the "disposal group"). The Company anticipates completion of the sale by March 2019 and accordingly, assets amounting to ₹2,060 crore and liabilities amounting to ₹324 crore in respect of the disposal group have been reclassified as "held for sale". On reclassification, the disposal group has been measured at the lower of carrying amount and fair value less cost to sell and consequently, an impairment loss of ₹118 crore in respect of Panaya has been recognized in the Consolidated Profit and Loss for the year ended March 31, 2018.

The disposal group does not constitute a separate major component of the Company and therefore has not been classified as discontinued operations.

2.26 FUNCTION WISE CLASSIFICATION OF CONSOLIDATED STATEMENT OF PROFIT AND LOSS

(In ₹ crore)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Revenue from operations	70,522	68,484
Cost of Sales	45,130	43,253
Gross profit	**25,392**	**25,231**
Operating expenses		
Selling and marketing expenses	3,560	3,591
General and administration expenses	4,684	4,739
Total operating expenses	8,244	8,330
Operating profit	**17,148**	**16,901**
Other income, net	3,193	3,080
Profit before non controlling interest / Share in net profit / (loss) of associate	**20,341**	**19,981**
Share in net profit/(loss) of associate, including impairment	(71)	(30)
Profit before tax	**20,270**	**19,951**
Tax expense:		
Current tax	4,581	5,653
Deferred tax	(340)	(55)
Profit for the period /Year	**16,029**	**14,353**
Other comprehensive income		
Items that will not be reclassified subsequently to profit or loss		
Remeasurement of the net defined benefit liability/asset	55	(45)
Equity instruments through other comprehensive income, net	7	(5)
	62	**(50)**
Items that will be reclassified subsequently to profit or loss		
Fair value changes on derivatives designated as cash flow hedge, net	(39)	39
Exchange differences on translation of foreign operations	321	(257)
Fair value changes on investments, net	(1)	(10)
	281	**(228)**
Total other comprehensive income, net of tax	**343**	**(278)**
Total comprehensive income for the period/Year	**16,372**	**14,075**
Profit attributable to:		
Owners of the Company	16,029	14,353
Non-controlling interests	-	-
	16,029	**14,353**
Total comprehensive income attributable to:		
Owners of the Company	16,372	14,075
Non-controlling interests	-	-
	16,372	**14,075**

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

Nandan M. Nilekani
Chairman

Salil Parekh
Chief Executive officer
and Managing Director

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

D. Sundaram
Director

M. D. Ranganath
Chief Financial Officer

A. G. S. Manikantha
Company Secretary

Bengaluru
April 13, 2018

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF INFOSYS LIMITED

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of **INFOSYS LIMITED** (hereinafter referred to as "the Company") and its subsidiaries (the Company and its subsidiaries together referred to as "the Group"), comprising the Consolidated Balance Sheet as at March 31, 2018, the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated Statement of Changes in Equity, the Consolidated Statement of Cash Flows for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

The Company's Board of Directors is responsible for the preparation of these consolidated 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 statement of changes in equity and consolidated cash flows of the Group in accordance with the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India. 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 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 financial statements by the Directors of the Company, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. In conducting our 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 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 financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the consolidated 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 Company's Board of Directors, as well as evaluating the overall presentation of the consolidated 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 financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated 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 Ind AS and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2018, and its consolidated profit, consolidated total comprehensive income, consolidated statement of changes in equity and its consolidated cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, based on our audit, 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 financial statements.

(b) in our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated 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 (including Other Comprehensive Income), Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

(d) in our opinion, the aforesaid consolidated financial statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act.

(e) on the basis of the written representations received from the Directors of the Company as on March 31, 2018 taken on record by the Board of Directors of the Company and its subsidiaries incorporated in India 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 March 31, 2018 from being appointed as a director in terms of Section 164(2) of the Act.

(f) with respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our separate Report in "Annexure A" which is based on the auditor's reports of the Company and its subsidiary companies incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the internal financial controls over financial reporting of those companies, for the reasons stated therein.

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

    i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group.

ii. Provision has been made in the consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.

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

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

P.R. RAMESH
Partner
(Membership No. 70928)

Bengaluru, April 13, 2018

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph (f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Infosys Limited of even date)

Report on the Internal Financial Controls Over Financial Reporting 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 financial statements of the Company as of and for the year ended March 31, 2018, we have audited the internal financial controls over financial reporting of **INFOSYS LIMITED** (hereinafter referred to as "Company") and its subsidiary companies, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The Board of Directors of the 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 respective Companies 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 ("the 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 respective 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 Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Company and its subsidiary companies, which are companies incorporated in India, 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 the Institute of Chartered Accountants of India and the Standards on Auditing, prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. 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 judgement, including the assessment of the risks of material misstatement of the 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 internal financial controls system over financial reporting of the Company and its subsidiary companies, which are companies incorporated in India.

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 authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised 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 and to the best of our information and according to the explanations given to us, the 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 March 31, 2018, based on the internal control over financial reporting criteria established by the respective companies 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.

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
(Firm Registration No. 117366W/W-100018)

P. R. RAMESH
Partner
(Membership No. 70928)

Bengaluru, April 13, 2018

INFOSYS LIMITED AND SUBSIDIARIES

Consolidated Financial Statements under
Indian Accounting Standards (Ind AS)
for the three months and year ended March 31, 2018

Index

INFOSYS LIMITED AND SUBSIDIARIES

(In ₹ crore)

Consolidated Balance Sheet as at	Note No.	March 31, 2018	March 31, 2017
ASSETS			
Non-current assets			
Property, plant and equipment	2.2	10,116	9,751
Capital work-in-progress		1,606	1,365
Goodwill	2.3 and 2.25	2,211	3,652
Other intangible assets	2.3	247	776
Investment in associate	2.23	-	71
Financial assets:			
Investments	2.4	5,756	6,382
Loans	2.5	36	29
Other financial assets	2.6	284	309
Deferred tax assets (net)	2.15	1,282	540
Income tax assets (net)	2.15	6,070	5,716
Other non-current assets	2.9	2,265	1,059
Total non-current assets		**29,873**	**29,650**
Current assets			
Financial assets:			
Investments	2.4	6,407	9,970
Trade receivables	2.7	13,142	12,322
Cash and cash equivalents	2.8	19,818	22,625
Loans	2.5	239	272
Other financial assets	2.6	6,684	5,980
Income tax assets (net)	2.15	-	-
Other Current assets	2.9	1,667	2,536
		47,957	**53,705**
Assets held for sale	2.25	2,060	-
Total current assets		**50,017**	**53,705**
Total assets		**79,890**	**83,355**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	2.11	1,088	1,144
Other equity		63,835	67,838
Total equity attributable to equity holders of the Company		64,923	68,982
Non-controlling interests		1	-
Total equity		**64,924**	**68,982**
Liabilities			
Non-current liabilities			
Financial Liabilities			
Other financial liabilities	2.12	61	70
Deferred tax liabilities (net)	2.15	541	207
Other non-current liabilities	2.13	259	83
Total non-current liabilities		**861**	**360**
Current liabilities			
Financial Liabilities			
Trade payables		694	367
Other financial liabilities	2.12	6,946	6,349
Provisions	2.14	492	405
Income tax liabilities (net)	2.15	2,043	3,885
Other current liabilities	2.13	3,606	3,007
		13,781	**14,013**
Liabilities directly associated with assets held for sale	2.25	324	-
Total current liabilities		**14,105**	**14,013**
Total equity and liabilities		**79,890**	**83,355**

The accompanying notes form an integral part of the interim consolidated financial statements

As per our report of even date attached

for Deloitte Haskins & Sells LLP
Chartered Accountants
Firm's Registration No :
117366W/ W-100018

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

P. R. Ramesh
Partner
Membership No. 70928

Nandan M. Nilekani
Chairman

Salil Parekh
Chief Executive officer and Managing Director

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

Bengaluru
April 13, 2018

D. Sundaram
Director

M. D. Ranganath
Chief Financial Officer

A. G. S. Manikantha
Company Secretary

INFOSYS LIMITED AND SUBSIDIARIES

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

Consolidated Statement of Profit and Loss for the	Note No.	Three months ended March 31, 2018	Three months ended March 31, 2017	Year ended March 31, 2018	Year ended March 31, 2017
Revenue from operations	2.16	18,083	17,120	70,522	68,484
Other income, net	2.17 and 2.25	534	746	3,193	3,080
Total income		**18,617**	**17,866**	**73,715**	**71,564**
Expenses					
Employee benefit expenses	2.18	10,054	9,309	38,893	37,659
Cost of technical sub-contractors		1,107	1,000	4,297	3,833
Travel expenses		492	474	1,995	2,235
Cost of software packages and others	2.18	466	478	1,870	1,597
Communication expenses		113	149	489	549
Consultancy and professional charges		282	229	1,043	763
Depreciation and amortisation expenses	2.2 and 2.3	458	446	1,863	1,703
Other expenses	2.18	639	823	2,924	3,244
Total expenses		**13,611**	**12,908**	**53,374**	**51,583**
Profit before non-controlling interests/share in net profit/(loss) of associate		**5,006**	**4,958**	**20,341**	**19,981**
Share in net profit/(loss) of associate, including impairment	2.23	-	(25)	(71)	(30)
Profit before tax		**5,006**	**4,933**	**20,270**	**19,951**
Tax expense:					
Current tax	2.15	1,466	1,249	4,581	5,653
Deferred tax	2.15	(150)	81	(340)	(55)
Profit for the period		**3,690**	**3,603**	**16,029**	**14,353**
Other comprehensive income					
Items that will not be reclassified subsequently to profit or loss					
Remeasurement of the net defined benefit liability/asset, net		34	20	55	(45)
Equity instruments through other comprehensive income, net		9	(5)	7	(5)
		43	**15**	**62**	**(50)**
Items that will be reclassified subsequently to profit or loss					
Fair value changes on derivatives designated as cash flow hedge, net	2.10	2	11	(39)	39
Exchange differences on translation of foreign operations		200	(197)	321	(257)
Fair value changes on investments, net		(15)	(10)	(1)	(10)
		187	**(196)**	**281**	**(228)**
Total other comprehensive income/ (loss), net of tax		**230**	**(181)**	**343**	**(278)**
Total comprehensive income for the period		**3,920**	**3,422**	**16,372**	**14,075**
Profit attributable to:					
Owners of the Company		3,690	3,603	16,029	14,353
Non-controlling interests		-	-	-	-
		3,690	**3,603**	**16,029**	**14,353**
Total comprehensive income attributable to:					
Owners of the Company		3,920	3,422	16,372	14,075
Non-controlling interests		-	-	-	-
		3,920	**3,422**	**16,372**	**14,075**
Earnings per Equity share					
Equity shares of par value ₹5/- each					
Basic (₹)		16.98	15.77	71.07	62.80
Diluted (₹)		16.97	15.76	71.00	62.77
Weighted average equity shares used in computing earnings per equity share	2.21				
Basic		2,173,277,060	2,285,654,881	2,255,332,322	2,285,639,447
Diluted		2,174,808,512	2,286,652,003	2,257,573,870	2,286,396,745

The accompanying notes form an integral part of the interim consolidated financial statements

As per our report of even date attached

for Deloitte Haskins & Sells LLP
Chartered Accountants
Firm's Registration No :
117366W/ W-100018

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

P. R. Ramesh
Partner
Membership No. 70928

Nandan M. Nilekani
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Bengaluru
April 13, 2018

D. Sundaram
Director

M. D. Ranganath
Chief Financial Officer

A. G. S. Manikantha
Company Secretary

INFOSYS LIMITED AND SUBSIDIARIES

Consolidated Statement of Changes in Equity

(In ₹ crore)

Particulars		OTHER EQUITY												
		RESERVES & SURPLUS								Other comprehensive income				
	Equity Share capital (1)	Securities Premium Account	Retained earnings	Capital reserve	General reserve	Share Options Outstanding Account	Special Economic Zone Re-investment reserve (2)	Other reserves(3)	Capital redemption reserve	Equity instruments through other comprehensive income	Exchange differences on translating the financial statements of a foreign operation	Effective portion of Cash Flow Hedges	Other items of other comprehensive income / (loss)	Total equity attributable to equity holders of the Company
Balance as at 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														
Income tax benefit arising on exercise of stock options	-	-	-	-	-	1	-	-	-	-	-	-	-	1
Exercise of stock options (Refer to note no. 2.11)	-	3	-	-	-	(3)	-	-	-	-	-	-	-	-
Dividends (including dividend distribution 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)	-	-	-	-	-	-	-
Share based payments to employees (refer note no. 2.11)	-	-	-	-	-	114	-	-	-	-	-	-	-	114
Remeasurement of the net defined benefit liability/asset* (refer note no. 2.20.1 and 2.15)	-	-	-	-	-	-	-	-	-	-	-	-	(45)	(45)
Equity instruments through other comprehensive income* (refer to note no.2.4)	-	-	-	-	-	-	-	-	-	(5)	-	-	-	(5)
Fair value changes on investments, net* (refer to note no.2.4)	-	-	-	-	-	-	-	-	-	-	-	-	(10)	(10)
Fair value changes on derivatives designated as cash flow hedge* (refer note no. 2.10)	-	-	-	-	-	-	-	-	-	-	-	39	-	39
Profit for the period	-	-	14,353	-	-	-	-	-	-	-	-	-	-	14,353
Exchange differences on translation of foreign operations	-	-	-	-	-	-	-	-	-	-	(257)	-	-	(257)
Balance as at March 31, 2017	**1,144**	**2,216**	**52,882**	**54**	**12,135**	**120**	**-**	**5**	**-**	**(5)**	**458**	39	**(66)**	**68,982**

Consolidated Statement of Changes in Equity (contd.)

(In ₹ crore)

Particulars	Equity Share capital (1)	OTHER EQUITY												Total equity attributable to equity holders of the Company
		RESERVES & SURPLUS								Other comprehensive income				
		Securities Premium Account	Retained earnings	Capital reserve	General reserve	Share Options Outstanding Account	Special Economic Zone Re-investment reserve (2)	Other reserves(3)	Capital redemption reserve	Equity instruments through Other comprehensive income	Exchange differences on translating the financial statements of a foreign operation	Effective portion of Cash Flow Hedges	Other items of other comprehensive income / (loss)	
Balance as at April 1, 2017	**1,144**	**2,216**	**52,882**	**54**	**12,135**	**120**	**-**	**5**	**-**	**(5)**	**458**	**39**	**(66)**	**68,982**
Changes in equity for the year ended March 31, 2018														
Share based payments to employees (refer to note no. 2.11)	-	-	-	-	-	79	-	-	-	-	-	-	-	79
Share issued on exercise of stock options (Refer to 2.11)	-	5	-	-	-	-	-	-	-	-	-	-	-	5
Exercise of stock options (refer to note no. 2.11)	-	67	-	-	2	(69)	-	-	-	-	-	-	-	-
Dividends (including dividend distribution tax)	-	-	(7,469)	-	-	-	-	-	-	-	-	-	-	(7,469)
Transfer to general reserve	-	-	(1,382)	-	1,382	-	-	-	-	-	-	-	-	-
Transferred to Special Economic Zone Re-investment reserve	-	-	(2,200)	-	-	-	2,200	-	-	-	-	-	-	-
Transferred from Special Economic Zone Re-investment reserve on utilization	-	-	617	-	-	-	(617)	-	-	-	-	-	-	-
Amount paid upon buyback (refer note no.2.11)	(56)	(2,206)	-	-	(10,738)	-	-	-		-	-	-	-	(13,000)
Transaction costs related to buyback* (refer note no 2.11)	-	(46)	-	-	-	-	-	-		-	-	-	-	(46)
Amount transferred to capital redemption reserve upon buyback (refer note no. 2.11)	-	-	-	-	(56)	-	-	-	56	-	-	-	-	-
Remeasurement of the net defined benefit liability/asset* (refer note no. 2.20.1 and 2.15)	-	-	-	-	-	-	-	-	-	-	-	-	55	55
Equity instruments through other comprehensive income* (refer note no. 2.4)	-	-	-	-	-	-	-	-	-	7	-	-	-	7
Fair value changes on investments, net* (refer note no. 2.4)	-	-	-	-	-	-	-	-	-	-	-	-	(1)	(1)
Fair value changes on derivatives designated as cash flow hedge* (refer note no. 2.10)	-	-	-	-	-	-	-	-	-	-	-	(39)	-	(39)
Profit for the period	-	-	16,029	-	-	-	-	-	-	-	-	-	-	16,029
Exchange differences on translation of foreign operations	-	-	-	-	-	-	-	-	-	-	321	-	-	321
Balance as at March 31, 2018	**1,088**	**36**	**58,477**	**54**	**2,725**	**130**	**1,583**	**5**	**56**	**2**	**779**	**-**	**(12)**	**64,923**

** Net of tax*

(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 Sec 10AA(1)(ii) of Income Tax Act,1961. The reserve should be utilized by the Company for acquiring new plant and machinery for the purpose of its business in the terms of the Sec 10AA(2) of the Income Tax Act, 1961.*

(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 interim consolidated financial statements.

As per our report of even date attached

for Deloitte Haskins & Sells LLP
Chartered Accountants
Firm's Registration No :
117366W/ W-100018

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

P. R. Ramesh
Partner
Membership No. 70928

Nandan M. Nilekani
Chairman

Salil Parekh
Chief Executive officer and Managing Director

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

Bengaluru
April 13, 2018

D. Sundaram
Director

M. D. Ranganath
Chief Financial Officer

A. G. S. Manikantha
Company Secretary

INFOSYS LIMITED AND SUBSIDIARIES

Consolidated Statement of Cash Flows

Accounting policy

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. The company considers all highly liquid investments that are readily convertible to known amounts of cash to be cash equivalents.

Amendment to Ind AS 7:

Effective April 1, 2017, the Group adopted the amendment to Ind AS 7, which require 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 adoption of amendment did not have any material effect on the interim consolidated financial statements.

(In ₹ crore)

Particulars	**Note No.**	**Year ended March 31, 2018**	**2017**
Cash flow from operating activities			
Profit for the period		16,029	14,353
Adjustments to reconcile net profit to net cash provided by operating activities:			
Income tax expense		4,241	5,598
Depreciation and amortization		1,863	1,703
Interest and dividend income		(2,360)	(2,668)
Allowances for credit losses on financial assets		34	132
Exchange differences on translation of assets and liabilities		16	38
Impairment loss on assets held for sale	2.25	118	-
Share in net profit/(loss) of associate, including impairment		71	30
Stock compensation expense		84	117
Other adjustments		(133)	37
Changes in assets and liabilities			
Trade receivables and unbilled revenue		(1,523)	(1,743)
Loans, other financial assets and other assets		(186)	(683)
Trade payables		328	(19)
Other financial liabilities, other liabilities and provisions		1,465	289
Cash generated from operations		**20,047**	**17,184**
Income taxes paid		(6,829)	(5,653)
Net cash generated by operating activities		**13,218**	**11,531**
Cash flows from investing activities			
Expenditure on property, plant and equipment net of sale proceeds		(1,998)	(2,760)
Loans to employees		28	27
Deposits placed with corporation		(130)	(164)
Interest and dividend received		1,768	2,753
Payment of contingent consideration for acquisition of business		(33)	(36)
Payment for acquisition of business, net of cash acquired		(27)	-
Payments to acquire financial assets			
Preference and equity securities		(23)	(68)
Tax free bonds and government bonds		(2)	(322)
Liquid mutual funds and fixed maturity plan securities		(62,063)	(54,215)
Non convertible debentures		(104)	(3,956)
Certificates of deposit		(6,653)	(7,823)
Commercial papers		(291)	-
Others		(23)	(26)
Proceeds on sale of financial assets			
Tax free bonds and government bonds		15	7
Non-convertible debentures		100	
Certificates of deposit		9,690	-
Liquid mutual funds and fixed maturity plan securities		64,163	52,041
Preference and equity securities		35	-
Net cash used in investing activities		**4,452**	**(14,542)**

(In ₹ crore)

Particulars	Note No.	Year ended March 31, 2018	2017
Cash flows from financing activities:			
Payment of dividends (including dividend distribution tax)		(7,464)	(6,939)
Exercise of employee stock options		5	-
Buyback including transaction cost		(13,046)	-
Net cash used in financing activities		**(20,505)**	**(6,939)**
Net increase / (decrease) in cash and cash equivalents		(2,835)	(9,950)
Cash and cash equivalents at the beginning of the period		22,625	32,697
Effect of exchange rate changes on cash and cash equivalents		81	(122)
Cash and cash equivalents at the end of the period		**19,871**	**22,625**
Supplementary information:			
Restricted cash balance		533	572

The accompanying notes form an integral part of the interim consolidated financial statements

As per our report of even date attached
for Deloitte Haskins & Sells LLP
Chartered Accountants
Firm's Registration No :
117366W/ W-100018

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

P. R. Ramesh
Partner
Membership No. 70928

Nandan M. Nilekani
Chairman

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Chief Executive officer and Managing Director

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Bengaluru
April 13, 2018

D. Sundaram
Director

M. D. Ranganath
Chief Financial Officer

A. G. S. Manikantha
Company Secretary

INFOSYS LIMITED AND SUBSIDIARIES

Notes to the interim consolidated financial statements

1. Overview

1.1 Company overview

Infosys Limited ('the Company' or Infosys) is a leading provider of consulting, technology, outsourcing and next-generation services and software. 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. Its new offerings span areas like digital, big data and analytics, cloud, data and mainframe modernization, cyber security, IoT engineering Services and API & micro services.

Infosys together with its subsidiaries and controlled trusts is herein after referred to as 'the Group'.

The Company is a public limited company incorporated and domiciled in India and has its registered office at Bengaluru, Karnataka, India. The Company has its primary listings on the BSE Limited and National Stock Exchange of India Limited 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 company has proposed to voluntarily delist its ADS from the Euronext Paris and Euronext London exchanges due to low average daily trading volume of its ADS on these exchanges. The proposed delisting is subject to approval from the said stock exchanges.

The Group's interim consolidated financial statements are approved for issue by the Company's Board of Directors on April 13, 2018.

1.2 Basis of preparation of financial statements

These interim consolidated financial statements are prepared in accordance with Indian Accounting Standards (Ind AS), 'Interim Financial Reporting', 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 relevant amendment rules issued thereafter.

Effective April 1, 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, with April 1, 2015 as the transition date. The transition was carried out from Indian Accounting Principles generally accepted in India as prescribed under Sec 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (IGAAP), which was the previous GAAP.

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.

Amounts for the three months and year ended March 31, 2017 and as at March 31, 2017 were audited by previous auditors - B S R & Co LLP.

As the quarter and year-to-date figures are taken from the source and rounded to the nearest digits, the quarter figures in this statement added up to the figures reported for

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, its subsidiaries and associate, as disclosed in Note no. 2.23. 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, judgements and assumptions. These estimates, judgements and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the period. Application of accounting policies that require critical accounting estimates involving complex and subjective judgements and the use of assumptions in these financial statements have been disclosed in Note no. 1.5. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the interim consolidated financial statements.

1.5 Critical accounting estimates

a. Revenue recognition

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

b. Income taxes

The Company's two major tax jurisdictions are India and the U.S., though the Company also files tax returns in other overseas jurisdictions. Significant judgements are involved in determining the provision for income taxes, including amount expected to be paid/recovered for uncertain tax positions. Also refer to Note no. 2.15 and 2.22

c. Business combinations and intangible assets

Business combinations are accounted for using Ind AS 103, Business Combinations. Ind AS 103 requires the identifiable intangible assets and contingent consideration to be fair valued in order to ascertain the net fair value of identifiable assets, liabilities and contingent liabilities of the acquiree. Significant estimates are required to be made in determining the value of contingent consideration and intangible assets. These valuations are conducted by independent valuation experts.

d. Property, plant and equipment

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

e. Impairment of Goodwill

Goodwill is tested for impairment on an annual basis and whenever there is an indication that the recoverable amount of a cash generating unit (CGUs) 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 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 cash-generating units which are benefiting from the synergies of the acquisition and which represents the lowest level at which goodwill is monitored for internal management purposes.

Market related information and estimates are used to determine the recoverable amount. Key assumptions on which management has based its determination of recoverable amount include estimated long term growth rates, weighted average cost of capital and estimated operating margins. Cash flow projections take into account past experience and represent management's best estimate about future developments.

f. Non-current assets and disposal group held for sale

Assets and liabilities of disposal groups held for sale are measured at the lower of carrying amount and fair value less costs to sell. The determination of fair value less costs to sell includes use of management estimates and assumptions. The fair value of the disposal groups have been estimated using valuation techniques (including income and market approach) which includes unobservable inputs.

1.6 Recent accounting pronouncements

Appendix B to Ind AS 21, Foreign currency transactions and advance consideration: On March 28, 2018, MCA has notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 containing Appendix B to Ind AS 21, Foreign currency transactions and advance consideration which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency.
This amendment will come into force from April 1, 2018. The Group has evaluated the effect of this on the consolidated financial statements and the impact is not material.

Ind AS 115, Revenue from Contract with Customers: On March 28, 2018, Ministry of Corporate Affairs has notified the Ind AS 115, Revenue from Contract with Customers. The core principle of the new standard is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Further the new standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers.

The standard permits two possible methods of transition:
• Retrospective approach - Under this approach the standard will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8- Accounting Policies, Changes in Accounting Estimates and Errors
• Retrospectively with cumulative effect of initially applying the standard recognized at the date of initial application (Cumulative catch - up approach)
The effective date for adoption of Ind AS 115 is financial periods beginning on or after April 1, 2018.

The Group will adopt the standard on April 1, 2018 by using the cumulative catch-up transition method and accordingly comparatives for the year ending or ended March 31, 2018 will not be retrospectively adjusted. The effect on adoption of Ind AS 115 is expected to be insignificant.

2.1 BUSINESS COMBINATIONS

Accounting policy

Business combinations have been accounted for using the acquisition method under the provisions of Ind AS 103, Business Combinations.

The cost of an acquisition is measured at the fair value of the assets transferred, equity instruments issued and liabilities incurred or assumed at the date of acquisition, which is the date on which control is transferred to the Group. The cost of acquisition also includes the fair value of any contingent consideration. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair value on the date of acquisition.
Business combinations between entities under common control is accounted for at carrying value.

Transaction costs that the Group incurs in connection with a business combination such as finder's fees, legal fees, due diligence fees, and other professional and consulting fees are expensed as incurred.

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 $33 million (approximately ₹216 crore), contingent consideration of upto $5 million (approximately ₹33 crore on acquisition date) and an additional consideration of upto $32 million (approximately ₹212 crore on acquisition date), referred to as retention bonus, payable to the employees of Noah at each anniversary year following the acquisition date over the next three years, subject to their continuous employment with the group at each anniversary. The retention bonus is treated as a post-acquisition employee remuneration expense as per Ind AS 103. During the year ended March 31, 2016 based on an assessment of Noah achieving the targets for the year ended December 31, 2015 and year ended December 31, 2016, the entire contingent consideration has been reversed in the consolidated Statement of Profit and Loss.

Business transfer

On July 14, 2017, the Board of Directors of Infosys authorized the Company to execute a Business Transfer Agreement and related documents with Noah Consulting LLC, a wholly owned subsidiary, to transfer the business of Noah Consulting LLC to Infosys Limited, subject to securing the requisite regulatory approvals for a consideration based on an independent valuation. Subsequently on October 17, 2017 , the company entered into a business transfer agreement to transfer the business for a consideration of $41 million (approximately ₹266 crore) and the transfer was with effect from October 25, 2017. The transaction was between a holding company and a wholly owned subsidiary and therefore was accounted for at carrying values and did not have any impact on the consolidated financial statements. Subsequently in November 2017, Noah Consulting LLC has been liquidated.

Kallidus Inc. (d.b.a Skava)

On June 2, 2015, Infosys acquired 100% of the voting interests in Kallidus Inc., US (Kallidus), a leading provider of digital experience solutions, including mobile commerce and in-store shopping experiences to large retail clients and 100% of the voting interests of Skava Systems Private Limited, India, an affiliate of Kallidus. The business acquisition was conducted by entering into a share purchase agreement for cash consideration of $91 million (approximately ₹578 crore) and a contingent consideration of up to $20 million (approximately ₹128 crore on acquisition date).

The balance contingent consideration as at March 31, 2018 and March 31, 2017 is ₹34 crore and ₹91 crore, respectively, on an undiscounted basis.

Brilliant Basics Holdings Limited.

On September 8, 2017, Infosys acquired 100% of the voting interests in Brilliant Basics Holdings Limited., UK, (Brilliant Basics) a product design and customer experience innovator with experience in executing global programs. The business acquisition was conducted by entering into a share purchase agreement for cash consideration of ₹29 crore, a contingent consideration of up to ₹ 2 crore and an additional consideration of upto ₹13 crore, referred to as retention bonus, payable to the employees of Brilliant Basics at each anniversary year over the next two years, subject to their continuous employment with the group at each anniversary.

The payment of contingent consideration to sellers of Brilliant Basics is dependent upon the achievement of certain financial targets by Brilliant Basics over a period of 3 years ending on March 2020.

The fair value of contingent consideration is determined by discounting the estimated amount payable to the sellers of Brilliant Basics on achievement of certain financial targets. The key inputs used in determination of the fair value of contingent consideration are the discount rate of 10% and the probabilities of achievement of the financial targets.

The excess of the purchase consideration paid over the fair value of assets acquired has been attributed to goodwill.

The purchase price has been allocated based on management's estimates and independent appraisal of fair values as follows:

(In ₹ crore)

Component	Acquiree's carrying amount	Fair value adjustments	Purchase price allocated
Net assets(*)	1	–	1
Intangible assets - customer relationships	–	12	12
Deferred tax liabilities on intangible assets	–	(2)	(2)
	1	**10**	**11**
Goodwill			35
Total purchase price			**46**

*Includes cash and cash equivalents acquired of *₹2 crore*

The goodwill is not tax deductible.

The gross amount of trade receivables acquired and its fair value is ₹3 crore and the amounts have been largely collected.

The fair value of each major class of consideration as at the acquisition date is as follows:

(In ₹ crore)

Component	Consideration settled
Cash paid	29
Fair value of contingent consideration	17
Total purchase price	**46**

The transaction costs of ₹2 crore related to the acquisition have been included in the Statement of Profit and Loss.

Proposed acquisition

On April 13, 2018, the Company entered into a definitive agreement to acquire WongDoody Holding Company Inc., a US- based creative and consumer insights agency for a total consideration of up to $75 million (approximately ₹489 crore) including contingent consideration and retention payouts, subject to regulatory approvals and fulfillment of closing conditions.

2.2 PROPERTY, PLANT AND EQUIPMENT

Accounting policy

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

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
Leasehold improvements	Over lease term

[(1)] Based on technical evaluation, the management believes that the useful lives as given above best represent the period over which management expects to use these assets. Hence, the useful lives for these assets is different from the useful lives as prescribed under Part C of Schedule II of the Companies Act 2013.

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

Advances paid towards the acquisition of property, plant and equipment outstanding at each Balance Sheet date is classified as capital advances under other non-current assets and the cost of assets not put to use before such date are disclosed under 'Capital work-in-progress'. Subsequent expenditures relating to property, plant and equipment is capitalized only when it is probable that future economic benefits associated with these will flow to the Group and the cost of the item can be measured reliably. Repairs and maintenance costs are recognized in 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 Consolidated Statement of Profit and Loss. Assets to be disposed off are reported at the lower of the carrying value or the fair value less cost to sell.

Impairment

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 Consolidated 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 depreciation) had no impairment loss been recognized for the asset in prior years.

Following are the changes in the carrying value of property, plant and equipment for the three months ended March 31, 2018:

(In ₹ crore)

Particulars	Land - Freehold	Land - Leasehold	Buildings [(1)]	Plant and machinery	Office Equipment	Computer equipment	Furniture and fixtures	Leasehold Improvements	Vehicles	Total
Gross carrying value as at January 1, 2018	**1,137**	**671**	**7,680**	**2,214**	**979**	**4,819**	**1,358**	**517**	**30**	**19,405**
Additions	92	2	416	95	25	120	41	21	2	814
Deletions	-	-	(1)	(4)	(1)	(29)	(2)	-	(1)	(38)
Reclassified as assets held for sale (refer note no 2.25)	-	-	-	(1)	(2)	(40)	(8)	(17)	-	(68)
Translation difference	-	-	35	2	1	14	4	10	-	66
Gross carrying value as at March 31, 2018	**1,229**	**673**	**8,130**	**2,306**	**1,002**	**4,884**	**1,393**	**531**	**31**	**20,179**
Accumulated depreciation as at January 1, 2018	**-**	**(30)**	**(2,645)**	**(1,531)**	**(688)**	**(3,499)**	**(981)**	**(310)**	**(18)**	**(9,702)**
Depreciation	-	(1)	(71)	(69)	(31)	(175)	(40)	(27)	(1)	(415)
Accumulated depreciation on deletions	-	-	-	3	-	29	1	-	1	34
Reclassified as assets held for sale (refer note no 2.25)	-	-	-	1	1	25	5	15	-	47
Translation difference	-	-	(3)	(1)	(1)	(12)	(2)	(8)	-	(27)
Accumulated depreciation as at March 31, 2018	**-**	**(31)**	**(2,719)**	**(1,597)**	**(719)**	**(3,632)**	**(1,017)**	**(330)**	**(18)**	**(10,063)**
Carrying value as at March 31, 2018	**1,229**	**642**	**5,411**	**709**	**283**	**1,252**	**376**	**201**	**13**	**10,116**
Carrying value as at January 1, 2018	**1,137**	**641**	**5,035**	**683**	**291**	**1,320**	**377**	**207**	**12**	**9,703**

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

(In ₹ crore)

	Land-Freehold	Land-Leasehold	Buildings [(1)]	Plant and machinery	Office Equipment	Computer equipment	Furniture and fixtures	Leasehold Improvements	Vehicles	Total
Gross carrying value as at January 1, 2017	**1,013**	**671**	**6,907**	**2,029**	**916**	**4,466**	**1,687**		**32**	**17,721**
Additions	82	-	399	75	12	144	86		1	799
Deletions	-	-	-	(2)	(5)	(64)	(74)		(2)	(147)
Translation difference	-	-	(27)	(1)	(1)	(6)	(6)		-	(41)
Gross carrying value as at March 31, 2017	**1,095**	**671**	**7,279**	**2,101**	**922**	**4,540**	**1,693**	**-**	**31**	**18,332**
Accumulated depreciation as at January 1, 2017	**-**	**(26)**	**(2,375)**	**(1,289)**	**(574)**	**(2,955)**	**(1,104)**		**(18)**	**(8,341)**
Depreciation	-	(1)	(65)	(69)	(29)	(167)	(63)		(1)	(395)
Accumulated depreciation on deletions	-	-	-	3	4	64	73		2	146
Translation difference	-	-	-	2	-	5	2		-	9
Accumulated depreciation as at March 31, 2017	**-**	**(27)**	**(2,440)**	**(1,353)**	**(599)**	**(3,053)**	**(1,092)**	**-**	**(17)**	**(8,581)**
Carrying value as at March 31, 2017	**1,095**	**644**	**4,839**	**748**	**323**	**1,487**	**601**	**-**	**14**	**9,751**
Carrying value as at January 1, 2017	**1,013**	**645**	**4,532**	**740**	**342**	**1,511**	**583**	**-**	**14**	**9,380**

Following are the changes in the carrying value of property, plant and equipment for the year ended March 31, 2018:

(In ₹ crore)

Particulars	**Land-Freehold**	**Land-Leasehold**	**Buildings** [(1)]	**Plant and machinery** [(2)]	**Office Equipment**	**Computer equipment**	**Furniture and fixtures**	**Leasehold Improvements**	**Vehicles**	**Total**
Gross carrying value as at April 1, 2017	**1,095**	**671**	**7,279**	**2,048**	**922**	**4,540**	**1,277**	**469**	**31**	**18,332**
Additions	134	2	789	264	86	471	130	74	5	1,955
Deletions	-	-	(1)	(8)	(8)	(109)	(10)	(12)	(5)	(153)
Reclassified as assets held for sale (refer note no 2.25)	-	-	-	(1)	(2)	(40)	(8)	(17)	-	(68)
Translation difference	-	-	63	3	4	22	4	17	-	113
Gross carrying value as at March 31, 2018	**1,229**	**673**	**8,130**	**2,306**	**1,002**	**4,884**	**1,393**	**531**	**31**	**20,179**
Accumulated depreciation as at April 1, 2017	**-**	**(27)**	**(2,440)**	**(1,337)**	**(599)**	**(3,053)**	**(869)**	**(239)**	**(17)**	**(8,581)**
Depreciation	-	(4)	(276)	(266)	(125)	(693)	(160)	(105)	(5)	(1,634)
Accumulated depreciation on deletions	-	-	-	7	6	107	9	11	4	144
Reclassified as assets held for sale (refer note no 2.25)	-	-	-	1	1	25	5	15	-	47
Translation difference	-	-	(3)	(2)	(2)	(18)	(2)	(12)	-	(39)
Accumulated depreciation as at March 31, 2018	**-**	**(31)**	**(2,719)**	**(1,597)**	**(719)**	**(3,632)**	**(1,017)**	**(330)**	**(18)**	**(10,063)**
Carrying value as at March 31, 2018	**1,229**	**642**	**5,411**	**709**	**283**	**1,252**	**376**	**201**	**13**	**10,116**
Carrying value as at April 1, 2017	**1,095**	**644**	**4,839**	**711**	**323**	**1,487**	**408**	**230**	**14**	**9,751**

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

(In ₹ crore)

	Land-Freehold	**Land-Leasehold**	**Buildings** [(1)]	**Plant and machinery** [(2)]	**Office Equipment**	**Computer equipment**	**Furniture and fixtures**	**Leasehold Improvements**	**Vehicles**	**Total**
Gross carrying value as at April 1, 2016	**972**	**650**	**6,325**	**1,742**	**839**	**4,072**	**1,130**	**331**	**29**	**16,090**
Additions	123	21	981	313	138	800	191	224	8	2,799
Deletions	-	-	-	(4)	(52)	(315)	(39)	(74)	(6)	(490)
Translation difference	-	-	(27)	(3)	(3)	(17)	(4)	(13)	-	(67)
Gross carrying value as at March 31, 2017	**1,095**	**671**	**7,279**	**2,048**	**922**	**4,540**	**1,278**	**468**	**31**	**18,332**
Accumulated depreciation as at April 1, 2016	**-**	**(22)**	**(2,201)**	**(1,089)**	**(509)**	**(2,618)**	**(729)**	**(268)**	**(17)**	**(7,453)**
Depreciation	-	(5)	(239)	(256)	(119)	(678)	(161)	(54)	(5)	(1,517)
Accumulated depreciation on deletions	-	-	-	4	27	230	18	74	5	358
Translation difference	-	-	-	4	2	13	3	9	-	31
Accumulated depreciation as at March 31, 2017	**-**	**(27)**	**(2,440)**	**(1,337)**	**(599)**	**(3,053)**	**(869)**	**(239)**	**(17)**	**(8,581)**
Carrying value as of March 31, 2017	**1,095**	**644**	**4,839**	**711**	**323**	**1,487**	**409**	**229**	**14**	**9,751**
Carrying value as at April 1, 2016	**972**	**628**	**4,124**	**653**	**330**	**1,454**	**401**	**63**	**12**	**8,637**

Notes: [(1)] *Buildings include ₹ 250/- being the value of 5 shares of ₹ 50/- each in Mittal Towers Premises Co-operative Society Limited.*

[(2)] *Includes CSR spend amounting to ₹168 crore and ₹25 crore for the year ending March 31, 2018 and March 31, 2017 respectively*

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

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

2.3 GOODWILL AND OTHER INTANGIBLE ASSETS

2.3.1 Goodwill

Accounting policy

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, the bargain purchase excess is recognized after reassessing the fair value of net assets acquired in the capital reserve. Goodwill is measured at cost less accumulated impairment losses.

Impairment

Goodwill is tested for impairment on an annual basis and whenever there is an indication that goodwill may be impaired, relying on a number of factors including operating results, business plans and future cash flows. For the purpose of impairment testing, goodwill acquired in a business combination is allocated to the Group's cash generating units (CGU) or groups of CGU's expected to benefit from the synergies arising from the business combination. A CGU is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or group of assets. Impairment occurs when the carrying amount of a CGU including the goodwill, exceeds the estimated recoverable amount of the CGU. The recoverable amount of a CGU is the higher of its fair value less cost to sell and its value-in-use. Value-in-use is the present value of future cash flows expected to be derived from the CGU.

Total impairment loss of a CGU is allocated first to reduce the carrying amount of goodwill allocated to the CGU and then to the other assets of the CGU pro-rata on the basis of the carrying amount of each asset in the CGU. An impairment loss on goodwill is recognized in the Consolidated Statement of Profit and Loss and is not reversed in the subsequent period.

Following is a summary of changes in the carrying amount of goodwill:

(In ₹ crore)

Particulars	As at March 31, 2018	As at March 31, 2017
Carrying value at the beginning	3,652	3,764
Goodwill on Brilliant Basics acquisition (Refer note no. 2.1)	35	-
Goodwill reclassified as assets held for sale (refer note no 2.25)	(1,609)	-
Translation differences	133	(112)
Carrying value at the end	**2,211**	**3,652**

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to the CGU 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 goodwill has been allocated to the operating segments as at March 31, 2018 and March 31, 2017:

(In ₹ crore)

Segment	As at March 31, 2018	As at March 31, 2017
Financial services	474	826
Manufacturing	252	409
Retail, Consumer packaged goods and Logistics	314	556
Life Sciences, Healthcare and Insurance	446	638
Energy & Utilities, Communication and Services	470	765
	1,956	3,194
Operating segments without significant goodwill	255	458
Total	**2,211**	**3,652**

The entire goodwill relating to Infosys BPM's (formerly Infosys BPO) 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 BPM, Infosys Lodestone, Portland, Panaya and Kallidus d.b.a Skava acquisitions has been allocated to the groups of CGUs which are represented by a majority of the entity's operating segment as at March 31, 2017.

The goodwill relating to Infosys BPM, Infosys Lodestone, Portland and Brilliant Basics acquisitions has been allocated to the groups of CGUs which are represented by a majority of the entity's operating segment as at March 31, 2018.

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 at March 31, 2018 and March 31, 2017, the estimated recoverable amount of the CGU exceeded its carrying amount. The key assumptions used for the calculations are as follows:

(in %)

	As at March 31, 2018	As at March 31, 2017
Long term growth rate	8-10	8-10
Operating margins	17-20	17-20
Discount rate	13.5	14.4

The above discount rate is based on the Weighted Average Cost of Capital (WACC) of the Company. The Management believes that any reasonable possible changes in the key assumptions would not cause the carrying amount to exceed the recoverable amount of the cash generating unit.

2.3.2 Other intangible assets

Accounting policy

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

Research costs are expensed as incurred. Software product development costs are expensed as incurred unless technical and commercial feasibility of the project is demonstrated, future economic benefits are probable, the Company has an intention and ability to complete and use or sell the software and the costs can be measured reliably. The costs which can be capitalized include the cost of material, direct labour, overhead costs that are directly attributable to preparing the asset for its intended use.

Impairment

Intangible assets 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 Consolidated 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 Consolidated 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) had no impairment loss been recognized for the asset in prior years.

Following are the changes in the carrying value of acquired intangible assets for the three months ended March 31, 2018:

(In ₹ crore)

Particulars	Customer related	Software related	Sub-contracting rights	Intellectual property rights related	Land use- rights related	Brand or Trademark Related	Others	Total
Gross carrying value as of January 1, 2018	**756**	**399**	**21**	**1**	**69**	**90**	**62**	**1,398**
Additions during the period	-	-	-	-	-	-	-	-
Deletions during the period	(172)	-	(21)	-	-	(29)	(35)	(257)
Reclassified as assets held for sale (refer note no 2.25)	(157)	(388)	-	(1)	-	(37)	-	(583)
Translation differences	18	8	-	-	4	2	-	32
Gross carrying value as of March 31, 2018	**445**	**19**	**-**	**-**	**73**	**26**	**27**	**590**
Accumulated amortization as of January 1, 2018	**(485)**	**(178)**	**(21)**	**(1)**	**(8)**	**(59)**	**(47)**	**(799)**
Amortization expense	(19)	(20)	-	-	-	(2)	(2)	(43)
Deletions during the period	172	-	21	-	-	29	35	257
Reclassified as assets held for sale (refer note no 2.25)	56	182	-	1	-	21	-	260
Translation differences	(13)	(3)	-	-	(2)	(1)	1	(18)
Accumulated amortization as of March 31, 2018	**(289)**	**(19)**	**-**	**-**	**(10)**	**(12)**	**(13)**	**(343)**
Carrying value as of January 1, 2018	**271**	**221**	**-**	**-**	**61**	**31**	**15**	**599**
Carrying value as of March 31, 2018	**156**	**-**	**-**	**-**	**63**	**14**	**14**	**247**
Estimated Useful Life *(in years)*	2-10	5-8	-	-	50	3-10	5	
Estimated Remaining Useful Life *(in years)*	0-5	-	-	-	43	2-7	3	

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

(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 January 1, 2017	**777**	**424**	**21**	**1**	**69**	**94**	**64**	**1,450**
Additions during the period	-	-	-	-	-	-	-	-
Deletions during the period	-	-	-	-	-	-	-	-
Translation differences	(27)	(19)	-	-	(3)	(4)	(2)	(55)
Gross carrying value as of March 31, 2017	**750**	**405**	**21**	**1**	**66**	**90**	**62**	**1,395**
Accumulated amortization as of January 1, 2017	**(371)**	**(106)**	**(21)**	**(1)**	**(7)**	**(48)**	**(35)**	**(589)**
Amortization expense	(22)	(20)	-	-	-	(4)	(5)	(51)
Deletions during the period	-	-	-	-	-	-	-	-
Translation differences	11	5	-	-	-	3	2	21
Accumulated amortization as of March 31, 2017	**(382)**	**(121)**	**(21)**	**(1)**	**(7)**	**(49)**	**(38)**	**(619)**
Carrying value as of January 1, 2017	**406**	**318**	**-**	**-**	**62**	**46**	**29**	**861**
Carrying value as of March 31, 2017	**368**	**284**	**-**	**-**	**59**	**41**	**24**	**776**
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	

Following are the changes in the carrying value of acquired intangible assets for the year ended March 31, 2018:

(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 at April 1, 2017	**750**	**405**	**21**	**1**	**66**	**90**	**62**	**1,395**
Additions during the period	12	-	-	-	-	-	-	12
Deletions during the period	(172)	-	(21)	-	-	(29)	(35)	(257)
Reclassified as assets held for sale (refer note no 2.25)	(157)	(388)	-	(1)	-	(37)	-	(583)
Translation differences	12	2	-	-	7	2	-	23
Gross carrying value as at March 31, 2018	**445**	**19**	**-**	**-**	**73**	**26**	**27**	**590**
Accumulated amortization as at April 1, 2017	**(382)**	**(121)**	**(21)**	**(1)**	**(7)**	**(49)**	**(38)**	**(619)**
Amortization expense	(127)	(79)	-	-	(1)	(12)	(10)	(229)
Deletions during the period	172	-	21	-	-	29	35	257
Reclassified as assets held for sale (refer note no 2.25)	56	182	-	1	-	21	-	260
Translation differences	(8)	(1)	-	-	(2)	(1)	-	(12)
Accumulated amortization as at March 31, 2018	**(289)**	**(19)**	**-**	**-**	**(10)**	**(12)**	**(13)**	**(343)**
Carrying value as at April 1, 2017	**368**	**284**	**-**	**-**	**59**	**41**	**24**	**776**
Carrying value as at March 31, 2018	**156**	**-**	**-**	**-**	**63**	**14**	**14**	**247**
Estimated Useful Life *(in years)*	2-10	5-8	-	-	50	3-10	5	
Estimated Remaining Useful Life *(in years)*	0-5	-	-	-	43	2-7	3	

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

(In ₹ crore)

Particulars	Customer related	Software related	Sub-contracting rights	Intellectual property rights related	Land use- rights related	Brand or Trademark Related	Others	Total
Gross carrying value as at April 1, 2016	**775**	**414**	**21**	**1**	**72**	**93**	**63**	**1,439**
Additions during the period	-	-	-	-	-	-	-	**-**
Deletions during the period	-	-	-	-	-	-	-	**-**
Translation differences	(25)	(9)	-	-	(6)	(3)	(1)	**(44)**
Gross carrying value as at March 31, 2017	**750**	**405**	**21**	**1**	**66**	**90**	**62**	**1,395**
Accumulated amortization as at April 1, 2016	**(303)**	**(62)**	**(21)**	**(1)**	**(6)**	**(38)**	**(23)**	**(454)**
Amortization expense	(91)	(63)	-	-	(1)	(14)	(17)	(186)
Deletions during the period	-	-	-	-	-	-	-	-
Translation differences	12	4	-	-	-	3	2	21
Accumulated amortization as at March 31, 2017	**(382)**	**(121)**	**(21)**	**(1)**	**(7)**	**(49)**	**(38)**	**(619)**
Carrying value as at April 1, 2016	**472**	**352**	**-**	**-**	**66**	**55**	**40**	**985**
Carrying value as at March 31, 2017	**368**	**284**	**-**	**-**	**59**	**41**	**24**	**776**
Estimated Useful Life *(in years)*	3-10	5-8	-	-	50	3-10	3-5	
Estimated Remaining Useful Life *(in years)*	1-6	3-6	-	-	44	1-8	1-4	

During the year ended March 31, 2017, the management based on an internal evaluation reassessed the remaining useful life of certain technology assets acquired as a part of business combinations. Accordingly, the remaining useful life of the said asset which was 8 years had been revised to 3 years. Amortization expense for the year ended March 31, 2017 was higher by ₹19 crore due to the revision.

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 the Consolidated Statement of Profit and Loss for the three months ended March 31, 2018 and March 31, 2017 was ₹192 crore and ₹193 crore respectively, and for the year ended March 31, 2018 and March 31, 2017 was ₹748 crore and ₹789 crore respectively.

2.4 INVESTMENTS

(In ₹ crore)

Particulars	As at March 31, 2018	As at March 31, 2017
Non-current		
Unquoted		
Investments carried at fair value through other comprehensive income (*refer note no. 2.4.1*)		
Preference securities	116	144
Equity instruments	22	15
	138	**159**
Investments carried at fair value through profit or loss (*refer note no. 2.4.1*)		
Convertible promissory note	12	10
Others	66	35
	78	**45**
Quoted		
Investments carried at amortized cost *(refer note no. 2.4.2)*		
Tax free bonds	1,896	1,898
	1,896	**1,898**
Investments carried at fair value through profit or loss (*refer note no. 2.4.3*)		
Fixed maturity plan securities	429	407
	429	**407**
Investments carried at fair value through other comprehensive income (*refer note no. 2.4.4*)		
Non convertible debentures	3,215	3,873
	3,215	**3,873**
Total non-current investments	**5,756**	**6,382**
Current		
Unquoted		
Investments carried at fair value through profit or loss *(refer note no. 2.4.3)*		
Liquid mutual fund units	81	1,803
	81	**1,803**
Investments carried at fair value through other comprehensive income		
Commercial Papers *(refer note no. 2.4.4)*	293	-
Certificates of deposit *(refer note no. 2.4.4)*	5,269	7,905
	5,562	**7,905**
Quoted		
Investment carried at amortized cost *(refer note no.2.4.2)*		
Government Bonds	1	9
	1	**9**
Investments carried at fair value through profit or loss *(refer note no. 2.4.3)*		
Fixed maturity plan securities	-	151
	-	**151**
Investments carried at fair value through other comprehensive income (*refer note no. 2.4.4*)		
Non-convertible debentures	763	102
	763	**102**
Total current investments	**6,407**	**9,970**
Total investments	**12,163**	**16,352**
Aggregate amount of quoted investments	6,304	6,440
Market value of quoted investments (including interest accrued)	6,568	6,701
Aggregate amount of unquoted investments (including investment in associate)	5,859	9,983
Aggregate amount of impairment made for non-current unquoted investments (including investment in associate)	-	18
Investments carried at amortized cost	1,897	1,907
Investments carried at fair value through other comprehensive income	9,678	12,039
Investments carried at fair value through profit or loss	588	2,406

Refer to Note no 2.10 for accounting policy on financial instruments.

Details of amounts recorded in Other comprehensive income:

(In ₹ crore)

	Three months ended					
	March 31, 2018			March 31, 2017		
	Gross	Tax	Net	Gross	Tax	Net
Net gain/(loss) on						
Non convertible debentures	(26)	3	(23)	(7)	-	(7)
Commercial Papers	-	-	-	-	-	-
Certificate of deposits	12	(4)	8	(5)	2	(3)
Unquoted equity and preference securities	6	3	9	(2)	(3)	(5)

(In ₹ crore)

	Year ended					
	March 31, 2018			March 31, 2017		
	Gross	Tax	Net	Gross	Tax	Net
Net gain/(loss) on						
Non convertible debentures	(13)	2	(11)	(7)	-	(7)
Commercial papers	-	-	-	-	-	-
Certificate of deposits	16	(6)	10	(5)	2	(3)
Unquoted equity and preference securities	4	3	7	(2)	(3)	(5)

Method of fair valuation: *(In ₹ crore)*

Class of investment	Method	Fair val As at 2018	2017
Mutual funds	Quoted price	81	1,803
Fixed maturity plan securities	Market observable inputs	429	558
Tax free bonds and government bonds	Quoted price and market observable inputs	2,151	2,168
Non-convertible debentures	Quoted price and market observable inputs	3,978	3,975
Commercial Papers	Market observable inputs	293	-
Certificate of deposits	Market observable inputs	5,269	7,905
Unquoted equity and preference securities	Discounted cash flows method, Market multiples method, Option pricing model, etc.	138	159
Unquoted convertible promissory note	Discounted cash flows method, Market multiples method, Option pricing model, etc.	12	10
Others	Discounted cash flows method, Market multiples method, Option pricing model, etc.	66	35
		12,417	16,613

Certain quoted investments are classified as Level 2 in the absence of active market for such investments.

2.4.1 Details of investments

The details of investments in preference, equity and other instruments at March 31, 2018 and March 31, 2017 are as follows:

(In ₹ crore, except otherwise stated)

Particulars	As at March 31, 2018	March 31, 2017
Preference securities		
Airviz Inc.	6	9
2,82,279 (2,82,279) Series A Preferred Stock, fully paid up, par value USD 0.001 each		
ANSR Consulting	-	10
Nil (52,631) Series A Preferred Stock, fully paid up, par value USD 0.001 each		
Whoop Inc	20	15
16,48,352 (16,48,352) Series B Preferred Stock, fully paid up, par value USD 0.0001 each		
CloudEndure Ltd.	26	37
25,59,290 (25,59,290) Series B Preferred 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	23	24
39,33,910 (39,33,910) Series B Preferred Shares, fully paid up, par value USD 0.00001 each		
Trifacta Inc.	21	26
11,80,358 (11,80,358) Series C-1 Preferred Stock		
Cloudyn Software Ltd	-	13
Nil (27,022) Series B-3 Preferred shares, fully paid up, par value ILS 0.01 each		
Ideaforge		
5,402 (Nil) Series A compulsorily convertible cumulative Preference shares of ₹10 each, fully paid up	10	-
Equity Instruments		
OnMobile Systems Inc., USA	-	-
Nil (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	21	14
69,894 (69,894) Equity Shares, fully paid up, par value DKK 1 each		
Ideaforge		
100 (Nil) equity shares at ₹10/-, fully paid up	-	-
Others		
Stellaris Venture Partners India	7	3
Vertex Ventures US Fund L.L.P	59	32
Convertible promissory note		
Tidalscale	12	10
	216	204

2.4.2 Details of investments in tax free bonds and government bonds

The balances held in tax free bonds as at March 31, 2018 and March 31, 2017 are as follows: *(In ₹ crore, except as otherwise stated)*

Particulars	Face Value ₹	As at March 31, 2018 Units	Amount	As at March 31, 2017 Units	Amount
7.04% Indian Railway Finance Corporation Limited Bonds 03MAR2026	10,00,000/-	470	50	470	50
7.16% Power Finance Corporation Ltd Bonds 17JUL2025	10,00,000/-	1,000	106	1,000	107
7.18% Indian Railway Finance Corporation Limited Bonds 19FEB2023	1,000/-	2,000,000	201	20,00,000	201
7.28% Indian Railway Finance Corporation Limited Bonds 21DEC2030	1,000/-	422,800	42	4,22,800	42
7.28% National Highways Authority of India Bonds 18SEP2030	10,00,000/-	3,300	343	3,300	343
7.34% Indian Railway Finance Corporation Limited Bonds 19FEB2028	1,000/-	2,100,000	211	21,00,000	211
7.35% National Highways Authority of India Bonds 11JAN2031	1,000/-	571,396	57	5,71,396	57
7.93% Rural Electrification Corporation Limited Bonds 27MAR2022	1,000/-	200,000	21	2,00,000	21
8.00% Indian Railway Finance Corporation Limited Bonds 23FEB2022	1,000/-	150,000	15	1,50,000	15
8.10% Indian Railway Finance Corporation Limited Bonds 23FEB2027	1,000/-	500,000	52	5,00,000	53
8.20% Power Finance Corporation Limited Bonds 01FEB2022	1,000/-	500,000	50	5,00,000	50
8.26% India Infrastructure Finance Company Limited Bonds 23AUG2028	10,00,000/-	1,000	100	1,000	100
8.30% National Highways Authority of India Bonds 25JAN2027	1,000/-	500,000	53	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/-	500,000	50	5,00,000	50
		74,55,416	1,896	74,55,416	1,898

The balances held in government bonds as at March 31, 2018 and March 31, 2017 are as follows: *(In ₹ crore, except as otherwise stated)*

Particulars	Face Value	As at March 31, 2018		As at March 31, 2017	
	PHP	Units	Amount	Units	Amount
Treasury Notes PHY6972FWQ99 MAT DATE 07 Jun 2017	100	-	-	3,40,000	4
Treasury Notes PIBL1217E082 MAT DATE 09 May 2018	100	1,00,000	1	-	-
Treasury Notes PIBL1217C056 MAT DATE 14 Mar 2018	100	-	-	4,00,000	5
		1,00,000	**1**	**7,40,000**	**9**

2.4.3 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, 2018 and March 31, 2017 are as follows: *(In ₹ crore, except as otherwise stated)*

Particulars	As at March 31, 2018		As at March 31, 2017	
	Units	Amount	Units	Amount
Aditya Birla Sun Life Cash Plus- Growth- Direct Plan	1,631,554	45	1,45,22,491	380
BSL Cash Manager- Growth	-	-	2,66,264	11
ICICI Prudential Liquid- Direct Plan- Growth	1,365,687	36	1,03,88,743	250
IDFC Cash Fund- Direct Plan- Growth	-	-	12,65,679	250
Kotak Low Duration Fund- Direct Plan- Growth (Ulta 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
Reliance Liquid Fund- Treasury Plan- Direct Growth Plan- Growth Option	-	-	8,82,465	350
SBI Premier Liquid Fund- Direct Plan- Growth	-	-	3,91,909	100
	29,97,241	**81**	**2,99,21,226**	**1,803**

The balances held in fixed maturity plan securities as at March 31, 2018 and March 31, 2017 are as follows: *(In ₹ crore, except as otherwise stated)*

Particulars	As at March 31, 2018		As at March 31, 2017	
	Units	Amount	Units	Amount
Aditya Birla Sun Life Fixed Term Plan- Series OD 1145 Days- GR Direct	6,00,00,000	65	6,00,00,000	61
Aditya Birla Sun Life Fixed Term Plan- Series OE 1153 Days- GR Direct	2,50,00,000	27	2,50,00,000	25
HDFC FMP 1155D Feb 2017- Direct Growth- Series 37	3,80,00,000	41	3,80,00,000	38
HDFC FMP 1169D Feb 2017- Direct- Quarterly Dividend- Series 37	4,50,00,000	45	4,50,00,000	45
ICICI FMP Series 80-1194 D Plan F Div	5,50,00,000	59	5,50,00,000	55
ICICI Prudential Fixed Maturity Plan Series 80- 1187 Days Plan G Direct Plan	4,20,00,000	45	4,20,00,000	42
ICICI Prudential Fixed Maturity Plan Series 80- 1253 Days Plan J Direct Plan	3,00,00,000	32	3,00,00,000	30
IDFC Fixed Term Plan Series 129 Direct Plan- Growth 1147 Days	1,00,00,000	11	1,00,00,000	10
IDFC Fixed Term Plan Series 131 Direct Plan- Growth 1139 Days	1,50,00,000	16	1,50,00,000	15
Kotak FMP Series 199 Direct- Growth	3,50,00,000	37	3,50,00,000	36
Reliance Fixed Horizon Fund- XXXII Series 8- Dividend Plan	5,00,00,000	51	5,00,00,000	50
Reliance Yearly Interval Fund Series 1- Direct Plan- Growth Plan	-	-	10,69,06,898	151
	40,50,00,000	**429**	**51,19,06,898**	**558**

2.4.4 Details of investments in non convertible debentures and certificates of deposit

The balances held in non convertible debenture units as at March 31, 2018 and March 31, 2017 is as follows: *(In ₹ crore, except as otherwise stated)*

Particulars	Face Value ₹	As at March 31, 2018		As at March 31, 2017	
		Units	Amount	Units	Amount
7.48% Housing Development Finance Corporation Ltd 18NOV2019	1,00,00,000/-	50	51	50	52
7.58% LIC Housing Finance Ltd 28FEB2020	10,00,000/-	1,000	101	1,000	100
7.58% LIC Housing Finance Ltd 11JUN2020	10,00,000/-	500	52	500	51
7.59% LIC Housing Finance Ltd 14OCT2021	10,00,000/-	3,000	306	3,000	309
7.75% LIC Housing Finance Ltd 27AUG2021	10,00,000/-	1,250	129	1,250	129
7.78% Housing Development Finance Corporation Ltd 24MAR2020	1,00,00,000/-	100	99	-	-
7.79% LIC Housing Finance Ltd 19JUN2020	10,00,000/-	500	53	500	52
7.80% Housing Development Finance Corporation Ltd 11NOV2019	1,00,00,000/-	150	153	150	155
7.81% LIC Housing Finance Ltd 27APR2020	10,00,000/-	2,000	214	2,000	208
7.95% Housing Development Finance Corporation Ltd 23SEP2019	1,00,00,000/-	50	53	50	53
8.02% LIC Housing Finance Ltd 18FEB2020	10,00,000/-	500	50	500	51
8.26% Housing Development Finance Corporation Ltd 12AUG2019	1,00,00,000/-	100	105	100	106
8.34% Housing Development Finance Corporation Ltd 06MAR2019	1,00,00,000/-	200	215	200	217
8.37% LIC Housing Finance Ltd 03OCT2019	10,00,000/-	2,000	216	2,000	218
8.37% LIC Housing Finance Ltd 10MAY2021	10,00,000/-	500	54	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	50	54
8.47% LIC Housing Finance Ltd 21JAN2020	10,00,000/-	500	51	500	52
8.49% Housing Development Finance Corporation Ltd 27APR2020	5,00,000/-	900	49	900	49
8.50% Housing Development Finance Corporation Ltd 31AUG2020	1,00,00,000/-	100	108	100	108
8.54% IDFC Bank Limited 30MAY2018	10,00,000/-	1,500	194	1,500	182
8.59% Housing Development Finance Corporation Ltd 14JUN2019	1,00,00,000/-	50	51	50	51
8.60% LIC Housing Finance Ltd 22JUL2020	10,00,000/-	1,000	107	1,000	108
8.60% LIC Housing Finance Ltd 29JUL2020	10,00,000/-	1,750	188	1,750	190
8.61% LIC Housing Finance Ltd 11DEC2019	10,00,000/-	1,000	104	1,000	104
8.66% IDFC Bank Limited 25JUN2018	10,00,000/-	1520	196	1,520	184
8.66% IDFC Bank Limited 27DEC2018	10,00,000/-	400	52	400	49
8.72% Housing Development Finance Corporation Ltd 15APR2019	1,00,00,000/-	75	76	75	77
8.75% Housing Development Finance Corporation Ltd 13JAN2020	5,00,000/-	5,000	256	5,000	260
8.75% LIC Housing Finance Ltd 14JAN2020	10,00,000/-	1,070	112	1,070	112
8.75% LIC Housing Finance Ltd 21DEC2020	10,00,000/-	1,000	102	1,000	104
8.97% LIC Housing Finance Ltd 29OCT2019	10,00,000/-	500	52	500	53
9.45% Housing Development Finance Corporation Ltd 21AUG2019	10,00,000/-	3,000	323	3,000	327
9.65% Housing Development Finance Corporation Ltd 19JAN2019	10,00,000/-	500	52	500	53
		31,815	**3,978**	**32,715**	**3,975**

The balances held in certificates of deposit as at March 31, 2018 and March 31, 2017 are as follows: *(In ₹ crore, except as otherwise stated)*

Particulars		As at March 31, 2018		As at March 31, 2017	
	Face Value ₹	Units	Amount	Units	Amount
Andhra Bank	1,00,000/-	-	-	35,000	344
Axis Bank	1,00,000/-	208,000	1,985	305,600	2,914
Corporation Bank	1,00,000/-	-	-	33,500	327
DBS Bank	1,00,000/-	-	-	5,000	49
HDFC Bank	1,00,000/-	15,000	147	-	-
ICICI Bank	1,00,000/-	126,000	1,186	42,500	413
IDFC Bank	1,00,000/-	-	-	140,000	1,328
IndusInd Bank	1,00,000/-	135,000	1,271	106,400	1,011
Kotak Bank	1,00,000/-	70,000	680	85,500	813
Vijaya Bank	1,00,000/-	-	-	14,000	137
Yes Bank	1,00,000/-	-	-	60,000	569
		554,000	**5,269**	**827,500**	**7,905**

The balances held in commercial papers as at March 31, 2018 and March 31, 2017 are as follows: *(In ₹ crore, except as otherwise stated)*

Particulars		As at March 31, 2018		As at March 31, 2017	
	Face Value ₹	Units	Amount	Units	Amount
LIC	5,00,000/-	6,000	293	-	-
		6,000	**293**	**-**	**-**

2.5 LOANS

(In ₹ crore)

Particulars	As at March 31, 2018	As at March 31, 2017
Non Current		
Unsecured, considered good		
Other loans		
Loans to employees	36	29
	36	**29**
Unsecured, considered doubtful		
Loans to employees	17	24
	53	**53**
Less: Allowance for doubtful loans to employees	17	24
	36	**29**
Current		
Unsecured, considered good		
Other loans		
Loans to employees	239	272
	239	**272**
Total loans	**275**	**301**

2.6 OTHER FINANCIAL ASSETS

(In ₹ crore)

Particulars	As at March 31, 2018	As at March 31, 2017
Non Current		
Security deposits [1]	53	86
Rental deposits [1]	171	175
Restricted deposits[1]	60	48
	284	**309**
Current		
Security deposits [1]	9	10
Rental deposits [1]	13	9
Restricted deposits [1]	1,535	1,416
Unbilled revenues [1]	4,261	3,648
Interest accrued but not due [1]	766	576
Foreign currency forward and options contracts [2] [3]	16	284
Others [1]	84	37
	6,684	**5,980**
Total financial assets	**6,968**	**6,289**
[1] Financial assets carried at amortized cost	6,952	6,005
[2] Financial assets carried at fair value through other comprehensive income	12	52
[3] Financial assets carried at fair value through profit or loss	4	232

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

2.7 TRADE RECEIVABLES

(In ₹ crore)

Particulars	As at March 31, 2018	As at March 31, 2017
Current		
Unsecured		
Considered good	13,142	12,322
Considered doubtful	354	318
	13,496	12,640
Less: Allowances for credit loss	354	318
Total[1]	**13,142**	**12,322**
[1] Includes dues from Companies where directors are interested	-	1

2.8 CASH AND CASH EQUIVALENTS

(In ₹ crore)

Particulars	As at March 31, 2018	As at March 31, 2017
Balances with banks		
In current and deposit accounts	13,168	14,889
Cash on hand	-	-
Others		
Deposits with financial institutions	6,650	7,736
	19,818	**22,625**
Cash and cash equivalents included under assets classified as held for sale (Refer note no 2.25)	53	-
	19,871	**22,625**
Balances with banks in unpaid dividend accounts	22	17
Deposit with more than 12 months maturity	6,332	6,954
Balances with banks held as margin money deposits against guarantees	356	404

Cash and cash equivalents as at March 31, 2018 and March 31, 2017 include restricted cash and bank balances of ₹533 crore and ₹572 crore, respectively. The restrictions are primarily on account of cash and bank balances held by irrevocable trusts controlled by the Company, bank balances held as margin money deposits against guarantees and balances held in unpaid dividend bank accounts.

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

The details of balances as on Balance Sheet dates with banks are as follows:

(In ₹ crore)

Particulars	As at March 31, 2018	As at March 31, 2017
Current accounts		
ANZ Bank, Taiwan	9	3
Axis Bank, India	-	1
Banamex Bank, Mexico	2	2
Banamex Bank, Mexico (U.S. Dollar account)	13	8
Bank Leumi, Israel	-	11
Bank Leumi, Israel (US Dollar account)	-	2
Bank of America, Mexico	25	54
Bank of America, USA	1,172	1,030
Bank of Baroda, Mauritius	1	-
Bank of Tokyo-Mitsubishi UFJ Ltd., Japan	1	-
Bank Zachodni WBK S.A, Poland	17	4
Barclays Bank, UK	40	1
BNP Paribas Bank, Norway	88	17
China Merchants Bank, China	6	9
Citibank N.A., Australia	223	19
Citibank N.A., Brazil	14	30
Citibank N.A., China	116	61
Citibank N.A., China (U.S. Dollar account)	9	11
Citibank N.A., Costa Rica	1	5
Citibank N.A., Dubai	6	1
Citibank N.A., EEFC (U.S. Dollar account)	4	1
Citibank N.A., Hungary	6	3
Citibank N.A., India	3	3
Citibank N.A., Japan	18	12
Citibank N.A., New Zealand	11	10
Citibank N.A., Philippines (U.S. Dollar account)	-	1
Citibank N.A., Portugal	8	2
Citibank N.A., Romania	2	-
Citibank N.A., Singapore	4	2
Citibank N.A., South Africa	33	9
Citibank N.A., South Africa (Euro account)	1	1
Citibank N.A., South Korea	2	1
Citibank N.A., USA	3	78
Commerzbank, Germany	-	18
Danske Bank, Sweden	1	-
Deutsche Bank, Belgium	27	10
Deutsche Bank, Czech Republic	16	8
Deutsche Bank, Czech Republic (Euro account)	3	7
Deutsche Bank, Czech Republic (U.S. Dollar account)	2	30
Deutsche Bank, EEFC (Australian Dollar account)	2	38
Deutsche Bank, EEFC (Euro account)	34	25
Deutsche Bank, EEFC (Swiss Franc account)	2	2
Deutsche Bank, EEFC (U.S. Dollar account)	32	76
Deutsche Bank, EEFC (United Kingdom Pound Sterling account)	9	10
Deutsche Bank, France	19	8
Deutsche Bank, Germany	100	48
Deutsche Bank, Hong Kong	1	-
Deutsche Bank, India	44	12

Deutsche Bank, Malaysia	5	7
Deutsche Bank, Netherlands	15	2
Deutsche Bank, Philippines	25	5
Deutsche Bank, Philippines (U.S. Dollar account)	3	4
Deutsche Bank, Poland	18	12
Deutsche Bank, Poland (Euro account)	8	4
Deutsche Bank, Russia	3	3
Deutsche Bank, Russia (U.S. Dollar account)	5	1
Deutsche Bank, Singapore	17	6
Deutsche Bank, Spain	1	-
Deutsche Bank, Switzerland	29	9
Deutsche Bank, Switzerland (U.S. Dollar account)	-	1
Deutsche Bank, United Kingdom	79	26
Deutsche Bank, USA	2	12
HSBC Bank, Brazil	-	1
HSBC Bank, Dubai	2	-
HSBC Bank, Hong Kong	2	1
HSBC Bank, United Kingdom	6	-
ICICI Bank, EEFC (Euro account)	1	1
ICICI Bank, EEFC (U.S. Dollar account)	40	5
ICICI Bank, EEFC (United Kingdom Pound Sterling account)	11	1
ICICI Bank, India	52	53
ING Bank, Belgium	-	2
Nordbanken, Sweden	50	33
Punjab National Bank, India	12	6
Raiffeisen Bank, Czech Republic	5	4
Raiffeisen Bank, Romania	3	4
Royal Bank of Canada, Canada	166	83
Santander Bank, Argentina	1	1
Silicon Valley Bank, USA	-	4
Silicon Valley Bank (Euro account)	-	19
Silicon Valley Bank (United Kingdom Pound Sterling account)	-	2
Splitska Banka D.D., Société Générale Group, Croatia	8	-
State Bank of India, India	1	7
The Saudi British Bank, Saudi Arabia	3	-
Union Bank of Switzerland AG	-	3
Union Bank of Switzerland AG (Euro account)	-	4
Wells Fargo Bank N.A., USA	-	33
Westpac, Australia	-	1
	2,703	**2,044**

(In ₹ crore)

Particulars	As at	
	March 31, 2018	**March 31, 2017**
Deposit accounts		
Axis Bank	-	1,175
Bank BGZ BNP Paribas S.A.	144	183
Barclays Bank	200	825
Canara Bank	84	84
Citibank	224	165
Deutsche Bank, AG	24	-
Deutsche Bank, Poland	211	71
HDFC Bank	2,498	469
HSBC Bank	-	500
ICICI Bank	3,497	4,644
IDBI Bank	250	1,750
IDFC Bank	1,500	200
IndusInd Bank	1,000	191
Kotak Mahindra Bank	-	535
South Indian Bank	450	450
Standard Chartered Bank	-	500
Syndicate Bank	-	49
Yes Bank	5	633
	10,087	**12,424**
Unpaid dividend accounts		
Axis Bank - Unpaid dividend account	1	2
HDFC Bank - Unpaid dividend account	1	2
ICICI Bank - Unpaid dividend account	20	13
	22	**17**

Margin money deposits against guarantees		
Canara Bank	151	177
Citibank	3	2
ICICI Bank	202	225
	356	**404**
Deposits with financial institutions		
HDFC Limited	5,450	7,036
LIC Housing Finance Limited	1,200	700
	6,650	**7,736**
Total cash and cash equivalents	**19,818**	**22,625**

2.9 OTHER ASSETS

(In ₹ crore)

Particulars	As at	
	March 31, 2018	**March 31, 2017**
Non Current		
Capital advances	421	600
Advances other than capital advances		
Prepaid gratuity (*refer note no. 2.20.1*)	43	79
Others		
Withholding taxes and others	1,428	
Prepaid expenses	111	96
Deferred Contract Cost	262	284
	2,265	**1,059**
Current		
Advances other than capital advances		
Payment to vendors for supply of goods	119	131
Others		
Withholding taxes and others	1,032	1,886
Prepaid expenses	472	441
Deferred Contract Cost	44	78
	1,667	**2,536**
Total other assets	**3,932**	**3,595**

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.

2.10 FINANCIAL INSTRUMENTS

Accounting policy

2.10.1 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.

2.10.2 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. The Company has made an irrevocable election for its investments which are classified as equity instruments to present the subsequent changes in fair value in other comprehensive income based on its business model. Further, in cases where the 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 is 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 or loss. For trade and other payables maturing within one year from the Balance Sheet date, the carrying amounts approximate the fair value due to the short maturity of these instruments.

b. Derivative financial instruments

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

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

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

Although the Group believes that these derivatives constitute hedges from an economic perspective, they may not qualify for hedge accounting under Ind AS 109, Financial Instruments. Any derivative that is either not designated 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 Consolidated 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 and buy back of ordinary shares 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.

2.10.3 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.

2.10.4 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 table below 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 approximates fair value due to the short maturity of those instruments.

2.10.5 Impairment

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 ECLs (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised is recognized as an impairment gain or loss in Consolidated Statement of Profit or Loss.

Financial instruments by category

The carrying value and fair value of financial instruments by categories as at March 31, 2018 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 Note no. 2.8)	19,818	-	-	-	-	19,818	19,818
Investments (Refer Note no. 2.4)							
Equity and preference securities	-	-	-	138	-	138	138
Tax-free bonds and government bonds	1,897	-	-	-	-	1,897	2,151 *
Liquid mutual fund units	-	-	81	-	-	81	81
Non convertible debentures	-	-	-	-	3,978	3,978	3,978
Certificates of deposit	-	-	-	-	5,269	5,269	5,269
Commercial Paper	-	-	-	-	293	293	293
Convertible promissory note	-	-	12	-	-	12	12
Other investments	-	-	66	-	-	66	66
Fixed maturity plan securities	-	-	429	-	-	429	429
Trade receivables (Refer Note no. 2.7)	13,142	-	-	-	-	13,142	13,142
Loans (Refer Note no. 2.5)	275	-	-	-	-	275	275
Other financials assets (Refer Note no. 2.6)	6,952	-	4	-	12	6,968	6,884 **
Total	**42,084**	**-**	**592**	**138**	**9,552**	**52,366**	**52,536**
Liabilities:							
Trade payables	694	-	-	-	-	694	694
Other financial liabilities (Refer Note no. 2.12)	5,442	-	93	-	3	5,538	5,538
Total	**6,136**	**-**	**93**	**-**	**3**	**6,232**	**6,232**

** On account of fair value changes including interest accrued*

*** Excludes interest accrued on tax free bonds and government bonds*

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

(In ₹ crore)

	Amortised cost	Financial assets/ liabilities at fair value through profit or loss		Financial assets/liabilities at fair value through OCI		Total carrying value	Total fair value
		Designated upon initial recognition	Mandatory	Equity instruments designated upon initial recognition	Mandatory		
Assets:							
Cash and cash equivalents (Refer Note no. 2.8)	22,625	-	-	-	-	22,625	22,625
Investments (Refer Note no. 2.4)							
Equity and preference securities	-	-	-	159	-	159	159
Tax-free bonds and government bonds	1,907	-	-	-	-	1,907	2,168 *
Liquid mutual fund units	-	-	1,803	-	-	1,803	1,803
Non convertible debentures	-	-	-	-	3,975	3,975	3,975
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 Note no. 2.7)	12,322	-	-	-	-	12,322	12,322
Loans (Refer Note no. 2.5)	301	-	-	-	-	301	301
Other financials assets (Refer Note no. 2.6)	6,005	-	232	-	52	6,289	6,205 **
Total	**43,160**	**-**	**2,638**	**159**	**11,932**	**57,889**	**58,066**
Liabilities:							
Trade payables	367	-	-	-	-	367	367
Other financial liabilities (Refer Note no. 2.12)	4,973	-	87	-	-	5,060	5,060
Total	**5,340**	**-**	**87**	**-**	**-**	**5,427**	**5,427**

** On account of fair value changes including interest accrued*

*** Excludes interest accrued on tax free bonds and government bonds*

Fair value hierarchy

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

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

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

The following table presents fair value hierarchy of assets and liabilities as at March 31, 2018:

(In ₹ crore)

	As at March 31, 2018	Fair value measurement at end of the reporting period/year using		
		Level 1	Level 2	Level 3
Assets				
Investments in liquid mutual funds units (Refer Note no. 2.4)	81	81	-	-
Investments in tax-free bonds (Refer Note no. 2.4)	2,150	1,878	272	-
Investments in government bonds (Refer Note no. 2.4)	1	1	-	-
Investments in equity instruments (Refer Note no. 2.4)	22	-	-	22
Investments in preference securities (Refer Note no. 2.4)	116	-	-	116
Investments in non convertible debentures (Refer Note no. 2.4)	3,978	2,695	1,283	-
Investments in certificates of deposit (Refer Note no. 2.4)	5,269	-	5,269	-
Investments in commercial paper (Refer Note no. 2.4)	293	-	293	-
Investments in fixed maturity plan securities (Refer Note no. 2.4)	429	-	429	-
Investments in convertible promissory note (Refer Note no. 2.4)	12	-	-	12
Other investments (Refer Note no. 2.4)	66	-	-	66
Derivative financial instruments - gain on outstanding foreign currency forward and option contracts (Refer Note no. 2.6)	16	-	16	-
Liabilities				
Derivative financial instruments - loss on outstanding foreign currency forward and option contracts (Refer Note no. 2.12)	42	-	42	-
Liability towards contingent consideration (Refer note no. 2.12)*	54	-	-	54

**Discounted contingent consideration of ₹21 crore pertaining to Brilliant Basics at 10%*

During the year ended March 31, 2018, quoted debt securities of ₹402 crore were transferred from Level 2 to Level 1 of fair value hierarchy, since these were valued based on Quoted price and ₹1,122 crores were transferred from Level 1 to Level 2 of fair value hierarchy, since these were valued based on market observable inputs.

The movement in level 3 investments from March 31, 2017 to March 31, 2018 is on account of purchase of additional investments, disposals during the year and change in fair value.

The following table presents fair value hierarchy of assets and liabilities as at March 31, 2017:

(In ₹ crore)

	As at March 31, 2017	Fair value measurement at end of the reporting period/year using		
		Level 1	Level 2	Level 3
Assets				
Investments in liquid mutual funds units (Refer Note no. 2.4)	1,803	1,803	-	-
Investments in tax free bonds (Refer Note no. 2.4)	2,159	282	1,877	-
Investments in government bonds (Refer Note no. 2.4)	9	9	-	-
Investments in equity instruments (Refer Note no. 2.4)	15	-	-	15
Investments in preference securities (Refer Note no. 2.4)	144	-	-	144
Investments in non convertible debentures (Refer Note no. 2.4)	3,975	3,371	604	-
Investments in certificates of deposit (Refer Note no. 2.4)	7,905	-	7,905	-
Investments in fixed maturity plan securities (Refer Note no. 2.4)	558	-	558	-
Investments in convertible promissory note (Refer Note no. 2.4)	10	-	-	10
Other investments (Refer Note no. 2.4)	35	-	-	35
Derivative financial instruments - gain on outstanding foreign currency forward and option contracts (Refer Note no. 2.6)	284	-	284	-
Liabilities				
Derivative financial instruments - loss on outstanding foreign currency forward and option contracts (Refer Note no. 2.12)	2	-	2	-
Liability towards contingent consideration (Refer note no. 2.12)*	85	-	-	85

**Discounted ₹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.

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

The movement in contingent consideration as at March 31, 2018 from March 31, 2017 is mainly on account of settlement of ₹45 crore pertaining to Kallidus acquisition and addition of ₹17 crore in relation to acquisition of Brilliant Basics Holdings Limited. (Refer note no. 2.3)

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

Market risk

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

The following table analyzes foreign currency risk from financial instruments as at March 31, 2018:

(In ₹ crore)

Particulars	U.S. dollars	Euro	United Kingdom Pound Sterling	Australian dollars	Other currencies	Total
Cash and cash equivalents	1,287	218	147	353	1,192	3,197
Trade receivables	8,317	1,751	845	788	781	12,482
Other financial assets (including loans)	2,636	663	330	173	470	4,272
Trade payables	(273)	(81)	(114)	(30)	(58)	(556)
Other financial liabilities	(2,289)	(417)	(215)	(273)	(596)	(3,790)
Net assets / (liabilities)	**9,678**	**2,134**	**993**	**1,011**	**1,789**	**15,605**

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

(In ₹ crore)

Particulars	U.S. dollars	Euro	United Kingdom Pound Sterling	Australian dollars	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**

Sensitivity analysis between Indian rupee and U.S. Dollar

Particulars	Three months ended March 31,		Year ended March 31,	
	2018	2017	2018	2017
Impact on the Group's incremental operating margins	0.50%	0.50%	0.50%	0.50%

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

Derivative financial instruments

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

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

	As at March 31, 2018		As at March 31, 2017	
	In million	In ₹ crore	In million	In ₹ crore
Derivatives designated as cash flow hedges				
Forward contracts				
In Australian dollars	-	-	130	644
In Euro	-	-	95	658
In United Kingdom Pound Sterling	-	-	40	324
Option Contracts				
In Australian dollars	60	300	-	-
In Euro	100	808	40	277
In United Kingdom Pound Sterling	20	184	-	-
Other derivatives				
Forward contracts				
In Australian dollars	5	25	35	174
In Canadian dollars	20	99	-	-
In Euro	91	735	114	786
In Japanese Yen	550	34	-	-
In New Zealand dollars	16	76	-	-
In Norwegian Krone	40	34	-	-
In Singapore dollars	5	25	5	23
In South African Rand	25	14	-	-
In Swedish Krona	50	40	50	36
In Swiss Franc	21	146	10	65
In U.S. dollars	623	4,061	526	3,411
In United Kingdom Pound Sterling	51	466	75	609
Option Contracts				
In Australian dollars	20	100	-	-
In Canadian dollars	-	-	13	65
In Euro	45	363	25	173
In Swiss Franc	5	33	-	-
In U.S. dollars	320	2,086	195	1,265
In United Kingdom Pound Sterling	25	231	30	243
Total forwards and options		**9,860**		**8,753**

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

(In ₹ crore)

Particulars	As at March 31, 2018	As at March 31, 2017
Not later than one month	2,828	2,303
Later than one month and not later than three months	4,568	4,316
Later than three months and not later than one year	2,464	2,134
	9,860	**8,753**

During the year ended March 31, 2018, the group has designated certain foreign exchange forward and option 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 hedges are expected to occur and reclassified to consolidated statement of profit or loss within 3 months.

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

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

The following table provides the reconciliation of cash flow hedge reserve for the three months and year ended March 31, 2018: *(In ₹ crore)*

	Three months ended March 31, 2018	Three months ended March 31, 2017	Year ended March 31, 2018	Year ended March 31, 2017
Balance at the beginning of the period / year	(2)	28	39	-
Gain / (Loss) recognised in other comprehensive income during the period / year	(9)	73	(93)	121
Amount reclassified to profit and loss during the period/year	11	(59)	41	(69)
Tax impact on above	-	(3)	13	(13)
Balance at the end of the period/year	**-**	**39**	**-**	**39**

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

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

(In ₹ crore)

	As at March 31, 2018		As at March 31, 2017	
	Derivative financial asset	Derivative financial liability	Derivative financial asset	Derivative financial liability
Gross amount of recognized financial asset/liability	20	(46)	285	(3)
Amount set off	(4)	4	(1)	1
Net amount presented in Balance Sheet	**16**	**(42)**	**284**	**(2)**

Credit risk

Credit risk refers to the risk of default on its obligation by the counterparty resulting in a financial loss. The maximum exposure to the credit risk at the reporting date is primarily from trade receivables amounting to ₹13,142 crore and ₹12,322 crore as at March 31, 2018 and March 31, 2017, respectively and unbilled revenues amounting to ₹4,261 crore and ₹3,648 crore as at March 31, 2018 and March 31, 2017, respectively. Trade receivables and unbilled revenues 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. As per Ind AS 109, the Group uses expected credit loss model to assess the impairment loss or gain. The Group uses a provision matrix to compute the expected credit loss allowance for trade receivables and unbilled revenues. The provision matrix takes into account available external and internal credit risk factors such as credit default swap quotes, credit ratings from international credit rating agencies and the Group's historical experience for customers.

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

(In %)

	Three months ended March 31,		Year ended March 31,	
	2018	2017	2018	2017
Revenue from top customer	3.6	3.3	3.4	3.4
Revenue from top ten customers	19.2	20.2	19.3	21.0

Credit risk exposure

The reversal of allowance of lifetime expected credit loss on customer balances for the three months ended March 31, 2018 was ₹27 crore and allowance of lifetime expected credit loss on customer balances for the year ended March 31, 2018 was ₹34 crore, and allowance of lifetime expected credit loss on customer balances for the three months and year ended March 31, 2017 was ₹57 crore and ₹132 crore respectively.

Movement in credit loss allowance:

(In ₹ crore)

	Three months ended March 31,		Year ended March 31,	
	2018	2017	2018	2017
Balance at the beginning	470	362	411	289
Impairment loss recognized / (reversed)	(27)	57	34	132
Write-offs	-	-	(5)	(1)
Reclassified as held for sale (refer note no 2.25)	(1)	-	(1)	-
Translation differences	7	(8)	10	(9)
Balance at the end	**449**	**411**	**449**	**411**

Credit exposure

The Company's credit period generally ranges from 30-60 days.

(In ₹crore except otherwise stated)

	As at March 31, 2018	As at March 31, 2017
Trade receivables	13,142	12,322
Unbilled revenues	4,261	3,648
Days Sales Outstanding- DSO (days)	67	68

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 borrowings. The Group believes that the working capital is sufficient to meet its current requirements.

As at March 31, 2018, the Group had a working capital of ₹34,176 crore including cash and cash equivalents of ₹19,818 crore and current investments of ₹6,407 crore. As at 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 at March 31, 2018 and March 31, 2017, the outstanding compensated absences were ₹1,469 crore and ₹1,359 crore, respectively, which have been substantially funded. Accordingly no liquidity risk is perceived.

The table below provides details regarding the contractual maturities of significant financial liabilities as at March 31, 2018:

(In ₹ crore)

Particulars	Less than 1 year	1-2 years	2-4 years	4-7 years	Total
Trade payables	694	-	-	-	694
Other financial liabilities (excluding liability towards acquisition) (Refer Note no. 2.12)	5,442	-	-	-	5,442
Liability towards acquisitions on an undiscounted basis (including contingent consideration) (Refer Note no. 2.12)	41	7	7	-	55

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

(In ₹ crore)

Particulars	Less than 1 year	1-2 years	2-4 years	4-7 years	Total
Trade payables	367	-	-	-	367
Other financial liabilities (excluding liability towards acquisition) (Refer Note no. 2.12)	4,943	31	-	-	4,974
Liability towards acquisitions on an undiscounted basis (including contingent consideration) (Refer Note no. 2.12)	45	46	-	-	91

2.11 EQUITY

SHARE CAPITAL

(In ₹ crore, except as otherwise stated)

Particulars	**As at March 31, 2018**	**As at March 31, 2017**
Authorized		
Equity shares, ₹5 par value		
2,40,00,00,000 (2,40,00,00,000) equity shares	1,200	1,200
Issued, Subscribed and Paid-Up		
Equity shares, ₹5 par value [(1)]	1,088	1,144
2,17,33,12,301 (2,28,56,55,150) equity shares fully paid-up[(2)]		
	1,088	**1,144**

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

[(1)] *Refer note no. 2.21 for details of basic and diluted shares*

[(2)] *Net of treasury shares 1,08,01,956 (1,12,89,514)*

The Company has only one class of shares referred to as equity shares having a par value of ₹5/-. Each holder of equity shares is entitled to one vote per share. The equity shares represented by American Depositary Shares (ADS) carry similar rights to voting and dividends as the other equity shares. Each ADS represents one underlying equity share.

In the period of five years immediately preceding March 31, 2018:

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 postal ballot. For both the bonus issues, 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 holder remains unchanged. Options granted under the restricted stock unit plan (RSU) have been adjusted for bonus shares.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the Company in proportion to the number of equity shares held by the shareholders, after distribution of all preferential amounts. However, no such preferential amounts exist currently, other than the amounts held by irrevocable controlled trusts. For irrevocable controlled trusts, the corpus would be settled in favour of the beneficiaries.

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.

The Company declares and pays dividends in Indian rupees. The remittance of dividends outside India is governed by Indian law on foreign exchange and is subject to applicable distribution taxes. Dividend distribution tax paid by subsidiaries may be reduced / available as credit against dividend distribution tax payable by Infosys Limited.

Amount of per share dividend recognized as distribution to equity shareholders:

(in ₹)

Particulars	**Year ended March 31, 2018**	**Year ended March 31, 2017**
Final dividend for fiscal 2016	-	14.25
Interim dividend for fiscal 2017	-	11.00
Final dividend for fiscal 2017	14.75	-
Interim dividend for fiscal 2018	13.00	-

Effective from Financial Year 2018, the Company's policy is to payout up to 70% of the free cash flow of the corresponding Financial Year in such manner (including by way of dividend and / or share buyback) as may be decided by the Board from time to time, subject to applicable laws and requisite approvals, if any. Free cash flow is defined as net cash provided by operating activities less capital expenditure as per the consolidated statement of cash flows prepared under IFRS. Dividend payout includes dividend distribution tax.

The Board of Directors recommended a final dividend of ₹20.50/- per equity share for the financial year ended March 31, 2018 and a special dividend of ₹10/- per equity share. The payment is subject to the approval of the shareholders in the ensuing Annual General Meeting of the Company, to be held on June 23, 2018 and if approved would result in a cash outflow of approximately ₹7,949 crore (excluding dividend paid on treasury shares) inclusive dividend distribution tax.

The Board of Directors in their meeting on October 24, 2017 declared an interim dividend of ₹13/- per equity share which resulted in a net cash outflow of approximately ₹3,408 crore, (excluding dividend paid on treasury shares) inclusive of dividend distribution tax.

Buyback

The Board, at its meeting on August 19, 2017, approved a proposal for the Company to buyback its fully paid-up equity shares of face value of ₹5 each from the eligible equity shareholders of the Company for an amount not exceeding ₹13,000 crore. The shareholders approved the said proposal of buyback of Equity Shares through the postal ballot that concluded on October 7, 2017. The Buyback offer comprised a purchase of **11,30,43,478 Equity Shares** aggregating 4.92% of the paid-up equity share capital of the Company at a price of ₹1,150 per Equity share. The buyback was offered to all eligible equity shareholders (including those who became equity shareholders as on the Record date by cancelling American Depository Shares and withdrawing underlying Equity shares) of the Company as on the Record Date (i.e November 1, 2017) on a proportionate basis through the "Tender offer" route. The Company concluded the buyback procedures on December 27, 2017 and 11,30,43,478 equity shares were extinguished. The Company has funded the buyback from its securities premium and general reserve. In accordance with section 69 of the Companies Act, 2013, the Company has created 'Capital Redemption Reserve' of ₹56 crore equal to the nominal value of the shares bought back as an appropriation from general reserve.

The Company's objective when managing capital is to safeguard its ability to continue as a going concern and to maintain an optimal capital structure so as to maximize shareholder value. In order to maintain or achieve an optimal capital structure, the Company may adjust the amount of dividend payment, return capital to shareholders, issue new shares or buy back issued shares. As of March 31, 2018, the Company has only one class of equity shares and has no debt. Consequent to the above capital structure there are no externally imposed capital requirements

The Company's objective when managing capital is to safeguard its ability to continue as a going concern and to maintain an optimal capital structure so as to maximize shareholder value. In order to maintain or achieve an optimal capital structure, the Company may adjust the amount of dividend payment, return capital to shareholders, issue new shares or buy back issued shares. As of March 31, 2018, the Company has only one class of equity shares and has no debt. Consequent to the above capital structure there are no externally imposed capital requirements.

The details of shareholder holding more than 5% shares as at March 31, 2018 and March 31, 2017 are set out below :

Name of the shareholder	**As at March 31, 2018**		**As at March 31, 2017**	
	Number of shares	**% held**	**Number of shares**	**% held**
Deutsche Bank Trust Company Americas (Depository of ADR's - legal ownership)	37,99,05,859	17.39	38,33,17,937	16.69
Life Insurance Corporation of India	14,95,14,017	6.85	16,14,36,123	7.03

The reconciliation of the number of shares outstanding and the amount of share capital as at March 31, 2018 and March 31, 2017 is as follows:

(In ₹ crore, except as stated otherwise)

Particulars	**As at March 31, 2018**		**As at March 31, 2017**	
	Number of shares	**Amount**	**Number of shares**	**Amount**
At the beginning of the period	228,56,55,150	1,144	228,56,21,088	1,144
Add: Shares issued on exercise of employee stock options	7,00,629	-	34,062	-
Less: Shares bought back	113,043,478	56	-	-
At the end of the period	**217,33,12,301**	**1,088**	**228,56,55,150**	**1,144**

Employee Stock Option Plan (ESOP):

Accounting policy

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.

Amendment to Ind AS 102:

Effective April 1, 2017, the Group adopted amendment to Ind AS 102 which provides specific guidance to measurement of cash-settled awards, modification of cash-settled awards and awards that include a net settlement feature in respect of withholding taxes. The adoption of amendment did not have any material effect on the interim consolidated financial statements.

2015 Stock Incentive Compensation Plan (the 2015 Plan) (Formerly 2011 RSU Plan):

On March 31, 2016, pursuant to the approval by the shareholders through postal ballot, the Board has been authorized to introduce, offer, issue and allot share-based incentives to eligible employees of the Company and its subsidiaries under the 2015 Stock Incentive Compensation Plan (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 are held by the trust towards the 2011 Plan as at March 31, 2016). Out 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 on the date of the grant. These instruments will vest over a period of 4 years and the Company expects to grant the instruments under the 2015 Plan over the period of 4 to 7 years.

Controlled trust holds 1,08,01,956 and 1,12,89,514 shares as at March 31, 2018 and March 31, 2017, respectively under the 2015 plan, out of which 1,00,000 equity shares have been earmarked for welfare activities of the employees.

Stock incentives granted to Salil Parekh (CEO & MD)

Pursuant to the approval of the shareholders through a postal ballot on February 20 , 2018, Salil Parekh (CEO & MD) is eligible to receive under the 2015 Plan , a) an annual grant of RSUs of fair value ₹3.25 crore which will vest over time in 3 equal annual installments upon completion of each year of service from the respective grant date b) a one-time grant of RSUs of fair value ₹9.75 crore which will vest over time in 2 equal annual installments upon completion of each year of service from the grant date and c) annual grant of performance based RSUs of fair value ₹13 crore which will vest after completion of three years the first of which concludes on March 31, 2021, subject to achievement of performance targets set by the Board or its committee.

The board based on the recommendations of the Nomination and Remuneration committee approved on February 27, 2018, the annual time based grant for FY18 of 28,256 RSUs and the one-time time based grant of 84,768 RSUs. The grants were made effective February 27, 2018. Though the annual time based grants for the remaining employment term have not been granted as of March 31, 2018 , in accordance with Ind AS 102, Share based payments the company has recorded employment stock compensation expense.

Stock incentives granted to Dr. Vishal Sikka

Consequent to Dr. Vishal Sikka's resignation from the Company on August 24, 2017, the unvested stock incentives (time-based and performance based awards) granted to him were forfeited.

Stock incentives granted to COO:

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

Stock incentives granted to KMPs (other than CEO, COO and Dr. Vishal Sikka)

On November 1, 2016, 2,47,250 RSUs and 5,02,550 stock options were granted under the 2015 plan, to key management personnel, other than Dr. Vishal Sikka and COO, based on fiscal 2016 performance. On August 1, 2017 58,150 RSUs and 44,450 ESOPs were granted to the General Counsel. These RSUs and stock options will vest within 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. On February 27, 2018, based on the recommendation and approval of the Nomination and Remuneration Committee the company granted 214,950 RSUs to the KMP other than CEO and COO. These instruments will vest over a period of 4 years and are subject to continued service.

During the year ended March 31, 2018, three of the KMPs have resigned (Refer note no. 2.23 Related party transactions for further details) and hence the RSUs and stock options granted to them were forfeited.

Stock incentive granted to other employees:

During fiscal 2017, the company granted 25,06,740 RSUs and 7,03,300 ESOPs and 1,12,210 incentive units (cash settled) to certain eligible employees at mid and senior levels under the 2015 plan. Further, on May 2, 2017, the Company granted 37,090 RSUs (includes equity shares and equity shares represented by ADS) at par value, 73,600 employee stock options (ESOPs) (including equity shares and equity shares represented by ADS) to be exercised at market price at the time of grant, to certain employees at the senior management level. On August 1, 2017, 7,450 incentive units (cash settled) were granted to employees at the senior management level. These instruments will vest over a period of 4 years and are subject to continued service. On February 27, 2018 15,59,920 RSUs and 42,590 incentive units (cash settled) were granted to eligible employees. These instruments will vest over a period of 4 years and are subject to continued service.

As at March 31, 2018 and March 31, 2017, 1,11,757 and 1,06,845 incentive units were outstanding (net of forfeitures).

Break-up of employee stock compensation expense

(in ₹ crore)

	Three months ended March 31,		Year ended March 31,	
	2018	**2017**	**2018**	**2017**
Granted to:				
KMP[(2)]	1	12	(13)	36
Employees other than KMP	25	33	97	81
Total [(1)]	**26**	**45**	**84**	**117**
[(1)] *Cash settled stock compensation expense included in the above*	2	1	5	1

[(2)] *Includes a reversal of stock compensation cost of ₹35 crore towards forfeiture of stock incentives granted to Dr. Vishal Sikka upon his resignation*

The carrying value of liability towards cash settled share based payments was ₹6 crore and ₹3 crore as at March 31, 2018 and March 31, 2017 respectively.

The activity in the 2015 Plan (formerly 2011 RSU Plan) for equity-settled share based payment transactions during the three months and year ended March 31, 2018 is set out below:

Particulars	**Three months ended March 31, 2018**		**Year ended March 31, 2018**	
	Shares arising out of options	**Weighted average exercise price (₹)**	**Shares arising out of options**	**Weighted average exercise price (₹)**
2015 Plan: RSU				
Outstanding at the beginning	2,084,284	5	2,961,373	5
Granted	1,887,894	5	2,280,608	5
Exercised	115,996	5	648,217	5
Forfeited and expired	105,773	5	843,355	5
Outstanding at the end	**3,750,409**	**5**	**3,750,409**	**5**
Exercisable at the end	24,205	5	24,205	5
2015 Plan: Employee Stock Options (ESOPs)				
Outstanding at the beginning	1,158,400	992	1,197,650	992
Granted	-	-	491,575	943
Exercised	52,412	983	52,412	983
Forfeited and expired	139,075	963	669,900	961
Outstanding at the end	**966,913**	**986**	**966,913**	**986**
Exercisable at the end	196,912	992	196,912	992

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

Particulars	**Three months ended March 31, 2017**		**Year ended March 31, 2017**	
	Shares arising out of	**Weighted average**	**Shares arising out of**	**Weighted average**
2015 Plan: RSU				
Outstanding at the beginning	3,005,888	5	221,505	5
Granted	-	5	2,874,690	5
Forfeited and expired	41,095	5	100,760	5
Exercised	3,420	5	34,062	5
Outstanding at the end	**2,961,373**	**5**	**2,961,373**	**5**
Exercisable at the end	-	-	-	-
2015 Plan: Employee Stock Options (ESOPs)				
Outstanding at the beginning	1,205,850	992	-	-
Granted	-	-	1,205,850	992
Forfeited and expired	8,200	992	8,200	992
Exercised	-	-	-	-
Outstanding at the end	**1,197,650**	**992**	**1,197,650**	**992**
Exercisable at the end	-	-	-	-

During the three months and year ended March 31, 2018, the weighted average share price of options exercised under the 2015 Plan on the date of exercise was ₹1,119 and ₹992 respectively.

During the three months and year ended March 31, 2017, the weighted average share price of options exercised under the 2015 Plan on the date of exercise was ₹972 and ₹1,084, respectively.

The following table summarizes information about equity settled RSUs and ESOPs outstanding as at March 31, 2018:

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:			
0 - 5 (RSU)	3,750,409	1.89	5.00
900 - 1100 (ESOP)	966,913	6.60	992.68
	4,717,322	**2.57**	**207.45**

The following table summarizes information about equity settled RSUs and ESOPs outstanding as at 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:			
0 - 5 (RSU)	2,961,373	1.88	5.00
900 - 1100 (ESOP)	1,197,650	7.09	1,026.50
	4,159,023	**3.38**	**299.16**

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

Particulars	For options granted in			
	Fiscal 2018-Equity Shares-RSU	**Fiscal 2018-Equity shares ESOP**	**Fiscal 2018-ADS-RSU**	**Fiscal 2018-ADS- ESOP**
Weighted average share price (₹) / ($- ADS)	1,144	923	16.61	14.65
Exercise price (₹)/ ($- ADS)	5.00	919	0.08	14.67
Expected volatility (%)	20-25	25-28	21-26	25-31
Expected life of the option (years)	1 - 4	3 - 7	1 - 4	3 - 7
Expected dividends (%)	2.78	2.78	2.74	2.74
Risk-free interest rate (%)	6 - 7	6 - 7	1 - 2	1 - 2
Weighted average fair value as on grant date (₹) / ($- ADS)	1,066	254	15.47	2.93

Particulars	For options granted in			
	Fiscal 2017-Equity Shares-RSU	**Fiscal 2017-Equity shares ESOP**	**Fiscal 2017-ADS-RSU**	**Fiscal 2017-ADS- ESOP**
Weighted average share price (₹) / ($- ADS)	1,067	989	15.77	15.26
Exercise price (₹)/ ($- 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)	1,002	285	14.84	3.46

The expected life of the RSU / ESOP is estimated based on the vesting term and contractual term of the RSU / ESOP, as well as expected exercise behaviour of the employee who receives the RSU / ESOP. Expected volatility during the expected term of the RSU / ESOP is based on historical volatility of the observed market prices of the Company's publicly traded equity shares during a period equivalent to the expected term of the RSU / ESOP.

2.12 OTHER FINANCIAL LIABILITIES

(In ₹ crore)

Particulars	As at March 31, 2018	As at March 31, 2017
Non-current		
Others		
Accrued compensation to employees [1]	-	30
Compensated absences	48	-
Payable for acquisition of business (refer note no. 2.1) [2]		
Contingent consideration	13	40
	61	**70**
Current		
Unpaid dividends [1]	22	17
Others		
Accrued compensation to employees [1]	2,509	1,881
Accrued expenses [1]	2,452	2,585
Retention monies [1]	132	220
Payable for acquisition of business		
Contingent consideration (refer note no. 2.1) [2]	41	45
Payable by controlled trusts [1]	139	145
Compensated absences	1,421	1,359
Foreign currency forward and options contracts [2][3]	42	2
Capital creditors [1]	155	48
Other payables [1]	33	47
	6,946	**6,349**
Total financial liabilities	**7,007**	**6,419**
[1] Financial liability carried at amortized cost	5,442	4,973
[2] Financial liability carried at fair value through profit or loss	93	87
[3] Financial liability carried at fair value through other comprehensive income	3	-
Contingent consideration on undiscounted basis	55	91

2.13 OTHER LIABILITIES

(In ₹ crore)

Particulars	As at March 31, 2018	As at March 31, 2017
Non-current		
Others		
Deferred income - government grant on land use rights	44	41
Accrued gratuity (refer note no. 2.20.1)	28	-
Deferred rent	151	-
Deferred income	36	42
	259	**83**
Current		
Unearned revenue	2,295	1,777
Client deposit	38	-
Others		
Withholding taxes and others	1,240	1,226
Accrued gratuity (refer note no. 2.20.1)	-	1
Deferred rent	32	2
Deferred income - government grant on land use rights	1	1
	3,606	**3,007**

2.14 PROVISIONS

Accounting policy

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 the Consolidated Statement of Profit and Loss. 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.

(In ₹ crore)

Particulars	**As at**	
	March 31, 2018	**March 31, 2017**
Current		
Others		
Post-sales client support and warranties and others	492	405
	492	**405**

Provision for post-sales client support and warranties and others

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

(In ₹ crore)

Particulars	**Three months ended**	**Year ended**
	March 31, 2018	**March 31, 2018**
Balance at the beginning	452	405
Provision recognized/(reversed)	48	143
Provision utilized	(19)	(62)
Exchange difference	11	6
Balance at the end	**492**	**492**

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

2.15 INCOME TAXES

Accounting policy

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.

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

(In ₹ crore)

	Three months ended March 31,		Year ended March 31,	
	2018	2017	2018	2017
Current taxes	1,466	1,249	4,581	5,653
Deferred taxes	(150)	81	(340)	(55)
Income tax expense	**1,316**	**1,330**	**4,241**	**5,598**

Advance Pricing Agreement ("APA")

During the three months ended December 31, 2017, the Company had concluded an Advance Pricing Agreement ("APA") with the US Internal Revenue Service ("IRS") for the US branch covering the years ending March 2011 to March 2021. Under the APA, the Company and the IRS have agreed on the methodology to allocate revenues and compute the taxable income of the Company's US Branch operations.

During the three months ended December 31, 2017, in accordance with the APA, the company has reversed income tax expense provision of ₹1,432 crore which pertains to previous periods. This comprises of current tax expense of ₹1,610 crore, reversal of ₹132 crore on account of deferred tax assets pertaining to the temporary differences which are no longer required and a deferred tax liability of ₹46 crore pertaining to Branch profit tax for the three months ended December 31, 2017 on account of conclusion of APA. In line with the APA, the Company has to pay an amount of approximately ₹1,488 crore due to the difference between the taxes payable for prior periods as per the APA and the actual taxes paid for such periods. The company has paid ₹479 crore during the three months ended March 31, 2018, and the balance amount is expected to be paid over the next few quarters.

Additionally, income tax expense for the three months and year ended March 31, 2018 includes reversal (net of provisions) of ₹117 crore and ₹291 crore, respectively, pertaining to prior periods on account of adjudication of certain disputed matters in favor of the Company across various jurisdictions.

Income tax expense for the three months and year ended March 31, 2017 includes reversal (net of provisions) of ₹91 crore and ₹152 crore, respectively, pertaining to prior periods.

The "Tax Cuts and Jobs Act (H.R. 1)" was signed into law on December 22, 2017 ("US Tax Reforms"). The US tax reforms has reduced federal tax rates from 35% to 21% effective January 1, 2018 amongst other measures. During the year ended March 31, 2018, the US tax reforms has resulted in a positive impact of ₹155 crore on account of credits pertaining to deferred tax liabilities on branch profit. The impact of US tax reforms is expected to be not significant for future periods.

During the three months ended March 31, 2018 and March 31, 2017, a current tax charge 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, 2018 and March 31, 2017, a current tax charge of ₹17 crore and current tax credit ₹10 crore respectively have been recorded in other comprehensive income pertaining to remeasurement of defined benefit plan asset.

During the three months ended March 31, 2018, a deferred tax charge of less than ₹1 crore and a deferred tax credit of ₹2 crore has been recorded in other comprehensive income pertaining to unrealized gains on derivatives designated as cash flow hedges and unrealized gain on investment in non-convertible debentures, certificates of deposit, commercial papers and equity & preference securities.

During the year ended March 31, 2018, a deferred tax credit of ₹13 crore and a deferred tax charge of ₹1 crore has been recorded in other comprehensive income pertaining to unrealized gains on derivatives designated as cash flow hedges and unrealized gain on investment in non-convertible debentures and certificates of deposit, commercial papers and equity & preference securities.

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

(In ₹ crore)

	Three months ended March 31,		Year ended March 31,	
	2018	**2017**	**2018**	**2017**
Profit before income taxes	5,006	4,933	20,270	19,951
Enacted tax rates in India	34.61%	34.61%	34.61%	34.61%
Computed expected tax expense	1,732	1,707	7,015	6,905
Tax effect due to non-taxable income for Indian tax purposes	(631)	(433)	(2,068)	(1,982)
Overseas taxes	247	137	701	750
Tax provision (reversals)	(117)	(91)	(1,617)	(152)
Effect of exempt non-operating income	(6)	(8)	(66)	(65)
Effect of unrecognized deferred tax assets	49	32	188	93
Effect of differential overseas tax rates	27	35	52	64
Effect of non-deductible expenses	40	(47)	57	26
Branch profit tax (net of credits)	(55)	-	(210)	-
Subsidiary dividend distribution tax	-	-	172	-
Others	30	(2)	17	(41)
Income tax expense	**1,316**	**1,330**	**4,241**	**5,598**

The applicable Indian statutory tax rates for each of the fiscals 2018 and 2017 is 34.61%

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, 2018, Infosys' U.S. branch net assets amounted to approximately ₹5,030 crore. During the year ended March 31, 2018, an additional deferred tax liability has been created for branch profit tax amounting to ₹46 crore on account of conclusion of APA explained above. Further, on account of US tax Reforms, the Company has a credit of ₹155 crore pertaining to Branch Profit Tax for the year ended March 31, 2018 towards current taxes. The Company has also reversed ₹55 crore of Branch Profit tax during the year ended March 31, 2018 towards current taxes. As of March 31, 2018, the Company has a deferred tax liability for branch profit tax of ₹164 crore (net of credits), as the Company estimates that these branch profits are expected to be distributed in the foreseeable future.

Other income for the three months and year ended March 31, 2018 includes interest on income tax refund of Nil and ₹262 crore, respectively.

The foreign tax expense is due to income taxes payable overseas, principally in the United States. In India, the Company has benefited from certain income tax incentives that the Government of India had provided for export of software from the units registered under the Special Economic Zones Act (SEZs), 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 for the eligible SEZ units and utilization of such reserve by the Company for acquiring new plant and machinery for the purpose of its business as per the provisions of the Income Tax Act, 1961.

During the three months ended December 31, 2017, the Company received ₹846 crore as dividend from its majority owned subsidiary. Dividend distribution tax paid by the subsidiary on such dividend has been reduced as credit against dividend distribution tax payable by Infosys. Accordingly, the Group has recorded a charge of ₹172 crore as income tax expense during the year ended March 31, 2018.

Deferred income tax liabilities have not been recognized on temporary differences amounting to ₹5,045 crore and ₹5,309 crore as at March 31, 2018 and March 31, 2017, respectively, associated with investments in subsidiaries and branches as it is probable that the temporary differences will not reverse in the foreseeable future.

The following table provides the details of income tax assets and income tax liabilities as at March 31, 2018 and March 31, 2017:

(In ₹ crore)

Particulars	As at	
	March 31, 2018	**March 31, 2017**
Income tax assets	6,070	5,716
Current income tax liabilities	2,043	3,885
Net current income tax asset/ (liability) at the end	**4,027**	**1,831**

The gross movement in the current income tax asset/ (liability) for the three months and year ended March 31, 2018 and March 31, 2017 is as follows:

(In ₹ crore)

	Three months ended March 31,		Year ended March 31,	
	2018	**2017**	**2018**	**2017**
Net current income tax asset/ (liability) at the beginning	3,515	1,454	1,831	1,820
Translation differences	17	-	6	-
Income tax paid	2,012	1,628	6,829	5,653
Current income tax expense	(1,466)	(1,249)	(4,581)	(5,653)
Income tax benefit arising on exercise of stock options	-	-	-	1
Income tax on other comprehensive income	(10)	(2)	(17)	10
Reclassified as assets held for sale (refer note no 2.25)	(41)	-	(41)	-
Net current income tax asset/ (liability) at the end	**4,027**	**1,831**	**4,027**	**1,831**

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

(In ₹ crore)

	As at	
	March 31, 2018	**March 31, 2017**
Deferred income tax assets		
Property, plant and equipment	215	138
Computer software	-	40
Accrued compensation to employees	12	57
Trade receivables	141	136
Compensated absences	366	374
Post sales client support	98	97
Derivative financial instruments	13	-
Intangibles	9	22
Credits related to branch profits	341	-
Others	117	143
Total deferred income tax assets	**1,312**	**1007**
Deferred income tax liabilities		
Intangible asset	(38)	(206)
Branch profit tax	(505)	(327)
Derivative financial instruments	(2)	(74)
Others	(26)	(67)
Total deferred income tax liabilities	**(571)**	**(674)**
Deferred income tax assets after set off	**1,282**	**540**
Deferred income tax liabilities after set off	**(541)**	**(207)**

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.

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, management believes that the Group will realize the benefits of those deductible differences. The amount of the deferred income tax assets considered realizable, however, could be reduced in the near term if estimates of future taxable income during the carry forward period are reduced.

The gross movement in the deferred income tax account for the three months and year ended March 31, 2018 and March 31, 2017, is as follows:

(In ₹ crore)

	Three months ended March 31,		Year ended March 31,	
	2018	**2017**	**2018**	**2017**
Net deferred income tax asset at the beginning	539	396	333	284
Addition through business combination (Refer note no. 2.1)	-	-	(2)	-
Translation differences	(3)	21	5	7
Credits / (charge) relating to temporary differences	150	(81)	340	55
Temporary differences on other comprehensive income	2	(3)	12	(13)
Reclassified as assets held for sale (refer note no 2.25)	53	-	53	-
Net deferred income tax asset at the end	**741**	**333**	**741**	**333**

Entire deferred income tax, except for a credit of ₹155 crore (on account of US Tax Reforms explained above), for each of the three months and year ended March 31, 2018, relates to origination and reversal of temporary differences

The credit relating to temporary differences during the year ended March 31, 2018 are primarily on account of property plant and equipment and trade receivables partially offset by accrued compensation to employees. The credit 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.

2.16 REVENUE FROM OPERATIONS

Accounting policy

The Company derives revenues primarily from software development and related services and from the licensing of software products. Arrangements with customers for software related services are either on a fixed-price, fixed-timeframe or on a time-and-material basis.

Revenue on time-and-material contracts are recognized as the related services are performed and revenue from the end of the last billing to the Balance Sheet date is recognized as unbilled revenues. Revenue from fixed-price, fixed-timeframe contracts, where there is no uncertainty as to measurement or collectability of consideration, is recognized as per the percentage-of-completion method. When there is uncertainty as to measurement or ultimate collectability, revenue recognition is postponed until such uncertainty is resolved. Efforts or costs expended have been used to measure progress towards completion as there is a direct relationship between input and productivity. Provisions for estimated losses, if any, on uncompleted contracts are recorded in the period in which such losses become probable based on the current contract estimates. Costs and earnings in excess of billings are classified as unbilled revenue, while billings in excess of costs and earnings are classified as unearned revenue. Deferred contract costs are amortized over the term of the contract. Maintenance revenue is recognized 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 are allocated to each component of the contract in a manner, whereby revenue is deferred for the undelivered services and the residual amounts are recognized as revenue for delivered elements. In the absence of objective and reliable evidence of fair value for implementation, the entire arrangement fee for license and implementation is recognized using the percentage-of-completion method as the implementation is performed. Revenue from client training, support and other services arising due to the sale of software products is recognized as the services are performed. ATS revenue is recognized 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 Group presents revenues net of indirect taxes in its consolidated Statement of Profit and Loss.

Revenues for the three months and year ended March 31, 2018 and March 31, 2017 are as follows:

(In ₹ crore)

Particulars	**Three months ended March 31,**		**Year ended March 31,**	
	2018	**2017**	**2018**	**2017**
Revenue from software services	17,592	16,593	68,460	66,383
Revenue from software products	491	527	2,062	2,101
	18,083	**17,120**	**70,522**	**68,484**

2.17 OTHER INCOME, NET

Accounting policy

Other income is comprised primarily of interest income, dividend income, gain/loss on investment 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.

Foreign currency

Accounting policy

Functional currency

The functional currency of Infosys, Infosys BPM (formerly 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 off, in full, the relevant amount is transferred to net profit in the Consolidated 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.

Government grant

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.

Other income for the three months and year ended March 31, 2018 and March 31, 2017 is as follows:

(In ₹ crore)

Particulars	Three months ended March 31,		Year ended March 31,	
	2018	**2017**	**2018**	**2017**
Interest income on financial assets carried at amortized cost:				
Tax free bonds and government bonds	35	34	143	128
Deposit with Bank and others	347	410	1,531	2,233
Interest income on financial assets carried at fair value through other comprehensive income:				
Non-convertible debentures, certificates of deposit and commercial paper	133	160	682	190
Income on investments carried at fair value through profit or loss				
Dividend income on liquid mutual funds	-	-	4	29
Gain / (loss) on liquid mutual funds	39	66	253	119
Exchange gains/ (losses) on foreign currency forward and options contracts	(130)	290	1	591
Exchange gains/ (losses) on translation of assets and liabilities	183	(262)	233	(359)
Impairment loss on assets classifed as held for sale (refer note no 2.25)	(118)	-	(118)	-
Miscellaneous Income, net	45	48	464	149
	534	**746**	**3,193**	**3,080**

2.18 EXPENSES

(In ₹ crore)

Particulars	Three months ended March 31,		Year ended March 31,	
	2018	**2017**	**2018**	**2017**
Employee benefit expenses				
Salaries including bonus	9,750	9,013	37,764	36,557
Contribution to provident and other funds	212	194	828	770
Share based payments to employees *(Refer note no. 2.11)*	26	45	84	117
Staff welfare	66	57	217	215
	10,054	**9,309**	**38,893**	**37,659**
Cost of software packages and others				
For own use	220	218	887	795
Third party items bought for service delivery to clients	246	260	983	802
	466	**478**	**1,870**	**1,597**
Other expenses				
Repairs and maintenance	272	331	1,089	1,242
Power and fuel	50	46	207	228
Brand and marketing	72	76	305	342
Operating lease payments	130	134	528	491
Rates and taxes	3	30	166	148
Consumables	8	9	30	40
Insurance	16	16	59	56
Provision for post-sales client support and warranties	60	16	142	80
Commission to non-whole time directors	2	2	9	10
Impairment loss recognized / (reversed) on financial assets	2	58	71	140
Contributions towards Corporate Social responsibility	22	44	156	230
Others	2	61	162	237
	639	**823**	**2,924**	**3,244**

2.19 LEASES

Accounting policy

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.

The lease rentals charged during the period is as follows:

(In ₹ crore)

Particulars	Three months ended March 31,		Year ended March 31,	
	2018	**2017**	**2018**	**2017**
Lease rentals recognized during the period	130	134	528	491

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

(In ₹ crore)

	As at	
Future minimum lease payable	**March 31, 2018**	**March 31, 2017**
Not later than 1 year	456	461
Later than 1 year and not later than 5 years	1,388	1,237
Later than 5 years	874	740

The operating lease arrangements, are renewable on a periodic basis and for most of the leases extend upto a maximum of ten years from their respective dates of inception and relates to rented premises. Some of these lease agreements have price escalation clauses.

2.20 EMPLOYEE BENEFITS

Accounting policy

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 BPM (formerly 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 re-measurements of the net defined benefit liability/(asset) are recognized in other comprehensive income and are not reclassified to Consolidated Statement of 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 the Consolidated Statement of Profit and Loss.

Superannuation

Certain employees of Infosys, Infosys BPM (formerly 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.

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.

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.

2.20.1 Gratuity

The following tables set out the funded status of the gratuity plans and the amounts recognized in the Group's financial statements as at March 31, 2018 and March 31, 2017:

(In ₹ crore)

Particulars	As at	
	March 31, 2018	**March 31, 2017**
Change in benefit obligations		
Benefit obligations at the beginning	1,117	944
Service cost	150	129
Interest expense	73	69
Remeasurements - Actuarial (gains)/ losses	(59)	67
Curtailment gain	-	(3)
Transfer in	28	-
Benefits paid	(107)	(89)
Reclassified as held for sale (refer note no 2.25)	(1)	-
Benefit obligations at the end	**1,201**	**1,117**
Change in plan assets		
Fair value of plan assets at the beginning	1,195	947
Interest income	80	79
Remeasurements- Return on plan assets excluding amounts included in interest income	13	12
Contributions	35	246
Benefits paid	(107)	(89)
Fair value of plan assets at the end	**1,216**	**1,195**
Funded status	15	78
Prepaid gratuity benefit	43	79
Accrued gratuity	(28)	(1)

Amount for the three months and year ended March 31, 2018 and March 31, 2017 recognized in the cosolidated statement of Profit and Loss under employee benefit

(In ₹ crore)

Particulars	Three months ended March 31,		Year ended March 31,	
	2018	**2017**	**2018**	**2017**
Service cost	38	32	150	129
Net interest on the net defined benefit liability/asset	(3)	(6)	(7)	(10)
Curtailment gain	-	-	-	(3)
Net gratuity cost	**35**	**26**	**143**	**116**

Amount for the three months and year ended March 31, 2018 and March 31, 2017 recognized in the consolidated statement of other comprehensive income:

(In ₹ crore)

Particulars	Three months ended March 31,		Year ended March 31,	
	2018	**2017**	**2018**	**2017**
Remeasurements of the net defined benefit liability/ (asset)				
Actuarial (gains) / losses	(41)	(14)	(59)	67
(Return) / loss on plan assets excluding amounts included in the net interest on the net defined benefit liability/(asset)	(3)	(8)	(13)	(12)
	(44)	**(22)**	**(72)**	**55**

(In ₹ crore)

Particulars	Three months ended March 31,		Year ended March 31,	
	2018	2017	2018	2017
(Gain)/loss from change in demographic assumptions	-	-	-	-
(Gain)/loss from change in financial assumptions	(27)	(18)	(41)	56
(Gain)/loss from experience adjustment	(14)	-	(18)	11
	(41)	**(18)**	**(59)**	**67**

The weighted-average assumptions used to determine benefit obligations as at March 31, 2018 and March 31, 2017 are set out below:

Particulars	As at	
	March 31, 2018	March 31, 2017
Discount rate	7.5%	6.9%
Weighted average rate of increase in compensation levels	8.0%	8.0%

The weighted-average assumptions used to determine net periodic benefit cost for the three months and year ended March 31, 2018 and March 31, 2017 are set out below:

Particulars	Three months ended March 31,		Year ended March 31,	
	2018	2017	2018	2017
Discount rate	6.9%	7.8%	6.9%	7.8%
Weighted average rate of increase in compensation levels	8.0%	8.0%	8.0%	8.0%
Weighted average duration of defined benefit obligation	6.1 years	6.1 years	6.1 years	6.1 years

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

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

Sensitivity of significant assumptions used for valuation of defined benefit obligation:

(in ₹ crore)

Impact from percentage point increase / decrease in	As at March 31, 2018
Discount rate	58
Weighted average rate of increase in compensation levels	50

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. The sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. In practice, this is not probable, and changes in some of the assumptions may be correlated.

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

The Company contributes all ascertained liabilities towards gratuity to the Infosys Limited Employees' Gratuity Fund Trust. In case of Infosys BPM (formerly 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 at March 31, 2018 and March 31, 2017, the plan assets have been primarily invested in insurer managed funds.

Actual return on assets for the three months ended March 31, 2018, and March 31, 2017 were ₹23 crore and ₹30 crore, respectively.

Actual return on assets for the year ended March 31, 2018, and March 31, 2017 were ₹93 crore and ₹91 crore, respectively.

The Group expects to contribute ₹130 crore to the gratuity trusts during fiscal 2019.

Maturity profile of defined benefit obligation:

(In ₹ crore)

Within 1 year	174
1-2 year	178
2-3 year	192
3-4 year	203
4-5 year	211
5-10 years	1,023

2.20.2 Superannuation

The Group contributed ₹44 crore and ₹43 crore to the superannuation plan during the three months ended March 31, 2018 and March 31, 2017, respectively and ₹173 crore and ₹168 crore during the year ended March 31, 2018 and March 31, 2017, respectively and the same has been recognized in the Consolidated Statement of Profit and Loss under the head employee benefit expense.

2.20.3 Provident fund

Infosys has an obligation to fund any shortfall on the yield of the trust's investments over the administered interest rates on an annual basis. These administered rates are determined annually predominantly considering the social rather than economic factors and in most cases the actual return earned by the Company has been higher in the past years. The actuary has provided a valuation for provident fund liabilities on the basis of guidance issued by Actuarial Society of India and based on the assumptions provided below there is no shortfall as at March 31, 2018 and March 31, 2017, respectively.

The details of fund and plan asset position are as follows:

(In ₹ crore)

Particulars	As at	
	March 31, 2018	**March 31, 2017**
Plan assets at period end, at fair value	5,160	4,459
Present value of benefit obligation at period end	5,160	4,459
Asset recognized in Balance Sheet	-	-

The plan assets have been primarily invested in government securities.
Assumptions used in determining the present value obligation of the interest rate guarantee under the Deterministic Approach:

Particulars	As at	
	March 31, 2018	**March 31, 2017**
Government of India (GOI) bond yield	7.50%	6.90%
Remaining term to maturity of portfolio	5.9 year	6.0 year
Expected guaranteed interest rate	8.55%	8.60%

The Group contributed ₹127 crore and ₹117 crore to the provident fund during the three months ended March 31, 2018 and March 31, 2017, respectively and ₹484 crore and ₹462 crore during the year ended March 31, 2018 and March 31, 2017, respectively. The same has been recognized in the Consolidated Statement of Profit and Loss under the head employee benefit expense.

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

2.20.4 Employee benefit costs include:

(In ₹ crore)

Particulars	Three months ended March 31,		Year ended March 31,	
	2018	**2017**	**2018**	**2017**
Salaries and bonus(1)(2)	9,848	9,123	38,093	36,913
Defined contribution plans	68	64	260	252
Defined benefit plans	138	122	540	494
	10,054	**9,309**	**38,893**	**37,659**

(1) *Includes a employee stock compensation expense of ₹26 crore for the three months ended March 31, 2018 and an employee stock compensation cost of ₹84 crore, for the year ended March 31, 2018. Similarly, includes employee stock compensation expense of ₹45 crore and ₹117 crore for the three months and year ended March 31, 2017.*

(2) *Included in the above is a reversal of stock compensation cost of ₹35 crore towards forfeiture of stock incentives granted to Dr. Vishal Sikka upon his resignation. Refer note no. 2.11.*

2.21 RECONCILIATION OF BASIC AND DILUTED SHARES USED IN COMPUTING EARNINGS PER SHARE

Accounting policy

Basic earnings per equity share is computed by dividing the net profit attributable to the equity holders of the Company by the weighted average number of equity shares outstanding during the period. Diluted earnings per equity share is computed by dividing the net profit attributable to the equity holders of the Company by the weighted average number of equity shares considered for deriving basic earnings per equity share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. The dilutive potential equity shares are adjusted for the proceeds receivable had the equity shares been actually issued at fair value (i.e. the average market value of the outstanding equity shares). Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented.

The number of equity shares and potentially dilutive equity shares are adjusted retrospectively for all periods presented for any share splits and bonus shares issues including for changes effected prior to the approval of the financial statements by the Board of Directors.

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

Particulars	**Three months ended March 31,**		**Year ended March 31,**	
	2018	**2017**	**2018**	**2017**
Basic earnings per equity share - weighted average number of equity shares outstanding[1]	2,173,277,060	2,285,654,881	2,255,332,322	2,285,639,447
Effect of dilutive common equivalent shares - share options outstanding	1,531,452	997,122	2,241,548	757,298
Diluted earnings per equity share - weighted average number of equity shares and common equivalent shares outstanding	**2,174,808,512**	**2,286,652,003**	**2,257,573,870**	**2,286,396,745**

[1] *Excludes treasury shares*

For the three months and year ended March 31, 2018, 574 and 67,238 number of options to purchase equity shares had an anti-dilutive effect respectively.
For the three months and year ended March 31, 2017, 259,526 and 112,190 number of options to purchase equity shares had an anti-dilutive effect.

2.22 CONTINGENT LIABILITIES AND COMMITMENTS

(In ₹ crore)

Particulars	**As at**	
	March 31, 2018	**March 31, 2017**
Contingent liabilities :		
Claims against the Company, not acknowledged as debts[1]	4,802	6,714
[Amount paid to statutory authorities ₹6,551 crore (*₹4,717 crore*)]		
Commitments :		
Estimated amount of contracts remaining to be executed on capital contracts and not provided for (net of advances and deposits)	1,452	1,149
Other commitments*	81	114

**Uncalled capital pertaining to investments*

[1] As at March 31, 2018, claims against the Group not acknowledged as debts in respect of income tax matters amounted to ₹4,542 crore. These matters are pending before various Appellate Authorities and the management including its tax advisors expect that its position will likely be upheld on ultimate resolution and will not have a material adverse effect on the Group's financial position and results of operations.

Income tax claims amounting to ₹4,670 crore has not been considered as claims not acknowledged as debt because the Company has received favourable decisions on similar claims and therefore based on its assessment, is of the view that any liability resulting from these claims is remote and will not sustain on ultimate resolution.

Amount paid to statutory authorities against the above tax claims amounted to ₹6,540 crore.

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.

2.23 RELATED PARTY TRANSACTIONS

List of related parties:

Name of subsidiaries	**Country**	**Holdings as at**	
		March 31, 2018	**March 31, 2017**
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 Nova Holdings LLC. (Infosys Nova)	U.S.	100%	100%
EdgeVerve Systems Limited (EdgeVerve)	India	100%	100%
Lodestone Management Consultants GmbH(1)	Austria	100%	100%
Skava Systems Pvt. Ltd. (Skava Systems)	India	100%	100%
Kallidus Inc. (Kallidus)	U.S.	100%	100%
Infosys Chile SpA(2)	Chile	100%	-
Infosys Arabia Limited(3)	Saudi Arabia	70%	-
Infosys Americas Inc., (Infosys Americas)	U.S.	100%	100%
Infosys Technologies (Australia) Pty. Limited (Infosys Australia)(4)	Australia	100%	100%
Infosys Public Services, Inc. USA (Infosys Public Services)	U.S.	100%	100%
Infosys Canada Public Services Ltd. (5)(6)	Canada	-	-
Infosys BPM Limited (formerly Infosys BPO Limited)	India	99.98%	99.98%
Infosys (Czech Republic) Limited s.r.o.(7)	Czech Republic	99.98%	99.98%
Infosys Poland, Sp z.o.o(7)	Poland	99.98%	99.98%
Infosys McCamish Systems LLC (7)	U.S.	99.98%	99.98%
Portland Group Pty Ltd(7)	Australia	99.98%	99.98%
Infosys BPO Americas LLC.(7)	U.S.	99.98%	99.98%
Infosys Consulting Holding AG (Infosys Lodestone)	Switzerland	100%	100%
Lodestone Management Consultants Inc.(4)(8)	U.S.	100%	100%
Infosys Management Consulting Pty Limited(8)	Australia	100%	100%
Infosys Consulting AG(8)	Switzerland	100%	100%
Infosys Consulting GmbH(8)	Germany	100%	100%
Infosys Consulting SAS(8)	France	100%	100%
Infosys Consulting s.r.o.(8)	Czech Republic	100%	100%
Lodestone Management Consultants Co., Ltd.(8)	China	100%	100%
Infy Consulting Company Ltd(8)	U.K.	100%	100%
Infy Consulting B.V.(8)	The Netherlands	100%	100%
Infosys Consulting Sp. z.o.o(8)	Poland	100%	100%
Lodestone Management Consultants Portugal, Unipessoal, Lda. (8)	Portugal	100%	100%
S.C. Infosys Consulting S.R.L.(8)	Romania	100%	100%
Infosys Consulting S.R.L.(8)	Argentina	100%	100%
Lodestone GmbH(8)(9)	Switzerland	-	-
Lodestone Augmentis AG (10)(11)	Switzerland	-	-
Infosys Consulting (Belgium) NV (formerly Lodestone Management Consultants (Belgium) S.A.)(12)	Belgium	99.90%	99.90%
Infosys Consulting Ltda.(12)	Brazil	99.99%	99.99%
Panaya Inc. (Panaya)	U.S.	100%	100%
Panaya Ltd. (13)	Israel	100%	100%
Panaya GmbH(13)	Germany	100%	100%
Panaya Japan Co. Ltd(4)(13)	Japan	100%	100%
Panaya Pty Ltd. (13)(14)	Australia	-	-
Noah Consulting LLC (Noah)(15)	U.S.	-	100%
Noah Information Management Consulting Inc. (Noah Canada)(16)(17)	Canada	-	100%
Brilliant Basics Holdings Limited(18)	U.K.	100%	-
Brilliant Basics Limited(19)	U.K.	100%	-
Brilliant Basics (MENA) DMCC(19)	Dubai	100%	-
Infosys Consulting Pte Limited(1)	Singapore	100%	100%
Infosys Middle East FZ LLC(20)	Dubai	100%	-

(1) *Wholly-owned subsidiary of Infosys Limited*
(2) *Incorporated effective November 20, 2017*
(3) *Subsidiary of Infosys Limited*
(4) *Under liquidation*
(5) *Wholly owned subsidiary of Infosys Public Services, Inc.*
(6) *Liquidated effective May 9, 2017*
(7) *Wholly owned subsidiary of Infosys BPM (formerly Infosys BPO Limited).*
(8) *Wholly owned subsidiaries of Infosys Consulting Holding AG (formerly Lodestone Holding AG)*
(9) *Liquidated effective December 21, 2016*
(10) *Wholly owned subsidiary of Infosys Consulting AG (formerly Lodestone Management Consultants AG)*
(11) *Liquidated effective October 5, 2016*
(12) *Majority owned and controlled subsidiaries of Infosys Consulting Holding AG (formerly Lodestone Holding AG)*
(13) *Wholly owned subsidiary of Panaya Inc.*
(14) *Liquidated effective November 16, 2016*
(15) *Liquidated effective November 9, 2017*
(16) *Wholly owned subsidiary of Noah*
(17) *Liquidated effective December 20, 2017*
(18) *On September 8, 2017, Infosys acquired 100% of the voting interests in Brilliant Basics Holdings Limited., UK. Refer note no. 2.1*
(19) *Wholly-owned subsidiary of Brilliant Basics Holding Limited.*
(20) *Wholly-owned subsidiary of Infosys Consulting Pte Ltd*

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

Name of Associates	Country	Holdings as at	
		March 31, 2018	March 31, 2017
DWA Nova LLC[(1)]	U.S.	-	16%

[(1)] During the three months ended June 30, 2017, the Company has written down the entire carrying value of the investment in its associate DWA Nova LLC amounting to ₹71 crore. DWA Nova LLC has been liquidated w.e.f November 17, 2017

List of other related party

Particulars	Country	Nature of relationship
Infosys Limited Employees' Gratuity Fund Trust	India	Post-employment benefit plan of Infosys
Infosys Limited Employees' Provident Fund Trust	India	Post-employment benefit plan of Infosys
Infosys Limited Employees' Superannuation Fund Trust	India	Post-employment benefit plan of Infosys
Infosys BPO Limited Employees' Superannuation Fund Trust	India	Post-employment benefit plan of Infosys BPM (formerly Infosys BPO)
Infosys BPO Limited Employees' Gratuity Fund Trust	India	Post-employment benefit plan of Infosys BPM (formerly Infosys BPO)
EdgeVerve Systems Limited Employees' Gratuity Fund Trust	India	Post-employment benefit plan of EdgeVerve
EdgeVerve Systems Limited Employees' Superannuation Fund Trust	India	Post-employment benefit plan of EdgeVerve
Infosys Employees Welfare Trust	India	Controlled trust
Infosys Employee Benefits Trust	India	Controlled trust
Infosys Science Foundation	India	Controlled trust

Refer note no. 2.20 for information on transactions with post-employment benefit plans mentioned above.

List of key management personnel

Whole-time directors

Salil Parekh appointed as Chief Executive Officer and Managing Director effective January 2, 2018. The appointment is for a term of 5 years with effect from January 2, 2018 to January 1, 2023 and the remuneration is approved by shareholders through postal ballot dated February 20, 2018.

U. B. Pravin Rao, Chief Operating officer appointed as Interim-Chief Executive Officer and Managing Director effective August 18, 2017. Subsequently he stepped down as the interim CEO and Managing Director effective January 2, 2018 and will continue as Chief Operating Officer and a whole-time director of the Company.

Dr. Vishal Sikka resigned as Chief Executive Officer and Managing Director effective August 18, 2017 and as Executive Vice Chairman effective August 24, 2017

Non-whole-time directors

Nandan M. Nilekani (appointed as Non-Executive, Non-Independent Chairman effective August 24, 2017)

Ravi Venkatesan (resigned from his position as Co-Chairman effective August 24, 2017)

Kiran Mazumdar-Shaw

Roopa Kudva

Dr. Punita Kumar-Sinha

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

D. Sundaram (appointed effective July 14, 2017)

Prof. Jeffrey Lehman, (resigned effective August 24, 2017)

R. Seshasayee (resigned effective August 24, 2017)

Prof. John Etchemendy (resigned effective August 24, 2017)

Executive Officers

M. D. Ranganath, Chief Financial Officer

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

Mohit Joshi, President (effective October 13, 2016)

Rajesh K. Murthy, President (appointed effective October 13, 2016 and resigned effective January 31, 2018)

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

Sandeep Dadlani, President (resigned effective July 14, 2017)

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

Gopi Krishnan Radhakrishnan - Acting General Counsel (resigned effective June 24, 2017)

Inderpreet Sawhney, Group General Counsel and Chief Compliance Officer (appointed as executive officer effective July 14, 2017)

Company Secretary

A. G. S. Manikantha

Transaction with key management personnel:

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

(In ₹ crore)

Particulars	Three months ended March 31,		Year ended March 31,	
	2018	2017	2018	2017
Salaries and other employee benefits to whole-time directors and executive officers [(1)(2)(3)(4)]	19	18	48	84
Commission and other benefits to non-executive/independent directors	2	3	10	11
Total	21	21	58	95

[(1)] *On December 2, 2017, the Board appointed Salil Parekh as the Chief Executive Officer and Managing Director of the Company with effect from January 2, 2018. The appointment is for a term of 5 years with effect from January 2, 2018 to January 1, 2023 and the remuneration is approved by shareholders through postal ballot dated February 20, 2018.*

[(2)] *Total employee stock compensation expense for the three months and year ended March 31, 2018 includes a charge of ₹1 crore and a reversal of ₹13 crore, respectively towards key managerial personnel. For the three months and year ended March 31, 2017, an employee stock compensation expense of ₹12 crore and ₹36 crore, respectively, was recorded towards key managerial personnel. (Refer to note no 2.11)*

[(3)] *Includes a reversal of stock compensation cost of ₹35 crore for the year ended March 31, 2018 towards forfeiture of stock incentives granted to Dr. Vishal Sikka upon his resignation. (Refer to note no. 2.11)*

[(4)] *Includes ₹6 crore payable under severance agreement to David Kennedy, General counsel and Chief compliance officer during the three months ended December 31, 2016.*

2.24 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 has been aggregated to include the Financial Services operating segment and the Finacle operating segment because of the similarity of the economic characteristics. All other segments represents the operating segments of businesses in India, Japan,China and IPS. Geographic segmentation is based on business sourced from that geographic region and delivered from both on-site and off-shore locations. North America comprises the United States of America, Canada and Mexico, Europe includes continental Europe (both the east and the west), Ireland and the United Kingdom, and the Rest of the World comprising all other places except those mentioned above and India.

Revenue and identifiable operating expenses in relation to segments are categorized based on items that are individually identifiable to that segment. Revenue for 'all other segments' represents revenue generated by IPS and revenue generated from customers located in India, Japan and China. Allocated expenses of segments include expenses incurred for rendering services from the Company's offshore software development centres and on-site expenses, which are categorized in relation to the associated turnover of the segment. Certain expenses such as depreciation, which form a significant component of total expenses, are not specifically allocable to specific segments as the underlying assets are used interchangeably. 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

Three months ended March 31, 2018 and March 31, 2017:

(In ₹ crore)

Particulars	**FS**	**MFG**	**ECS**	**RCL**	**HILIFE**	**Hi-Tech**	**All other segments**	**Total**
Revenue from operations	4,683	1,965	4,437	2,830	2,425	1,302	441	**18,083**
	4,655	*1,918*	*3,963*	*2,710*	*2,148*	*1,211*	*515*	*17,120*
Identifiable operating expenses	2,373	1,077	2,218	1,350	1,200	676	250	9,144
	2,319	*1,006*	*1,934*	*1,305*	*1,059*	*642*	*328*	*8,593*
Allocated expenses	989	443	1,000	638	547	294	100	4,011
	1,008	*440*	*909*	*621*	*493*	*278*	*117*	*3,866*
Segmental operating income	**1,321**	**445**	**1,219**	**842**	**678**	**332**	**91**	**4,928**
	1,328	*472*	*1,120*	*784*	*596*	*291*	*70*	*4,661*
Unallocable expenses								456
								449
Other income, net (Refer to note 2.17 and 2.25)								534
								746
Share in net profit/(loss) of associate, including impairment								-
								(25)
Profit before tax								**5,006**
								4,933
Tax expense								1,316
								1,330
Profit for the period								**3,690**
								3,603
Depreciation and amortization expense								458
								446
Non-cash expenses other than depreciation and amortization								116
								21

Year ended March 31, 2018 and March 31, 2017:

(In ₹ crore)

Particulars	**FS**	**MFG**	**ECS**	**RCL**	**HILIFE**	**Hi-Tech**	**All other segments**	**Total**
Revenue from operations	18,638	7,699	16,757	11,104	9,271	5,047	2,006	**70,522**
	18,555	*7,507*	*15,430*	*11,225*	*8,437*	*5,122*	*2,208*	*68,484*
Identifiable operating expenses	9,476	4,135	8,411	5,339	4,596	2,679	1,162	35,798
	9,271	*3,922*	*7,430*	*5,378*	*4,178*	*2,659*	*1,406*	*34,244*
Allocated expenses	3,955	1,745	3,796	2,516	2,100	1,144	455	15,711
	4,075	*1,737*	*3,569*	*2,598*	*1,951*	*1,186*	*510*	*15,626*
Segmental operating income	**5,207**	**1,819**	**4,550**	**3,249**	**2,575**	**1,224**	**389**	**19,013**
	5,209	*1,848*	*4,431*	*3,249*	*2,308*	*1,277*	*292*	*18,614*
Unallocable expenses								1,865
								1,713
Other income, net (Refer to note 2.17 and 2.25)								3,193
								3,080
Share in net profit/(loss) of associate, including impairment								(71)
								(30)
Profit before tax								**20,270**
								19,951
Tax expense								4,241
								5,598
Profit for the period								**16,029**
								14,353
Depreciation and amortization expense								1,863
								1,703
Non-cash expenses other than depreciation and amortization								191
								28

Geographic Segments

Three months ended March 31, 2018 and March 31, 2017:

(In ₹ crore)

Particulars	North America	Europe	India	Rest of the World	Total
Revenue from operations	10,741	4,485	513	2,344	**18,083**
	10,666	*3,784*	*546*	*2,124*	*17,120*
Identifiable operating expenses	5,556	2,301	199	1,088	**9,144**
	5,464	*1,917*	*234*	*978*	*8,593*
Allocated expenses	2,415	1,009	97	490	**4,011**
	2,441	*864*	*107*	*454*	*3,866*
Segmental operating income	**2,770**	**1,175**	**217**	**766**	**4,928**
	2,761	*1,003*	*205*	*692*	*4,661*
Unallocable expenses					456
					449
Other income, net (Refer to note 2.17 and 2.25)					534
					746
Share in net profit/(loss) of associate, including impairment					-
					(25)
Profit before tax					*5,006*
					4,933
Tax expense					1,316
					1,330
Profit for the period					**3,690**
					3,603
Depreciation and amortization expense					458
					446
Non-cash expenses other than depreciation and amortization					116
					21

Year ended March 31, 2018 and March 31, 2017:

(In ₹ crore)

Particulars	North America	Europe	India	Rest of the World	Total
Revenue from operations	42,575	16,738	2,231	8,978	**70,522**
	42,408	*15,392*	*2,180*	*8,504*	*68,484*
Identifiable operating expenses	22,105	8,535	906	4,252	**35,798**
	21,618	*7,694*	*1,002*	*3,930*	*34,244*
Allocated expenses	9,624	3,778	426	1,883	**15,711**
	9,799	*3,548*	*442*	*1,837*	*15,626*
Segmental operating income	**10,846**	**4,425**	**899**	**2,843**	**19,013**
	10,991	*4,150*	*736*	*2,737*	*18,614*
Unallocable expenses					1,865
					1,713
Other income, net (Refer to note 2.17 and 2.25)					3,193
					3,080
Share in net profit/(loss) of associate, including impairment					(71)
					(30)
Profit before tax					*20,270*
					19,951
Tax expense					4,241
					5,598
Profit for the period					*16,029*
					14,353
Depreciation and amortization expense					1,863
					1,703
Non-cash expenses other than depreciation and amortization					191
					28

Significant clients

No client individually accounted for more than 10% of the revenues in the three months and year ended March 31, 2018 and March 31, 2017.

2.25 DISPOSAL GROUP HELD FOR SALE

Accounting policy

Non current assets and disposal groups are classified as held for sale if their carrying amount is intended to be recovered principally through sale rather than through continuing use. The condition for classification of held for sale is met when the non current asset or the disposal group is available for immediate sale and the same is highly probable of being completed within one year from the date of classification as held for sale. Non current assets and disposal groups held for sale are measured at the lower of carrying amount and fair value less cost to sell.

In the quarter ended March 2018, on conclusion of a strategic review of the portfolio businesses, the Company initiated identification and evaluation of potential buyers for its subsidiaries, Kallidus and Skava (together referred to as "Skava") and Panaya (collectively referred to as the "disposal group"). The Company anticipates completion of the sale by March 2019 and accordingly, assets amounting to ₹2,060 crore and liabilities amounting to ₹324 crore in respect of the disposal group have been reclassified as "held for sale". On reclassification, the disposal group has been measured at the lower of carrying amount and fair value less cost to sell and consequently, an impairment loss of ₹118 crore in respect of Panaya has been recognized in the Consolidated Profit and Loss for the quarter and year ended March 31, 2018.

The disposal group does not constitute a separate major component of the Company and therefore has not been classified as discontinued operations.

2.26 FUNCTION WISE CLASSIFICATION OF CONSOLIDATED STATEMENT OF PROFIT AND LOSS

(In ₹ crore)

Particulars	Note No	Three months ended March 31,		Year ended March 31,	
		2018	2017	2018	2017
Revenue from operations	2.16	18,083	17,120	70,522	68,484
Cost of Sales		11,554	10,770	45,130	43,253
Gross profit		**6,529**	**6,350**	**25,392**	**25,231**
Operating expenses					
Selling and marketing expenses		947	889	3,560	3,591
General and administration expenses		1,110	1,249	4,684	4,739
Total operating expenses		2,057	2,138	8,244	8,330
Operating profit		**4,472**	**4,212**	**17,148**	**16,901**
Other income, net	2.17	534	746	3,193	3,080
Profit before non controlling interest / Share in net profit / (loss) of associate		**5,006**	**4,958**	**20,341**	**19,981**
Share in net profit/(loss) of associate, including impairment	2.23	-	(25)	(71)	(30)
Profit before tax		**5,006**	**4,933**	**20,270**	**19,951**
Tax expense:					
Current tax	2.15	1,466	1,249	4,581	5,653
Deferred tax	2.15	(150)	81	(340)	(55)
Profit for the period /Year		**3,690**	**3,603**	**16,029**	**14,353**
Other comprehensive income					
Items that will not be reclassified subsequently to profit or loss					
Remeasurement of the net defined benefit liability/asset		34	20	55	(45)
Equity instruments through other comprehensive income		9	(5)	7	(5)
		43	**15**	**62**	**(50)**
Items that will be reclassified subsequently to profit or loss					
Fair value changes on derivatives designated as cash flow hedge, net		2	11	(39)	39
Exchange differences on translation of foreign operations		200	(197)	321	(257)
Fair value changes on investments, net		(15)	(10)	(1)	(10)
		187	**(196)**	**281**	**(228)**
Total other comprehensive income, net of tax		**230**	**(181)**	**343**	**(278)**
Total comprehensive income for the period/Year		**3,920**	**3,422**	**16,372**	**14,075**
Profit attributable to:					
Owners of the Company		3,690	3,603	16,029	14,353
Non-controlling interests		-	-	-	-
		3,690	**3,603**	**16,029**	**14,353**
Total comprehensive income attributable to:					
Owners of the Company		3,920	3,422	16,372	14,075
Non-controlling interests		-	-	-	-
		3,920	**3,422**	**16,372**	**14,075**

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

Nandan M. Nilekani
Chairman

Salil Parekh
Chief Executive officer
and Managing Director

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

D. Sundaram
Director

M. D. Ranganath
Chief Financial Officer

A. G. S. Manikantha
Company Secretary

Bengaluru
April 13, 2018

INDEPENDENT AUDITOR'S REPORT

TO THE BOARD OF DIRECTORS OF
INFOSYS LIMITED

Report on the Interim Consolidated Financial Statements

We have audited the accompanying interim consolidated financial statements of **INFOSYS LIMITED** ("the Company") and its subsidiaries (the Company and its subsidiaries together referred to as "the Group"), which comprise the Consolidated Balance Sheet as at March 31, 2018, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income) for the three months and year ended on that date, the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the interim consolidated financial statements").

Management's Responsibility for the Interim Consolidated Financial Statements

The Company's Board of Directors is responsible for the preparation of these interim consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated total comprehensive income, consolidated changes in equity and consolidated cash flows of the Group in accordance with Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34") prescribed under Section 133 of the Companies Act, 2013 ("the Act"), read with relevant rules issued thereunder and other accounting principles generally accepted in India.

This responsibility also includes 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; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and 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 interim consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these interim consolidated financial statements based on our audit.

We conducted our audit of the interim consolidated financial statements 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 interim consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the interim consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the interim consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial controls relevant to the Company's preparation and presentation of the interim consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Board of Directors, as well as evaluating the overall presentation of the interim consolidated 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 interim consolidated financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid interim consolidated financial statements give a true and fair view in conformity with Ind AS 34 and accounting principles generally accepted in India of the consolidated state of affairs of the Group as at March 31, 2018, the consolidated profit and consolidated total comprehensive income for the three months and year ended on that date, consolidated changes in equity and the consolidated cash flows for the year ended on that date.

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

P. R. RAMESH
Partner
(Membership No.70928)

Bengaluru, April 13, 2018

Audit Committee Charter

1. Objectives

The objectives of the audit committee (the “committee”) of the Board of Directors (the “Board”) of Infosys Limited (the “Company”) is to assist the Board with oversight of (i) the accuracy, integrity and transparency of the Company's financial statements with adequate and timely disclosures (ii) compliance with legal and regulatory requirements, (iii) the Company's independent auditors' qualifications and independence, and (iv) the performance of the Company's independent auditors and internal auditors (v) acquisitions and investments made by the Company

The role, responsibilities and powers of the committee shall include matters set out in this charter and such other items as may be prescribed by applicable laws as amended or by the Board in compliance with applicable law from time to time.

2. Process

The committee fulfills its objective through the following process:

~~i.~~ Ensuring an effective and independent internal audit function which works to provide assurance regarding the adequacy and operation of internal controls and processes intended to safeguard the Company’s assets, effective and efficient use of the Company’s resources and, timely and accurate recording of all transactions.
ii. Meeting the independent auditor at the end of each quarter and financial year to discuss key observations relating to the financial statement for the relevant period.
iii. Providing an independent channel of communication for the Chief Compliance Officer, internal auditor and the independent auditor.
iv. Inviting members of the management, and at its discretion, external experts in legal, financial and technical matters, to provide advice and guidance.
v. Providing periodic feedback and reports to the Board.
vi. Meeting at least four times in a financial year or as specified under any other regulation
vii. Periodically reviewing its own charter, structure, processes and membership.

3. Powers

The audit committee shall have, inter alia, the following powers:
i. To investigate any activity within its terms of reference.
ii. To seek information from any employee.
iii. To obtain external legal or other professional advice as required.
iv. To institute special investigations into any matter provided in this charter or referred to it by the Board, with full access to the internal auditors, chairperson of the Board, management and the independent auditor, as well as all books, records, facilities and personnel of the Company.

v. To secure attendance of the auditors, internal auditor, and the head of finance and of outsiders with relevant expertise.

4.	**Responsibilities.** The committee shall have the following authority and responsibilities:	
4.1	**Relating to Financial Statements**	
	4.1.1	Reviewing with management and the independent auditor the annual audited/unaudited financial statements and the quarterly audited/unaudited financial statements, and recommendation to the Board for adoption and for filing annual reports in Form 20-F with the United States Securities and Exchange Commission and any reports with Indian regulators including the Securities and Exchange Board of India (SEBI). Such review should primarily focus on: • Any changes in accounting policies and practices • Pre-approval/approval/disclosure of any related party transactions; • Significant accounting entries based on judgment of the management • Qualifications, if any, in draft audit report • Matters required to be included in the director's responsibility statement to be included in the Board's report under Section 134 (3)(c) of the Companies Act, 2013 • Significant adjustments and/or provisions arising out of audit • Compliance with accounting standards • Compliance with stock exchange and other regulatory requirements concerning financial statements
	4.1.2	Reviewing the management discussion and analysis of financial condition and results of operations;
	4.1.3	Evaluation of internal financial controls. Oversight of the company's financial reporting process and disclosure of financial information to ensure that the financial statements are accurate, adequate and reliable.
	4.1.4	Review financial statements and investments made by any material unlisted subsidiary.
	4.1.5	Reviewing, with the management, and independent auditors, any prospectus or such other document including financial statements contained therein, proposed to be issued by the company for the purpose of raising capital, including debt;

4.2	**Relating to Independent Auditors**	
	4.2.1	Make recommendations to the Board for appointment, retention, termination, remuneration/compensation, and terms of appointment of an independent registered public accounting firm to act as the Company's independent auditor.
	4.2.2	Review with independent auditors the nature and scope of audit coverage, to ascertain adequacy and appropriateness.
	4.2.3	Review management letters/letters of internal control weaknesses issued by the independent auditors.
	4.2.4	Review with the internal auditor, any audit problems and the management's response.
	4.2.5	Approval of all audit and permitted non-auditing services to be provided by the Independent auditor to the Company. For the purpose of this clause, 'non-auditing services' shall mean any professional services provided to the Company by the independent auditor, other than those provided to the Company in connection with an audit or a review of the financial statements of the Company.
	4.2.6	Annually obtaining and reviewing a report by the independent auditor that describes (i) the independent auditor's internal quality control procedures, and (ii) any material issues raised by the most recent internal quality-control review, or peer review, of the independent auditor or by any inquiry or investigation by governmental or professional authorities, within the preceding five years, regarding any independent audit performed by the independent auditor, and any steps taken to deal with any such issues and (iii) to assess the auditor's independence to all relationships between the independent auditor and the Company at least annually, to evaluate the qualifications, performance and independence of the Company's independent auditors, including an evaluation of the lead audit partner; and to assure the regular rotation of the lead audit partner and consider regular rotation of the accounting firm serving as the Company's independent auditors . Reviewing and discussing with the independent auditor the written independence disclosures required by the applicable requirements of the Public Company Accounting Oversight Board or any other regulatory body.
	4.2.7	Conducting a post-audit review of the financial statements and audit findings, including any significant suggestions for improvements provided to the management by the independent auditor or the internal auditor.
	4.2.8	Assist management in carrying out management's obligation of fostering a culture of co-operation and openness between

		management, the committee, independent auditors, internal auditors and other internal and external compliance functions.
4.3	**Relating to Internal Audit Function**	
	4.3.1	Reviewing the adequacy of internal audit function, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure, coverage and frequency of internal audit.
	4.3.2	Reviewing the appointment, removal and terms of remuneration of the internal auditor.
	4.3.3	Discussing with internal auditors any significant findings relating to internal control weaknesses and follow up thereon. Reviewing internal audit reports relating to internal control weaknesses.
	4.3.4	Reviewing the findings of any investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature.
4.4	**Relating to Internal Controls**	
	4.4.2	Reviewing with the management, performance of independent and internal auditors and the adequacy of internal control systems.
4.5	**Relating to the Integrity & Compliance Function of the Company**	
	4.5.1	Review of compliance of the Company with the requirements of the Securities Exchange Commission (SEC) and SEBI and such other applicable regulatory bodies.
	4.5.3	Review of compliance with the Company's Code of Conduct and Ethics.
	4.5.4 4.5.5	Review of Company's compliance with employee benefit plans. Review of compliance with Company's insider trading policy.
	4.5.6	Establish and review procedures for: • receiving, retaining and treating complaints received by the Company regarding accounting, internal controls, and auditing matters; and • protection of employees and others who raise concerns through the whistleblower mechanism, including direct access to the chairperson of the audit committee in appropriate or exceptional cases.
	4.5.7	Review and discuss with the independent auditor, the overall adequacy and effectiveness of the Company's legal, regulatory and ethical compliance programs, including the Code of Conduct and

		Ethics adopted for the Company's service providers, and management's monitoring of compliance with the Company's Code of Conduct and Ethics, the U.S. Foreign Corrupt Practices Act, the U.K. Bribery Act, and similar applicable anti-corruption legislations in other jurisdictions, and compliance with export control laws.
4.6	**Relating to acquisitions and investments**	
	4.6.1	Consider and approve proposals for acquisitions and investments up to certain threshold amounts of exposure as approved by the Board;
	4.6.2	Periodically review the status of acquisitions and investments in terms of business objectives met, status of integration of acquired companies, risk mitigation and financial returns;
	4.6.3	Periodically review the treasury policy of the Company, including investment of surplus funds and foreign currency operations;
	4.6.4	Review the end utilization of funds where the total amount of loans/advances/investment from the Company to its subsidiary exceeds Rs. 100 crore or 10% of the asset size of the subsidiary, whichever is lower.
4.7	**Other Responsibilities**	
	4.7.1	Review, in conjunction with legal counsel, any legal matters that could have a significant impact on the Company's financial statements. Review, in conjunction with management and the independent auditor, any correspondence with regulators or governmental agencies and any published reports that raise material issues regarding the Company's financial statements or accounting policies. As appropriate, engage independent counsel or other advisors as it deems necessary or appropriate to carry out its duties. The committee shall set the compensation, and oversee the work of, any independent counsel or other advisors retained by it. The Company will provide appropriate funding, as determined by the committee, to pay the independent auditor, any other registered public accounting firm and any independent counsel and any other outside advisors hired by the committee and any administrative expenses of the committee that are necessary or appropriate in carrying out its activities.
	4.7.2	Discuss the company's earnings press releases, as well as financial information and earnings guidance provided to analysts and rating agencies.

	4.7.3	Approval of appointment of the chief financial officer after assessing the qualifications, experience and background, etc. of the candidate
	4.7.4	Periodically report to the Board or Committee of the Board inter alia all significant matters that have come to the knowledge of the Audit Committee, covering internal controls, financial statements, policies and statutory/regulatory compliances
	4.7.5	Set hiring policies with regard to employees and former employees of the independent auditor and oversee compliance with such policies.
	4.7.6	Monitoring of and review with the management of end use of funds raised through issuances (public issue, rights issue, preferential issue etc.) and related matters, and making appropriate recommendations to the Board.
	4.7.7	Scrutinize inter-corporate loans and investments.
	4.7.8	Carry out valuation of undertakings or assets of the Company, wherever it is necessary.
	4.7.9	Look in to reasons for substantial defaults in payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividend) and creditors.

5	**Composition.**	
	5.1	The committee shall consist solely of “independent” directors (as defined in (i) the Listed Company Manual of the NYSE and (ii) the rules of the SEC) of the Company as determined by the Board.
	5.2	The committee shall comprise a minimum of three directors.
	5.3	Each member of the committee will be able to read and understand fundamental financial statements and otherwise comply with the financial literacy requirements of the NYSE and the Listing Agreement. At least one of the members must be an “audit committee financial expert” as determined by the Board in accordance with Item 407(d)(5)(ii) of Regulation S-K under the US Securities Act
	5.4	One of the members shall be elected as the chairperson, either by the entire Board or by the members themselves, by majority vote. The chairperson of the committee shall be present at annual general meetings to answer shareholder queries.
	5.5	The members of the committee shall be elected by the Board, and shall continue until their successors are duly elected. In recognition of the time burden associated with the service and with a view to bring in fresh insight, the committee may consider limiting the term of the audit committee service, by automatic rotation or by other means. In addition,

<table>
<tr><td></td><td></td><td>no member of the committee shall simultaneously serve on the audit committees of more than 2 other public companies listed in the US, unless the Board determines that such simultaneous service would not impair the ability of such member to effectively serve on the committee. They should be diligent, knowledgeable, dedicated, interested in the job and willing to devote a substantial amount of time and energy to the responsibilities of the committee, in addition to Board responsibilities.</td></tr>
<tr><td></td><td>5.6</td><td>The Company Secretary shall act as the secretary to the committee.</td></tr>
<tr><td>6.</td><td colspan="2">Disclosure requirements.</td></tr>
<tr><td></td><td>6.1</td><td>The committee charter should be published on the Company’s website.</td></tr>
<tr><td></td><td>6.2</td><td>The committee shall disclose in the Company's annual reports filed with regulators for each fiscal year whether or not, with respect to the concerned fiscal year:
The committee has reviewed the audited financial statements with the management, including a discussion of the quality of the accounting principles as applied, and significant judgments affecting the Company's financial statements.
The independent auditors have discussed with the committee their judgments of the quality of those principles as applied and judgments referred to above under the circumstances.
The members of the committee have discussed among themselves, without the management or the independent auditors being present, the information disclosed to the committee as described above.
The committee, in reliance on the review and discussions conducted with the management and the independent auditors pursuant to the requirements above, believes that the Company's financial statements are fairly presented in conformity with Indian Accounting Standards and International Financial Reporting Standards in all material respects.
The committee has satisfied its responsibilities in compliance with its charter.</td></tr>
<tr><td></td><td>6.3</td><td>The committee shall secure compliance that the CEO has affirmed to the NYSE on the following matters, as required in terms of the relevant NYSE rules:
The CEO is not aware of any violation by the Company of NYSE corporate governance listing standards.
The CEO has promptly notified the NYSE in writing after any senior officer of the Company becomes aware of any non-compliance with any applicable provisions of Section 303A of the NYSE Listed Company Manual.
The annual submission to the NYSE of an executed Written Affirmation and interim Written Affirmations as and when required by the interim Written Affirmation form specified by the NYSE.</td></tr>
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	6.4	The committee shall report to shareholders as required by applicable law.

7.	**Meetings and reports.**	
	7.1	The committee shall meet at least five times a year and not more than four months shall elapse between two meetings. Meetings may be in person or through calls/videoconferences as permitted by law.
	7.2	The committee shall meet separately with the management, with the internal auditors and with the independent auditors.
	7.3	The committee shall undertake an annual performance evaluation of its own effectiveness and submit it to the Board.
	7.4	The committee shall report regularly to the Board with respect to the committee's activities and receive feedback and direction from the Board on such activities. Committee reports shall include any significant issues that arise with respect to the quality or integrity of the Company's financial statements, the Company's compliance with legal or regulatory requirements, the performance of the internal audit function or the performance and independence of the Company's independent auditor, as applicable, with recommendations being made to the Board by the committee as appropriate.
	7.5	The committee shall facilitate the open flow of information and cooperation with other committees of the Board.
7.	**Delegation of authority.** The committee may delegate to one or more designated members of the committee the authority to pre-approve audit and permissible non-audit services, provided such pre-approval decision is presented to the full audit committee at its scheduled meetings.	

PRESS RELEASE

Infosys to Acquire Award-Winning Creative and Consumer Insight Agency, WONGDOODY

Bangalore and Seattle – April 13, 2018: Infosys (NYSE: INFY), a global leader in consulting, technology and next-generation services, today announced a definitive agreement to acquire WONGDOODY, a US-based, full-service creative and consumer insights agency. The move strengthens Infosys' creative, branding and customer experience capabilities, and demonstrates its continued commitment to bringing innovative thinking, talent and creativity to clients around the world.

WONGDOODY, an award-winning creative agency with studios in Seattle and Los Angeles, brings to Infosys globally recognized creative talent and deep marketing and brand engagement expertise. The agency is known for its fully-integrated campaigns, omni-channel programs, expertise in connecting digital experiences to physical in-store experiences, and capabilities to create multi-platform content that marries data and analytics with creative expertise to drive compelling, sharable content. With services that include strategy, research and insights, brand and marketing positioning, creative design, advertising and production, WONGDOODY elevates global brands across industries from telecommunications and consumer electronics, to healthcare and consumer packaged goods.

"We are focused on partnering with global brands and CMOs to help them on their digital transformation journeys, by developing a digital experience services ecosystem with services ranging from strategy, design and user experience, to creative and digital marketing across the customer experience value chain. WONGDOODY'S expertise in driving innovative creative solutions is already yielding significant results in our initial collaborations with clients, and this acquisition will further enhance Infosys' capabilities in this space," said **Ravi Kumar S, President & Deputy COO, Infosys**.

WONGDOODY Founder and Chairman, Tracy Wong added, "Joining forces with Infosys gives us the power to implement our creativity in ways that weren't possible before. Brand experiences, powered and backed by Infosys' digital and technological might, can change the trajectory of our clients' businesses and revolutionize how customers experience their brands. It's a great honor for us to complete a true end-to-end Infosys engagement offering."

"WONGDOODY is a stellar addition to the Infosys Digital family. Their creative excellence and reputation of driving engaging digital customer experiences that operate at the intersection of advertising, retail, technology, and design precedes them. I'm personally excited to work closely with the WONGDOODY team to strengthen our customer experience capabilities and bring new thinking, talent and innovation to our global clients," said **Scott Sorokin, Global Head of Infosys Digital**.

Ben Wiener, WONGDOODY CEO, said, "As our clients grapple with the implications of digital disruption for their brands and customers, joining Infosys gives us instant scale and expertise to leverage data and user experience insights to build brand platforms for the future. This is a unique marriage of digital strategy, creative and technology talents to build the agency model that modern CMOs are demanding."

The acquisition represents Infosys' further commitment to the expansion of a worldwide, connected network of Digital Studios. With Infosys Digital Studios spanning the globe – from Bengaluru and Pune to New York, London, and Melbourne – the addition of WONGDOODY strengthens Infosys' ability to fulfill the needs of global clients for comprehensive digital transformation solutions required to meet customer demand for next-generation, enhanced customer experiences.

Focused on accelerating its digital experience strategy, Infosys had earlier announced the acquisition of Brilliant Basics, a London-based digital design and customer experience innovator that is creating significant value to clients across Europe & Middle East.

The acquisition of WONGDOODY is expected to close during the first quarter of fiscal 2019, subject to customary closing conditions.

GP Bullhound acted as the exclusive financial advisor to WONGDOODY on this transaction.

About WONGDOODY
WONGDOODY is a full-service advertising agency with offices in Seattle and Los Angeles. Since its founding in 1993, the agency has won hundreds of global awards for creativity and marketing effectiveness, while building a culture that consistently makes WONGDOODY one of the "best places to work" according to Ad Age, the Puget Sound Business Journal, and the Los Angeles Business Journal. www.WONGDOODY.com

About Infosys Ltd
Infosys is a global leader in technology services and consulting. We enable clients in 45 countries to create and execute strategies for their digital transformation. From engineering to application development, knowledge management and business process management, we help our clients find the right problems to solve, and to solve these effectively. Our team of over 200,000 innovators, across the globe, is differentiated by the imagination, knowledge and experience, across industries and technologies that we bring to every project we undertake.

Visit www.infosys.com to see how Infosys (NYSE: INFY) can help your enterprise thrive in the digital age.

Safe Harbor
Certain statements in this press 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, 2017. 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 any forward-looking statements contained herein are based on assumptions that we believe to be reasonable as of the date of this press release. 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.

Media contacts: For further information, please contact: PR_Global@infosys.com

Disclosure under SEBI Listing Regulation:

Name of the target entity	WongDoody Holding Company Inc.
Whether the acquisition would fall within related party transaction(s) and whether the promoter/ promoter group/ group companies have any interest in the entity being acquired?	No.
Industry to which the entity being acquired belongs	Digital Strategy, Creative and Experience design consultancy.
Objects and effects of acquisition	Access to Strategy, Creative, Production, Experience Design, UX and Research skills, that is of significant strategic importance to Infosys Digital strategy.
Any governmental or regulatory approvals required for the acquisition	None.
Indicative time period for completion of the acquisition	The acquisition is expected to close during the first quarter of fiscal 2019, subject to customary closing conditions.
Nature of consideration	Cash.
Cost of acquisition or the price at which the shares are acquired;	Up to USD $75,040,000 including conditional deferred consideration and employee retention amounts.
Percentage of holding	100% of the equity share capital.
Brief Background	Founded 1993, Woodpecker is a strategy led and creatively driven digital agency. 250+ Awards for Creativity, recognized for being Best places to work. Headquartered in Seattle with an office in Los Angeles. 100% management owned. Offerings: Strategy (Media strategy, Brand positioning, Research, Message development), Creative (Design, Social Media Content, Digital and Mobile marketing), Creative (Design, Social Media content, Digital and Mobile marketing) and Production.