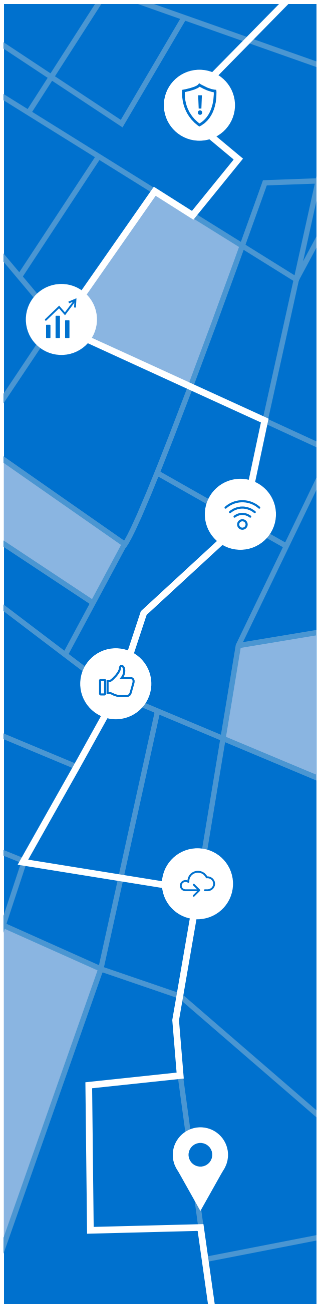
NAVIGATE YOUR NEXT™



Infosys®
Navigate your next

Infosys BPM Limited Annual Report 2017-18
(formerly Infosys BPO Limited)

This page is left blank intentionally

Board and Committees – Infosys BPM Limited

The Board of Directors

Ravikumar Singisetti
Chairman

Anantharaman Radhakrishnan
Managing Director and Chief Executive Officer

D.N. Prahlad
Independent Director

Prof. Jayanth R. Varma
Independent Director

Sangita Singh
Director

Board committees

Audit committee

Prof. Jayanth R. Varma
Chairperson and Financial Expert

D.N. Prahlad
Member

Ravikumar Singisetti
Member

As on April 11, 2018

Nomination and remuneration committee

Prof. Jayanth R. Varma
Chairperson

D.N. Prahlad
Member

Ravikumar Singisetti
Member

Corporate social responsibility committee

Ravikumar Singisetti
Chairperson

Anantharaman Radhakrishnan
Member

D.N. Prahlad
Member

Investment committee

Ravikumar Singisetti
Chairperson

Anantharaman Radhakrishnan
Member

Nishit Ajitkumar Shah
Member

This page is left blank intentionally

Contents

This page is left blank intentionally

Board's report

Dear members,

The Board of Directors hereby submits the report of the business and operations of your Company ('the Company'), along with the audited financial statements, for the financial year ended March 31, 2018. The consolidated performance of the Company and its subsidiaries (Group) has been referred to wherever required.

1. Results of our operations and state of affairs

in ₹ crore, except per equity share data

Particulars	Standalone For the year ended March 31,		Consolidated For the year ended March 31,	
	2018	2017	2018	2017
Revenue from operations	3,061	2,940	4,518	4,019
Cost of sales	2,192	1,993	3,369	2,819
Gross profit	869	947	1,149	1,200
Selling and marketing expenses	166	156	169	165
General and administration expenses	280	262	409	388
Operating profit	423	529	571	647
Other income, net	219	221	210	242
Profit before tax	642	750	781	889
Tax expenses	173	198	209	160
Profit for the year	469	552	572	729
Other comprahensive income				
Items that will not be reclassified subsequently to profit or loss	(3)	(4)	(4)	(4)
Items that will be reclassified subsequently to profit or loss	(2)	(0)	95	(44)
Total other comprahensive income, net of tax	(5)	(4)	91	(48)
Total comprahensive income for the year	464	548	663	681
Earnings per share (EPS) [1]				
Basic	138.76	163.14	169.14	215.50
Diluted	138.76	163.14	169.14	215.50

Notes:

The above figures are extracted from the audited standalone and consolidated financial statements as per Indian Accounting Standards (Ind AS).1 crore = 10 million

(1) Equity shares are at par value of ₹10 per share.

Financial Position

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

Particulars	Standalone		Consolidated	
	2018	2017	2018	2017
Cash and cash equivalents	1,303	2,061	1,928	2,534
Current investments	458	279	458	279
Assets held for sale	-	-	-	-
Net current assets	895	899	2,683	3,137
Property, plant and equipment				
(including capital work-in-progress)	252	269	278	300
Goodwill	19	19	387	378
Other intangible assets	-	-	16	27
Other non-current assets	27	10	88	10
Total assets	3,980	4,443	5,257	5,225
Liabilities directly associated with assets held for sale	-	-	-	-
Non-current liabilities	10	-	34	-
Retained earnings – opening balance	3,961	3,413	4,435	3,754
Add :				
Profit for the year	469	552	572	729
Exchange differences on translation foreign operations and re measurement differences	(5)	(4)	91	(48)
Transfer from Special Economic Zone				
Re-investment Reserve on utilization[1]	24	-	24	-
Less :				
Dividends including dividend distribution tax	(1,018)	-	(1,018)	-
Transfer to general reserve	-	-	-	-
Transfer to Special Economic Zone				
Re-investment Reserve[1]	(24)	-	(24)	-
Retained earnings – closing balance	3,407	3,961	4,080	4,435
Other equity	34	34	34	34
Total equity	3,441	3,995	4,114	4,469
Total equity and liabilities	3,980	4,443	5,527	5,225
Number of equity shares	3,38,27,751	3,38,27,751	3,38,27,751	3,38,27,751

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

Company's overview

Infosys BPM Limited, (IBPM), formerly Infosys BPO Limited, the business process management subsidiary of Infosys Limited, provides end-to-end transformative services to its clients globally. The company's integrated IT and BPM solutions approach enables it to unlock business value across industries and service lines, and address business challenges for its clients. The primary focus for Infosys BPM is to enable its clients to achieve their cost reduction objectives, improve process efficiencies, enhance effectiveness, and deliver superior customer experience.

Infosys BPM Limited is a leader in providing innovative solutions to its clients in today's ever changing technology landscape. Whether it is about utilizing innovative business excellence frameworks, ongoing productivity improvements, process reengineering, automation, and cutting-edge technology platforms, we are able to add value to our clients. Some of the new age services that have become an integral part of the basket of services that we provide are: Business of Digital; Robotic Process Automation (RPA); Mortgage Origination Services; Business Transformation Services (BTS); Analytics and McCamish Insurance Utilities.

We are also building new solutions to focus on enhancing the efficiency, effectiveness and experience through End-to-End digital solutions across processes of client's Digital Ecosystem. Infosys has been ranked No.2 globally among ITES digital marketing vendors by Nelson Hall in its ability to meet both current and future marketing needs of clients. A OneInfy GTM approach will be followed in the digital world to provide Technology + BPM + Consulting services eventually leading to become partners for our existing and new clients.

Infosys BPM seeks to differentiate in the market by delivering business value through deep domain expertise and technology prowess. We invest in offerings that help clients optimize their Cost of Revenues (CoR) instead of the traditional approach of optimizing just the Selling, General and Administrative (SG&A) expenses. We leverage the global delivery model to offer onshore, offshore and near shore services to clients. We have established 31 global delivery centers across Asia, Africa, the US, Australia, and Europe, keeping in mind geographic penetration, multi-lingual talent, cultural fit, and specific client requirements.

The Company has been consistently ranked among the leading BPM companies globally and has received over 60 awards and recognitions in the last 5 years, from key industry bodies and associations like the Outsourcing Center, SSON, and GSA, among others. The company has consistently been ranked among the top employers of choice, on the basis of its industry leading HR practices. Infosys BPM, in the early 2018, has also been recognized as the leader in the areas of Retail Customer Engagement Services and Worldwide Procurement-as-a-Service. We are reducing the distance to our clients by focusing on improving their experience, the distance to code by focusing on engineering, and the distance to value by focusing on economics. Due to these focused strategies, Infosys BPM has emerged as a trusted and valued collaboration partner for clients and an employer of choice for aspiring professionals.

Performance overview (standalone)

Our revenue from operations aggregated to ₹3,061 crore, up by 4.12% from ₹2,940 crore in the previous year.

Our gross profit amounted to ₹869 crore as against ₹947 crore in the previous year. The operating profit amounted to ₹423 crore as against ₹529 crore in the previous year. Sales and marketing costs were ₹166 crore and ₹156 crore for the years ended March 31, 2018 and March 31, 2017 respectively. General and administration expenses were ₹280 crore and ₹262 crore during the current year and previous year respectively. The net profit after tax was ₹469 crore as against ₹552 crore in the previous year. The profit after tax for the year is 15.32% of revenue.

Performance overview (consolidated)

Our revenue from operations aggregated to ₹4,518 crore, up by 12.42% from ₹4,019 crore in the previous year.

Our gross profit amounted to ₹1,149 crore as against ₹1,200 crore in the previous year. The operating profit amounted to ₹571 crore as against ₹647 crore in the previous year. Sales and marketing costs were ₹169 crore and ₹165 crore for the years ended March 31, 2018 and March 31, 2017 respectively. General and administration expenses were ₹409 crore and ₹388 crore during the current and previous year, respectively. The net profit after tax was ₹572 crore as against ₹729 crore in the previous year. The Group's profitability after tax for the year is 12.66 % of revenue.

The Company continues to be amongst the most profitable BPM companies in India. The Company has 187 customers as on March 31, 2018. The Company ended FY18 with 35,058 employees across 80 nationalities.

The financial year 2018 was a very productive and significant one for Infosys BPM since we won multiple new logos. These logos include an American Cloud Computing company, a Canadian Gold Production Company, a Spanish broadband and telecommunications provider, an American manufacturer of tableware and cutlery and a Dutch multinational banking and financial services company.

We continue to focus on moving our pricing models to outcome based and non-effort based pricing. Several of the deals were signed on fixed and outcome based pricing model in FY18. We truly have a global delivery model, with 31 delivery centers across 14 countries spread across 6 continents (8 in India; 8 rest of APAC and Australia, 5 in Europe, 1 in Africa, 5 in US and 4 in Latin America).

Infosys BPM runs business processes across multiple domains like finance, procurement, supply chain, digital marketing, contact center, Human Resource Management, legal Process Management and industry centric processes across banking and fiinancial Services, healthcare and insurance, life sciences, manufacturing, energy and utilities, communications and services, retail, consumer packaged goods, logistics. The said market has been taken over by a mega trenl i.e Predictive and Prescriptive Analytics. IBPM's Analytics team therefore helps the customer move from a rear view look of past data to real time analysis and further predict problem areas to help resolve issues in advance. We are also adapting another need of the hour role- to become a Vertical BPM organization.

This will allow us to grow beyond our traditional offerings and deliver expected business value to our clients which have industry specific compliance and operations regulations.

Infosys believes that improving client experience and amplifying human potential is more powerful than just improving efficiency or productivity. A multi-pronged approach of combining RPA and AI with business process transformation provides a significant edge for Infosys BPM in value delivery. While we continue to deliver efficiency and productivity with unprecedented agility, we also have powerful stories of reimagined business processes by blending automation with some of the cognitive solutions. Artificial Intelligence, STP, robotics will all only aid and enhance human productivity. Competency will be a sum total of technological advances and human intellect. These combined will form the plinth of successful, error-free business processes.

Infosys BPM has aligned its strategy and investments towards 'Reshaping Client Experience' and 'Igniting employee minds'. The world around us is being reshaped by disruptive trends. These trends like automation, adoption of analytics, use of machine learning and technologies, called for all of us to relook at the way we do things and make our solutions transformational in nature. We are enhancing our clients' experience through co-incnovation, visualizations, data insights and process excellence. We are igniting employee minds by not just incentivizing them, but by also challenging them to become design thinkers and problem finders and not just problem solvers. Focusing on reshaping client experience and employee experience has started transforming the way we are and what we'll be achieving in the years to come.

2. Human resource management

Our focus in driving the BPM Transformation agenda has been rewarding. We are focused on building a learning culture leveraging Digital learning platforms such as LEX – our next generation learning platform, to enable employees learn anytime, anywhere.

Reskilling and preparing talent on emerging skills such as Automation, Analytics, Visualization and Digital Marketing has been the key. We have designed and rolled out Leadership Programs, for example the Excelerator programs for key talent with elements of Coaching and Work integrated projects with clear business outcome. The workshops are aligned to our Leadership Blueprint framework. The Global Leadership Program was launched to enhance supervisory and managerial competencies for 160+ managers across GDCs.

Our focus on Talent Readiness and Engagement at entry level employees was driven through the iLEAP program with modules on communication, customer service, analytics, domain, automation- thereby onboarding employees onto new skills and critical competencies.

One of the most important aspects of our employee value proposition along with care and careers is compensation. The belief that 'Happy employees make happy customers' and 'Experienced, knowledgeable employees make great change agents', brought about a renewed compensation and learning program 'Leap of Faith 2.0' focusing on rewarding, retaining and motivating talent for higher value add to the clients and employee's careers. In addition, compensation changes were introduced for key talent across IBPM. We are committed to continually review our benefit programs with a focus on 'localization of benefits' to align with markets practices, making Infosys BPM an employer of choice across the globe. Compliance is an important part of our programs and efforts were made in IBPM to ensure we are ahead of the curve across geographies.

A key employee value proposition at Infosys BPM is 'Careers for Life'. To deliver this both in word and spirit, multiple vehicles of internal growth have been developed to provide infinite career opportunities to employees globally. Using tools such as assessments, potential evaluations, talent reviews etc., employees across roles have been provided developmental inputs to strengthen their focus on careers.

Another important aspect of the value proposition to employees revolves around IBPM's shift to real-time performance management. With increasing focus around employee development and feedback, the organization is well poised to 'navigate to its next'.

Our Talent Acquisition focus shifted towards skills of the future covering areas such as Automation, Analytics and business domains.

Project Genesis is our flagship program which is a unique industry-academia partnership initiative to train academicians on industry ready curriculum. Through this program we have reached 20000+students through 400+ academicians this year. The Rural Student Development Program which focuses on disabled and unemployed youth in tier 2 and 3 towns, nearly 1,500 students were trained on employability skills. Igniting young minds and raising aspirations is an integral part of our CSR initiatives and through our Student Outreach Program, 8,600 students were touched. The National Digital Literacy Mission (NDLM) is aligned to the Government of India's vision of making at least one person in each household in the country, digitally literate by the year 2020. In collaboration with NASSCOM Foundation we have set up 5 NDLM (4 in Karnataka and 1 in Maharashtra), one center in Karnataka is specifically for people with disabilities. A total of 3,306 people were trained to be digitally literate in these centers. 16 digital classrooms were sponsored in Government Schools in Karnataka, Andhra Pradesh, Telangana, Tamil Nadu and Maharashtra with the objective to create a knowledgeable and empowered rural India through quality education. 1,262 students have benefited from these educational facilities.

Our vision is to create an inclusive work place and leverage the power of diversity for sustainable competitive advantage. We have 80+ nationalities working at IBPM across the globe. Our Initiatives are categorized under three areas IWIN (Infosys Women's Inclusivity Network) for Gender Diversity, Infyability for Employees with Disability and Multicultural Diversity/Creating common ground.

Our ideation model of ideas shared, ideas implemented and ideas rewarded encourage idea generation and innovation to stay relevant for our employees. Our strategic intent of reshaping client experience for a greater business value creation touched upon 165+ leaders through an intervention iRise empowering them for the business challenges of tomorrow.

With sharper focus towards driving operational excellence, the Employee Engagement Council has been pivotal in driving engagement initiatives and programs to influence better retention. In our pursuit of delivering performance excellence, the Amplifier program was launched to strengthen and build capabilities of 220+ Team Leads.

Our culture of recognizing high performance is deep rooted through our flagship program Club Elite where 140 Club Elite members were recognized in the presence of their families. Our other flagship program Inspiring Team Leader made its global footprint completing a journey of 7 seasons with 113 awardees who outshone in performance and stakeholder management.

Particulars of employees

As per Section 197(12) of the Companies Act, 2013, read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 a statement containing the names of top 10 employees in terms of remuneration drawn, details of employees posted in India throughout the fiscal and in receipt of a remuneration of ₹1.02 crore or more per annum, details of employees posted in India for part of the year and in receipt of ₹8.5 lakh or more a month is enclosed as Annexure 3 to the Board's report.

The details of employees posted outside India and in receipt of a remuneration of ₹60 Lakh or more per annum or ₹5 lakh or more a month can be made available on request.

Disclosure under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

We have a mechanism in place to foster a positive work place environment free from harassment of any nature. We have institutionalized the Anti-Sexual Harassment Initiative (ASHI) framework, through which we address complaints of sexual harassment at the work place. Our global policy assures discretion and guarantees non-retaliation to complainants. We follow a gender-neutral approach in handling complaints of sexual harassment and we are compliant with the law of the land wherever we operate. Our ASHI policy applies to everyone involved in the operations of the Company, including vendors and clients.

We have also constituted an Internal Complaints Committee (ICC)* in all locations across India to consider and address sexual harassment complaints in accordance with the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. The cases are heard and resolved by an independent group.

Our whistleblower policy assures complete anonymity and confidentiality of information to the reporting individual.

Keeping the objective of fostering a positive work place environment and free from harassment, we conduct the following awareness campaigns:

- Orientation of new joiners on the Anti-Sexual Harassment Initiative (ASHI);
- Refresher Training sessions, floor walks and an online quiz on ASHI Awareness;
- Regular mailers for ASHI awareness
- ASHI awareness session for our contractual staff.

The details of ASHI cases for the fiscal year 2018:

- Number of cases filed - 25
- Disposal by conciliation - 0
- Disposal by disciplinary action(s) - 22

* 03 cases evaluated by the Internal Complaints Committee (ICC) were reported in March 2018 and the investigation process was under way as on April 11, 2018.

Liquidity

Our principal sources of liquidity are cash and cash equivalents and the cash flow that we generate from our operations. We continue to be debt-free and maintain sufficient cash to meet our strategic and operational requirements. We understand that liquidity in the Balance Sheet has to balance between earning adequate returns and the need to cover financial and business requirements. Liquidity enables us to be agile and ready for meeting unforeseen strategic and business needs. We believe that our working capital is sufficient to meet our current requirements.

Dividend

The directors at its meeting held on October 17, 2017 declared an interim dividend of ₹250/- per equity share,which resulted in cash outflow of ₹1,018 crore inclusive of corporate dividend tax of ₹172 crore for the financial year ended March 31, 2018.

Transfer to reserves

The Company does not propose to carry any amount to General reserves.

Particulars of loans, guarantees or investments

Loans, guarantees and investments covered under Section 186 of the Companies Act, 2013 form part of the notes to the financial statements.

Fixed deposits

We have not accepted any fixed deposits including from the public and, as such, no amount of principal or interest was outstanding as of the Balance Sheet date.

Particulars of contracts or arrangements made with related parties

Particulars of contracts or arrangements with related parties referred to in Section 188(1) of the Companies Act, 2013, in the prescribed Form AOC-2, is appended as Annexure 2 to the Board's report.

Material changes and commitments affecting financial position between the end of the financial year and date of report

There have been no material changes and commitments affecting the financial position of the Company between the end of the financial year and the date of the report.

Share capital

During the year under review, the Company has not issued any shares and hence the outstanding issued, subscribed and paid up equity share capital stands at ₹33,82,77,510 as on March 31, 2018 (₹33,82,77,510 as on March 31, 2017).

Subsidiaries

As on March 31, 2018, we have five wholly-owned subsidiaries, namely – Infosys (Czech Republic) Limited s.r.o (formerly Infosys BPO s.r.o), Infosys Poland Sp. z o.o. (formerly Infosys BPO Poland, Sp. z.o.o), Infosys McCamish Systems LLC, Portland Group Pty. Limited and Infosys BPO Americas LLC. The Company does not have any associate company.

During the year, the Board of Directors reviewed the affairs of the subsidiaries. In accordance with Section 129(3) of the Companies Act, 2013, we have prepared consolidated financial statements of the Company and all its subsidiaries, which form part of the Annual Report. Further, a statement containing the salient features of the financial statement of our subsidiaries in the prescribed format AOC-1 is appended as Annexure 1 to the Board's report. The statement also provides the details of performance, financial positions of each of the subsidiaries.

In accordance with Section 136 of the Companies Act, 2013, the audited financial statements, including the consolidated financial statements and related information of the Company and audited accounts of each of its subsidiaries, are available on our website www.infosysbpm.com. These documents will also be available for inspection by members during business hours at our registered office in Bengaluru, India.

A. Infosys (Czech Republic) Limited s.r.o

Infosys (Czech Republic) Limited s.r.o had a good fiscal year. The delivery center has grown by 28% year on year and expanded its portfolio of annuity clients by six new logos. The expansion took place mainly in the domain areas of Customer Service, Digital, HRO, Finance and Accounting, and IT Service Management. The business growth has driven expansion of the facilities and the center has added 120 seats to its delivery capacity. Despite high utilization of the center, the growth and corresponding investments into facility and hiring has put profitability under pressure towards the second half of the fiscal year. The center has successfully delivered several transformation projects to Infosys clients and is positioned as a center with the right combination of technical and language skills. During the fiscal, Infosys (Czech Republic) Limited s.r.o retained its place in the board of ABSL (Business Services Association) Czech Republic.

During the year under review the Company generated revenue of ₹78 crore as against a revenue of ₹63 crore for the year ended on March 31, 2017 with a profit of ₹1crore against the profit of ₹12 crore for the year ended on March 31, 2017.

B. Infosys Poland Sp. z o. o.

The Lodz Delivery Center continues to grow with existing and new clients with a 9.9% YoY growth. Lodz DC is focusing on F&A, Sourcing and Procurement, Master Data Management, Business Analytics and high-end services (Tax, SOX Compliance, FP&A Consolidation of financial statements) as well as European language based services as a part of Infosys global delivery model. The Center offers also business transformation services for local market companies.

The Center has been bestowed with following awards in the year under review: Employer Branding Excellence Awards 2017; reward in category Best Recruitment Movie; EB Stars 2017 in category Best Creative Idea; Top 100 Ideal Employer Universum, 2017;

During the year under review, the revenue were ₹519 crore as against revenue of ₹491 crore for the period ended March 31, 2017 with a profit of ₹68 crore as against a profit of ₹102 crore for the period ended March 31, 2017.

C. Infosys McCamish Systems LLC

During the year under review, the financial performance improved over the prior fiscal, continuing the positive trend. We are generally seeing good traction in other new geographical markets including India, Asia-Pacific (APAC), South America and Japan. In the US, large life insurance companies continues to invest in modernizing legacy policy administration systems while focusing on improved customer engagement. Fiscal 2018 saw more clients in Life and Annuity, Worksite and producer services businesses expanding relationship with us. Multiple strategic contracts were renewed. New lines of services and geographies were opened with P&C client win for our PMACS® product and winning a new client in South America for VPAS®.

The analyst community, including Gartner, HfS and Novarica, refers to us positively. The Retirement Services business unit continues its market leadership position.

During the year under review, the revenue were ₹820 crore as against revenue of ₹467 crore for the period ended March 31, 2017 with a net profit of ₹67 crore as against a profit of ₹75 crore for the period ended March 31, 2017.

D Portland Group Pty. Limited

Infosys Portland (Portland Group Pty. Limited) had a challenging year, with a decline in revenue and margin over the previous year. Portland Group has led the expansion of the Infosys BPM S&P procurement practice into the North American market, establishing a team in Chicago in August 2016 to service a client base through the US and Canada which in now 7 FTE. Australia staff numbers have reduced over last 12 months to 68 FTE.

During the year under review, the Company generated a revenue of ₹89 crore as against a revenue of ₹114 crore for the previous year ended on March 31, 2017 and with a profit of ₹2 crore against the profit of ₹6 crore for the year ended on March 31, 2017.

E Infosys BPO Americas LLC

Infosys BPO Americas LLC, an entity that was incorporated during 2016 and is in the process of completing multi state licensing. As on March 31, 2018, the entity has received regulatory approvals from 41 states and has applications under review for a further 4 states. Business is expected to begin in fiscal 2018 with the completion of licensing.

During the year under review, the Company had a loss of ₹5 crore against loss of ₹3 Crore for the year ended on March 31,2017.

Awards and recognition

During the year under review, your Company received numerous awards and recognition, both international and national. Here is a quick glimpse of some of them:

- Infosys BPM China recognized as one of the Best Employers for the third consecutive year
- Infosys BPM Wins National Quality Excellence Awards (NQEA) 2018
- Infosys BPM recognized with Maharashtra Information Technology Award – 2018
- Infosys BPM Receives People Matters L&D League Awards 2017
- Infosys BPM Wins the Highest Women Employer – ITES Award
- Infosys BPM receives NHRD HR Showcase 2017 Best Practice Award for Diversity and Inclusion
- Infosys BPM wins the TISS LeapVault CLO Awards
- Infosys BPM wins ATD's Best 2017 award
- Infosys BPM and RSA Insurance awarded with the 2017 GSA UK Offshoring Project of the Year
- Infosys BPM L&D receives ATD's Excellence in Practice Award

Industry Analyst Recognitions

Digital Business Services

- A Leader in NelsonHall's Digital Marketing NEAT January 2018

Robotic Process Automation

- Major Contender in Everest Group's BPSDA PEAK Matrix™ Assessment July 2017

Finance and Accounting

- Leaders in Everest Group's Finance and Accounting PEAK Matrix™ Assessment November 2017
- High Performer in HfS' Blueprint Report - Finance As-a-Service September 2017

Sourcing and Procurement

- Leaders in Everest Group's Procurement Outsourcing PEAK Matrix™ Assessment, March 2018
- A Leader in the IDC Marketscape – Worldwide Procurement as a Service Vendor Assessment, February 2018
- Winner in HfS Blueprint: Procurement as-a-Service, November 2017
- Leaders in Everest Group's Procurement Outsourcing PEAK Matrix™ Assessment, June 2017

Sales and Fulfilment

- Major Contender in Everest's Supply Chain Management PEAK Matrix™ Assessment December 2017

Analytics

- Major Player in IDC MarketScape- Worldwide Business Analytics BPM Services 2016 Vendor Assessment April 2017
- Aspirants in Everest Group's Analytics BPS PEAK Matrix™ Assessment, May 2017

Customer Service

- Aspirant in Everest Group's Contact Center Outsourcing (CCO) PEAK Matrix™ Assessment June 2017

Human Resources Outsourcing

- A Leader in NelsonHall's Payroll Services NEAT Report January 2018
- High Performer in HfS' Blueprint Report: Payroll Services in Digital Era October 2017
- A High Performer in NelsonHall's MPHRO NEAT Report September 2017
- Major Contender in Everest Group's MPHRO PEAK Matrix™ Assessment September 2017
- An Innovator in NelsonHall's Learning BPS NEAT April 2017

Banking, Financial Services

- A Leader in NelsonHall's Wealth and Asset Management NEAT February 2018
- A Leader in NelsonHall's Mortgage and Loan BPS NEAT October 2017
- Major Contender in the Everest Group's Mortgage BPO PEAK Matrix™ Assessment December 2017
- Major Contender in Everest Group's Capital Markets BPO PEAK Matrix™ Assessment, September 2017

Insurance

- Leaders in Gartner Magic Quadrant for Life Policy Administration Systems, North America June 2017*
- Major Contender in Everest Group's P&C Insurance BPO PEAK Matrix™ Assessment March 2018
- High Performer in HfS' Blueprint: Insurance as a Service October 2017
- Major Contender in Everest Group's Life and Pensions Insurance BPO PEAK Matrix™ Assessment September 2017

* Gartner does not endorse any vendor, product or service depicted in its research publications, and does not advise technology users to select only those vendors with the highest ratings or other designation. Gartner research publications consist of the opinions of Gartner's research organization and should not be construed as statements of fact. Gartner disclaims all warranties, expressed or implied, with respect to this research, including any warranties of merchantability or fitness for a particular purpose.

Healthcare

- High Performer in HfS' Blueprint Report: Healthcare Business Operations December 2017
- Major Contender in Everest Group's Healthcare Payer BPO PEAK Matrix™ Assessment December 2017

Energy

- Leaders in HfS' Blueprint Report: Energy Operations August 2017

Retail

- Leader in HfS' Retail Blueprint Report: Retail Customer Engagement Services March 2018

Manufacturing

- Winners in HfS' Blueprint Guide to Industry 4.0 Services April 2017

Quality

In alignment with our focus last year on working alongside clients to catalyze and co-create business value and enhance stakeholder experience, the function has made significant progress through Zero Distance, Productivity improvement, Data Analytics, Lean and Knowledge management. This has been affirmed through several stakeholder commendations, external validations through audits and assessments and several awards won by the function during the year.

The key highlights are:

- Quality team has led the Mission Productivity from front, contributing nearly 70% of the overall Mission Productivity targets. This was achieved through various initiatives like Lean Deployment, capacity modelling, data analytics and Sapience run across a large number of projects. The improvement projects at IBPM have won several awards from coveted industry bodies like Indian Statistical Institute and National Quality Excellence (NQEA), the star of them all being winning the client CXO award;
- The Knowledge management initiatives spearheaded by the Quality function have borne excellent results. The KM certification program added 97 certified KM practitioners during the year. These practitioners contributed close to 30 best practices resulting in a value add of close to $60K;
- Staying attuned to the focus on strengthening delivery the several early stage interventions focused on ensuring "Right First Time' like Solution design to Transition handover assessment, The transition Health Review, the 90 Days Post go live assessments, the Quality Health Review have been noteworthy and has shown results in reduction of repeat errors and risk occurrences. ;
- The team played the lead role in migrating our Quality Management system to the requirements of ISO 9001:2015 and getting certified in a short time frame of 12 months, making it one of the shortest time span in the industry. The team successfully fronted the SOC (ISAE 3402 / SSAE 18) audits at enterprise level and has enabled us achieved a Non-Qualified (clean) report for the 7th year in a row.

3. Corporate governance

corporate governance philosophy

Corporate governance is about maximizing shareholder value legally, ethically and sustainably. At Infosys BPM, the goal of corporate governance is to ensure fairness to every stakeholder. We believe sound corporate governance is critical to enhance and retain investor trust. We always seek to ensure that our performance is driven by integrity. Our Board exercises its fiduciary responsibilities in the widest sense of the term. Our disclosures seek to attain the best practices in international corporate governance. We also endeavor to enhance long-term shareholder value and respect minority rights in all our business decisions. Our Corporate governance report for fiscal 2018 forms part of this Annual Report.

We wish to state that your Company has complied with all norms of corporate governance applicable to Unlisted Public Companies as envisaged under the Companies Act, 2013.

Number of meetings of the Board

The Board met four times during the financial year, the details of which are given in the corporate governance report that forms part of this Annual Report. The intervening gap between any two meetings were within the period prescribed by the Companies Act, 2013.

Policy on directors' appointment and remuneration

The current policy is to have an appropriate mix of executive, non-executive and independent directors to maintain the independence of the Board, and separate its functions of governance and management. The Board consists of five members, two non-executive, one executive, and two independent directors. The Board periodically evaluates the need for change in its composition and size. The policy of the Company on directors' appointment and remuneration, including criteria for determining qualifications, positive attributes, independence of a director and other matters provided under sub-section (3) of Section 178 of the Companies Act, 2013, adopted by the Board, is available on the website of the Company at www.infosysbpm.com. We affirm that the remuneration paid to the directors is as per the terms laid out in the nomination and remuneration policy of the Company.

Declaration by independent directors

The Company has received necessary declaration from each independent director under Section 149(7) of the Companies Act, 2013, that he / she meets the criteria of independence laid down in Section 149(6) of the Companies Act, 2013.

Board evaluation

The Companies Act, 2013 states that a formal annual evaluation needs to be made by the Board of its own performance and that of its committees and individual directors. Schedule IV of the Companies Act, 2013 states that the performance evaluation of independent directors shall be done by the entire Board of Directors, excluding the director being evaluated. The Board had evaluated during fiscal 2018, the performance of all the directors as per the requirements of the Companies Act, 2013. The outcome of the Board evaluation for fiscal 2018 was discussed by the nomination and remuneration committee and the Board at the meeting held on April 11, 2018.

Directors and key managerial personnel

Inductions

The Board, on the recommendation of the nomination and remuneration committee made the following appointments during the year under review:

Director

Retirement

Dr. Omkar Goswami retired as Director effective March 31, 2018 consequent to his completion of tenure.

Re-appointment

As per the provisions of the Companies Act, 2013, Ravikumar Singisetti, who has been longest in the office, retires by rotation at the ensuing AGM and, being eligible, seeks reappointment. The Board recommends his reappointment.

Key managerial personnel

A. G. S. Manikantha resigned as Company Secretary with effect from April 13, 2017

Appointed Bindu Raghavan as the Company Secretary effective April 14, 2017

Committees of the Board

The Company has constituted four committees namely: The audit committee, the nomination and remuneration committee, the corporate social responsibility committee, and the investment committee. The composition, functions, scope, number of meetings held and attended by the members, etc., of each committee are furnished in the Corporate governance report which forms part of the this Annual Report.

Change of name of the Company:

During the year, the Company has changed its name from Infosys BPO Limited to Infosys BPM Limited. The Company has received the certificate of incorporation pursuant to name change from Ministry of Corporate Affairs vide its letter date December 18, 2017.

Adoption of new Articles of Association

The Ministry of Corporate Affairs (MCA) notified most of the sections of the Companies Act (the Act) which replaces the Companies Act, 1956. The MCA also notified the rules pertaining to the further notified sections. The existing Articles of Association (AoA) of the Company are based on the Companies Act, 1956. In order to bring the AoA of the Company in line with the provisions of the Act, the Company recommended that the members adopt a new set of AoA in substitution of the existing AoA. The resolution to adopt the new AoA was passed by the members vide special resolution in the extra ordinary general meeting held on November 20, 2017. The new AoA is kept available for inspection during office hours at the Registered Office of the Company.

Internal financial control and its adequacy

The Board has adopted policies and procedures for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, safeguarding of its assets, prevention and detection of fraud, error reporting mechanisms, accuracy and completeness of the accounting records, and timely preparation of reliable financial disclosures.

Director's responsibility statement

The financial statements are prepared in accordance with Indian Accounting Standards (Ind AS) under the historical cost convention on accrual basis except for certain financial instruments, which are measured at fair values, the provisions of the Act (to the extent notified). The Ind AS are prescribed under Section 133 of the Companies Act, 2013 ('the Act'), read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016. Effective April 1, 2016, the Company has adopted all the Ind AS standards and the adoption was carried out in accordance with applicable transition guidance. 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.

The directors confirm that:

- In preparation of the annual accounts for the financial year ended March 31, 2018, the applicable accountingstandards have been followed there are no material departures.
- They have selected such accounting policies and applied them consistently and made judgments and estimates thatare reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of thefinancial year and of the profit and loss of the Company for that period.
- They have taken proper and sufficient care towards the maintenance of adequate accounting records in accordancewith the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraudand other irregularities.
- They have prepared the annual accounts on a going concern basis.
- They have laid down internal financial controls, which are adequate and are operating effectively.
- They have devised proper systems to ensure compliance with the provisions of all applicable laws and such systems are adequate and operating effectively.

4. Audit reports and auditors

Audit Reports

- The Auditors' Report for fiscal 2018 does not contain any qualification, reservation or adverse remark. The Auditors'Report is enclosed with the financial statements in this Annual Report.
- The Secretarial Auditors' Report for fiscal 2018 does not contain any qualification, reservation or adverse remark. The Secretarial Auditors' Report is enclosed as Annexure 4 in this Annual Report.

Auditors

Statutory auditors

Under Section 139 of the Indian Companies Act, 2013 and the Rules made thereunder, it is mandatory to rotate the statutory auditors on completion of the maximum term permitted under the said section. In line with the requirements of the Companies Act, 2013, Deloitte Haskins & Sells LLP, Chartered Accountants (Firm registration number 117366 W/W 100018) ('Deloitte') was appointed as the statutory auditors of the Company to hold office for a period of five consecutive years from the conclusion of the 15th Annual General Meeting of the Company till the conclusion of the 20th Annual General Meeting to be held in the year 2022, subject to ratification by shareholders at the general meeting or as may necessitated by the Act from time to time. The first year of audit was of the financial statements for the year ending March 31, 2018, which included the audit of the quarterly financial statements for the year. Accordingly, the appointment of Deloitte Haskins & Sells LLP is being placed before the shareholders for ratification.

Secretarial audit

As required under Section 204 of the Companies Act, 2013 and Rules thereunder, the Board has appointed Parameshwar G. Hegde of Hegde & Hegde, Practicing Company Secretaries, as secretarial auditor of the Company for fiscal 2019.

Reporting of frauds by auditors

During the year under review, neither the statutory auditors nor the secretarial auditor has reported to the audit committee, under Section 143 (12) of the Companies Act, 2013, any instances of fraud committed against the Company by its officers or employees, the details of which would need to be mentioned in the Board's report.

Significant and material orders

There are no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and Company's operations in future.

Extract of annual return

Pursuant to Section 134(3) (a) of the Companies Act, 2013, an extract of the annual return in the prescribed format is appended as Annexure 5 to the Board's report.

5. Risk management framework

Your Company has always taken a comprehensive view to risk management to address risks inherent to clients as well as enterprise. The risk management report form part of this Annual Report.

6. Corporate social responsibility

The Company through Infosys Foundation has undertaken various CSR programs like eradication of hunger, poverty and malnutrition, promoting education and healthcare and rural development. The funds were allocated to a corpus and utilized through the year on these activities which are in accordance with the purposes specified in Schedule VII of the Companies Act, 2013.

The total CSR spend by the Company during the financial year was ₹16.09 crore. The committee is responsible for formulating CSR policy and monitoring the CSR activities of the Company.

The CSR policy and initiatives taken by the Company on Corporate Social Responsibility during the year are available on the Company's website, www.infosysbpo.com. Annual Report on CSR activities is attached as Annexure 6 to the Board's report.

7. Conservation of energy, technology absorption, foreign exchange earnings and outgo.

The particulars as prescribed under sub-section (3)(m) of Section 134 of the Companies Act, 2013, read with the Companies (Accounts) Rules, 2014, are enclosed as Annexure 7 to the Board's report.

Acknowledgments

We thank our customers, vendors, investors and bankers for their continued support during the year. The Board also places on record its appreciation of the contribution made by employees at all levels.

The Board also acknowledges the cooperation and support extended by Government authorities of various countries where the Company has operations, the Government of India, particularly the Ministry of Labour and Employment, the Ministry of Communication and Information Technology, the Ministry of Commerce and industry, the Ministry of Corporate Affairs, the Ministry of Finance, the Central Board of Indirect Taxes and Customs, the Central Board of Direct Taxes, the Reserve Bank of India, the State Governments, the Software Technology Parks (STPs) / Special Economic Zones (SEZs) – Bengaluru, Chennai, Gurugram, Jaipur, Pune and other government agencies for their support and look forward to their continued support in the future.

for and on behalf of the Board of Directors

Bengaluru April 11, 2018	Sd / Ravikumar Singisetti *Chairman and Director*	Sd / - Anantharaman Radhakrishnan *Managing Director and Chief Executive Officer*

Annexure 1 – Statement containing salient features of the financial statements of subsidiaries

[Pursuant to first proviso to Sub-section (3) of Section 129 of the Companies Act, 2013, read with Rule 5 of the Companies (Accounts) Rules, 2014 – AOC-1]

In ₹ crore except % of shareholding and exchange rate

Name of the Subsidiary	Financial period ended	Date of Acquisition	Exchange rate / Reporting currency	Share Capital	Reserves and Surplus[2]	Total assets	Total liabilities (excluding share capital and reserves and surplus)	Investments*	Turnover [1]	Profit / (Loss) before taxation [1]	Provision for taxation [1]	Profit / (Loss) after taxation [1]	%of share holding
Infosys (Czech Republic) Limited s.r.o (Formerly Infosys BPO s.r.o)	Mar 31, 2018	NA	1 CZK : = ₹3.16	3	73	95	19	21	78	1	-	1	100
Infosys Poland Sp.z.o.o (Formerly Infosys BPO Poland Sp. z.o.o)	Mar 31, 2018	Oct 1,2007	1 PLN : = ₹19.15	4	576	703	123	71	519	84	16	68	100
Infosys McCamish Systems LLC	Mar 31, 2018	Dec 4,2009	1 USD : = ₹65.18	175	(6)	627	458	–	820	67	25	42	100
Portland Group Pty. Limited	Mar 31, 2018	Jan 4, 2012	1 AUD : = ₹50.05	18	91	128	19	–	89	3	1	2	100
Infosys BPO Americas LLC	Mar 31, 2018	NA	1 USD: = ₹65.18	7	(9)	3	5	–	–	(5)	–	(5)	100

[1] Converted at monthly average exchange rates

[2] Reserves and surplus include other comprehensive income and securities primium

* Investments exclude investments in subsidiaries

Note : Proposed Dividend from any of the subsidiary is nil.

For and on behalf of the board of directors

Ravikumar Singisetti
Chairman

Anantharaman Radhakrishnan
Managing Director and Chief Executive Officer

D.N. Prahlad
Director

Sangita Singh
Director

Prof. Jayanth R. Varma
Director

Bengaluru
April 11, 2018

Nishit Ajitkumar Shah
Chief financial officer

Bindu Raghavan
Company Secretary

Annexure 2 – Particulars of contracts / arrangements made with related parties

[Pursuant to Clause (h) of Sub-section (3) of Section 134 of the Companies Act, 2013, and Rule 8(2) of the Companies (Accounts) Rules, 2014 – AOC-2]

This Form pertains to the disclosure of particulars of contracts / arrangements entered into by the Company with related parties referred to in Sub-section (1) of Section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto. As per Section 188 of the Companies Act 2013, whenever a company avails or renders any service directly or through agents amounting to 10% or more of the turnover of the company or ₹ 50 crore, whichever is lower, prior approval of the shareholders is required. However, shareholders' approval for such transactions need not be sought if the transactions are between the holding company and its wholly-owned subsidiaries whose accounts are consolidated with the holding company and placed for shareholders' approval. All the transactions entered by the company with related parties are in the ordinary course of business and at arm's lenth basis.

Details of contracts or arrangements or transactions not at arm's length basis

There were no contracts or arrangements or transactions entered during the year ended March 31, 2018 which were not at arm's length basis.

Details of material contracts or arrangement or transactions at arm's length basis

The details of material contracts or arrangement or transactions at arm's length basis for the year ended March 31, 2018 are as follows:

in ₹ crore

Name of related party	Nature of relationship	Duration of contract	Salient terms (1)	Amount
Purchase of services				
Infosys Limited	Holding Company	Apr 1, 2012 – ongoing	Based on transfer pricing guidelines	70
Purchase of shared services including facilities and personnel				
Infosys Limited	Holding Company	Apr 1, 2012 – ongoing	Based on transfer pricing guidelines	67
Sale of services				
Infosys Limited	Holding Company	Apr 1, 2012 – ongoing	Based on transfer pricing guidelines	502
Sale of shared services including facilities and personnel				
Infosys Limited	Holding Company	Apr 1, 2012 – ongoing	Based on transfer pricing guidelines	21

(1) Appropriate approvals have been taken for related party transactions. Advances paid have been adjusted against billings, wherever applicable

for and on behalf of the Board of Directors

Sd / -

Ravikumar Singisetti
Chairman and Director

Sd / -

Anantharaman Radhakrishnan
Managing Director and Chief Executive Officer

Bengaluru
April 11, 2018

Annexure 3 – Particulars of employees

Information as per Rule 5(2) of Chapter XIII, the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

3(a) Top 10 employees in terms of remuneration drawn during the year

Sl No.	Name	Designation	Educational qualification	Age	Experience (in years)	Gross remuneration in fiscal 2018 (in ₹)	Previous employment and designation
1	Kapil Jain	Global Head of Sales and Capability	BE, MS, MBA	51	28	38,400,637	Senior Engagement Manager, Infosys Ltd.
2	Vivek Sharma	Sales Head	BE, PGD	47	23	24,517,736	Group Sales Manager, I-Gate Global Solutions
3	Neil Simon Lawson	Client Partner	Diploma	53	19	24,429,314	Global BPO Sales Director, Accenture
4	Srikrishna Koneru	Strategic Business Practice Head - Sourcing and Procurement	BE, PGD	53	27	24,184,675	Client Manager, HP Global Business Ops
5	Anantharaman Radhakrishnan	Managing Director and Chief Executive Officer	BE, PGDM	50	29	23,822,361	AVP and GEM, Infosys Ltd.
6	Binod Choudhary	Business Head - Energy, Utilities, Communication and Services and Americas Operations	BA, MA, PGD	57	19	23,302,109	Vice President, Equinox, I-Flex
7	Farhad Antia	Senior Manager - Client Services	BA, PGD	42	12	22,958,816	Quality Manager, ICICI Prudential Life Insurance
8	Andrew James Jarvis	Business Head	B.Com., LLB	35	19	22,690,035	Senior Consultant/ Engagement Manager, Portland
9	Jatin Motta	Sales Head	B.Tech	44	21	21,820,463	Regional Director, EXL Service UK Ltd.
10	Madhusudan Hegde	Sales Head	BE, MMS	44	28	21,227,562	Divisional Manager, Syntel INC

Notes: The details in the above table is based on payouts made during the year.

For overseas employees, the average exchange rates have been used for conversion to Indian Rupees.

#Remuneration comprises of basic salary, allowances and taxable value of perquisites

3(b) Employees drawing a remuneration of ₹ 1.02 crore or above per annum and posted in India

Sl No.	Name	Designation	Educational qualification	Age	Experience (in years)	Gross remuneration in fiscal 2018 (in ₹)	Previous employment and designation
1	Raghavendra K	Head Human Resource Development	B.Com, PGD	57	33	13,382,704	VP – HR, Strides Acrolab Ltd.
2	Anup Kapoor	Global Head Operations	CA	52	19	12,693,803	Chief Financial Officer, Ansal Properties and Infra Ltd.
3	Nishit Ajit Shah	Chief Financial Officer	B.Com, CA	45	20	11,207,882	Unit Financial Controller, Infosys Ltd.

3(c) Employed for part of the year with an average salary above 8.5 lakhs per month posted in India

Sl No.	Name	Designation	Educational qualification	Age	Date of joining	Date of leaving	Experience (in years)	Gross remuneration in fiscal 2018 (in ₹)#	Previous employment and designation
1	Santanu Das	Senior Domain Principal	CA	60	Oct 1, 2007	Jan 3, 2018	25	8,332,469	Senior Manager, Philips Shared Service Center
2	Chirag Suresh Buch	Business Head - Discrete Manufacturing	CA	48	July 22, 2013	Oct 17, 2017	24	5,950,956	CEO, AXA Business Services Pvt. Ltd

Notes: The details in the above table is based on payouts made during the year.

#Remuneration comprises of basic salary, allowances and taxable value of perquisites

for and on behalf of the Board of Directors

Sd / -

Ravikumar Singisetti
Chairman and Director

Sd / -

Anantharaman Radhakrishnan
Managing Director and Chief Executive Officer

Bengaluru
April 11, 2018

Annexure 4 – Secretarial audit report for the financial year ended March 31, 2018

For the Financial year ended March 31, 2018

(Pursuant to section 204 (1) of Companies Act 2013 and rule No 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014)

To,
The Members, Infosys BPM Limited,
Plot Nos 26/3, 26/4 and 26/6
Electronics City, Hosur Road Bengaluru-560100
Karnataka, India

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by INFOSYS BPM LIMITED (name of the Company has been changed from INFOSYS BPO LIMITED to INFOSYS BPM LMITED w.e.f December 18, 2017) (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on March 31, 2018 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter :

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2018 according to the provisions of:

i. The Companies Act, 2013 (the Act) and the rules made thereunder;
ii. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment and Overseas Direct Investment, if any, and
iii. Other laws applicable specifically to the Company namely:
    a. Information Technology Act, 2000 and the rules made thereunder;
    b. Special Economic Zones Act, 2005 and the rules made thereunder;
    c. Software Technology Parks of India rules and regulations 2004;
    d. The Patents Act, 1970;
    e. The Trade Marks Act, 1999.

I have also examined compliance with the applicable clauses of the Secretarial Standards issued by the Institute of Company Secretaries of India.

I report that, during the period under review the Company has complied with the provisions of the Acts, rules, regulations and standards mentioned above.

I further report that, based on the information provided and the representation made by the Company and also on the review of the compliance reports of Company Secretary / Chief Executive Officer taken on record by the Board of Directors of the Company, in my opinion, adequate systems and processes exist in the Company to monitor and ensure compliance with provisions of applicable general laws like labour laws and environmental laws.

I further report that, being an unlisted Company, during the audit period, the following Acts and rules and regulations made thereunder were not applicable to the Company:

(i) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
(ii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
(iii) The Securities and Exchange Board of India Act, 1992 ('SEBI Act') and the Regulations and Guidelines made / issued thereunder;

I further report that, the compliance by the Company of applicable financial laws like direct and indirect tax laws and maintenance of financial records and books of accounts have not been reviewed in this Audit since the same have been subject to review by statutory financial audit and other designated professionals.

I further report that, the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

As per the minutes of the meetings duly recorded and signed by the Chairman, the decisions of the Board were unanimous and no dissenting views have been recorded.

I further report that, based on the information provided and the representation made by the Company and also on the review of the compliance reports of the Company Secretary / Chief Executive Officer taken in record by the Board of Directors of the Company, in my opinion, there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I report further that, during the audit period, there were no specific events / actions in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. having a major bearing on the Company's affairs.

	Sd/-
	P. G. HEGDE
	HEGDE & HEGDE
Place: Bengaluru	*Company Secretaries*
Date: April 11, 2018	FCS: 1325/ C.P.No: 640

Annexure 5 – Extract of Annual Return

Form No. MGT-9

[Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

Registration and other details :

Corporate Identity Number (CIN) of the Company	U 7 2 2 0 0 K A 2 0 0 2 P L C 0 3 0 3 1 0
Registration date	April 3, 2002
Name of the Company	Infosys BPM Limited
Category / sub category of the Company	Company Limited by shares Public non-government company
Address of the registered office and contact details	Electronics City, Hosur Road, Bengaluru, Karnataka, India Tel : 91 80 2852 2405 Fax : 91 80 2852 2411 email : cosecretarybpm@infosys.com website : www.infosysbpm.com
Listed company (Yes / No)	No
Name, address and contact details of registrar and transfer agent, if any	Karvy Computershare Private Limited Unit : Infosys Limited, Karvy Selenium Tower B Plot 31-32, Gachibowli, Financial District Nanakramguda, Hyderabad – 500 032 Contact person Shobha Anand Assistant General Manager Tel : 91 40 67161559 email : shobha.anand@karvy.com

Principal business activities of the Company

Name and Description of main products / services	NIC Code of the Product / service	% to total turnover of the Company
Business Process Management Services	631	100

Particulars of holding, subsidiary and associate companies

Particulars	Country	CIN / GLN	Holding / subsidiary / associate	% of shares held	Applicable section
Infosys Limited	India	L85110KA1981PLC013115	Holding	99.98	2 (46)
Infosys (Czech Republic) Limited s.r.o	Czech Republic	NA	Subsidiary	100	2 (87)
Infosys Poland Sp. z o.o	Poland	NA	Subsidiary	100	2 (87)
Infosys McCamish Systems LLC	US	NA	Subsidiary	100	2 (87)
Portland Group Pty. Limited	Australia	NA	Subsidiary	100	2 (87)
Infosys BPO Americas LLC	US	NA	Subsidiary	100	2 (87)

Share holding pattern (equity share capital breakup as percentage of total equity)

(i) Category-wise share holding

Category of shareholder	No. of shares held at the beginning of the year				No. of shares held at the end of the year				% change during the year
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
(A)Promoter and promoter group									
(1) Indian									
(a) Individual / HUF	–	–	–	–	–	–	–	–	–
(b) Central Government	–	–	–	–	–	–	–	–	–
(c) State Government(s)	–	–	–	–	–	–	–	–	–
(d) Bodies Corporate	3,38,22,319	–	3,38,22,319	99.98	3,38,22,319	–	3,38,22,319	99.98	–
(e) Banks / Financial Institutions	–	–	–	–	–	–	–	–	–
(f) Any other	–	–	–	–	–	–	–	–	–
Sub - total A(1)	3,38,22,319	–	3,38,22,319	99.98	3,38,22,319	–	3,38,22,319	99.98	–
(2)Foreign									
(a) Individuals (NRIs / Foreign Individuals)	–	–	–	–	–	–	–	–	–
(b) Other Individuals	–	–	–	–	–	–	–	–	–
(c) Bodies Corporate	–	–	–	–	–	–	–	–	–
(d) Banks / Financial Institutions	–	–	–	–	–	–	–	–	–
(e) Any other	–	–	–	–	–	–	–	–	–
Sub - total A(2)	–	–	–	–	–	–	–	–	–
Total Shareholding of Promoters A=A(1)+A(2)	3,38,22,319	–	3,38,22,319	99.98	3,38,22,319	–	3,38,22,319	99.98	–
(B)Public shareholding									
(1) Institutions									
(a) Mutual Funds	–	–	–	–	–	–	–	–	–
(b) Banks / Financial Institutions	–	–	–	–	–	–	–	–	–
(c) Central Government	–	–	–	–	–	–	–	–	–
(d) State Government(s)	–	–	–	–	–	–	–	–	–
(e) Venture Capital Funds	–	–	–	–	–	–	–	–	–
(f) Insurance Companies	–	–	–	–	–	–	–	–	–
(g) Foreign Institutional Investors	–	–	–	–	–	–	–	–	–
(h) Foreign Venture Capital Funds	–	–	–	–	–	–	–	–	–
(i) Any other (specify)	–	–	–	–	–	–	–	–	–
Sub - total B(1)	–	–	–	–	–	–	–	–	–
(2) Non-institutions									
(a) Bodies Corporate									
(i) Indian	–	–	–	–	–	–	–	–	–
(ii) Overseas	–	–	–	–	–	–	–	–	–

Category of shareholder	No. of shares held at the beginning of the year				No. of shares held at the end of the year				% change during the year
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
(b) Individuals									
(i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	176	5,256	5,432	0.02	176	5,256	5,432	0.02	–
(ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	–	–	–	–	–	–	–	–	–
Sub - total B(2)	176	5,256	5,432	0.02	176	5,256	5,432	0.02 –	
B = B(1) + B(2)	176	5,256	5,432	0.02	176	5,256	5,432	0.02 –	
(c) Others (specify)	–	–	–	–	–	–	–	–	–
	–	–	–	–	–	–	–	–	–
Total public shareholding	176	5,256	5,432	0.02	176	5,256	5,432	0.02	–
(C) Shares held by custodians for ADRs	–	–	–	–	–	–	–	–	–
Grand total (A+B+C)	3,38,22,495	5,256	3,38,27,751	100	3,38,22,495	5,256	3,38,27,751	100	–

(ii) Shareholding of Promoters

Name of the shareholder	Shareholding at the beginning of the year			Shareholding at the end of the year			
	No. of shares	% of total shares of the Company	% of shares pledged / encumbered to total shares	No. of shares	% of total shares of the Company	% of shares pledged / encumbered to total shares	% change in share holding during the year
Infosys Ltd	3,38,22,319	99.98	–	3,38,22,319	99.98	–	–
V. Balakrishnan	1	0	–	1	0	–	–
U. Ramadas Kamath	1	0	–	1	0	–	–
Deepak Natraj	1	0	–	1	0	–	–
H. Venkatesh Gadiyar	1	0	–	1	0	–	–
R. Nithyanandan	1	0	–	1	0	–	–
G. S. Chaitanya	1	0	–	1	0	–	–
Total	3,38,22,325	99.98	–	3,38,22,325	99.98	–	–

(iii) Change in promoters' shareholding

There was no change during the period

(iv) Shareholding pattern of top ten shareholders

(other than directors, promoters and holders of GDRs and ADRs):

For each of the top 10 shareholders	Shareholding at the beginning of the year		Cumulative shareholding during the year	
	No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
Amit Agarwal				
At the beginning of the year	875	–	875	–
Date wise increase / decrease in share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc) :	–	–	–	–
At the end of the year (or on the date of separation, if separated during the year)	875	–	875	–
Dhiraj Poddar				
At the beginning of the year	750	–	750	–
Date wise increase / decrease in share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc) :	–	–	–	–
At the end of the year (or on the date of separation, if separated during the year)	750	–	750	–
Naveen Kumar				
At the beginning of the year	750	–	750	–
Date wise increase / decrease in share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc) :	–	–	–	–
At the end of the year (or on the date of separation, if separated during the year)	750	–	750	–
Sanjay Chandiram				
At the beginning of the year	750	–	750	–
Date wise increase / decrease in share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc) :	–	–	–	–
At the end of the year (or on the date of separation, if separated during the year)	750	–	750	–
Naveen Tiruvalluri				
At the beginning of the year	375	–	375	–
Date wise increase / decrease in share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc) :	–	–	–	–
At the end of the year (or on the date of separation, if separated during the year)	375	–	375	–
Manjesh Verma				
At the beginning of the year	375	–	375	–
Date wise increase / decrease in share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc) :	–	–	–	–
At the end of the year (or on the date of separation, if separated during the year)	375	–	375	–
Avishek Gupta				
At the beginning of the year	375	–	375	–

For each of the top 10 shareholders	Shareholding at the beginning of the year		Cumulative shareholding during the year	
	No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
Date wise increase / decrease in share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc) :	–	–	–	–
At the end of the year (or on the date of separation, if separated during the year)	375	–	375	–
Sandeep Narang				
At the beginning of the year	250	–	250	–
Date wise increase / decrease in share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc) :	–	–	–	–
At the end of the year (or on the date of separation, if separated during the year)	250	–	250	–
Rahul Nehru				
At the beginning of the year	200	–	200	–
Date wise increase / decrease in share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc) :	–	–	–	–
At the end of the year (or on the date of separation, if separated during the year)	200	–	200	–
Amit K Ghandhi				
At the beginning of the year	200	–	200	–
Date wise increase / decrease in share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc) :	–	–	–	–
At the end of the year (or on the date of separation, if separated during the year)	200	–	200	–

(v) Shareholding of directors and key managerial personnel

None of the existing directors and Key Managerial Personnel hold shares in the Company

Indebtedness

The Company has not availed any loan during the year and is a debt-free Company

Remuneration of directors and key managerial personnel

A.Remuneration to Managing Director, Whole-time Directors and / or Manager:

(in ₹)

Particulars of remuneration [1]	Anantharaman RadhaKrishnan (Managing Director and Chief Executive Officier)	Total Amount
Gross salary		
(a) Salary as per provisions contained in Section 17 of the Income-tax Act, 1961	23,822,361	23,822,361
(b) Value of perquisites u / s 17 Income-tax Act, 1961	–	–
(c) Profits in lieu of salary under Section 17 Income-tax Act, 1961	–	–
Stock option	–	–
Sweat equity	–	–
Commission as % of profit others, specify	–	–
Others, please specify	–	–
Total (A)	23,822,361	23,822,361
Ceiling as per the Act		32,21,84,820

Note: 1. Remuneration comprises basic salaries, allowances and taxable value of perquisites

Restricted stock units (RSUs) and Stock Options of Infosys Limited (holding Company) were granted to certain eligible employees as per the Infosys Limited 2015 Stock compensation Plan.

The 2015 Plan is available at https://www.infosys.com/investors/corporate-governance/documents/incentive-compensation-plan.pdf

B. Remuneration to other directors : Independent Directors

(in ₹)

Particulars of remuneration	Name of Directors			Total Amount
	Prof. Jayanth Varma	Dr. Omkar Goswami	D.N. Prahlad	
Independent Directors				
Fee for attending board / committee meetings	60,000	40,000	35,000	1,35,000
Commission	12,00,000	12,00,000	12,00,000	36,00,000
Others, please specify -				
Total (1)	12,60,000	12,40,000	12,35,000	37,35,000
Other Non-Executive Directors				
Fee for attending board / committee meetings	-	-	-	-
Commission	-	-	-	-
Others, please specify	-	-	-	-
Total (2)	-	-	-	-
Total (B) = (1+2)	12,60,000	12,40,000	12,35,000	37,35,000
Ceiling as per Act				6,44,36,964

C. Remuneration to key managerial personnel other than MD / Manager / WTD

(in ₹)

Particulars of remuneration	Chief Financial Officer	Company Secretary	Total Amount
	Nishit Ajitkumar Shah	Bindu Raghavan	
Gross salary			
(a) Salary as per the provisions contained in Section 17 of the Income Tax Act, 1961	11,207,882	17,79,220	1,29,87,102
(b) Value of perquisites u / s 17 Income-tax Act, 1961	–	–	–
(c) Profits in lieu of salary under Section 17 Income-tax Act, 1961	–	–	–
Commission as % of profit others, specify	–	–	–
OOthers, please specify	–	–	–
Total	11,207,882	17,79,220	1,29,87,102

Note: Remuneration comprises basic salaries, allowances and taxable value of perquisites.

Penalties / punishment / compounding of offences

There were no penalties / punishment / compounding of offences for the year ending March 31, 2018

Annexure 6 – Annual report on CSR activities

[Pursuant to Section 135 of the Companies Act, 2013]

The proposed areas for CSR activities are eradication of hunger, poverty and malnutrition, promoting education and healthcare and rural development projects. The funds will be allocated to a corpus and utilized throughout the year on these activities as specified in Schedule VII of the Companies Act, 2013.

CSR Committee

We have a Board Committee (CSR Committee) that provides oversight of CSR policy execution to ensure that the CSR objectives of the Company are met. As on March 31, 2018, our CSR committee comprises:

- Ravikumar Singisetti, Chairperson
- Anantharaman Radhakrishnan
- Dr. Omkar Goswami

Financial details

Section 135 of the Companies Act and rules made thereunder prescribes every Company having net worth of ₹ 500 crore or more, or turnover of ₹ 1,000 crore or more or a net profit of ₹ 5 crore or more during any financial year shall ensure that the Company spends, in every financial year, at least 2% of the average net profits of the Company made during the three immediately preceding financial years, in pursuance of its Corporate Social Responsibility Policy. The provisions pertaining to corporate social responsibility as prescribed under the Companies Act, 2013 are applicable to the Company.

The financial details as sought by the Companies Act, 2013 are as follows:

in ₹ crore

Particulars	Amount
Average net profit of the Company for last three financial years	794
Prescribed CSR expenditure (2% of the average net profit as computed above)	16
Details of CSR expenditure during the financial year	
Total amount to be spent for the financial year (including capital expenditure)	15.88
Amount spent	16.09
Amount unspent	–

The major projects and heads under which the outlay amount was spent in fiscal 2018 are as follows:

In ₹ crore

Theme-based CSR project / activity / beneficiary	Location of the project / program	Amount outlay (budget)	Amount spent on the projects or programs in fiscal 2018	Cumulative expenditure up to the reporting period
Expenditure on projects / programs by Infosys BPM				
Eradicating hunger, poverty and sanitation programs				
The Akshaya Patra Foundation	Hyderabad	4	4	4
Promoting education, enhancing vocational skills				
Collectives for Integrated Livelihood Initiatives (CINI)	Jamshedpur	2.5	2.5	2.5
International Centre for Theoretical Sciences - Tata Institute of Fundamental Research	Bengaluru	1.35	1.35	1.35
Skill Development Programs	Bengaluru	1.16	1.16	1.16
NASSCOM Foundation	Kolar, Mangalore, Pune	0.53	0.53	0.53
Promoting Healthcare including preventive health care				
The Akshaya Patra Foundation	Jaipur	1.54	1.54	1.54
Centre for Infectious Disease Research (CIDR)-IISC	Bengaluru	1.01	1.01	1.01
Rural development				
Visakha Jilla Nava Nirmana Samithi	Narasipatnam	0.29	0.5	0.5
Environmental sustainability and ecological balance				
Renewable Energy Projects (1)	Jaipur, Pune	3.5	3.5	3.5
		15.88	16.09	16.09

Note: (1) Spent towards construction / acquisition of assets

Our CSR responsibilities

We hereby affirm that the CSR policy, as approved by the Board, has been implemented and the CSR Committee monitors the implementation of the projects and activities in compliance with our CSR objectives.

for and on behalf of the Board of Directors

	Sd / -	Sd / -
Bengaluru	Ravikumar Singisetti	Anantharaman Radhakrishnan
April 11, 2018	*Chairperson, CSR committee*	*Managing Director and Chief Executive Officer*

Annexure 7 – Conservation of energy, research and development, technology absorption, foreign exchange earnings and outgoing

[Pursuant to the Companies (Accounts) Rules, 2014]

Conservation of energy

The operations of our Company are not energy-intensive. However, adequate measures have been taken to reduce energy consumption by using energy-efficient computers and by the purchase of energy-efficient equipment.

Capital investment on energy conservation equipments

The Company has invested in the purchase of energy efficient equipments. We constantly evaluate new technologies and invests in them to make its infrastructure more energy efficient.

Technology absorption

- Efforts, in brief, made towards technology absorption: Not Applicable
- Benefits derived as a result of the above efforts. for example, product improvement, cost reduction, product development, import substitution, etc.: Not Applicable
- In case of imported technology (imported during the last 3 years reckoned from the beginning of the financial year), following information may be furnished: Not Applicable
  - Details of technology imported: Not Applicable
  - Year of import: Not Applicable
  - Whether the technology has been fully absorbed: Not Applicable
  - If not fully absorbed, areas where absorption has not taken place, and the reasons therefor: Not Applicable
- Expenditure incurred on research and development: Not Applicable

Foreign exchange earnings and outgo standalone

in ₹ crore

Particulars	As at March 31,	
	2018	2017
Foreign exchange earnings	2,725	2,570
Foreign exchange outgo	1,027	927
Net foreign exchange earnings (NFE)	1,698	1,643
NFE / earnings (%)	62.31	63.93

for and on behalf of the Board of Directors

Bengaluru
April 11, 2018

Sd / -
Ravikumar Singisetti
Chairman and Director

Sd / -
Anantharaman Radhakrishnan
Managing Director and Chief Executive Officer

Our corporate governance philosophy

Our corporate governance is a reflection of our value system encompassing our culture, policies, and relationships with our stakeholders. Integrity and transparency are key to our corporate governance practices to ensure that we gain and retain the trust of our stakeholders at all times.

Corporate governance framework

We believe that an active, well-informed and independent board is necessary to ensure the highest standards of corporate governance. At Infosys BPM ('the Company'), the Board of Directors ('the Board') is at the core of our corporate governance practice. The Board thus oversees the Infosys' BPM Management's ('the Management') functions and protects the long-term interests of our stakeholders. Our corporate governance framework ensures that we make timely disclosures and share accurate information regarding our financials and performance, as well as the leadership and governance of the Company.

The driving principles of our corporate governance framework is as follows :

- Corporate governance standards should satisfy both the spirit of the law and the letter of the law;
- Ensure transparency and maintain a high level of disclosure;
- Clearly distinguish between personal conveniences and corporate resources ;
- Communicate externally, and truthfully, about how the Company is run internally;
- Comply with the laws of all countries in which we operate;
- Have a simple and transparent corporate structure driven solely by business needs;
- The management is the trustee of the shareholders capital and not the owner.

With the increasing globalization, corporate governance has assumed great significance in India in the recent past. The increasing diversity of the investing community and the integration of global capital markets make corporate governance a key issue in the investment decision of the investor. We in our pursuit towards achieving our aspirations of becoming a global corporation, our corporate governance standards must be globally benchmarked and hence good governance as an ongoing process seeks to ensure truth, transparency, accountability and responsibility and committed to meet the aspirations of all our stake holders.

The Corporate conduct is integral part of our business. The actions are governed by the values and principles which are reinforced at all levels in the organization. Our code of business principles reflects our continued commitment to ethical business practices, values and compliance to all laws of the land.

Corporate governance is not merely compliance but also a philosophy to be professed and its objective is to create and adhere to a corporate culture of transparency and openness and to develop capabilities and identified opportunities that best serves the goal of value creation, thereby creating an outperforming organization. Accordingly, timely and accurate disclosure of information regarding the financial situation, performance, ownership and governance of the Company, is an important part of corporate governance. Consequently, the organization is able to attract and enhance the trust and confidence of the stakeholders.

In line with the Company's commitment to good corporate governance practices and compliance with the provisions of Companies Act, 2013, our Company has constituted Audit Committee, Nomination and Remuneration committee and Corporate Social Responsibility Committee consisting of majority of independent directors. As a step further towards this objective, our Company has also complied with major aspects of the US Sarbanes–Oxley Act of 2002 and Companies Act 2013 such as constituting of the Whistle Blower Policy, Code of conduct for senior officers and executives and also Section 404 of the US Sarbanes-Oxley Act, relating to certification by the CEO and CFO of the appropriateness of internal controls relating to the financial reporting. Our Company has complied with all norms of corporate governance applicable to unlisted Public Company as envisaged under the Companies Act, 2013. The Company has also complied with Secretarial Standards on Board and General Meetings issued by the Institute of Company Secretaries of India.

A. Board of Directors

Size and composition of the Board

The Board is headed by Ravikumar Singisetti, as Chairman. The Board consists of five directors including managing director and chief executive officer (MD and CEO). The Board also consists of two independent directors.

Composition of the Board and directorships held as on March 31, 2018 are as follows:

Directorships held as at March 31, 2018

Name of the Director	Age	Position	Relationship with other Directors	Indian listed companies	All companies around world [1]
Anantharaman Radhakrishnan	50	MD and CEO	None	-	2
Ravikumar Singisetti	47	Chairman and Director	None	-	6
Prof. Jayanth R. Varma	58	Director	None	1	1
Dr. Omkar Goswami [2]	61	Director	None	8	12
D. N. Prahlad	62	Director	None	1	7
Sangita Singh	49	Director	None	-	1

(1) Directorships in companies around the world including Infosys BPM Limited,its holding and subsidiaries

(2) Retired effective March 31, 2018

Responsibilities of the chairman, managing director and chief executive officer

The Company has a non-executive chairman of the Board and a managing director and chief executive officer (MD and CEO). The responsibility and authority of these officials are as follows:

The non-executive as chairman of the Board (the Chairman) is the leader of the Board. As chairman, he will be responsible for fostering and promoting the integrity of the Board while nurturing a culture where the Board works harmoniously for the long-term benefit of the Company and all its stakeholders. The Chairman is primarily responsible for ensuring that the Board provides effective governance for the Company. In doing so, the Chairman will preside at meetings of the Board and at meetings of the shareholders of the Company.

The Chairman takes a lead role in managing the Board and facilitates effective communication among directors. The Chairman is responsible for matters pertaining to governance, including the organization and composition of the Board, the organization and conduct of Board meetings, effectiveness of the Board, Board committees and individual directors in fulfilling their responsibilities.

The Chairman provides leadership to the Board, identify guidelines for the conduct and performance of directors, oversee the management of the Board's administrative activities such as meetings, schedules, agendas, communication and documentation.

The Chairman actively work with the nomination and remuneration committee to plan the Board and Board committees' composition, induction of directors to the Board, plan for director succession, participate in the Board effectiveness evaluation process and meet with individual directors to provide constructive feedback and advice.

The MD and CEO is responsible for corporate strategy, brand equity, planning, external contacts and all management matters. He is also responsible for achieving the annual business targets and acquisitions.

Role of the board of directors

The primary role of the Board is that of trusteeship to protect and enhance shareholder value through strategic direction to the Company. As trustees, the Board has fiduciary responsibility to ensure that the Company has clear goals aligned to shareholder value and its growth. The Board exercises its duties with care, skill and diligence and exercises independent judgment. The Board sets strategic goals and seeks accountability for their fulfillment. The Board also directs and exercises appropriate control to ensure that the Company is managed in a manner that fulfills stakeholders' aspirations and societal expectations.

Definition of independent directors

The Companies, Act 2013, defines an "independent director" as a person who is not a promoter or employee or one of the key managerial personnel of the Company or its subsidiaries. The law also state that the person should not have any material pecuniary relationship or transactions with the Company or its subsidiaries, apart from receiving the remuneration as an independent director. We abide by the definition of independent director.

Board membership criteria

The nomination and remuneration committee works with the entire Board to determine the appropriate characteristics, skills and experience required for the Board as a whole and for individual members. The Board members are expected to possess the required qualifications, integrity, expertise and experience for the position. They should also possess deep expertise and insights in sectors / areas relevant to the Company, ability to contribute to the Company's growth.

The Company shall not appoint or continue the employment of any person as Managing Director / Executive Director who has attained the age of 60 years and shall not appoint an Independent Director who has attained the age of 70 years. The term of the person holding this position may be extended at the discretion of the committee beyond the age of 60 years / 70 years with the approval of shareholders by passing a special resolution based on the explanatory statement annexed to the notice for such motion indicating the justification for extension of appointment beyond 60 years / 70 years as the case may be.

Selection of the new directors

The Board is responsible for the selection of new directors. The Board delegates the screening and selection process involved in selecting new directors to the nomination and remuneration committee, which consists majority of independent directors. The committee, based on defined criteria in turn makes recommendations to the Board on the induction of new directors.

Membership term

The Board constantly evaluates the contribution of the members and periodically shares updates with the shareholders about re appointments consistent with applicable statutes. The current law in India mandates the retirement of two-third of the executive board members (who are liable to retire by rotation) every year, and qualifies the retiring members for re-appointment. Executive directors are appointed by the shareholders for the tenure of a maximum period of five years, but are eligible for re appointment upon completion of their term. An independent director shall hold office for a term up to five consecutive years on the board of the Company and will be eligible for re-appointment on passing of a special resolution by the Company.

Board member evaluation

One of the key functions of the Board is to monitor and review the board evaluation framework. The Board works with the nomination and remuneration committee to lay down the evaluation criteria for the performance of executive / non-executive / independent directors through a peer-evaluation excluding the director being evaluated through a Board effectiveness survey. The questionnaire of the survey is a key part of the process of reviewing the functioning and effectiveness of the Board and for identifying possible paths for improvement. Each Board member is requested to evaluate the effectiveness of the Board dynamics and relationships, information flow, decision-making of the directors, relationship with stakeholders, Company performance and strategy, and the effectiveness of the whole Board and its various committees. Feedback on each director is encouraged to be provided as part of the survey. The evaluation for fiscal 2018 has been completed.

Independent directors have three key roles – governance, control and guidance. Some of the performance indicators based on which the independent directors are evaluated include :

- Ability to contribute to and monitor our corporate governance practices
- Ability to contribute by introducing international best practices to address top-management issues
- Active participation in long-term strategic planning
- Commitment to the fulfillment of a director's obligations and fiduciary responsibilities; these include participation in Board and committee meetings.

Retirement policy for directors

The age of retirement for all executive directors is 60 years. The nomination and remuneration committee may, at its discretion, determine their continuation as members of the Board upon superannuation / retirement. The age of retirement for non-executive directors and independent directors is 70 years.

Succession planning

The nomination and remuneration committee works with the Board on the leadership succession plan, and also prepares contingency plans for succession in case of any exigencies.

Board compensation review

The remuneration / compensation / commission etc. to Directors will be determined by the nomination and remuneration committee and recommended to the Board for approval. The remuneration to be paid to the Managing Director shall be in accordance with the provisions of the Companies Act, 2013, and the rules made thereunder. Increments to the existing remuneration / compensation structure may be recommended by the Committee to the Board which should be within the limits approved by the Shareholders in the case of Managing Director. Where any insurance is taken by the Company on behalf of its Managing Director, Chief Financial Officer, the Company Secretary and any other employees for indemnifying them against any liability, the premium paid on such insurance shall not be treated as part of the remuneration payable to any such personnel. Provided that if such person is proved to be guilty, the premium paid on such insurance shall be treated as part of the remuneration. The nomination and remuneration committee determines and recommends to the Board, the compensation payable to the Executive director. The remuneration for executive director consists of a fixed component and a performance incentive. The shareholders determine the compensation of the executive director for the entire period of the term. The compensation payable to the independent directors is limited to a fixed amount per year as determined and approved by the Board, the sum of which does not exceed 1% of net profits for the year, calculated as per the provisions of the Companies Act, 2013. The Board reviews the performance of independent directors on an annual basis

Memberships in other Boards

The Executive director is excluded from serving on the Board of any other entity except for group companies, unless the said entity is an industrial entity whose interests are germane to the business of the Company or a government body that is of relevance to the business of the Company or an entity whose objectives is the upliftment of the society. Independent directors are generally not expected to serve on the Boards of competing companies. There are no limitations except those imposed by law and good corporate governance.

B.Board meetings

Scheduling and selection of agenda items for Board meetings

The dates of Board meetings for the next fiscal are decided in advance. The meetings are held at the Company's registered office at Electronics City, Bangalore, India. The Chairman of the Board and the Company Secretary draft the agenda for each meeting, along with explanatory notes and distribute it in advance to the directors. Every Board member can suggest the inclusion of items on the agenda. The Board meets at least once a quarter to review the quarterly results and other items on the agenda. Additional meetings are held when necessary. Independent directors are expected to attend at least four Board meetings in a year. The Board Committees also meets four times in a year.

Number of board meetings and the attendance during fiscal 2018

Name of the Director	Number of meetings held during the tenure	Number of meetings held meetings attended
U. B. Pravin Rao[(1)]	2	2
Anantharaman Radhakrishnan	4	4
Ravikumar Singisetti	4	4
Prof. Jayanth R Varma	4	4
Dr. Omkar Goswami[(2)]	4	2
D.N. Prahlad	4	4
Sangita Singh	4	4

[(1)]Resigned effective July 17, 2017

[(2)]Retired effective March 31, 2018

Availability of information to board members

The Board has unrestricted access to all Company-related information including that of our employees. At Board meetings, managers and representatives who can provide additional insights into the items being discussed are invited. Information is provided to the Board members on a continuous basis for their review, inputs and approval periodically. Strategic and operating plans are presented to the Board in addition to the quarterly and annual financial statements. Specific cases of acquisitions, important managerial decisions, material positive / negative developments and statutory matters are presented to the committees of the Board and later, with the recommendation of the committees, to the Board for its approval. As a process, information to directors is submitted along with the agenda well in advance of Board meetings. Inputs and feedback of Board members are taken and considered while preparing the agenda and documents for the Board meeting. At these meetings, directors can provide their inputs and suggestions on various strategic and operational matters.

Discussion with independent directors

Schedule IV of the Companies Act, 2013 and the Rules made thereunder, mandates the independent directors of the Company to hold at least one meeting in a year, without the attendance of non-independent directors and members of the Management.

In Infosys BPM Limited, we hold periodic meetings attended exclusively by the independent directors. All the independent directors of the Company shall strive to be present at such meetings. At such meetings, the independent directors discuss, among other matters, the performance of the Company and risks faced by it, the flow of information to the Board, competition, strategy, leadership strengths and weaknesses, governance, compliance, Board movements, human resource matters and performance of the executive members of the Board, including the Chairman.

Materially significant related party transactions

There are no materially relevant related party transactions, pecuniary transactions or relationships between our Company and its directors for the year ended March 31, 2018 that may have a potential conflict with the interest of the Company at large except for those which are disclosed in the financial statements. Non material related party transactions in the normal course of business are held at arm's length.

Remuneration to directors in fiscal 2018

Non-executive/ Independent directors

in ₹

Name of the Director	Director Identification Number (DIN)	Relationship with other Directors	Salary	Perquisites	Commission	Sitting fees	Total
U. B. Pravin Rao (1)	06782450	None	–	–	–	–	–
Ravikumar Singisetti **	07534544	None	–	–	–	–	–
Prof. Jayanth R Varma*	00402667	None	–	–	12,00,000	60,000	12,60,000
Dr. Omkar Goswami (2) *	00004258	None	–	–	12,00,000	40,000	12,40,000
D.N. Prahlad*	00504146	None	–	–	12,00,000	35,000	12,35,000
Sangita Singh **	07694463	None	–	–	–	–	–

(1) Resigned effective July 17, 2017

(2) Retired effective March 31, 2018

* Independent Directors

** Non-executive Directors

Executive director / Managing Director and Chief Executive Officer

in ₹

Name of the Director	Director Identification Number (DIN)	Relationship with other Directors	Salary*	Perquisites	Commission	Sitting fees	Total
Anantharaman Radhakrishnan	7516278	None	23,822,361	-	-	-	23,822,361

*salary includes contribution to PF, Gratuity, and Superannuation allowance and performance incentive.

C. Board committees

Currently, the Board has five committees – the Audit committee, the Nomination and remuneration committee, the Corporate social responsibility committee, the Share allotment / transfer committee and the Investment committee. The Audit and Nomination and remuneration committees comprise of non-executive and independent director as Chairperson and constitutes majority of independent directors. The Board is responsible for the constituting, assigning, co-opting and fixing the terms of service for committee members of various committees.

Frequency and duration of committee meetings and agenda

The Chairman of the Board, in consultation with the Company Secretary and the Committee Chairperson, determines the frequency and duration of the committee meetings. Normally, the committees meet four times a year. The recommendations of the committee are submitted to the Board for approval.

Quorum for the meetings

The quorum should be either two members or one-third of the members of the committees, whichever is higher.

Audit committee

Section 177 of the Companies Act, 2013 read with Rule 6 of Companies (Meetings of Board and its Powers) Rules, 2014 requires all public companies having a paid-up capital of ₹ 10 crore or more (or) turnover of ₹ 100 crore or more (or) outstanding loans or borrowings or debentures or deposits in aggregate exceeding ₹ 50 crore or more to constitute an Audit committee consisting of minimum of three directors with independent directors forming a majority. Since our Company has ₹ 33.83 crore as paid up share capital and ₹ 3,061 crore as turnover as per latest audited balance sheet and we meet both these criteria, constitution of Audit Committee is mandatory for our Company. However audit committee was constituted long back in our Company even before it was mandated by law.

Terms of reference

The terms of reference of the Audit Committee are set out in the Audit committee charter.

Composition

As on March 31, 2018, the Committee consists of the following members:

- Prof. Jayanth R Varma, Chairperson
- Omkar Goswami, Member
- Ravikumar Singisetti, Member

Audit committee attendance

The attendance details of the committee meetings are as follows:

Name of the Director	Number of meetings held during the tenure	Number of meetings attended
Prof. Jayanth R. Varma	4	4
U. B. Pravin Rao [(1)]	2	2
Dr. Omkar Goswami [(2)]	4	2
Ravikumar Singisetti	2	2

(1) Resigned effective July 17, 2017

(2) Retired effective March 31, 2018

During the year, the committee met four times. The meetings were held on April 10, 2017, July 11, 2017, October 17, 2017 and January 9, 2018.

Report for the year ended March 31, 2018

The audit committee helps the Board monitor the Management's financial reporting process, and ensure that the disclosures are not only accurate and timely, but follow the highest levels of transparency, integrity and quality of financial reporting. The committee also oversees the work of the internal and the independent auditors, and reviews the processes and safeguards employed by them. The audit committee is responsible for recommending selection, evaluation and, where appropriate, replacement of the independent auditors in accordance with the law. It recommends to the Board the remuneration and terms of appointment of the internal, secretarial and independent auditors. All possible measures are taken by the committee to ensure the objectivity and independence of the independent auditors. In addition, the committee reviews the policies, processes and controls relating to the valuation of undertakings or assets of the Company that are carried out as and when required.

The Management is responsible for the Company's internal controls and the financial reporting process. The independent auditors are responsible for performing an independent audit of the Company's financial statements in accordance with the generally accepted auditing standards, and for issuing a report based on the audit. The committee's responsibility is to monitor these processes. The committee is also responsible for overseeing the processes related to the financial reporting and information dissemination. This is to ensure that the financial statements are true, fair, sufficient and credible. In addition, the committee recommends to the Board the appointment of the Company's internal and independent auditors. In this context, the committee discussed with the Company's auditors the overall scope and plans for the independent audit. In this context, the committee discussed the overall scope and plans for the independent audit with the Company's auditors.

The Management shared with the committee the Company's financial statements, prepared in accordance with the Indian Accounting Standards (Ind AS).

The committee discussed with the auditors, in the absence of the Management (whenever necessary), the Company's audited financial statements including the auditors' judgments about the quality, not just the applicability, of the accounting principles, the rationality of significant judgments and the clarity of disclosures in the financial statements.

Relying on the review and discussions conducted with the Management and the independent auditors, the audit committee believes that the Company's financial statements are fairly presented in conformity with Ind AS in all material aspects. The committee has also reviewed the internal controls put in place to ensure that the accounts of the Company are properly maintained and that the accounting transactions are in accordance with the prevailing laws and regulations. In conducting such reviews, the committee found no material discrepancy or weakness in the internal control systems of the Company.

The committee, on a periodic basis, reviewed the process adopted by the Management on impairment of assets including financial assets and goodwill.

The committee granted omnibus approval for the related party transactions proposed to be entered into by the Company during fiscal 2018. On a periodic basis, the committee reviewed and approved transactions of the Company with related parties and recommended the Board for approval as and when necessary.

The committee monitored and reviewed investigations of the whistleblower complaints received during the year.

Based on its discussion with the Management and the auditors and a review of the representations of the Management and the report of the auditors, the committee has recommended the following to the Board :

- The audited financial statements of Infosys BPM Limited prepared in accordance with Ind AS for the year ended March 31, 2018 be accepted by the Board as a true and fair statement of the financial status of the Company.
- The audited consolidated financial statements of Infosys BPM Limited and its subsidiaries prepared in accordance with Ind AS for the year ended March 31, 2018 be accepted by the Board as a true and fair statement of the financial status of the group.
- Deloitte Haskins & Sells LLP, Chartered Accountants (Firm registration number 117366 W/W 100018) ('Deloitte') was appointed as the statutory auditors of the Company to hold office for a period of five consecutive years from the conclusion of the 15th AGM held on June 24, 2017, till the conclusion of the 20th AGM to be held in 2022, subject to ratification by shareholders at the general meeting or as may be necessitated by the Act from time to time. The first year of audit was of the financial statements for the year ending March 31, 2018, which included the audit of the quarterly financial statements for the year. Accordingly, the committee recommended the appointment of Deloitte to be placed before the shareholders for ratification.
- The appointment of Ernst & Young LLP as the internal auditors of the Company for the fiscal year ending March 31, 2019, to review various operations of the Company.
- The appointment of Parameshwar G. Hegde, Hegde & Hegde, Company Secretaries as secretarial auditor for the fiscal year ending March 31, 2019 to conduct the secretarial audit as prescribed under Section 204 and other applicable sections of the Companies Act, 2013.

The Company has established a mechanism for directors and employees to report concerns about unethical behavior, actual or suspected fraud, or violation of our Code of Conduct and Ethics. It also provides for adequate safeguards against the victimization of employees who avail of the mechanism, and allows direct access to the chairperson of the audit committee in exceptional cases. We further affirm that no director or employee has been denied access to the audit committee during fiscal 2018. The Whistleblower Policy is available on our website, at https://www.infosys.com/investors/corporategovernance/Documents/whistleblower-policy.pdf.

In conclusion, the committee is sufficiently satisfied that it has complied with its responsibilities as outlined in the audit committee charter.

Prof. Jayanth R. Varma
Chairperson-Audit Committee

Bengaluru

April 11, 2018

2. Nomination and remuneration committee

Composition

Our nomination and remuneration committee consists of three members as on March 31, 2018:

- Prof. Jayanth R. Varma, Chairperson
- Ravikumar Singisetti, Member
- Dr. Omkar Goswami, Member

The purpose of the committee is to screen and review individuals qualified to serve as executive directors, non-executive directors and independent directors, consistent with criteria approved by the Board, and to recommend, for approval by the Board, nominees for election at the AGM. The committee makes recommendations to the Board on candidates for (i) nomination for election or re-election by the shareholders; and (ii) any Board vacancies that are to be filled. It may act on its own in identifying potential candidates, inside or outside the ompany, or may act upon proposals submitted by the Chairman of the Board.

The nomination and remuneration committee coordinates and oversees the annual self-evaluation of the Board and of individual directors. It also reviews the performance of all the executive directors on a periodic basis or at such intervals as may be necessary on the basis of the detailed performance parameters set for each executive director at the beginning of the year. The nomination and remuneration committee may also regularly evaluate the usefulness of such performance parameters, and make necessary amendments.

Nomination and remuneration committee attendance

The attendance details of the committee meetings are as follows:

Name of the Director	Number of meetings held during the tenure	Number of meetings attended
Prof. Jayanth R. Varma	4	4
U. B. Pravin Rao (1)	2	2
Dr. Omkar Goswami (2)	4	2
Ravikumar Singisetti	2	2

(1) Resigned effective July 17, 2017

(2) Retired effective March 31, 2018

During the year, the committee met four times. The meetings were held on April 10, 2017, July 11, 2017, October 17, 2017 and January 09, 2018.

Report for the year ended March 31, 2018

The committee oversees key processes through which the Company recruits new members to its Board, and also the processes through which the Company recruits, motivates and retains outstanding senior management and oversees the Company's overall approach to human resources management. The Committee coordinates and oversees the annual self-evaluation of the Board and of individual directors. It also reviews the performance of all the executive directors on a periodic basis or at such intervals as may be necessary on the basis of the detailed performance parameters set for each executive director at the beginning of the year.

Following the provisions of the Companies Act, 2013, Ravikumar Singsetti will retire at the ensuing AGM. The committee considered his performance and recommended that shareholders approve the necessary resolution for his reappointment.

The committee reviewed various initiatives undertaken by the Company to ensure the safety, security and wellbeing of employees, as well as their overall development through learning programs and on-the-job training. The committee also gave broad directions to guide the overall leadership development plans of the Company.

Sd / -
Prof. Jayanth R Varma
Chairperson – Nomination and remuneration committee

Bangalore

April 11, 2018

3. Corporate social responsibility committee

The CSR report, as required under the Companies Act, 2013 for the year ended March 31, 2018 is attached as Annexure 7 to the Board's report. The committee on a periodic basis reviewed and approved the budget and disbursement of funds for CSR activities.

In accordance to Section 135 of the Companies Act, 2013, the Board in its meeting held on October 7, 2013, constituted corporate social responsibility committee. The CSR committee of the Board is responsible for overseeing the execution of the Company's CSR policy.

Composition

As on March 2018, the corporate social responsibility committee consists of the following three members:

- Ravikumar Singisetti, Chairperson
- Anantharaman Radhakrishnan, member
- Dr. Omkar Goswami, Member

The CSR committee was set up to formulate and monitor the CSR policy of the Company. The CSR committee adopted a policy that outlines the Company's objective of catalyzing economic development that positively improves the quality of life for the society, and aims to be a responsible corporate citizen and create positive impact through its activities on the environment, communities and stakeholders.

The CSR committee is also responsible for overseeing the activities / functioning of the Infosys Foundation in identifying the areas of CSR activities, programs and execution of initiatives as per predefined guidelines. The Foundations, in turn, guide the CSR committee in reporting the progress of deployed initiatives, on a periodic basis.

The attendance details of the committee meetings are as follows:

Name of the Director	Number of meetings held during the tenure	Number of meetings attended
U. B. Pravin Rao [(1)]	2	2
Anantharaman Radhakrishnan	4	4
Dr. Omkar Goswami [(2)]	4	2
Ravikumar Singisetti	2	2

(1) Resigned effective July 17, 2017

(2) Retired effective March 31, 2018

During the year, the committee met four times. The meetings were held on April 10, 2017, July 11, 2017, October 17, 2017 and January 09, 2018.

4. Investment committee

Composition of the committee

As on March 31, 2018, the Investment committee consists of the following members:

- Ravikumar Singisetti, Chairperson
- Anantharaman Radhakrishnan, Member
- Nishit Ajitkumar Shah, Member

Terms of reference

To manage effectively and efficiently the surplus of Company funds by properly channelizing them in a manner so as to enhance the best possible returns with minimum of risk.

Attendance of directors during fiscal 2018

Name of the Director	Number of meetings held during the tenure	Number of meetings attended
U. B. Pravin Rao [(1)]	2	2
Anantharaman Radhakrishnan	4	4
Ravikumar Singisetti	2	2
Nishit Ajitkumar shah	4	4

(1) Resigned effective July 17, 2017

Report for the year ended March 31, 2018

The committee has the mandate to approve investments in various corporate bodies within the statutory limits and powers delegated by the Board. The committee had ratified the investments made by the Company during the fiscal 2018.

Management review and responsibility

Formal evaluation of officers

The nomination and remuneration committee of the Board approves the compensation and benefits for the executive Board member as well as members of the management council.

Evaluation process for chief executive officer

In our Company, performance is assessed based on clearly defined objective criteria. This is in line with our Company's policy of being data oriented in every transaction and decision. The evaluation starts with the principle, 'In God we trust, everyone else must bring data'. Performance is measured against commitments and best-in class benchmarks Our Company believes in leadership by example and hence leaders are to show the way in terms of committing to specific, measurable, aggressive and stretch targets.

The performance appraisal system for Executive Director provides for the alignment of the Directors' targets with those of our Company through a "Balanced Scorecard Framework", which is rigorous and structured. The executive director has three key roles viz. business leadership, strategy execution and governance. Each role is associated with a set of performance metrics.

For instance, for the CEO, the business leadership role involves set of performance metrics defined in terms of client relationships, service excellence, branding, market expansion, alliances, and acquisitions etc. The CEO's financial metrics include revenue, net profits, expenses, etc.

Performance metrics, for Board members in the strategy execution role are defined in terms of building end-to-end service capability, broadening geography and vertical footprint, etc. For a Board member in the governance role, they are defined in terms of ethical issues, legal violations, social responsibility, etc. They are also defined for managing risks, developing business leaders and strengthening values and ethics.

The executive director has to make detailed performance presentations to the Board on his performance vis-à-vis targets, budgets / targets for the ensuring quarter / year and other strategic issues. Apart from this, the executive director is also required to prepare and submit to the CEO and nomination and remuneration committee performance reports once in a quarter. The nomination and remuneration committee in consultation with the CEO reviews the performance of the executive director.

The remuneration of the directors is commensurate and proportionate to the growth of our Company's profits.

Evaluation process for non-executive and independent directors

Independent Directors are evaluated through a peer-evaluation process on an annual basis. Each external board member has to present before the entire Board on how they have performed / added value to our Company. Every Board member evaluates each external Board member on a scale of 1 to 5 based on the performance indicators.

Independent Directors also have 3 key roles viz. governance, control and guidance. Some of the performance indicators based on which the Independent Directors are evaluated are as follows :

- Ability to contribute to and monitor the corporate governance of our Company.
- Ability to contribute by introducing international best practices to address top-management issues.
- Active participation in long-term strategic planning.
- Commitment to the fulfilment of a director's obligations and fiduciary responsibilities – this includes participation and attendance.
- Contribution by way of customer lead generation and brand building.

The Chairman and CEO in consultation with heads of the department, handle all interactions with the investors, media and various government agencies. The CEO and the respective heads of departments manage all interaction with clients and employees.

Risk management

Our Company has an integrated approach to managing the risks inherent in various aspects of its business. As part of this approach, the Board of directors is responsible for monitoring risk levels according to various parameters and the management council is responsible for ensuring implementation of mitigation measures, if required. The audit committee provides the overall direction on the risk management policies. The Risk Management framework is in place.

Management discussion and analysis

A detailed report on our Management's discussion and analysis forms part of this Annual Report.

Shareholders

Distribution of shareholding as at March 31, 2018

Sl no.	Category (Shares)	No. of Holders
1	1,001 and Above	1
2	501-1,000	4
3	1-500	16
Total	21	100

Secretarial Audit

Pursuant to Section 204 of Companies Act 2013 and Rules thereunder, the Board of Directors of the Company appointed Parameshwar G Hegde, Practicing Company Secretary to conduct Secretarial Audit of records and documents of the Company. The Secretarial Audit Report confirms that the Company has complied with all the applicable provisions of the Companies Act 2013. Further, the Company adheres to various Secretarial Standards issued by the Institute of Company Secretaries of India.

Whistle Blower Policy

Our Company has Whistle Blower Policy in place to ensure and promote ethics, transparency and accountability. The Whistle blower is a mechanism for employees to report concerns about unethical behavior, actual or suspected fraud, or violation of our Company's Code of Conduct or Ethics policy. It also provides for adequate safeguards against the victimization of employees who avail of the mechanism, and allows direct access to the Chairperson of the audit committee in exceptional cases,

Internal control

Our Management is responsible for establishing and maintaining adequate internal control over financial reporting. Our internal control over financial reporting is a process to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with International Financial Reporting Standards, as issued by the International Accounting Standards Board. Our internal control over financial reporting includes those policies and procedures that :

- Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of our assets;
- Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with applicable accounting principles, and that our receipts and expenditures are being made only in accordance with authorizations of our Management and directors; and
- Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of our assets that could have a material effect on the financial statements.

General body meetings

Details of the last three annual general meetings are as follows:

Financial year ended	Date	Time	Venue
March 31, 2017	June 24, 2017	9.00 am.	Plot No. 26 / 3, 26 / 4, and 26 / 6, Electronics City, Hosur Road, Bangalore 560 100
March 31, 2016	August 31, 2016	10.00 a.m.	Plot No. 26 / 3, 26 / 4, and 26 / 6, Electronics City, Hosur Road, Bangalore 560 100
March 31, 2015	July 31, 2015	10.00 a.m.	Plot No. 26 / 3, 26 / 4, and 26 / 6, Electronics City, Hosur Road, Bangalore 560 100

Details of the last extraordinary general meeting

Financial year	Date	Time	Venue
March 31, 2017	20-Nov-17	9.00 a.m.	Plot No. 26 / 3, 26 / 4, and 26 / 6, Electronics City, Hosur Road, Bangalore 560 100

Overview

Our business

Infosys BPM Limited ('Infosys BPM'), was incorporated on April 3, 2002 as 'Progeon Limited', subsequently changed to 'Infosys BPO Limited' on August 29, 2006 and to 'Infosys BPM Limited' on December 18, 2017, offering business process outsourcing solutions to its global clients by leveraging process, domain and people management expertise. At Infosys BPM, we have built our organization around managing risk for our clients through a scalable, cost-effective, and predictable delivery platform. We focus on acquiring strategic clients with whom we can build a deep and wide relationship over time. The Company is committed to provide best-in-class services in both horizontal and vertical focus areas. Horizontal solutions comprise of Sourcing and Procurement (S&P), Customer Service (CS), Finance and Accounting (F&A), Analytics (AT), Legal Process Outsourcing (LPO), Human Resources (HR), Sales and Fulfilment (S&F), Industry Solution (IS) and Digital Business Services (DBS), while Vertical (Industry) solutions include Financial Services and Insurance (FSI), Manufacturing (MFG), Energy and utilities, Communication and Services (ECS), Retail, Consumer packaged goods and Logistics (RCL) and Life Sciences and Healthcare (LSH).

We believe in continuously building a business mix, which will allow us to provide long-term and continuing benefits to our clients. Our objective is to enable our customers move up the risk-reward curve by providing them the benefits of outsourcing, while effectively managing and mitigating risks associated with off-shoring based on our experience and process management skills.

Infosys BPM provides business process management services to organizations that wish to outsource their business processes. Infosys BPM is a majority-owned and controlled subsidiary of Infosys Ltd. Rich industry experience helps us understand the evolving needs of our clients better and provides us the ability to offer appropriate solutions across different industry verticals and horizontals in a short time.

Since inception, Infosys BPM has focused on end-to-end outsourcing and operates on the principle that true BPM is transformational — in addition to the cost arbitrage, Infosys BPM consistently demonstrates value arbitrage with enterprise wide improvement in client operations through process optimization, process reengineering and best practices.

Financial condition and business performance

The 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 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 the 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.

I Our industry structure and development

The BPM Industry is undergoing a paradigm shift in terms of the functioning and delivering value to their set of customers. This change has been triggered due to a global level Digital disruption which is now at its peak across processes and domains. Companies are exerting tremendous importance on transforming their end-to-end processes with lesser manpower and more accurate results for the repetitive tasks.

This digital disruption is encouraging us to take a bold step in the space of digitalization and artificial intelligence by signing up projects that can mutually benefit the transformation journey of our clients and ours. Infosys BPM thus offers niche solutions to different industries with an objective to enhance their productivity, business effectiveness, process efficiency and stakeholder's experience. Our solutions combine deep domain knowledge, and strategic program and process management experience with consulting, technology, and proven integration and support capabilities.

To leverage these disruptions, Infosys BPM has highly skilled teams who be domain professionals and execute initiatives that the client values. Renewed business process management will be about the inverted work triangle – from manual work to fully automated stuff, all combined, cohesively and coherently will bring about the change that will transform the businesses end-to-end. The new business process management will be about focusing on enhancing stakeholders' experience. Integrated solutions incorporating internal technologies and external partners to cater to all requirements including cloud-based tech platform solutions and analytics tools and technologies will be the new solutions to bank upon.

II Financial condition

Sources of funds

1. Equity share capital

We have only one class of shares referred to as equity shares having a par value of ₹ 10 each. Our authorized share capital is ₹ 123 crore, divided into 12.3 crore equity shares of ₹ 10/- each. The issued, subscribed and paid up capital stood at ₹ 34 crore as at March 31, 2018 (same as the previous year).

2. Other equity

in ₹ crore

Particulars	Standalone		Consolidated	
	2018	2017	2018	2017
Securities premium	25	25	25	25
Retained earnings	2,376	2,949	2,917	3,387
Capital reserve	1	1	1	1
General reserve	1,000	1,000	1,000	1,000
Special Economic Zone Re-investment Reserve	24	-	24	-
Other components of equity	(19)	(14)	113	22
Total	3,407	3,961	4,080	4,435

A. Reserves and surplus

Securities premium reserve and capital reserve balance as at March 31, 2018 are ₹25 crore, and ₹1 crore, respectively, which is same as at March 31, 2017 under standalone and consolidated basis.

Decrease in retained earnings for the year by ₹573 crore and ₹470 crore mainly due to payment of dividend (including corporate dividend tax) amounting to ₹1018 crore which is majorly offsetting by the net profit for the year, amounting to ₹469 crore and ₹572 crore on a standalone and consolidated basis, respectively.

An amount of ₹24 crore transferred to Special Economic Zone reserve during the year under the both standalone and consolidated basis. This has been created out of the profits of eligible SEZ units in terms of the provisions of Section 10AA(1)(ii) of Income Tax Act,1961.

General reserves balance as at March 31, 2018 amounted to ₹1000 crore, same as the previous year under the both standalone and consolidated basis.

B. Other components of equity

On a standalone basis, other components of equity decreased during the year by ₹5 crore, mainly due to decrease in fair value changes on investments by ₹2 crore and remeasurement of the net defined benefit liability/asset, net of tax effect by ₹3 crore.

On a consolidated basis, other components of equity in reserves and surplus increased during the year by ₹91 crore mainly due to increase in exchange difference on translation of foreign operations by ₹95 crore, decrease in remeasurement of the net defined benefit liability/asset, net of tax effect by ₹3 crore and decrease in remeasurement of the net defined benefit liability / asset, net of tax effect by ₹1 crore.

Application of funds

3. Property, plant and equipment

Additions to gross block - standalone

During the year, we capitalized ₹70 crore to our gross block, comprising ₹26 crore for investment in computer equipment and ₹44 crore in infrastructure investments. The infrastructure investments includes expenditure on Leasehold improvements, Plant and machinery, Furniture and fixtures, and Office equipment, were ₹22 crore, ₹13 crore, ₹6 crore and ₹3 crore, respectively for the year.

During the previous year, we capitalized ₹89 crore of assets comprising ₹48 crore for investment in computer equipment and ₹41 crore in infrastructure investments. The infrastructure investments includes expenditure on Leasehold improvements, Plant and machinery, Furniture and fixtures, buildings and Office equipment, were ₹26 crore, ₹3 crore, ₹6 crore, ₹1crore and ₹5 crore, respectively for the year.

Additions to gross block - consolidated

During the year, we capitalized ₹80 crore of assets comprising ₹33 crore for investment in computer equipment and ₹47 crore in infrastructure investments. The infrastructure investments include expenditure on Leasehold improvements, Plant and machinery, Furniture and fixtures, Buildings and Office equipment, were ₹24 crore, ₹13 crore, ₹5 crore, ₹1crore and ₹4 crore, respectively for the year.

During the previous year, we capitalized ₹99 crore of assets comprising ₹56 crore for investment in computer equipment and ₹43 crore in infrastructure investments. The infrastructure investments include expenditure on Leasehold improvements, Plant and machinery, Furniture and fixtures, Buildings, and Office equipment, were ₹26 crore, ₹3 crore, ₹6 crore, ₹1 crore and ₹7 crore, respectively for the year.

Deductions from gross block - standalone

During the year, we deducted ₹23 crore from the gross block on retirement of assets and on disposal of various assets. During the previous year, we retired / disposed various assets with a gross block of ₹45 crore.

Deductions from gross block - consolidated

In the fiscal 2018, we deducted ₹25 crore from the gross block on retirement of assets and on disposal of various assets. In 2017, we retired / disposed various assets with a gross block of ₹53 crore.

Capital expenditure commitments

On a standalone basis, we have a capital expenditure commitment of ₹30 crore as at March 31, 2018 compared toand ₹29 crore as at March 31, 2017.

On a consolidated basis, we have a capital expenditure commitment of ₹34 crore as at March 31,2018 compared to ₹33 crore as at March 31, 2017.

4. Goodwill and other intangible assets

A. Goodwill

in ₹ crore

Particulars	Consolidated	
	2018	2017
Poland	42	36
McCamish acquisition	200	198
Portland Group acquisition	140	139
Philips acquisition	5	5
Total	387	378

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to the cash generate units (CGU) or groups of CGU, 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. The decrease in goodwill is due to translation difference.

B. Other intangible assets

in ₹ crore

Particulars	Consolidated	
	2018	2017
Customer contracts - McCamish Systems LLC	5	13
Customer contracts - Portland	11	14
Total	16	27

Customer contract represents value attributable to contract as per valuation conducted by external valuer, same is amortized over the deal period. On a consolidated basis, (a) For McCamish ₹8 crore was amortized and balance amount of ₹5 crore is shown as intangible asset towards customer contracts. (b) For Portland ₹3 crore was amortized and balance amount of ₹11 crore is shown as intangible asset towards customer contracts. On a standalone basis, there are no other intangible assets added in the fiscals, 2018 and 2017.

5. Financial assets

A. Investments in subsidiaries

We have several strategic investments during the past years aimed at deriving business benefits and operational efficiency for us. Infosys BPM Limited has following five wholly-owned subsidiaries as on March 31, 2018.

in ₹ crore

Name of the Company	Date of incorporation	Amount invested
Infosys (Czech Republic) limited s.r.o	4-Feb-04	3
Infosys Poland, Sp. z o.o *	1-Oct-07	59
Infosys McCamish Systems LLC *	4-Dec-09	289
Portland Group Pty. Limited *	4-Jan-12	211
Infosys BPO Americas, LLC	23-Nov-15	7

* The date of incorporation is the date on which Infosys BPM Limited acquired 100% voting power in the respective companies.

Investments in equity instruments of subsidiaries are carried at cost as per Ind AS 27, Separate Financial Statements.

The details of investments as at March 31, 2018 and March 31, 2017 are as follows:

in ₹ crore

Category of investment	Standalone		Consolidated		Subsequent measurement as per Ind AS 109
	2018	2017	2018	2017	
Equity instruments and preference securities	-	-	21	27	Fair value through other comprehensive income
Government bonds	-	9	-	9	Amortized cost
Non-convertible debentures	398	297	398	297	Fair value through other comprehensive income
Fixed maturity plan securities	53	50	53	50	Fair value through profit and loss
Certificate of deposits	368	270	368	270	Fair value through other comprehensive income

Category of investment	Standalone		Consolidated		Subsequent measurement as per Ind AS 109
	2018	2017	2018	2017	
Liquid mutual fund units	38	-	38	-	Fair value through profit and loss
Promissory notes	-	-	12	10	Fair value through profit and loss
Other securities	-	-	59	32	Fair value through profit and loss

For additional disclosures on financial assets and liabilities, including fair value hierarchy and financial risk management, refer to Note 2.2 of the Standalone Financial Statements and Note 2.3 of the Consolidated Financial Statements.

Our investments comprise investments in equity instruments, mutual fund units (including investment in fixed maturity plan securities), quoted debt securities (including investment in non-convertible debentures), promissory notes, government bonds and certificate of deposits under both standalone and consolidated basis. Certificate of deposit represent marketable securities of banks and eligible financial institutions for a specified time period with high credit-rateing by domestic credit rating agencies.

B. Trade Receivables and unbilled revenues

On a standalone basis, trade receivables amounted to ₹569 crore (including ₹59 crore dues from Group companies) as at March 31, 2018 compared to ₹491 crore as at March 31, 2017, and unbilled revenue amounted to ₹55 crore and ₹42 crore as at March 31, 2018 and 2017. Trade receivables were at 18.6% and 16.7% of revenues for the years ended March 31, 2018 and 2017.

On a consolidated basis, trade receivables amounted to ₹859 crore (including ₹62 crore dues from Group companies) as at March 31, 2018 compared to ₹686 crore as at March 31, 2017, and unbilled revenue amounted to ₹230 crore and ₹108 crore as at March 31, 2018 and March 31, 2017. Trade receivables were at 19.0% and 17.1% of revenues for the years ended March 31, 2018 and 2017.

Trade receivables and unbilled revenue are typically unsecured and are derived from revenue earned from customers located globally. On a standalone basis, Days Sales Outstanding was 67 days, compared to 63 days in the previous year. On a consolidated basis, Days Sales Outstanding was 69 days, compared to 64 days in the previous year.

On account of adoption of Ind AS 109, The Group recognizes loss allowances using the expected credit loss (ECL) model. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to 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 and Loss.

The movement in expected credit loss during the year is as follows:

in ₹ crore

Particulars	Standalone		Consolidated	
	2018	2017	2018	2017
Opening balance	8	5	10	8
Add:- Amount provided / (written-off)	-	3	1	2
Closing balance	8	8	11	10

C. Cash and cash equivalents

in ₹ crore

Particulars	Standalone		Consolidated	
	2018	2017	2018	2017
Current accounts	110	51	264	179
Deposit accounts	582	1,260	1,053	1,605
Deposits with financial institutions / body corporate	611	750	611	750
Total cash and cash equivalents	1,303	2,061	1,928	2,534

The bank balances in India include both Rupee accounts and foreign currency accounts. The bank balances in overseas current accounts are maintained to meet the expenditure of the overseas branches and to meet project-related expenditure of the overseas operations and regulatory requirements. The deposit account represents deposits for short term tenures with banks and financial institutions.

D. Loans

The details of loans are as follows:

in ₹ crore

Particulars	Standalone		Consolidated	
	2018	2017	2018	2017
Non-current				
Unsecured, considered good				
Loans and advances to employees	4	6	4	7
Less: Allowance for doubtful loans to employees	4	6	4	7
	-	-	-	-
Current				
Unsecured, considered good				
Loans and advances to employees	18	17	18	19
Loans to fellow subsidiary company	-	-	39	5
	18	17	57	24
Total	18	17	57	24

Loans to employees under current assets represent housing and other loans and salary advances to employees both in India and abroad, which is recoverable in 12 months from March 31,2018.

Loans to subsidiaries as at March 31, 2018 comprised ₹ 34 crore given by Infosys Poland Sp. Z o.o to Infosys Technologies (Shanghai) Company Limited and ₹ 5 crore to Infosys Technologies (China) Co. Limited. As at March 31, 2017, it was ₹ 5 crore given to Infosys Technologies (China) Co. Limited.

E. Other financial assets

The details of other financial assets are as follows:

in ₹ crore

Particulars	Standalone		Consolidated	
	2018	2017	2018	2017
Non-current				
Security deposits	2	2	3	2
Rental deposits	29	31	35	33
	31	33	38	35
Current				
Unbilled revenue	55	42	230	108
Interest accrued but not due	19	52	21	53
Rental deposits	3	2	3	2
Security deposits	1	3	1	3
Foreign currency forward contracts	-	16	-	16
Restricted deposit	81	75	81	75
Others	5	3	11	3
	164	193	347	260
Total	195	226	385	295

Unbilled revenues comprise costs and earnings in excess of billings.

Interest accrued but not due represents interest on amount deposited in banks. The interest accrued has reduced on account of softening of interest rated in India and proceeds of fixed deposits invested in other investments which are carried at fair value. The carrying value of such instruments includes interest accrued on the same.

Rental deposits are towards buildings on lease by the Company for its business process service operations.

Restricted deposits represent deposit with financial institutions to settle employee related obligations as and when they arise during the normal course of business.

6. Other assets

in ₹ crore

Particulars	Standalone		Consolidated	
	2018	2017	2018	2017
Non-current				
Prepaid expenses	-	-	61	-
Capital advances	1	1	1	1
Prepaid gratuity	5	9	5	9

Particulars	Standalone		Consolidated	
	2018	2017	2018	2017
Withholding and other taxes receivable	21	-	21	-
	27	10	88	10
Current				
Advances for goods and services	9	15	10	16
Withholding and other taxes receivable	29	30	32	28
Prepaid expenses	6	6	101	57
Deferred customer contracts	-	4	-	4
Others	-	-	-	5
	44	55	143	110
Total	71	65	231	120

Advances for goods and services represent payment made to suppliers for supply of goods and services.

Withholding and other taxes receivable represent transaction taxes paid in various domestic and overseas jurisdictions which are recoverable.

Deferred customer contract costs are upfront costs incurred for the contract and amortized over the term of the contract.

Others represent advance salary withholding and advance made to PF department.

7. Deferred tax assets / liabilities

in ₹ crore

Particulars	Standalone		Consolidated	
	2018	2017	2018	2017
Deferred tax assets (net)	50	41	124	161
Deferred tax liabilities (net)	0	0	(39)	(70)
Total	50	41	85	91

Deferred tax assets primarily comprise deferred taxes on property, plant and equipment, accrued compensation to employees, trade receivable, compensated absences, post-sales client support, carry-forward loss, tax subsidy and others. Deferred tax liability primarily comprises intangibles and others.

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.

8. Income tax assets / liabilities

in ₹ crore

Particulars	Standalone		Consolidated	
	2018	2017	2018	2017
Income tax assets (net)	77	59	82	75
Income tax liabilities (net)	12	8	13	9
Net Income tax asset / (liabilities)	65	51	69	66

The income tax assets represent domestic and overseas corporate tax. Income tax liability represents estimated income tax liabilities, both in India and overseas, net of advance tax and tax deducted at source.

9. Financial liabilities

in ₹ crore

Particulars	Standalone		Consolidated	
	2018	2017	2018	2017
Non-current				
Compensated absences	1	-	4	-
	1	-	4	-
Current				
Trade payables	29	7	110	10
Accrued compensation to employees	132	109	198	164
Provision for expenses	132	137	329	265
Capital Creditors	2	2	3	1
Compensated absences	71	63	93	84
Other payables	13	6	15	8
Foreign currency forward contracts	2	-	2	-

Particulars	Standalone		Consolidated	
	2018	2017	2018	2017
	381	324	750	532
Total	382	324	754	532

Financial liabilities are subsequently carried at amortized cost using the effective interest method. 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.

Trade payables represent the amount payable to vendors for the supply of goods, both domestic and overseas and for services rendered.

Accrued compensation to employees includes provision for salaries, allowances and variable pay to employees both in India and abroad, provision for bonus, performance and salary incentives payable to the staff.

Provision for expenses represent amounts accrued for other operational expenses. Compensated absences are towards our liability for leave encashment.

10. Other liabilities

in ₹ crore

Particulars	Standalone		Consolidated	
	2018	2017	2018	2017
Non-current				
Rental deposits	9	-	30	-
	9	-	30	-
Current				
Unearned revenue	71	49	210	126
Deferred rent	4	-	8	0
Withholding and other tax payable	39	39	55	50
	114	88	273	176
Total	123	88	303	176

Unearned revenue primarily comprises advance client billings in excess of costs and earnings are classified as Unearned revenue. On a standalone basis, the deferred revenues amounted to ₹71 crore and ₹49 crore for the fiscals, 2018 and 2017, respectively. On a consolidated basis, the deferred revenues amounted to ₹210 crore and ₹126 crore for the fiscals, 2018 and 2017, respectively.

Withholding and other taxes payable represent tax deducted at source on contractors, foreign payments, professional charges, rent payments, salaries, advertisement, ESI / PF payable, etc.

Deferred rent represents liability on account of straight-lining of operating lease payments over the lease term

11. Provisions

On a standalone basis, provision for post-sales client support amounted to ₹22 crore as at March 31, 2018, and ₹28 crore in the fiscal 2017.

On a consolidated basis, provision for post-sales client support amounted to ₹33 crore as at March 31, 2018, and ₹39 crore in the fiscal 2017.

The provision for service level agreement compliance is based on historical experience and estimates are reviewed on a periodic basis for any material changes in assumptions and likelihood of occurrence.

III Results of our operations

The function-wise classification of the standalone Statement of Profit and Loss is as follows:

in ₹ crore

Particulars	Year ended March 31,			
	2018	%	2017	%
Revenue from operations	3,061	100.0	2,940	100.0
Cost of Revenue	2,192	71.6	1,993	67.8
Gross profit	869	28.4	947	32.2
Operating expenses				
Selling and marketing expenses	166	5.4	156	5.3
General and administrative expenses	280	9.2	262	8.9
Total operating expenses	446	14.6	418	14.2
Operating profit	423	13.8	529	18.0

Particulars	Year ended March 31,			
	2018	%	2017	%
Other income, net	219	7.2	221	7.5
Profit before tax	642	21.0	750	25.5
Tax expense	173	5.7	198	6.7
Profit after tax	469	15.3	552	18.8

The function-wise classification of the consolidated Statement of Profit and Loss is as follows:

in ₹ crore

Particulars	Year ended March 31,			
	2018	%	2017	%
Revenue from operations	4,518	100.0	4,019	100.0
Cost of revenue	3,369	74.6	2,819	70.1
Gross profit	1,149	25.4	1,200	29.9
Operating expenses				
Selling and marketing expenses	169	3.7	165	4.1
General and administrative expenses	409	9.1	388	9.7
Operating profit before depreciation	578	12.8	553	13.8
Operating profit	571	12.6	647	16.1
Other income, net	210	4.6	242	6.0
Profit before tax	781	17.3	889	22.1
Tax expense	209	4.6	160	4.0
Profit after tax	572	12.7	729	18.1

1. Revenue

Of the total revenues for the year ended March 31, 2018, on a standalone basis, approximately 93.9% were export revenues whereas 6.1% were domestic revenues, as compared to 94.4% being export revenues and 5.6% domestic revenues during the previous year.

Of the total revenues for the year ended March 31, 2018, on a consolidated basis, approximately 95.7% were export revenues whereas 4.3% were domestic revenues, as compared to 95.8% being export revenues and 4.2% domestic revenues during the previous year.

Revenues for the current year increased by 4.1 % and 12.4 % under both standalone and consolidated basis respectively as compared to the immediately preceding year.

1.1 Analysis of revenues

The Company's revenues are segmented into onsite and offshore revenues. Onsite revenues are those services which are performed at client sites or at our global development centers located in the same country where the client is based out of, while offshore services are those services which are performed at the company's operations centers located in the country other than where the client is based out of.

The segmentation of revenues by location is as follows:

in %

Particulars	Standalone		Consolidated	
	2018	2017	2018	2017
Onsite	77.3	78.8	51.7	56.7
Offshore	22.7	21.2	48.3	43.3
Total	100.0	100.0	100.0	100.0

The proportion of work performed at our facilities and at client sites varies from period to period. The services performed onsite typically generate higher revenues per capita, but at lower gross margins in percentage as compared to the services performed at our own facilities in India. Therefore, any increase in the onsite effort impacts our margins.

The details of the billable hours expended for onsite and offshore are as follows:

Particulars	Standalone		Consolidated	
	2018	2017	2018	2017
Onsite	31,200	33,233	65,934	64,940
Offshore	281,017	267,747	280,014	275,878
Total	312,217	300,980	345,948	340,818

1.2 Revenues by project type

The Company's revenues are generated principally on time and material basis, and fixed-price contracts. 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.

The segmentation of service revenues based on project types is as follows:

in %

Particulars	Standalone		Consolidated	
	2018	2017	2018	2017
Fixed price	24.5	21.8	30.0	24.7
Transaction based pricing	21.7	21.4	14.7	15.6
Time and material	53.8	56.8	55.3	59.7
Total	100.0	100.0	100.0	100.0

1.3 Voice versus non-voice

Infosys BPM has from the beginning advocated a non-voice BPM strategy. The Management is of the opinion that non-voice would offer greater opportunities for process improvements, higher client retention and greater revenues. On a standalone basis, for the fiscal 2018, the voice and non-voice proportion was at 15:85 whereas for the previous year, the voice and non-voice proportion was 14:86. On a consolidated basis, for the fiscal 2018, the voice and non-voice proportion was at 10:90 whereas for the fiscal 2017, the voice and non-voice proportion was 10:90.

1.4 Currency-wise revenue

The composition of currency-wise revenue for the years ended March 31, 2018 and 2017 is as follows:

in %

Currency	Standalone		Consolidated	
	2018	2017	2018	2017
US Dollar (USD)	61.8	61.1	64.0	59.6
UK Pound (GBP)	9.3	10.5	6.8	8.0
Euro (EUR)	9.6	8.0	12.9	13.4
Australian Dollar (AUD)	7.4	6.9	6.5	7.4
Other	11.9	13.5	9.8	11.6
Total	100.0	100.0	100.0	100.0

2. Expenditure

in ₹ crore

YoY Growth	2018				2017				Growth %
	Standalone	%	Consolidated	%	Standalone	%	Consolidated	%	(YoY) Consol
Revenues	3,061	100.0	4,518	100.0	2,940	100.0	4,019	100.0	0.1
Expenses									
Employee benefit expenses	1,888	61.7	2,537	56.2	1,728	58.8	2,338	58.2	0.1
Cost of technical sub-contractors	210	6.9	357	7.9	161	5.5	198	4.9	0.8
Travel expenses	125	4.1	143	3.2	126	4.3	156	3.9	(0.1)
Cost of software for own use	30	1.0	376	8.3	21	0.7	167	4.2	1.3
Communication expenses	65	2.1	82	1.8	65	2.2	62	1.5	0.3
Office expenses	79	2.6	86	1.9	78	2.7	83	2.1	0.0
Power and fuel	25	0.8	27	0.6	29	1.0	31	0.8	(0.1)
Insurance charges	4	0.1	6	0.1	9	0.3	11	0.3	(0.5)
Rent	96	3.1	138	3.1	88	3.0	128	3.2	0.1
Depreciation and amortization expense	77	2.5	105	2.3	74	2.5	103	2.6	0.0
Other expenses	39	1.3	90	2.0	32	1.1	95	2.4	(0.1)
Total Expenses	2,638	86.2	3,947	87.4	2,411	82.0	3,372	83.9	0.2

Employee benefit expenses consist of salaries paid to employees in India and include overseas staff expenses.

The utilization rates of billable employees are as follows:

in %

Particulars	Standalone		Consolidated	
	2018	2017	2018	2017
Including trainees	88.8	87.9	88.9	88.8
Excluding trainees	91.1	91.1	91.0	91.7

On a standalone basis, the cost of technical subcontractors, represents purchase of services from subsidiaries, legal and professional charges, recruitment and training expenses, and auditor's remuneration constituting approximately 6.9% and 5.5% of total revenue for the current year and previous year, respectively for IBPM. On a consolidated basis, cost of technical subcontracts was 7.9% and 4.9% of total revenue for the current year and previous year, respectively.

On a standalone basis, Travel expenses, representing cost of travel abroad for transition and discovery, client visits, local conveyance etc., constituted approximately 4.1% and 4.3% of total revenue for the current year and previous year, respectively for IBPM. On a consolidated basis, Travel expenses constituted approximately 3.2% and 3.9% of total revenue for the current year and previous year, respectively.

Cost of software for own use primarily represents the cost of software packages and tools procured for our internal use. These packages and tools enhance the quality of our services. On a standalone basis, cost of software was 1.0% and 0.7% of revenues for the current year and previous year, respectively. On a consolidated basis, cost of software was 8.3% and 4.2% of revenues for the current year and previous year, respectively.

A major part of the Company's revenue comes from offshore business process services. This involves the large-scale use of communication links in order to be online with clients. On a standalone basis, communication expenses constituted 2.1% and 2.2% of revenues for the current year and previous year respectively. On a consolidated basis, communication expenses constituted 1.8% and 1.5% of revenues for the current year and previous year, respectively.

On a standalone basis, Office expenses, represents the cost incurred for office maintenance, computer maintenance, Printing and Machinery, etc. constituting approximately 2.6% and 2.7% of total revenue for the current year and previous year, respectively for IBPM. On a consolidated basis, Office expenses constituted approximately 1.9% and 2.1% of total revenue for the current year and previous year, respectively.

Rent comprises of overseas and domestic rent payments for space utilized by sales and marketing team. On a standalone basis, the rent represents approximately 3.1% and 3.0% of total revenue for the current year and previous year respectively for IBPM. On a consolidated basis, the rent represents approximately 3.1% and 3.2% of total revenue for the current year and previous year, respectively.

Other expenses represent brand build, consumables, rates and taxes, marketing expenses, donations, provisions, etc., which were 1.3% and 1.1% of the revenues for the current year and previous year, respectively for IBPM on a standalone basis. On the consolidated basis, other expenses constituted approximately 2.0% and 2.4% of the revenues for the current year and previous year, respectively.

3. Gross profit

During the current year, on a standalone basis, the Company earned a gross profit of ₹869 crore representing 28.4% of revenues as compared to ₹947 crore representing 32.2% of revenues during the previous year.

During the current year, on a consolidated basis, the Company earned a gross profit of ₹1149 crore representing 25.4% of revenues as compared to ₹1200 crore representing 29.9% of revenues during the previous year.

The decrease in gross profit as a percentage of revenue for the current year as compared to the previous year was attributable to increase in the cost of revenue expenses as a percentage of revenue during the period.

4. Operating profits

During the current year, on a standalone basis, the Company earned an operating profit of ₹423 crore representing 13.8% of revenues as compared to ₹529 crore representing 18.0% of revenues during the previous year.

During the current year, on a consolidated basis, the Company earned an operating profit of ₹571 crore representing 12.6% of revenues as compared to ₹647 crore representing 16.1% of revenues during the previous year.

The decrease in operating profit as a percentage of revenue for the current year as compared to the previous year was attributable to an increase in cost of revenue expenses as a percentage of revenue during the same period partially offset by a decrease in selling and marketing expenses and administrative expenses.

5. Interest

On a standalone basis, the Company continued to be debt-free during the year. On a consolidation basis, the Company has paid interest for the loan taken from subsidiary (Infosys Public Services, Inc. USA) of Infosys Limited which amounts to ₹1 crore.

6. Depreciation and amortization

On a standalone basis, the Company provided a sum of ₹77 crore and ₹74 crore towards depreciation and amortization for the fiscals ended March 31, 2018 and 2017, respectively, representing 2.5% and 2.5% of total revenues respectively. The depreciation as a percentage of average gross block is 10.1% and 10.3% for the fiscals ended March 31, 2018 and 2017, respectively.

On a consolidated basis, the Company provided a sum of ₹105 crore and ₹103 crore towards depreciation and amortization for the fiscals ended March 31, 2018 and 2017, respectively, representing 2.3% and 2.6% of total revenues respectively. The depreciation as a percentage of average gross block is 10.5% and 10.7% for the fiscals ended March 31, 2018 and 2017, respectively.

7. Other income, net

Other income includes interest received on deposits with banks and other financial institutions, dividends from mutual fund investments, exchange differences and other miscellaneous income.

in ₹ crore

Particulars	Standalone		Consolidated	
	2018	2017	2018	2017
Interest received on financial assets	159	187	167	192
Financial assets - carried at amortized cost	119	181	127	192
Financial assets - carried at fair value through other comprehensive income	40	6	40	-
Financial assets - carried at fair value through profit or loss and Gain/Loss				
Dividend on investment in mutual fund units	1	3	-	3
Miscellaneous income, net	25	1	25	21
Exchange gains / (losses) on foreign currency forward contracts and other assets	10	17	(6)	14
Profit on sale of property, plant and equipment	1	1	1	-
Gains/(losses) on sale of investment	20	4	20	4
Rental Income from holding company	3	8	3	8
Total	219	221	210	242

Gains / (losses) on forward foreign exchange and option contracts

The Group uses forward exchange contracts and options to hedge its exposure to movements in foreign exchange rates. The use of these forward exchange contracts and options contracts reduces the risk or cost to the Group and the Group does not use the forward exchange contracts for trading or speculation purposes.

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.

8. Provision for tax

The present Indian corporate tax rate is 34.6% (comprising a base rate of 30.0% and a surcharge of 12.0% on the base rate and an educational cess of 3.0% on the cumulative tax). The Company had exemptions from payment of Indian corporate income taxes for a period of ten consecutive years of operation of software development facilities designated as 'Software Technology Parks' (the 'STP Tax Holiday'). The period of the STP Tax Holiday available was restricted to 10 consecutive years beginning from the financial year when the unit started rendering business process management services or March 31, 2013, whichever was earlier.

Infosys BPM also has operations in a Special Economic Zone ('SEZ'). Income from SEZs is fully tax exempt for the first 5 years, 50.0% exempt for the next 5 years and 50.0% exempt for another 5 years, subject to fulfilling certain conditions. Pursuant to the amendments in the Indian Income Tax Act.

Provisions for taxation represent estimated income tax liabilities, both in India and abroad. On a standalone basis, for the year ended March 31, 2018, provision for taxation amounts to ₹ 182 crore and deferred tax asset of ₹ 9 crore was recognized. Effective Tax Rate for the current year is 27.2 % as compared to 26.3 % for the previous year.

On a consolidated basis, for the year ended March 31, 2018, provision for taxation amounts to ₹ 199 crore and deferred tax liability of ₹ 10 crore was recognized.

The net impact of provision for taxation for different period is as follows.

in ₹ crore

Particulars	Standalone		Consolidated	
	2018	2017	2018	2017
Current taxes	182	198	199	209
Deferred taxes	(9)	-	10	(49)
Total	173	198	209	160

9. Net profit

On a standalone basis, the net profit of the Company from ordinary activities amounted to ₹469 crore and ₹552 crore for the year ended March 31, 2018 and March 31, 2017, respectively. This represents 15.3% and 18.8% of total revenue for the respective years. Excluding other income of ₹219 crore (7.2% of revenues) in the current year as compared to ₹221 crore (7.5% of revenues) in the previous year, the net profit would have been ₹250 crore and ₹331 crore in the current year and the previous year respectively.

On a consolidated basis, the net profit of the Company from ordinary activities amounted to ₹572 crore and ₹729 crore for the year ended March 31, 2018 and March 31, 2017 respectively. This represents 12.7% and 18.1% of total revenue for the respective years. Excluding other income of ₹210 crore (4.6% of revenues) in the current year as compared to ₹242 crore (6.0% of revenues) in the previous year, the net profit would have been ₹362 crore and ₹487 crore in the current year and the previous year respectively.

The decrease in net profit as a percentage of revenue for the current year as compared to the previous year was attributable to increase in cost of revenue expense and decrease in other income as a percentage of revenue during the same period.

10. Earnings per equity share (EPS)

Particulars	Standalone			Consolidated		
	2018	2017	% increase	2018	2017	% increase
Basic	138.76	163.14	(14.9)	169.14	215.50	(21.5)
Diluted	138.76	163.14	(14.9)	169.14	215.50	(21.5)

Weighted average equity shares used in computing earnings per equity share are as follows:

Particulars	Standalone		Consolidated	
	2018	2017	2018	2017
Basic	3,38,27,751	3,38,27,751	3,38,27,751	3,38,27,751
Diluted	3,38,27,751	3,38,27,751	3,38,27,751	3,38,27,751

11. Segmental profitability

The Company's operations primarily relate to providing business process management services to organizations that outsource their business processes. Based on the 'management approach' as defined in Ind AS 108, Segment reporting, the Chief Operating Decision Maker (CODM) evaluates the Company's performance and allocates resources based on analysis of various performance indicators by business segments and geographic segments. Accordingly, information has been presented both along industry classes and geographic segmentation. Business segments for the Company are primarily enterprises in Financial Services and Insurance (FSI), enterprises in Manufacturing (MFG), enterprises in the Energy and utilities, Communication and Services (ECS),enterprises in Retail, Consumer packaged goods and Logistics (RCL) and enterprises in Life Sciences and Healthcare (LSH). 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.

Business segment – Standalone

in ₹ crore

Particulars	FSI	MFG	RCL	LSH	ECS	Total
Segmental revenues						
FY '18	875	898	264	89	935	3,061
FY '17	815	945	241	89	850	2,940
Growth %	7.4	(5.0)	9.5	-	10.0	4.1
Segmental operating income						
FY '18	156	92	38	12	202	500
FY '17	200	137	35	14	217	603
Growth %	(22.0)	(32.7)	8.6	(14.3)	(6.9)	(17.0)

Particulars	FSI	MFG	RCL	LSH	ECS	Total
Segmental operating income (%)						
FY '18	17.8	10.2	14.4	13.5	21.6	16.3
FY '17	24.5	14.5	14.5	15.7	25.5	20.5

Geographic segment - standalone

in ₹ crore

Particulars	North America	Europe	Other*	Total
Segmental revenues				
FY '18	1,704	739	618	3,061
FY '17	1,675	732	533	2,940
Growth %	1.7	1.0	15.9	4.1
Segmental operating income				
FY '18	303	61	136	500
FY '17	393	81	129	603
Growth %	(22.9)	(24.7)	5.4	(17.0)
Segmental operating income (%)				
FY '18	17.8	8.3	22.0	16.3
FY '17	23.4	11.1	24.2	20.5

*India and Rest of the world

Business segment – consolidated

in ₹ crore

Particulars	FSI	MFG	RCL	LSH	ECS	Total
Segmental revenues						
FY '18	1,320	1,368	429	313	1,088	4,518
FY '17	1,243	1,385	349	102	940	4,019
Growth %	6.2	(1.2)	22.9	206.9	15.7	12.4
Segmental operating income						
FY '18	235	139	62	6	234	676
FY '17	231	210	57	16	236	750
Growth %	1.7	(33.8)	8.8	(62.5)	(0.8)	(9.9)
Segmental operating income (%)						
FY '18	17.8	10.2	14.5	1.9	21.5	15.0
FY '17	18.6	15.2	16.3	15.7	25.1	18.7

Geographic segment – consolidated

in ₹ crore

Particulars	North America	Europe	Other*	Total
Segmental revenues				
FY '18	2,655	1,123	740	4,518
FY '17	2,230	1,105	684	4,019
Growth %	19.1	1.6	8.2	12.4
Segmental operating income				
FY '18	400	121	155	676
FY '17	455	140	155	750
Growth %	(12.1)	(13.6)	-	(9.9)
Segmental operating income				
FY '18	15.1	10.8	20.9	15.0
FY '17	20.4	12.7	22.7	18.7

*India and Rest of the world

12. Liquidity

The growth of the Company has been largely financed by cash generated from operations. On a standalone basis, as at March 31, 2018 the Company had cash and cash equivalents of ₹1303 crore as compared to ₹2061 as at March 31, 2017. The cash and cash equivalents decreased by ₹758 crore during the current year. On a consolidated basis, as at March 31, 2018 the

Company had cash and cash equivalents of ₹1928 crore as compared to ₹2534 as at March 31, 2017. The cash and cash equivalents decreased by ₹606 crore during the current year.

Cash Flow Statement

in ₹ crore

Particulars	Standalone		Consolidated	
	2018	2017	2018	2017
Cash flows from				
Operating activities	342	404	453	537
Investment activities	(83)	(502)	(126)	(556)
Financing activities	(1,018)	-	(978)	-
Effect of exchange differences on translation of foreign currency cash and cash equivalents	1	(27)	45	(52)
Net increase / (decrease) in cash and cash equivalents	(759)	(98)	(651)	(19)
Cash and cash equivalents at the beginning of the period	2061	2186	2,534	2,605
Cash and cash equivalents at the end of the period	1303	2061	1,928	2,534

The Company's treasury policy calls for investing only in highly rated banks, financial institutions and companies for short maturities with a limit for individual entities. The Company retains the money both in rupee and foreign currency accounts. The bank balances in overseas accounts are maintained to meet the expenditure of the overseas branches in the US and other countries, and to meet project-related expenditure overseas. The Company's policy is to maintain sufficient cash in the Balance Sheet to fund the ongoing capex requirements, the operational expenses and other strategic initiatives for the next one year and to maintain business continuity in case of exigencies.

Capital allocation policy

The Board, in its meeting on April 11, 2017, reviewed and approved a 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:

* The Company agrees to pay up to 50 % of its Free Cash Flows (FCF) every year as dividend from FY '18. 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.

* In addition to above, a special interim dividend of ₹250 per share to be paid in FY '18 as dividend.

In line with the policy, the Company passed a Resolution on October 17, 2017 to pay an interim dividend of ₹250 per share on the 3,38,27,751 equity shares of ₹10 each fully paid up, for the year ending March 31, 2018 and it has been declared. The said dividend was paid to the shareholders whose names appeared in the Register of Members as on October 17, 2017. As a whole, the Company paid dividend of ₹1018 crore (including dividend distribution tax of ₹172 crore).

13. Related party transactions

These have been discussed in detail in the Notes to the Accounts in this Annual Report section.

14. Events occurring after the Balance Sheet date

There were no significant events that occurred after the Balance Sheet date.

IV. Opportunities and threats

1. Our strengths

Infosys BPM is the leader when it comes to providing innovative solutions to clients. We help clients deliver improved business results in addition to optimizing the efficiency of their business processes. We also have a proven global delivery model and commitment to quality and process execution. We are running client's business process from 31 global centers in total - 8 in India, 8 in APAC, 5 in Europe, 1 in Africa, 5 in US and 4 in Latin America. A strong brand name coupled with long-standing client relationships establishes us to be the employer of choice. Expertise in lean automation and continuous improvement in our Digital Sphere (comprising offerings viz. Digital Business Services, RPA, Analytics, Mortgage Origination, Business Transformation Services and Vertical Utilities help us in improving productivity and being more effective for the client. This enables us in giving an enhanced experience for our clients.

2. Our strategy

Infosys BPM Limited signifies our vision of 'reimagining business processes' across experience, effectiveness and efficiency. Through our integrated business domain people + software = 'humanware' approach we continue to co-create business value for clients like you. Infosys BPM has an increasing need for highly skilled talent who can act as domain professionals and execute initiatives that the client values. We focus on 'Reshape Client's Experience' through co-creation workshops, visualizations, by selling stock offerings (Infra + App + BPM) to our clients, focusing on providing them with consultative solutions and not just our operational tasks, thus helping us enhance stakeholder's experience. We will strengthen our position in the New BPM market by winning tech-based deals and strengthening our capability with Infosys NIA, Robotics Process as a Service, Digital Business Services, Predictive Analytics, Mortgage Origination Services, BTS and McCamish Insurance Utilities. Renewing business process management will be about the inverted work triangle – from manual work to fully automated stuff, all combined, cohesively and coherently will bring about the change that will transform the businesses end-to-end. Infosys BPM has hence emerged as a trusted and valued collaboration partner for clients and an employer of choice for aspiring professionals.

3 Our competition

We operate in a highly competitive and rapidly changing market. At one end of the spectrum, we compete with consulting firms such as Accenture Limited and Deloitte Consulting LLP. We also compete with divisions of large multinational technology firms such as Capgemini, Hewlett-Packard Company and IBM Corporation. Besides these, we directly compete with Business Process Management players such as TCS BPS, Genpact Limited, Wipro BPM, EXL Service and WNS Global Services. In the future, we expect an intensified competition from these firms and also from new platform Business Process as a Service (BPaaS) players and captives. We understand that price alone cannot constitute a sustainable competitive advantage. We have improvised on our ability to attract and retain talent in the organization. We have also strengthened our articulation of long-term value to potential clients. We are focusing on increasing the scale and breadth of service offerings to provide one-stop solutions for customer needs.

V. Outlook, risk and concerns

This section contains forward-looking statements that involve risks and uncertainties. Our actual results could differ materially from those anticipated in these statements on account of certain factors.

Our outlook, risks and concerns are as follows:

- Our revenues and expenses are difficult to predict and can vary significantly from period to period. We may not be able to sustain our previous profit margins or levels of profitability.
- The economic environment, pricing pressure and decreased employee utilization rates could negatively impact our revenues.
- Our revenues are highly dependent on clients primarily located in the US and Europe, as well as on clients concentrated in certain industries. An economic or industry slowdown in these regions may affect our business.
- Our success depends largely on our ability to attract, hire, train, motivate and retain talent.
- Intense competition in the market for technology services could affect our cost advantages.
- Our revenues are highly dependent upon a small number of clients, and the loss of any one of our major clients could significantly impact our business.
- Legislation in certain countries in which we operate, may restrict companies in those countries from outsourcing work to us, or may limit our ability to send our employees to certain client sites.
- Some of our long-term client contracts contain benchmarking provisions which, if triggered, could result in lower future revenues and profitability under the contract.
- Our business will suffer if we fail to anticipate and develop new services in order to keep pace with rapid changes in technology.
- Disruptions in telecommunications, system failures, or cyber-attacks could harm our ability to execute our Global Delivery Model, which could result in client dissatisfaction and a reduction of our revenues.
- We may be liable to our clients for damage caused by disclosure of confidential information, system failures, errors or unsatisfactory performance of services.
- The markets in which we operate are subject to the risk of earthquakes, floods, tsunamis and other natural and manmade disasters.
- Our net income would decrease if the government of India reduces or withdraws tax benefits and other incentives it provides to us or when our tax holidays expire or terminate.
- Wage pressures in India and the hiring of employees outside India may prevent us from sustaining our competitive advantage and may reduce our profit margins.
- Terrorist attacks or a war could adversely affect our business, results of operations and financial condition.

For more details on risk factors, refer to our quarterly and annual filings with the Securities and Exchange Commission (SEC), US, available on our website, www infosys.com.

VI. Internal control system and their adequacy

The CEO and CFO certification provided in the CEO and CFO Certification section of the Annual Report discusses the adequacy of our internal control systems and procedures.

VII. Material developments in human resources, industrial relations, including the number of people employed

Our culture and reputation as a leader in the business process outsourcing services industry enables us to recruit and retain some of the best available talent in India.

Risk management report

The risk management report discusses various dimensions of our enterprise risk management function. The risk-related information outlined in this section may not be exhaustive. The discussion may contain statements that are forward-looking in nature. Our business is subject to uncertainties that could cause actual results to differ materially from those reflected in the forward-looking statements. If any of the risks materializes, our business, financial conditions or prospects could also be harmed by risks and uncertainties not currently known to us or that we currently do not believe are material. Readers are advised to refer to the detailed discussion of risk factors and related disclosures in our group regulatory filings, and exercise their judgement in assessing risks associated with the Company.

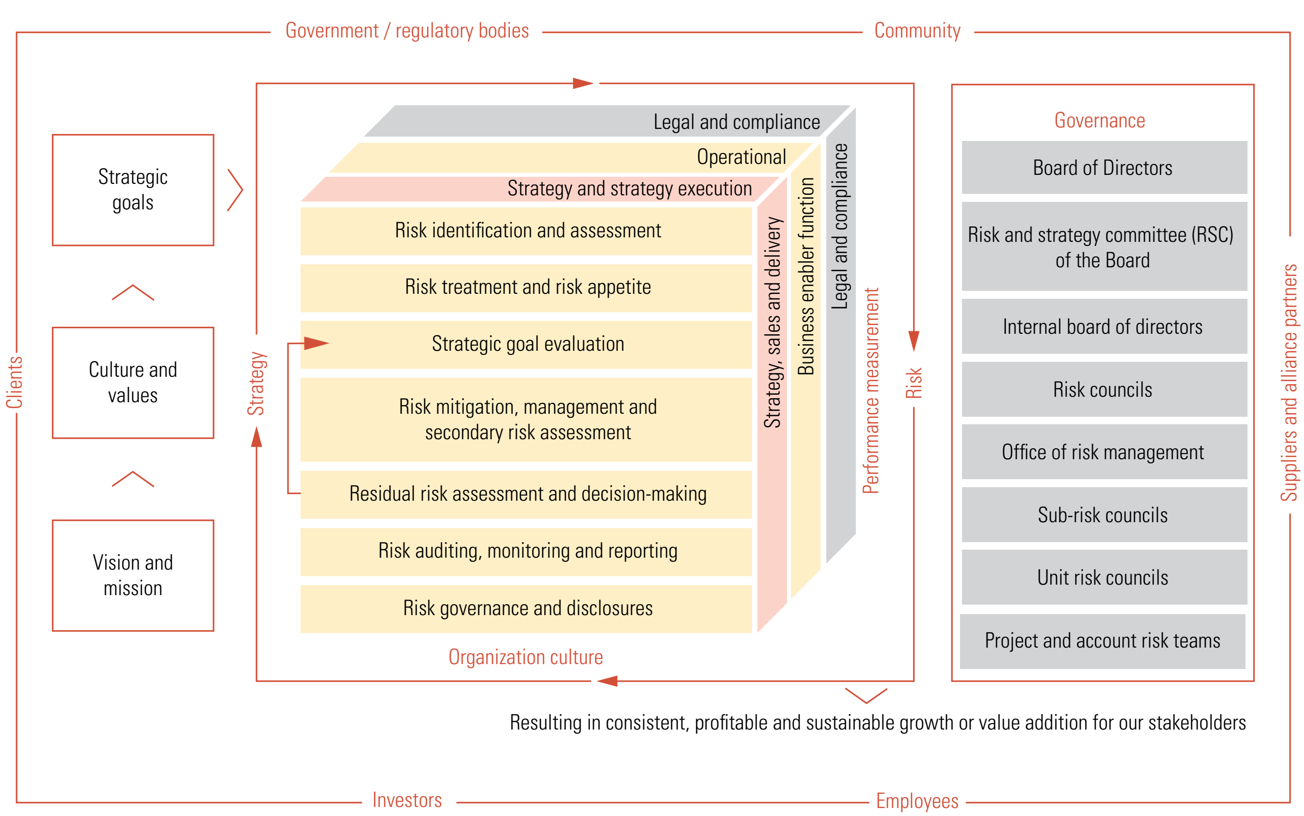
Overview

The Infosys Enterprise Risk Management (ERM) enables the achievement of strategic objectives by identifying, analyzing, assessing, mitigating, monitoring and governing any risk or potential threat to these objectives. While achievement of strategic objectives is the key driver, our values, culture, obligation and commitment to employees, customers, investors, regulatory bodies, partners and the community around us are the foundation on which our ERM framework is developed. Systematic and proactive identification of risks and mitigation thereof enable effective or quick decision-making and boosts the performance of the organization. The ERM unit functions as a decision-enabler which not only seeks to minimize the impact of risks but also enables the effective resource allocation based on the risk impact ranking and risk appetite. Strategic decisions are taken after careful consideration of risks based on secondary risks and residual risks.

Our ERM framework encompasses strategic, operational, and legal and compliance risks that the organization is exposed to. Any of these categories can have internal or external dimensions. Hence, To identify these risks proactively, appropriate risk indicators are used. We take cognizance of risks faced by our key stakeholders and the multiplies impact of the same while framing our risk responses.

Infosys BPM has adopted the new integrated risk management framework that is being implemented across the group companies. The new framework is based on international standards and tailored to suit business needs of Infosys group including BPM.

Infosys Integrated Enterprise Risk Management Framework



Risk governance structure

At the corporate level, the Board of Directors are responsible for managing risks on various parameters. Risks are identified by risk management functions or roles at different levels in the organization are presented at the appropriate councils in the governance structure. Critical risks or cross functional risks at each level are escalated to the next level in the governance structure. Critical risks under different categories of risks at the group level are reviewed by Chief Executive Officer, Chief Operating Officer, Chief Financial Officer, Chief Risk Officer and General Counsel in various councils. Critical risks from these councils are presented to the internal Board of Directors and then to the risk and strategy committee of the Board on a quarterly basis.

Following are the key highlights of the ERM governance adopted by Infosys BPM:

- BPM sub risk council comprising of the CEO, CFO, Head of Quality and Head of Risk Management, along with group COO and group CRO review the client-facing risks and Infosys BPM internal risks on a quarterly basis. Material Non Compliances identified out of Self-Assessment and other audits are also reported to the BPM Risk council.
- All critical BPM strategic and strategic execution risks are presented to group strategic and strategic execution risk council (SSERC) on a quarterly basis.
- All BPM operational and legal and compliance risks are routed to group operational risk council and legal and compliance risk council on a quarterly basis through group BEF heads since BPM BEF heads have dotted line reporting to group BEF heads.
- All critical risks are discussed in the board meeting.

The day-to-day implementation of the risk management process are undertaken at each facility by respective functional teams for each location and their implementation are overseen at the organization level by a Risk Management Core Group comprising of members from each of the Business Enabling Functions, Operations and center heads. This team recommends policies and standards formulation, implementation and communication. On a monthly basis this team reviews all incidents, exceptions and suggests necessary changes to the appropriate policies and standards.

Please refer to Risk management report in Infosys Annual Report 2017-18 for details of Infosys integrated risks management framework.

Risk management highlights of the year

During the year, our focus was on extending the adoption of the new integrated ERM framework and strengthening the risk management program. We carried out following risk management activities during last fiscal:

- Regularly assessed strategic threats to our business, especially rapid commoditization of business operations, impact of automation, operating cost optimization and improvement of productivity benefits, etc.
- Reviewed key operational risks and actions based on inputs from the internal risk register, external assessments, internal audit findings and incidents.
- Reviewed legal and compliance risks applicable to BPM and impact to our business

Third party assurance

Infosys BPM's internal controls are also audited by third party and this is done via Attestation Standards (AT 801) which is an internationally recognized auditing standard developed by International Auditing and Assurance Standards Board (IAASB), which is part of the International Federation of Accountants (IFAC). AT 801 audit certifies that a service organization has been through an in depth audit of control activities, which generally include controls over information technology and related processes. Infosys BPM has been providing all clean reports since 2004. The audit is conducted by one of big four audit firms.

Infosys BPM has covered the following locations for SOC1, Type 2 audit: Manila (Alabang & BGC), Philippines; Bangalore, Chennai (TRIL & TIDEL), Pune, Jaipur and Gurgaon, India; Lodz, Poland; Brno, Czech Republic; Dalian and Hangzhou, China; Monterrey, Mexico; Belo Horizonte, Brazil; San Jose, Costa Rica; Arizona, Phoenix; Aguadilla, Puerto Rico; Milwaukee, USA.

Report on health, safety and environment

We are committed to providing a safe and healthy work place to our employees, consultants, contract workmen, visitors and high standards of environmental protection. We have established a Health, Safety and Environmental Management System and are certified to OHSAS 18001:2007 specifications and ISO14001:2015 at most of our campuses in India. The HSEMS initiative christened as OZONE, helps us comply with all applicable legal requirements across our operations.

The various processes under the initiative includes and are not limited to:

Risk management

Risk Management includes the identification of hazards and environmental impacts for all activities (including new or modified activities, products and services) assessment of their impacts, implementation of measures to minimize or control the impacts, and monitoring the same in a structured manner.

Health and safety

Safety is every employee's responsibility and concern. Forums and helplines are provided to our employees to report incidents and workplace hazards. They are actively involved in suggesting and implementing changes to the HSE policy.

An Occupational Health and Safety (OH&S) Committee is set up in each development center. This committee is made up of OH&S representatives who represent employees of a designated workgroup. The OH&S committee brings employees and the Management together in a non-adversarial, cooperative effort to promote OH&S within the entire workplace. The committee would discuss, explore, study and make recommendations on various OH&S related issues. The committee will also provide employees with the opportunity to voice concerns relating to hazards. The Committee is chaired by the DC Head in the locations.

SAFE - Secure affirmative fun environment

SAFE initiative is committed to ensure Safe Affirmative Fun Environment to employees. This is a comprehensive physical and psychological health initiative, customized to an IT and ITES environment and constantly innovating to cater to the needs of the employees with offerings which include interactive portals, quizzes, comprehensive health and well-being plan for employees with offerings such as preventive healthcare options for employees and families, health checks, talks, consultations, fitness related interventions, and health awareness campaigns. Safety Week and Health Week - comprising master health check-ups and focused health and stress campaigns, was conducted in our campuses which saw good participation by employees.

A hotline help and the psychological counseling that provide timely, expert help to employees and their families on issues related to relationships, stress, depression and personal issues is also established.

Incident reporting and investigation

Incidents can be reported by employees through an internal application or through an email reporting mechanism. Incidents reported are investigated and analyzed, and appropriate corrective actions and preventive measures are taken to reduce future injuries and losses. The investigations focus on root causes and system failures.

Environment

On the environmental front persistent and focused efforts through smart building automation, highly-efficient building designs, deep green retrofits and renewable energy have helped us in resource conservation and efficient management of waste scientifically has enabled us minimize waste to landfills.

Energy: Several energy reduction programs have been initiated. We have installed 763 KW of solar panels at our Multilevel parking lot and have a ground mount plants of 253 KW at Jaipur catering as a source of renewable energy. With such initiatives we have been able to reduce our per capita electricity consumption across our campuses during the year.

Water: We have been able to achieve a per capita reduction of fresh water during the year which has been achieved with the use of water efficient fixtures, innovative wastewater treatment technologies, reuse of treated wastewater, rainwater harvesting. We have our own sewage treatment plants to recycle and reuse wastewater generated at our campuses every day. Recycled water is used for landscape maintenance, HVAC and for flushing purposes at our campuses.

Waste Management: We strive to reuse, recycle and responsibly dispose waste. Waste is segregated at source and disposed to authorized recyclers in adherence to applicable legislations. We are working on effective organic waste recycling through initiatives like establishment of biogas plants, organic waste converters etc., in our campuses

Assessments and reviews

Health, Safety and Environment performance, effectiveness of processes and programs for achievement of established HSE objectives and targets are evaluated through periodic reviews and audits of the HSEMS.

Report on health, safety and environment

Training needs are identified based on the nature of jobs, which may have a significant impact on the environment or may pose occupational health and safety risks. Training includes awareness building, mock drills, classroom sessions and periodic demonstrations. Various campaigns were held across development centers to create awareness amongst employees.

Business continuity

The Business Continuity Management System (BCMS) initiative at Infosys referred to as the Phoenix program which:

- Enables identification business impacts due to disruption in our services
- Identification and Management of related risks
- Establishment of Business continuity plans which are regularly tested. Corporate, Development Centre and Account level plans exist.
- Drills and exercises are conducted periodically to test our preparedness levels to handle all potential disasters, and to check the liaison effectiveness and involvement with external organizations. Observations recorded during these mock drills are analyzed and acted upon and the learnings are included in the plans and trainings.

We are also certified to ISO22301.

CEO and CFO certification

The Board of Directors

Infosys BPM Limited, Bengaluru

Dear members of the Board,

We, Anantharaman Radhakrishnan, Chief Executive Officer and Managing Director, and Nishit Ajitkumar Shah, Chief Financial Officer of Infosys BPM Limited, to the best of our knowledge and belief, certify that:

1. We have reviewed the Balance Sheet as at March 31, 2018, Statement of Profit and Loss, 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 of the Company and the Board's report for the year ended March 31, 2018.
2. These statements do not contain any materially untrue statement or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report.
3. The financial statements, and other financial information included in this report, present in all material respects, a true and fair view of the Company's affairs, the financial condition, results of operations and cash flows of the Company as at, and for, the periods presented in this report, and are in compliance with the existing accounting standards and / or applicable laws and regulations.
4. There are no transactions entered into by the Company during the year that are fraudulent, illegal or violate the Company's code of conduct and ethics, except as disclosed to the Company's auditors and the Company's audit committee of the Board of Directors.
5. We are responsible for establishing and maintaining disclosure controls and procedures and internal controls over financial reporting for the Company, and we have
   a. Designed such disclosure controls and procedures or caused such disclosure controls and procedures to be designed under our supervision to ensure that material information relating to the Company, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared.
   b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with Indian Accounting Standards (Ind AS).
   c. Evaluated the effectiveness of the Company's disclosure, controls and procedures.
   d. Disclosed in this report any changes, if any, in the Company's internal control over financial reporting that occurred during the Company's most recent fiscal year that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting.
6. We have disclosed based on our most recent evaluation of Company's internal control over financial reporting, wherever applicable, to the Company's auditors and the audit committee of the Company's Board (and persons performing the equivalent functions)
   a. Any deficiencies in the design or operation of internal controls, that could adversely affect the Company's ability to record, process, summarize and report financial data, and there have been no material weaknesses in internal controls over financial reporting including any corrective actions with regard to deficiencies.
   b. Any significant changes in internal controls during the year covered by this report.
   c. All significant changes in accounting policies during the year, if any, and that the same have been disclosed in the notes to the financial statements.
   d. Any instances of fraud of which we are aware, that involve the Management or other employees who have a significant role in the Company's internal control system.
7. We affirm that we have not denied any personnel, access to the audit committee of the Company (in respect of matters involving alleged misconduct) and we have provided protection to whistleblowers from unfair termination and other unfair or prejudicial employment practices.
8. We further declare that all Board members and senior managerial personnel have affirmed compliance with the code of conduct and ethics for the year covered by this report.

Bengaluru April 11, 2018	Sd/- Anantharaman Radhakrishnan *Managing Director and Chief Executive Officer*	Sd/- Nishit Ajitkumar Shah *Chief Financial Officer*

Independent Auditors' Report

To the members of Infosys BPM Limited
(formerly known as Infosys BPO limited)

Report on the standalone financial statements

We have audited the accompanying standalone financial statements of Infosys BPM 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.

Auditors' 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 auditors' 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 Board of 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) 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 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 a 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 Auditors' 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 were not amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

2. As required by the Companies (Auditors' 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 registration number :117366W / W-100018)

Anand Subramanian

Partner

(Membership No.110815)
Bengaluru, April 11, 2018

Annexure 'A' to the independent auditors' report

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Infosys BPM 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 BPM 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 ('the Guidance Note') 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 Act.

Auditors' 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 issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Act, 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 auditors' 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.

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 the Management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

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 Control Over Financial Reporting issued by the Institute of Chartered Accountants of India .

For Deloitte Haskins & Sells LLP
Chartered Accountants

(Firm registration number :117366W / W-100018)

Anand Subramanian
Partner

(Membership No.110815)
Bengaluru, April 11, 2018

Annexure 'B' to the independent auditors' report

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Infosys BPM 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 substantial 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) In respect of immovable properties of land and buildings that have been taken on lease and disclosed as fixed asset in the financial statements, the lease arrangements are in the name of the Company, where the Company is the lessee in the agreement.

ii. The Company is in the business of providing business process management services and does not have any physical inventories. Accordingly, reporting under clause 3(ii) of the Order is not applicable to the Company.

iii. The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Act.

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 Act, 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, Value Added Tax, Goods and Service 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, duty of Customs, duty of Excise, 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, Goods and Service Tax which have not been deposited as at March 31, 2018 on account of dispute are as follows:

Name of Statute	Nature of Dues	Forum where Dispute is Pending	Period to which the Amount Relates	Amount (₹ in Crores)
The Income Tax Act 1961	Income Tax	High Court	A.Y. 2006-07	0.45
		Appellate Tribunal	A.Y. 2011-12	0.32
		Appellate Authority upto Commissioner's level	A.Y. 2008-09 to 2016-17, 2018-19	18.16
Sales Tax Laws	Sales Tax	Appellate Authority upto Commissioner's level	2011-12 and 2012-13	–*
Finance Act, 1994	Service Tax	Appellate Tribunal	January 2005 to March 2007, April 2007 to September 2010, October 2010 to September 2011.	94.69

* Indicates amount less ₹ 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 and 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 Act, 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 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.

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 number : 117366W / W-100018

Anand Subramanian

Partner

Membership number : 110815

Bengaluru

April 11, 2018

Balance Sheet

in ₹ crore

Particulars	Note	As at March 31, 2018	As at March 31, 2017
ASSETS			
Non-current assets			
Property, plant and equipment	2.1	249	256
Capital work-in-progress		3	13
Goodwill		19	19
Financial assets			
Investments	2.2	968	916
Loans	2.3	–	–
Other financial assets	2.4	31	33
Deferred tax assets net	2.14	50	41
Income tax assets net	2.14	77	59
Other non-current assets	2.7	27	10
Total non-current assetS		1,424	1,347
Current assets			
Financial assets			
Investments	2.2	458	279
Trade receivables	2.5	569	491
Cash and cash equivalents	2.6	1,303	2,061
Loans	2.3	18	17
Other financial assets	2.4	164	193
Other current assets	2.7	44	55
Total current assets		2,556	3,096
Total assets		3,980	4,443
Equity and liabilities			
Equity			
Equity share capital	2.9	34	34
Other equity		3,407	3,961
Total equity		3,441	3,995
LIABILITIES			
Non-current liabilities			
Financial liabilities			
Other financial liabilities	2.10	1	–
Other non-current liabilities	2.12	9	–
Total non-current liabilities		10	–
Current liabilities			
Financial liabilities			
Trade payables	2.11	29	7
Other financial liabilities	2.10	352	317
Other current liabilities	2.12	114	88
Provisions	2.13	22	28
Income tax liabilities net	2.14	12	8
Total current liabilities		529	448
Total equity and liabilities		3,980	4,443

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 BPM Limited	
Anand Subramanian *Partner* Membership number: 110815	Ravikumar Singisetti *Chairman and Director*	Anantharaman Radhakrishnan *Managing Director and Chief Executive Officer*
	D.N. Prahlad *Director*	Sangita Singh *Director*
		Prof. Jayanth R. Varma *Director*
Bengaluru April 11, 2018	Nishit Ajitkumar Shah *Chief Financial Officer*	Bindu Raghavan *Company Secretary*

Statement of Profit and Loss

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

Particulars	Note No.	Year ended March 31, 2018	2017
Revenue from operations		3,061	2,940
Other income, net	2.15	219	221
Total Income		3,280	3,161
Expenses			
Employee benefit expenses	2.16	1,888	1,728
Cost of technical sub-contractors and professional charges	2.16	210	161
Travel expenses		125	126
Lease rentals	2.17	96	88
Depreciation and amortization expense	2.1	77	74
Other expenses	2.16	242	234
Total expenses		2,638	2,411
Profit before tax		642	750
Tax expense:			
Current tax	2.14	182	198
Deferred tax	2.14	(9)	–
Profit for the year		469	552
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss			
Remeasurement of the net defined benefit liability / asset		(3)	(4)
		(3)	(4)
Items that will be reclassified subsequently to profit or loss			
Fair value changes on investmens, net of tax		(2)	–
		(2)	–
Total other comprehensive income, net of tax		(5)	(4)
Total comprehensive income for the year		464	548
Earnings per equity share			
Equity shares of par value ₹ 10/- each			
Basic (₹)		138.76	163.14
Diluted (₹)		138.76	163.14
Weighted average number of shares used in computing earnings per share			
Basic	2.19	3,38,27,751	3,38,27,751
Diluted	2.19	3,38,27,751	3,38,27,751

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

Anand Subramanian
Partner
Membership number: 110815

Bengaluru
April 11, 2018

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

Ravikumar Singisetti
Chairman and Director

Anantharaman Radhakrishnan
Managing Director and Chief Executive Officer

D.N. Prahlad
Director

Sangita Singh
Director

Prof. Jayanth R. Varma
Director

Nishit Ajitkumar Shah
Chief Financial Officer

Bindu Raghavan
Company Secretary

Statement of Changes in Equity

in ₹ crore

Particulars	Equity share capital	Other equity						Total equity attributable to equity holders of the Company
		Reserves and surplus					Other comprehensive income	
		Securities premium account	Retained earnings	Capital reserve	General reserve	Special economic zone re-investment reserve[1]		
Balance as at April 1, 2016	34	25	2,397	1	1,000	–	(10)	3,447
Changes in equity for the year ended March 31, 2017								
Fair value changes on investments, net of tax	–	–	–	–	–	–	–	–
Remeasurement of the net defined benefit liability / asset	–	–	–	–	–	–	(4)	(4)
Profit for the year	–	–	552	–	–	–	–	552
Balance as at March 31, 2017	34	25	2,949	1	1,000	–	(14)	3,995
Balance as at April 1, 2017	34	25	2,949	1	1,000	–	(14)	3,995
Changes in equity for the year ended March 31, 2018								
Fair value changes on investments, net of tax	–	–	–	–	–	–	(2)	(2)
Remeasurement of the net defined benefit liability / asset	–	–	–	–	–	–	(3)	(3)
Dividends (including corporate dividend tax of ₹172 crore)	–	–	(1,018)	–	–	–	–	(1,018)
Transfer to Special Economic Zone Re-investment Reserve	–	–	(59)	–	–	59	–	–
Transfer from Special Economic Zone Re-investment Reserve on utilization	–	–	35	–	–	(35)	–	–
Profit for the year	–	–	469	–	–	–	–	469
Balance as at March 31, 2018	34	25	2,376	1	1,000	24	(19)	3,441

[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.

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

Anand Subramanian
Partner
Membership number: 110815

Bengaluru
April 11, 2018

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

Ravikumar Singisetti
Chairman and Director

Anantharaman Radhakrishnan
Managing Director and Chief Executive Officer

D.N. Prahlad
Director

Sangita Singh
Director

Prof. Jayanth R. Varma
Director

Nishit Ajitkumar Shah
Chief Financial Officer

Bindu Raghavan
Company Secretary

Statement of Cash Flows

in ₹ crore

Particulars	Year ended March 31, 2018	2017
Cash flow from operating activities		
Profit for the year	469	552
Adjustments to reconcile net profit to net cash provided by operating activities:		
Depreciation and amortization expense	77	74
Income tax expense	173	198
Profit on sale of property, plant and equipment	(1)	–
Interest on bank deposits and others	(119)	(181)
Income on other financial assets	(61)	(14)
Effect of exchange rate changes on assets and liabilities	(1)	22
Allowance for credit loss on financial assets	1	–
Other adjustments	(4)	–
Changes in assets and liabilities		
Trade receivables and unbilled revenue	(92)	5
Loans and other financial assets and other assets	4	(13)
Trade payables	22	(3)
Other financial liabilities, other liabilities and provisions	68	(38)
Cash generated from operations	536	602
Income taxes paid	(194)	(198)
Net cash generated by operating activities	342	404
Cash flow from investing activities		
Expenditure on property, plant and equipment net of sale proceeds, including changes in retention money and capital creditors	(58)	(92)
Loans to employees	(1)	–
Deposits placed with corporation	(6)	–
Interest received on bank deposits and others	180	200
Investment in subsidiary	–	(7)
Payment to acquire financial assets		
Non-convertible debentures	(104)	(298)
Certificates of deposit	(363)	(270)
Government bonds	–	(5)
Fixed maturity plans	–	(50)
Liquid mutual fund units	(3,407)	(2,872)
Proceeds on sale of financial assets		
Liquid mutual fund units	3,387	2,892
Certificates of deposit	279	–
Government bonds	10	–
Net cash used in investing activities	(83)	(502)
Cash flow from financing activities:		
Payment of dividends (including corporate dividend tax)	(1,018)	–
Net cash used in financing activities	(1,018)	–
Effect of exchange rate changes on cash and cash equivalents	1	(27)
Net increase / (decrease) in cash and cash equivalents	(759)	(98)
Cash and cash equivalents at the beginning of the year	2,061	2,186
Cash and cash equivalents at the end of the year	1,303	2,061
Supplementary information:		
Restricted cash balance	–	–

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

Anand Subramanian
Partner
Membership number: 110815

Bengaluru
April 11, 2018

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

Ravikumar Singisetti
Chairman and Director

Anantharaman Radhakrishnan
Managing Director and Chief Executive Officer

D.N. Prahlad
Director

Sangita Singh
Director

Prof. Jayanth R. Varma
Director

Nishit Ajitkumar Shah
Chief Financial Officer

Bindu Raghavan
Company Secretary

1. Company Overview and Significant Accounting Policies

1.1 Company overview

Infosys BPM Limited ('Infosys BPM' or 'the Company') (formerly known as Infosys BPO Limited) was incorporated on April 3, 2002 to provide business process management services to organizations that outsource their business processes. Infosys BPM is a majority-owned and controlled subsidiary of Infosys Limited. The Company helps clients improve their competitive positioning by managing their business processes in addition to providing increased value.

The Company is a public limited company incorporated and domiciled in India and has its registered office at Bengaluru, Karnataka, India.

With effect from December 18, 2017, the name of the Company was changed from Infosys BPO Limited to Infosys BPM Limited.

The standalone financial statements are approved by the Company's Board of Directors on April 11, 2018.

1.2 Basis of preparation of financial statements

These standalone 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). 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 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 Accouting 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.

Amounts for the year ended March 31, 2017 were audited by previous auditors B S R & Co. LLP.

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.

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 year. The application of accounting policies that require critical accounting estimates involving complex and subjective judgments and the use of assumptions in the standalone financial statements have been disclosed in Note 1.4. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as the Management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the standalone 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 major tax jurisdiction is India even though the Company also files tax returns in other overseas jurisdiction. Significant judgments are involved in determining the provision for income taxes, including amount expected to be paid / recovered for uncertain tax positions.

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 the 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. Impairment of goodwill

Goodwill is tested for impairment on an annual basis and whenever there is an indication that the recoverable amount of a cash-generating unit (CGU) is less than its carrying amount based on a number of factors including operating results, business plans, future cash flows and economic conditions. The recoverable amount of 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 CGU or groups of CGU which are benefitting from the synergies of the acquisition and which represents the lowest level at which goodwill is monitored for internal management purpose.

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

1.5 Revenue recognition

The Company derives revenues primarily from business process management services and related services. Arrangements with customers for business process management 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 transition-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 transition 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 transition 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.

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 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 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 present revenues net of indirect taxes in its Statement of Profit and Loss.

1.6 Property, plant and equipment

Property, plant and equipment are stated at cost, less accumulated depreciation and impairment, if any. Costs directly attributable to acquisition are capitalized until the property, plant and equipment are ready for use, as intended by the Management. The 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
Computer equipment[(1)]	3-5 years
Furniture and fixtures[(1)]	5 years
Office equipment[(1)]	5 years

[(1)] Based on technical evaluation, the Management believes that the useful lives as given above best represent the period over which the Management expects to use these assets. Hence, the useful lives for these assets is different from the useful lives as prescribed under Part C of Schedule II of the Companies Act, 2013.

Leasehold improvements are written off over the lower of the lease term or the useful life of the asset.

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

Advances paid towards the acquisition of property, plant and equipment outstanding at each Balance Sheet date is classified as capital advances under other non current assets and the cost of assets not put to use before such date are disclosed under 'Capital work-in-progress'. Subsequent expenditures relating to property, plant and equipment are capitalized only when it is probable that future economic benefits associated with these will flow to the Company and the cost of the item can be measured reliably. Repairs and maintenance costs are recognized in net profit in the Statement of Profit and Loss when incurred. The cost and related accumulated depreciation are eliminated from the financial statements upon sale or retirement of the asset and the resultant gains or losses are recognized in net profit 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.

1.7 Financial instruments

1.7.1 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.

1.7.2 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. 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 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 twelve months after the Balance Sheet date.

(ii) Cash flow hedges

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 are recognized as a deduction from equity, net of any tax effects.

1.7.3 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.

1.8 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 Note No. 2.8 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 short maturity of these instruments.

1.9 Impairment

a. Financial assets

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 and Loss.

b. Non-financial assets

(i) Goodwill

Goodwill is tested for impairment on an annual basis and whenever there is an indication that goodwill may be impaired, relying on number of factors including operation results, business plans and future cash flows. For the purpose of impairment testing, goodwill acquired in a business combination is allocated to the Company'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 flows that are largely independent of the cash flows from other assets or group of assets. Impairment occurs when the carrying amount of CGU including the goodwill, exceeds the estimated recoverable amount of the CGU. The recoverable amount of the CGU if 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 in goodwill is recognized in the Statement of Profit and Loss and is not reversed in the subsequent period.

(ii) Intangible assets and property, plant and equipment

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

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

1.10 Provisions

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, and time and material contracts. Costs associated with such support services are accrued at the time-related revenues are recorded and included in cost of sales. 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.

1.11 Foreign currency

Functional currency

The functional currency of the Company is the Indian Rupee. The standalone 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.

1.12 Earnings per equity share

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

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

1.13 Income taxes

Income tax expense comprises current and deferred income tax. Income tax expense is recognized in net profit in the Statement of Profit and Loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in other comprehensive income. Current income tax for current and prior periods is recognized at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date. Deferred income tax assets and liabilities are recognized for all temporary differences arising between the tax bases of assets and liabilities, and their carrying amounts in the financial statements. 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. The income tax provision for the interim period is made based on the best estimate of the annual average tax rate expected to be applicable for the full financial year. Tax benefits of deductions earned on exercise of employee share options in excess of compensation charged to income are credited to share premium.

1.14 Employee benefits

1.14.1 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 BPO 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 remeasurements of the net defined benefit liability / asset are recognized in other comprehensive income. 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 Profit and Loss.

1.14.2 Superannuation

Certain employees of the Company are participants in a defined contribution plan. The Company has no further obligations to the superannuation plan beyond the monthly contribution to the Infosys BPO Limited Employees' Superannuation Fund Trust, the corpus of which is invested with the Life Insurance Corporation of India.

1.14.3 Pension

Certain employees of the Company are participants in a defined contribution plan. The Company has no further obligations to the pension plan beyond the monthly contributions.

1.14.4 Provident fund

Eligible employees of the Company are participants in defined contribution plan. The Company has no further obligations under the provident fund plan beyond its monthly contributions.

1.14.5 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.

1.15 Cash Flow Statement

Cash flows are reported using the indirect method, whereby profit for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

Amendment in Ind AS 7:

Effective April 1, 2017, the Company adopted the amendment to Ind AS 7, which requires the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the Balance Sheet for liabilities arising from financing activities, to meet the disclosure requirement. The adoption of amendment did not have any material effect on the standalone financial statements.

1.16 Other income

Other income primarily comprises interest income, dividend income and exchange gain / loss on investments and forward and options contracts and on translation of other assets and liabilities. Interest income is recognized using the effective interest method. Dividend income is recognized when the right to receive payment is established.

1.17 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.

1.18 Leases

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.

1.19 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 rule will come into force from April 1, 2018. The Group has evaluated the effect of this on the consolidated financial statements and it 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 : This 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
- 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 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 use the cumulative catch-up transition method and accordingly comparatives for the year ending 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

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

in ₹ crore

Particulars	Land-leasehold	Buildings (1)	Leasehold improvement	Plant and machinery (3)	Office equipment (2)(3)	Computer equipment (3)	Furniture and fixtures (3)	Total
Gross carrying value as at April 1, 2017	12	153	93	46	111	264	61	740
Additions	–	–	22	13	3	26	6	70
Deletions	–	–	(1)	–	(1)	(20)	(1)	(23)
Gross carrying value as at March 31, 2018	12	153	114	59	113	270	66	787
Accumulated depreciation as at April 1, 2017	1	56	62	30	100	182	53	484
Depreciation	–	5	16	7	5	39	5	77
Accumulated depreciation on deletions	–	-	(1)	–	(1)	(20)	(1)	(23)
Accumulated depreciation as at March 31, 2018	1	61	77	37	104	201	57	538
Carrying value as at March 31, 2018	11	92	37	22	9	69	9	249
Carrying value as at April 1, 2017	11	97	31	16	11	82	8	256

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-leasehold	Buildings	Leasehold improvement	Plant and machinery	Office equipment	Computer equipment	Furniture and fixtures	Total
Gross carrying value as at April 1, 2016	12	152	71	43	120	237	61	696
Additions	–	1	26	3	5	48	6	89
Deletions	–	–	(4)	–	(14)	(21)	(6)	(45)
Gross carrying value as at March 31, 2017	12	153	93	46	111	264	61	740
Accumulated depreciation as at April 1, 2016	1	50	54	22	109	166	53	455
Depreciation	–	6	12	8	5	37	6	74
Accumulated depreciation on deletions	–	–	(4)	–	(14)	(21)	(6)	(45)
Accumulated depreciation as at March 31, 2017	1	56	62	30	100	182	53	484
Carrying value as at March 31, 2017	11	97	31	16	11	82	8	256

Particulars	Land-leasehold	Buildings	Leasehold improvement	Plant and machinery	Office equipment	Computer equipment	Furniture and fixtures	Total
Carrying value as at April 1, 2016	11	102	17	21	11	71	8	241

(1) Gross carrying value of leasehold land represents amounts paid under certain lease-cum-sale agreement to acquire land including agreement where the Company has an option to purchase or renew the property on expiry of the lease period.

(2) Include ₹ 3 crore spent on CSR activities for the year ended March 31, 2018.

(3) Property, plant and equipment of ₹ 13 crore was transferred from Infosys Limited to Infosys BPM Limited.

The aggregate depreciation has been included under depreciation and amortization expense in the Statement of Profit and Loss.

The rental income from the leasing of certain assets to holding company for the year ended March 31, 2018 and March 31, 2017 amounted to ₹ 3 crore and ₹ 8 crore, respectively.

2.2 Investments

in ₹ crore

Particulars	As at March 31	
	2018	2017
Non-current investments		
Equity instruments of subsidiaries	569	569
Non-convertible debentures	346	297
Fixed maturity plan securities	53	50
	968	916
Current investments		
Liquid mutual fund units	38	–
Government bonds	–	9
Certificates of deposit	368	270
Non-convertible debentures	52	–
	458	279
Total carrying value	1,426	1,195

in ₹ crore, except as stated otherwise

Particulars	As at March 31	
	2018	2017
Non-current investments		
Unquoted		
Investments carried at cost		
Investments in equity instruments of subsidiaries		
Infosys (Czech Republic) Limited s.r.o.	3	3
Infosys Poland Sp z.o.o, 5,000 (5,000) equity shares of PLN 500 each, fully paid	59	59
Infosys McCamish Systems LLC	289	289
Portland Group Pty Limited, 17,45,00,000 (17,45,00,000) equity share of AUD 1 each, fully paid	211	211
Infosys BPO Americas LLC	7	7
	569	569
Quoted		
Investments carried at fair value through other comprehensive income		
Non-convertible debentures (Refer to Note 2.2.3)	346	297
	346	297
Investments carried at fair value through profit or loss		
Fixed maturity plan securities (Refer to Note 2.2.4)	53	50
	53	50
Total Non-current investments	968	916
Current investments		
Unquoted		
Investments carried at fair value through profit or loss		
Liquid mutual fund units (Refer to Note 2.2.1)	38	–
	38	–
Investments carried at fair value through other comprehensive income		
Certificates of deposit (Refer to Note 2.2.5)	368	270
	368	270

Particulars	As at March 31	
	2018	2017
Quoted		
Investments carried at amortized cost		
Government bonds (Refer to Note 2.2.2)	–	9
	–	9
Investments carried at fair value through other comprehensive income		
Non-convertible debentures (Refer to Note 2.2.3)	52	–
	52	–
Total current investments	458	279
Total investments	1,426	1,195
Aggregate amount of quoted investments	451	356
Market value of quoted investments (including interest accrued thereon)	451	356
Aggregate amount of unquoted investments	975	839
Investment carried at cost	569	569
Investment carried at amortized cost	–	9
Investment carried at fair value through other comprehensive income	766	567
Investment carried at fair value through profit or loss	91	50

2.2.1 Details of investments in liquid mutual fund units

The balances held in liquid mutual fund units are as follows:

in ₹ crore

Particulars	As at March 31, 2018		As at March 31, 2017	
	Units	Amount	Units	Amount
Aditya Birla Sun Life Cash Plus Growth Direct Plan	13,62,562	38	–	–
	13,62,562	38	–	–

2.2.2 Details of investments in government bonds

The balances held in government bonds are as follows:

in ₹ crore

Particulars	As at March 31, 2018		As at March 31, 2017	
	Units	Amount	Units	Amount
Treasury Notes PHY6972FWQ99 MAT DATE 07 June 2017	–	–	3,40,000	4
Treasury Notes PIBL1217C056 MAT DATE 14 Mar 2018	–	–	4,00,000	5
	–	–	7,40,000	9

2.2.3 Details of investments in non-convertible debentures

The balances held in non-convertible debentures are as follows:

in ₹ crore

Particulars	As at March 31, 2018		As at March 31, 2017	
	Units	Amount	Units	Amount
8.60% Life Insurance Corporation Housing Finance Limited 22JUL2020	1,000	107	1,000	108
8.60% Life Insurance Corporation Housing Finance Limited 29JUL2020	350	37	350	38
8.50% Housing Development Finance Corporation Limited 31AUG2020	50	54	50	53
8.49% Housing Development Finance Corporation Limited 27APR2020	900	49	900	49
8.66% Infrastructure Development Finance Company Bank Limited 27DEC2018	400	52	400	49
7.78% Housing Development Finance Corporation Ltd 24MAR2020	100	99	–	–
	2,800	398	2,700	297

2.2.4 Details of investments in fixed maturity plan securities

The balances held in fixed maturiy plan securities are as follows:

in ₹ crore

Particulars	As at March 31, 2018		As at March 31, 2017	
	Units	Amount	Units	Amount
ICICI FMP Series 80-1194 D Plan F Div	1,50,00,000	16	1,50,00,000	15
Reliance Fixed Horizon Fund-XXXII Series 8-Dividend Plan	1,50,00,000	15	1,50,00,000	15
HDFC FMP 1155D Feb 2017-Direct Growth Series 37	1,00,00,000	11	1,00,00,000	10
Birla Sunlife Fixed Term Plan- Series OD (1145 days)	1,00,00,000	11	1,00,00,000	10
	5,00,00,000	53	5,00,00,000	50

2.2.5 Details of investments in certificates of deposit

The balances held in certifictes of deposit are as follows:

in ₹ crore

Particulars	As at March 31, 2018		As at March 31, 2017	
	Units	Amount	Units	Amount
Kotak Mahindra Bank Limited CD 23 Feb 18	–	–	11,500	109
AXIS Bank Limited CD 19 Jan 18	–	–	12,000	114
IDFC Bank Limited CD 07 Mar 18	–	–	5,000	47
AXIS Bank Limited CD 24 Jan 19	23,000	217	–	–
ICICI Bank Limited CD 14 Feb 19	10,000	95	–	–
ICICI Bank Limited CD 21 Feb 19	6,000	56	–	–
	39,000	368	28,500	270

2.3 Loans

in ₹ crore

Particulars	As at March 31	
	2018	2017
Non-current		
Unsecured, considered doubtful		
Loans to employees	4	6
Less: Allowance for doubtful loans to employees	4	6
	–	–
Current		
Unsecured, considered good		
Loans to employees	18	17
	18	17
Total loans	18	17

2.4 Other financial assets

in ₹ crore

Particulars	As at March 31	
	2018	2017
Non-current		
Security deposits (1)	2	2
Rental deposits (1)	29	31
	31	33
Current		
Security deposits (1)	1	3
Rental deposits (1)	3	2
Restricted deposits(1)	81	75
Unbilled revenues(1)(3)	55	42
Interest accrued but not due (1)	19	52
Foreign currency forward contracts (2)	–	16
Others (1)(3)	5	3
	164	193
Total other financial assets	195	226
(1) Financial assets carried at amortized cost	195	210
(2) Financial assets carried at fair value through Profit or Loss	–	16
(3) Includes dues from holding company, subsidiaries and other group companies (Refer to Note 2.21)	11	2

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	2017
Current		
Unsecured		
Considered good(1)	569	491
Considered doubtful	8	8
	577	499
Less: Allowances for credit losses	8	8
	569	491
(1) Includes dues from holding company, subsidiaries and other group companies (Refer to Note 2.21)	59	37

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.

2.6 Cash and cash equivalents

in ₹ crore

Particulars	As at March 31,	
	2018	2017
Balances with banks		
In current and deposit accounts	692	1,311
Cash on hand	–	–
Others		
Deposits with financial institution	611	750
	1,303	2,061
Deposit with more than 12 months maturity	–	–

Cash and cash equivalents as at March 31, 2018 and March 31, 2017 include restricted cash and bank balances of less than ₹ 1 crore each. This represents restricted bank balance, in trust account, in accordance with collection agency licensing requirements.

The deposits maintained by the Company with banks and financial institutions 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 at Balance Sheet dates with banks are as follows:

in ₹ crore

Particulars	As at March 31,	
	2018	2017
In current accounts		
Bank of America, California, USA	24	17
Bank of America, California- Trust account, USA*	–	–
Bank of Philippine Islands, Philippines	1	–
Citibank, Philippines	–	1
Citi Bank, South Africa	1	1
Citi Bank, Costa Rica	1	5
Citi Bank, Singapore	1	1
Citi Bank, Australia	6	–
Deutsche Bank, India	4	3
Deutsche Bank- EEFC (Euro account)	1	4
Deutsche Bank- EEFC (UK Pound Sterling account)	1	1
Deutsche Bank- EEFC (US Dollar account)	5	3
Deutsche Bank, Netherland	5	-
Deutsche Bank, London, UK	1	1
Deutsche Bank, Philippines (PHP account)	10	1
Deutsche Bank, Philippines - (USD account)	3	4
ICICI Bank, India	3	5
ICICI Bank- EEFC (Euro account)	1	1
ICICI Bank- EEFC (UK Pound Sterling account)	11	1
ICICI Bank- EEFC (US Dollar account)	29	1
Royal Bank of Canada	1	–
State Bank of India, India	1	1
	110	51
In deposit accounts		
Axis Bank	–	230
HDFC Bank limited	75	120
ICICI Bank	7	282
IDBI Bank	250	–
Kotak Mahindra Bank	–	35
South Indian Bank	250	250
Yes Bank	–	143
IDFC Bank	–	200
	582	1,260

(in ₹ crore)

Particulars	As at March 31,	
	2018	2017
Deposits with financial institution		
HDFC Limited	611	750
	611	750
Total cash and cash equivalents	1,303	2,061

* This represents restricted bank balance, in trust account, in accordance with collection agency licensing requirements.

2.7 Other assets

in ₹ crore

Particulars	As at March 31,	
	2018	2017
Non-current		
Capital advances	1	1
Advances other than capital advance		
Prepaid gratuity	5	9
Others		
Withholding and other tax receivables	21	–
	27	10
Current		
Advances other than capital advance		
Payment to vendors for supply of goods	9	15
Others		
Prepaid expenses	6	6
Deferred contract cost	–	4
Withholding and other tax receivables	29	30
	44	55
Total other assets	71	65

Deferred contract costs are upfront costs incurred for the contract and are amortized over the term of the contract. Withholding and the other taxes primarily consists of input tax credit.

2.8 Financial instruments

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 to Note 2.6)	1,303	–	–	–	–	1,303	1,303
Investments (Refer to Note 2.2)							
Non-convertible debentures	–	–	–	–	398	398	398
Liquid mutual fund units	–	–	38	–	–	38	38
Fixed maturity plan securities	–	–	53	–	–	53	53
Certificates of deposit	–	–	–	-	368	368	368
Trade receivables (Refer to Note 2.5)	569	–	–	–	–	569	569
Loans (Refer to Note 2.3)	18	–	–	–	–	18	18
Other financial assets (Refer to Note 2.4)	195	–	–	–	–	195	195
Total	2,085	–	91	–	766	2,942	
LIABILITIES							
Trade payables (Refer to Note 2.11)	29	–	–	–	–	29	29
Other financial liabilities (Refer to Note 2.10)	351	–	2	–	–	353	353
Total	380	–	2	–	–	382	

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

in ₹ crore

Particulars	Amortized cost	Financial assets / liabilities at fair value through profit or loss		Financial assets / liabilities at fair value through OCI		Total carrying value	Total fair value
		Designated upon initial recognition	Mandatory	Equity instruments designated upon initial recognition	Mandatory		
ASSETS							
Cash and cash equivalents (Refer to Note 2.6)	2,061	–	–	–	–	2,061	2,061
Investments (Refer to Note 2.2)							
Non-convertible debentures	–	–	–	–	297	297	297
Government bonds	9	–	–	–	–	9	9
Fixed maturity plan securities	–	–	50	–	–	50	50
Certificates of deposit	–	–	–	–	270	270	270

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		
Trade receivables (Refer to Note 2.5)	491	–	–	–	–	491	491
Loans (Refer to Note 2.3)	17	–	–	–	–	17	17
Other financial assets (Refer to Note 2.4)	210	–	16	–	–	226	226
Total	2,788	–	66	–	567	3,421	
LIABILITIES							
Trade payables (Refer to Note 2.11)	7	–	–	–	–	7	7
Other financial liabilities (Refer to Note 2.10)	317	–	–	–	–	317	317
Total	324	–	–	–	–	324	

Fair value hierarchy

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

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

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

The fair value hierarchy of assets and liabilities is as follows:

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				
Investment in non-convertible debentures (Refer to Note 2.2)	398	202	196	–
Investment in Fixed maturity plans (Refer to Note 2.2)	53	–	53	–
Investment in certificates of deposit (Refer to Note 2.2)	368	–	368	–
Investment in liquid mutual funds (Refer to Note 2.2)	38	38	–	–
LIABILITIES				
Derivative financial instruments - loss on outstanding foreign exchange forward contracts (Refer to Note 2.10)	2	–	2	–

During the year ended March 31, 2018, the non-convertible debentures of ₹ 196 crore were transferred from Level 1 to Level 2.

The fair value hierarchy of assets and liabilities is as follows:

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 government bonds (Refer Note 2.2)	9	9	–	–
Investment in non-convertible debentures (Refer Note 2.2)	297	297	–	–
Derivative financial instruments - gain on outstanding Foreign exchange forward contracts (Refer Note 2.4)	16	–	16	–
Investment in Fixed maturity plans (Refer Note 2.2)	50	–	50	–
Investment in certificates of deposit (Refer Note 2.2)	270	–	270	–

The fair value of liquid mutual funds units is based on quoted price. The fair value of government bonds and non-convertible debentures is based on quoted prices and market-observable inputs. The fair value of fixed maturity plan securities and certificates of deposit is based on market-observable inputs. Derivative financial instruments are valued based on quoted prices for similar assets and liabilities in active market or inputs that are directly or indirectly observable in the marketplace.

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 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 Company's operations are adversely affected as the Rupee appreciates or depreciates against these currencies.

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

in ₹ crore

Particulars	US Dollars	Euro	United Kingdom Pound Sterling	Australian Dollars	Other currencies	Total
Cash and cash equivalents	61	8	14	6	14	103
Trade receivables	360	55	71	45	5	536
Other financial assets (including loans)	34	6	6	11	8	65
Trade payables	(9)	–	(4)	–	(1)	(14)
Other financial liabilities	(57)	(14)	(3)	(11)	(16)	(101)
Net assets / (liabilities)	389	55	84	51	10	589

The analysis of foreign currency risk from financial instruments as at March 31, 2017 is as follows:

in ₹ crore

Particulars	US Dollars	Euro	United Kingdom Pound Sterling	Australian Dollars	Other currencies	Total
Cash and cash equivalents	26	6	3	–	7	42
Trade receivables	327	37	58	24	5	451
Other financial assets (including loans)	46	7	5	9	8	75
Trade payables	(3)	–	–	–	–	(3)
Other financial liabilities	(47)	(19)	(3)	(4)	(25)	(98)
Net assets / (liabilities)	349	31	63	29	(5)	467

For the year ended March 31, 2018 and March 31, 2017, every percentage point depreciation or appreciation in the exchange rate between the Indian Rupee and US Dollar, has affected the Company's incremental operating margins by approximately 0.44% and 0.40%, respectively.

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 exchange forward 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 inputs that are directly or indirectly observable in the marketplace.

The details of outstanding foreign exchange forward contracts are as follows:

Particulars	As at March 31,			
	2018		2017	
	In million	in ₹ crore	In million	in ₹ crore
Forward contracts				
In US Dollars	59	385	43	279

Particulars	As at March 31,			
	2018		2017	
	In million	in ₹ crore	In million	in ₹ crore
In Euro	–	–	3	17
In United Kingdom Pound Sterling	6	51	5	42
In Australian Dollars	5	25	5	25
Total forwards		461		363

The foreign exchange forward 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	2017
Not later than one month	134	88
Later than one month and not later than three months	203	159
Later than three months and not later than six months	124	116
	461	363

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

in ₹ crore

Particulars	As at March 31,			
	2018		2017	
	Derivative financial asset	Derivative financial liability	Derivative financial asset	Derivative financial liability
Gross amount of recognized financial asset / liability	–	2	16	–
Amount set off	–	–	–	–
Net amount presented in the Balance Sheet	–	2	16	–

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 ₹ 569 crore and ₹ 491 crore as March 31, 2018 and March 31, 2017, respectively and unbilled revenue amounting to ₹ 55 crore and ₹ 42 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 is managed 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. As per Ind AS 109, 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 percentage of revenues generated from top customer and top ten customers is as follows:

In %

Particulars	Year ended March 31,	
	2018	2017
Revenue from top customer	6%	7%
Revenue from top ten customers	39%	40%

Credit risk exposure

The (reversal) / allowance for lifetime expected credit loss on customer balances is less than ₹ 1 crore and ₹ 2 crore for the year ended March 31, 2018 and March 31, 2017, respectively.

in ₹ crore

Particulars	Year ended March 31,	
	2018	2017
Balance at the beginning	8	5
Provisions recognized / (reversed)	–	(2)
Write-offs	–	–
Translation differences	–	5
Balance at the end	8	8

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.

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 borrowing. The Company believes that the working capital is sufficient to meet its current requirements. Accordingly, no liquidity risk is perceived.

As at March 31, 2018 , the Company had a working capital of ₹ 2,027 crore including cash and cash equivalents of ₹ 1,303 crore and current investments of ₹ 458 crore. As at March 31, 2017, the Company had a working capital of ₹ 2,648 crore including cash and cash equivalents of ₹ 2,061 crore and current investments of ₹ 279 crore.

As at March 31, 2018 and March 31, 2017, the outstanding compensated absences were ₹ 72 crore and ₹ 63 crore, respectively, which have been substantially funded. Accordingly no liquidity risk perceived.

The details of the contractual maturities of significant financial liabilities as at March 31, 2018 are as follows:

in ₹ crore

Particulars	Less than 1 year	1-2 years	2-4 years	4-7 years	Total
Trade payables	29	–	–	–	29
Client deposits	1		–	-	1
Other financial liabilities (Refer to Note 2.10)	280	–	–	–	280

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

in ₹ crore

Particulars	Less than 1 year	1-2 years	2-4 years	4-7 years	Total
Trade payables	7	–	–	–	7
Client deposits	1	–	–	–	1
Other financial liabilities (Refer to Note 2.10)	253	–	–	–	253

2.9 Equity

Equity share capital

in ₹ crore, except as otherwise stated

Particulars	As at March 31,	
	2018	2017
Authorized		
Equity shares, ₹ 10/- par value		
12,33,75,000 (12,33,75,000) equity shares	123	123
Issued, subscribed and paid-up		
Equity shares, ₹ 10/- par value		
3,38,27,751 (3,38,27,751) equity shares fully paid -p	34	34
(Of the above 3,38,22,319 equity shares are held by the holding company, Infosys Limited)		
	34	34

The Company has only one class of shares referred to as equity shares having a par value of ₹ 10/-. Each holder of equity shares is entitled to one vote per share.

The Company declares and pays dividends in Indian Rupees.

The Board of Directors, in their meeting on October 17, 2017, declared an interim dividend of ₹ 250/- per equity share, which resulted in cash outflow of ₹ 1,018 crore inclusive of corporate dividend tax of ₹ 172 crore.

The details of shareholder holding more than 5% shares are as follows :

Name of the shareholder	As at March 31,			
	2018		2017	
	Number of shares	% held	Number of shares	% held
Infosys Limited, the holding company	3,38,22,319	99.98	3,38,22,319	99.98

The reconciliation of the number of shares outstanding and the amount of share capital is as follows :

Particulars	As at March 31,			
	2018		2017	
	Number of shares	Amount	Number of shares	Amount
Number of shares at the beginning of the year	3,38,27,751	34	3,38,27,751	34
Add: Shares issued during the year	–	–	–	–
Number of shares at the end of the year	3,38,27,751	34	3,38,27,751	34

2.10 Other financial liabilities

in ₹ crore

Particulars	As at March 31,	
	2018	2017
Non-current		
Others		
Compensated absences	1	–
	1	–
Current		
Others		
Accrued compensation to employees	132	109
Accrued expenses [(1)]	132	137
Compensated absences	71	63
Client deposits	1	1
Capital creditors	2	2
Other payables [(2)]	12	5
Foreign currency forward contracts	2	–
	352	317
Total other financial liabilities	353	317
Financial liability carried at amortized cost	351	317
Financial liability carried at fair value through Profit or Loss	2	–
[(1)] Includes dues to holding company (Refer to Note 2.21)	–	2
[(2)] Includes dues to holding, subsidiaries and other group companies (refer to note 2.21)	8	3

2.11 Trade payables

in ₹ crore

Particulars	As at March 31,	
	2018	2017
Current		
Trade payables[(1)]	29	7
	29	7
[(1)]Includes dues to holding, subsidiaries and other group companies (refer to note 2.21)	15	6

2.12 Other liabilities

in ₹ crore

Particulars	As at March 31,	
	2018	2017
Non-current		
Deferred rent	9	–
	9	–
Current		
Unearned revenue	71	49
Others		
Withholding and others	39	39
Deferred rent	4	–
	114	88
Total other liabilities	123	88

2.13 Provisions

in ₹ crore

Particulars	As at March 31,	
	2018	2017
Others		
Post-sales client support and others	22	28
	22	28

Provision for post-sales client support and others

The movement in the provision for post-sales client support and others is as follows :

in ₹ crore

Particulars	As at March 31,	
	2018	2017
Balance at the beginning	28	33
Provision recognized / (reversed)	6	(5)
Provision utilized	(11)	–
Exchange difference	(1)	–
Balance at the end	22	28

Provision for post-sales client support and other provisions are expected to be utilized over a period of six months to twelve months.

2.14 Income taxes

Income tax expense in the Statement of Profit and loss comprises:

in ₹ crore

Particulars	Year ended March 31,	
	2018	2017
Current taxes	182	198
Deferred taxes	(9)	–
Income tax expense	173	198

Current tax expense for the year ended March 31, 2018 and March 31, 2017 includes reversal (net of additional provisions) is ₹ 2 crore and ₹ 3 crore respectively, pertaining to earlier periods.

Entire deferred income tax for the year ended March 31, 2018 and March 31, 2017 relates to origination and reversal of temporary differences.

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 as follows :

in ₹ crore

Particulars	Year ended March 31,	
	2018	2017
Profit before income taxes	642	750
Enacted tax rates in India	34.61%	34.61%
Computed expected tax expense	223	259
Tax effect due to non-taxable income for Indian tax purposes	(53)	(56)
Overseas taxes	5	3
Tax reversals, overseas and domestic	(2)	(3)
Effect of exempt non-operating income	–	(1)
Effect of non-deductible expenses	(2)	3
Others	2	(7)
Income tax expense	173	198

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

The provision for taxation includes tax liabilities in India on the company's global income as reduced by exempt incomes and any tax liabilities arising overseas on income sourced from those countries as per Indian Income Tax Act, 1961. Infosys BPM Limited operations are mainly conducted through Software Technology Parks ('STPs') and Special Economic Zones ('SEZs'). At present, income from STP units are taxable. Income from SEZs Unit is fully tax exempt for the first 5 years, 50% exempt for the next 5 years and 50% exempt for another 5 years subject to fulfilling certain conditions.

The details of income tax assets and income tax liabilities are as follows :

in ₹ crore

Particulars	As at March 31,	
	2018	2017
Income tax assets	77	59
Current Income tax liabilities	(12)	(8)
Net income tax assets / (liability) at the end	65	51

The gross movement in the current income tax asset / (liability) is as follows :

in ₹ crore

Particulars	Year ended March 31,	
	2018	2017
Net income tax asset / (liability) at the beginning	51	52
Translation differences	1	(3)
Income tax paid	194	198
Income tax expense	(182)	(198)
Income tax on other comprehensive income	1	2
Net income tax asset / (liability) at the end	65	51

The tax effects of significant temporary differences that resulted in deferred income tax assets and liabilities are as follows :

in ₹ crore

Particulars	Year ended March 31,	
	2018	2017
Deferred income tax assets		
Property, plant and equipment	23	16
Trade receivables	3	6
Compensated absences	20	18
Others	4	1
Total deferred income tax assets	50	41

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.

The deferred income tax assets and deferred income tax liabilities recoverable within and after 12 months are as follows:

	Year ended March 31,	
	2018	2017
Deferred income tax assets to be recovered after 12 months	38	41
Deferred income tax assets to be recovered within 12 months	12	1
Total deferred income tax assets	50	41

In assessing the realizability of deferred income tax assets, The Management considers whether some portion or all of the deferred income tax assets will not be realized. The ultimate realization of deferred income tax assets is dependent upon the generation of future taxable income during the periods in which the temporary differences become deductible. The Management considers the scheduled reversals of deferred income tax liabilities, projected future taxable income, and tax planning strategies in making this assessment. Based on the level of historical taxable income and projections for future taxable income over the periods in which the deferred income tax assets are deductible, the Management believes that the 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 is as follows:

in ₹ crore

Particulars	Year ended March 31,	
	2018	2017
Net deferred income tax asset at the beginning	41	41
Credits / (charge) relating to temporary differences	9	–
Net deferred income tax asset at the end	50	41

The credits relating to temporary differences during the year ended March, 2018 are primarily on account of property, plant and equipment, compensated absences, and others partially offset by reversal of credits pertaining to trade receivables.

2.15 Other income, net

in ₹ crore

Particulars	Year ended March 31,	
	2018	2017
Interest received on financial assets carried at amortized cost		
Government bonds	–	–
Deposit with banks and others	119	181
Interest Income on financial assets carried at fair value through other comprehensive income		
Non-convertible debentures	26	6
Certificates of deposit	14	–
Income on investments carried at fair value through profit or loss		
Dividend income on liquid mutual funds units	1	3
Gains / (losses) on liquid mutual funds units	20	4
Profit on sale of property, plant and equipment	1	1
Rental income from holding company	3	8
Exchange gains / (losses) on foreign currency forward contracts	9	39
Exchange gains / (losses) on translation of other assets and liabilities	1	(22)
Miscellaneous income, net[1]	25	1
	219	221

[1] Sale of duty scripts of ₹ 23 crore for the current year.

2.16 Expenses

in ₹ crore

Particulars	Year ended March 31,	
	2018	2017
Employee benefit expenses		
Salaries including bonus	1,779	1,634
Contribution to provident and other funds	81	75
Staff welfare	28	19
	1,888	1,728
Cost of technical sub-contractors and Professional charges		
Cost of technical sub-contractors	165	115
Legal and professional	22	22
Recruitment and training	23	24
Auditors' remuneration		
Statutory audit fees	–	–
Reimbursement of expenses	–	–
	210	161
Other expenses		
Consumables	4	4
Brand building and advertizement	3	2
Marketing expenses	3	4
Rates and taxes	8	5
Contribution towards Corporate Social Responsibility (Refer to Note 2.23)	13	15
Communication expenses	65	65

Particulars	Year ended March 31,	
	2018	2017
Power and fuel	25	29
Repairs and maintenance	79	78
Bank charges and commission	5	1
Postage and courier	–	–
Allowances / reversals for credit losses on financial assets	–	(2)
Provision for doubtful loans and advances	1	2
Professional membership and seminar participation fees	1	1
Cost of software for own use	30	21
Insurance	4	9
Others	1	–
	242	234

2.17 Leases

Obligations on long-term, non-cancellable operating leases

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	96	88

The obligations on long-term, non-cancellable operating leases payable as per the rentals stated in the respective agreements are as follows:

in ₹ crore

Lease obligations payable	As at March 31,	
	2018	2017
Not later than 1 year	64	68
Later than 1 year and not later than 5 years	154	149
Later than 5 years	21	29

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.

2.18 Employee benefits

(a) Gratuity

The funded status of the gratuity plan and the amounts recognized in the Company's financial statements is as follows:

in ₹ crore

Particulars	As at March 31,	
	2018	2017
Change in benefit obligations		
Benefit obligations at the beginning	66	57
Service cost	10	9
Interest expense	4	4
Acquisitions (credit) / cost	–	(2)
Remeasurements - Actuarial (gains) / losses	5	6
Benefits paid	(7)	(8)
Benefit obligations at the end	78	66
Change in plan assets		
Fair value of plan assets at the beginning	75	58
Interest income	5	5
Acquisitions adjustment	(1)	(2)
Actuarial gain / (loss)	–	–
Return on plan assets greater / (lesser) than discount rate	1	1
Contributions	10	22
Benefits paid	(7)	(9)
Fair value of plan assets at the end	83	75
Funded status	5	9
Prepaid gratuity benefit	5	9

The amount for the years ended March 31, 2018 and March 31, 2017 recognized in the Statement of Profit and Loss under employee benefit expenses is as follows:

in ₹ crore

Particulars	Year ended March 31,	
	2018	2017
Service cost	10	9
Net interest on the net defined benefit liability / (asset)	(1)	(1)
Net gratuity cost	9	8

The amount for the years ended March 31, 2018 and March 31, 2017 recognized in the Statement of Other Comprehensive Income is as follows:

in ₹ crore

Particulars	Year ended March 31,	
	2018	2017
Remeasurements of the net defined benefit liability / (asset)		
Actuarial (gains) / losses	5	6
(Return) / loss on plan assets excluding amounts included in the net interest on the net defined benefit liability / (asset)	(1)	(1)
	4	5

in ₹ crore

Particulars	Year ended March 31,	
	2018	2017
(Gain) / loss from change in demographic assumptions	–	–
(Gain) / loss from change in financial assumptions	(1)	1

Particulars	Year ended March 31,	
	2018	2017
(Gain) / loss from change in experience assumptions	6	5
	5	6

The weighted-average assumptions for determining benefit obligations are as follows :

Particulars	As at March 31,	
	2018	2017
Discount rate	6.9%	7.8%
Weighted average rate of increase in compensation levels	7.5%	7.5%

The weighted-average assumptions for determining net periodic-benefit costs are as follows :

Particulars	Year ended March 31,	
	2018	2017
Discount rate	6.9%	7.8%
Weighted average rate of increase in compensation levels	7.5%	7.5%
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.

As of March 31, 2018, every percentage point increase / decrease in discount rate will affect our gratuity benefit obligation by approximately ₹ 2 crore.

As of March 31, 2018, every percentage point increase / decrease in weighted average rate of increase in compensation levels will affect our gratuity benefit obligation by approximately ₹ 2 crore.

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.

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 BPO Limited Employees' Gratuity Fund Trust. Trustees administer contributions made to the trust. As of 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 ₹ 6 crore and ₹ 5 crore, respectively.

Maturity profile of defined benefit obligation:

in ₹ crore

Within 1 year	24
1-2 year	21
2-3 year	19
3-4 year	18
4-5 year	16
5-10 years	42

(b) Superannuation

The Company contributed ₹ 5 crore to the Superannuation Trust for the year ended March 31, 2018 (₹ 4 crore for the year ended March 31, 2017).

(c) Provident fund

The Company contributed ₹ 65 crore towards Provident Fund for the year ended March 31, 2018 (₹ 63 crore for the year ended March 31, 2017).

(d) Pension Fund

The Company contributed ₹ 5 crore to pension funds for the year ended March 31, 2018 (₹ 5 crore for the year ended March 31, 2017).

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

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

in nos.

Particulars	As at March 31,	
	2018	2017
Basic earnings per equity share - weighted average number of equity shares outstanding	3,38,27,751	3,38,27,751
Effect of dilutive common equivalent shares	–	–
Diluted earnings per equity share - weighted average number of equity shares and common equivalent shares outstanding	3,38,27,751	3,38,27,751

2.20 Contingent liabilities and commitments (to the extent not provided for)

in ₹ crore

Particulars	As at March 31,	
	2018	2017
Contingent liabilities :		
Claims against the Company, not acknowledged as debts[1]	175	118

Particulars	As at March 31, 2018	2017
[Amount paid to statutory authorities ₹ 65 crore (₹ 23 crore)]		
Commitments :		
Estimated amount of contacts remaining to be executed on capital contracts and not provided for (net of advances and deposits)	30	29

(1) Claims against the Company not acknowledged as debts includes demand from the Indian income tax authorities for payment of tax including interest for fiscals 2006, 2007, 2008, 2009, 2011, 2012, 2013 and 2015. These income tax demands are mainly on account of disallowance of a portion of the deduction claimed by the Company under Section 10A and / or 10AA of the income Tax Act in respect of export turnover. The above matters are pending before various Appellate Authorities.

The Company is contesting the demand and the Management including its tax advisors believe that its position will likely be upheld in the appellate process. The Management believes that the ultimate outcome of these proceedings will not have a material adverse effect on the Company's financial position and results of operations.

2.21 Related party transactions

List of related parties

Name of the entity	Country	Holding as at March 31, 2018	2017
Holding			
Infosys Limited	India	Holding Company	Holding Company
Subsidiaries			
Infosys (Czech Republic) Limited s.r.o.[1]	Czech Republic	100%	100%
Infosys Poland Sp z.o.o[1]	Poland	100%	100%
Infosys BPO Americas LLC.[1]	US	100%	100%
Infosys McCamish Systems LLC [1]	US	100%	100%
Portland Group Pty Ltd[1]	Australia	100%	100%

List of fellow subsidiaries

Name of the subsidiary	Country
Infosys Technologies (China) Co. Limited (Infosys China)	China
Infosys Technologies S. de R. L. de C. V. (Infosys Mexico)	Mexico
Infosys Technologies (Sweden) AB. (Infosys Sweden)	Sweden
Infosys Technologies (Shanghai) Company Limited (Infosys Shanghai)	China
Infosys Tecnologia DO Brasil LTDA. (Infosys Brasil)	Brazil
Infosys Public Services, Inc. USA (Infosys Public Services)	US
Infosys Americas Inc., (Infosys Americas)	US
Infosys Technologies (Australia) Pty. Limited (Infosys Australia)	Australia
EdgeVerve Systems Limited (EdgeVerve)	India
Infosys Consulting Holding AG (Infosys Lodestone)	Switzerland
Lodestone Management Consultants Inc.[2]	US
Infosys Management Consulting Pty Limited[2]	Australia
Infosys Consulting AG[2]	Switzerland
Lodestone Augmentis AG[4][7]	Switzerland
Lodestone GmbH[2][9]	Switzerland
Infosys Consulting (Belgium) NV (formerly Lodestone Management Consultants Belgium) S.A[3]	Belgium
Infosys Consulting GmbH[2]	Germany
Infosys Consulting Pte Ltd.	Singapore
Infosys Consulting SAS[2]	France
Infosys Consulting s.r.o.[2]	Czech Republic
Lodestone Management Consultants GmbH (Loadstone Austria) [17]	Austria
Lodestone Management Consultants Co., Ltd.[2]	China
Infy Consulting Company Ltd.	UK
Infosys Arabia Limited	Saudi Arabia
Infy Consulting B.V.[2]	The Netherlands
Infosys Consulting Ltda.[3]	Brazil

Name of the subsidiary	Country
Infosys Consulting Sp. z.o.o.[2]	Poland
Lodestone Management Consultants Portugal, Unipessoal, Lda.[2]	Portugal
S.C. Infosys Consulting S.R.L.[2]	Romania
Infosys Consulting S.R.L.[2]	Argentina
Infosys Canada Public Services Ltd.[12][13]	Canada
Infosys Nova Holdings LLC. (Infosys Nova)	US
Panaya Inc. (Panaya)	US
Panaya Ltd.[5]	Israel
Panaya GmbH[5]	Germany
Panaya Pty Ltd[5][8]	Australia
Panaya Japan Co. Ltd.[5]	Japan
Skava Systems Pvt. Ltd. (Skava Systems)	India
Kallidus Inc. (Kallidus)	US
Noah Consulting LLC (Noah)[14]	US
Noah Information Management Consulting Inc. (Noah Canada)[6][16]	Canada
Brilliant Basics Holding Limited[10]	UK
Brilliant Basics Limited[11]	UK
Brilliant Basics MENA DMCC[11]	Dubai
Infosys Chile SpA[15]	Chile
Infosys Middle East FZ-LLC[18]	Dubai

(1) Wholly-owned subsidiary of Infosys BPM Limited
(2) Wholly-owned subsidiaries of Infosys Consulting Holding AG (formerly Lodestone Holding AG)
(3) Majority-owned and controlled subsidiaries of Infosys Consulting Holding AG (formerly Lodestone Holding AG)
(4) Wholly-owned subsidiary of Infosys Consulting AG (formerly Lodestone Management Consultants AG)
(5) Wholly-owned subsidiary of Panaya Inc.
(6) Wholly-owned subsidiary of Noah
(7) Liquidated effective October 5, 2016
(8) Liquidated effective November 16, 2016
(9) Liquidated effective December 21, 2016
(10) On September 8, 2017, Infosys acquired 100% of voting interest in Brilliant Basics Holding Limited, UK
(11) Wholly-owned subsidiary of Brilliant Basics Holding Limited
(12) Wholly-owned subsidiary of Infosys Public Services, Inc.
(13) Liquidated effective May 9, 2017
(14) Liquidated effective November 9, 2017
(15) Incorporated effective November 20, 2017
(16) Liquidated effective December 20, 2017
(17) Wholly-owned subsidiary of Infosys Limited, effective February 28, 2018
(18) Wholly-owned subsidiary of Infosys Consulting Pte. Ltd.

List of trusts

Name of the trust	Country	Nature of relationship
Infosys BPO Limited Employees' Gratuity Fund Trust	India	Post-employment benefit plan of Infosys BPM (Formerly known as Infosys BPO)
Infosys BPO Limited Employees' Superannuation Fund Trust	India	Post-employment benefit plan of Infosys BPM (Formerly known as Infosys BPO)

The details of amounts due to or due from related parties are as follows:

in ₹ crore

Particulars	As at March 31, 2018	2017
Trade Receivables		
Infosys Limited	54	33
Infosys Poland Sp z.o.o	–	–
EdgeVerve	–	–
Infosys McCamish Systems LLC	2	2
Portland Group Pty Ltd	–	1
Infosys Public Services	2	1
Infosys Mexico	–	–
Infosys China	1	–
Infy Consulting Company Limited	–	–
	59	37
Other financial assets		
Infosys Limited	11	2
Infosys (Czech Republic) Limited s.r.o.	–	–
EdgeVerve	–	–
Infosys McCamish Systems LLC	–	–
	11	2
Trade payables		
Infosys Limited	8	5
Infosys (Czech Republic) Limited s.r.o.	1	–
Infosys Poland Sp z.o.o	1	–
Infy Consulting Company Limited	3	–
EdgeVerve	–	–
Infosys Consulting Pte. Ltd.	1	–
Infosys McCamish Systems LLC	–	–
Portland Group Pty Ltd	1	1
Infosys Management Consulting Pty Limited	–	–
	15	6
Other financial liabilities		
Infosys Limited	7	3
EdgeVerve	1	–
Infosys Mexico	–	–
Infosys McCamish Systems LLC	–	–
Portland Group Pty Ltd	–	–
Infosys (Czech Republic) Limited s.r.o.	–	–
	8	3
Accrued expense		
Infosys Limited	–	2
	–	2

The details of the related parties transactions entered into by the Company are as follows:

in ₹ crore

Particulars	Year ended March 31, 2018	2017
Revenue transactions		
Purchase of services		
Infosys Limited	70	58
Portland Group Pty Limited	11	4
Infosys McCamish Systems LLC	1	1
Infy Consulting Company Limited	18	10
Infosys Management Consulting Pty Limited	–	–
Infosys (Czech Republic) Limited s.r.o.	1	–
EdgeVerve	7	3
Infosys Poland Sp z.o.o	5	4
Infosys Consulting Pte. Ltd.	1	–
	114	80
Purchase of shared services including facilities and personnel		
Infosys Limited	67	49
Infosys (Czech Republic) Limited s.r.o.	–	–
EdgeVerve	–	–
Infosys McCamish Systems LLC	–	–
Infosys Management Consulting Pty Limited	–	–
Infosys Brazil	–	–
	67	49
Sale of services		
Infosys Public Services	17	20
Infosys Poland Sp z.o.o	1	2
Infosys Limited	502	390
EdgeVerve	3	4
Infy Consulting Company Limited	1	–
Infosys Mexico	–	1
Infosys China	–	-
Portland Group Pty Ltd	1	5
Infosys McCamish Systems LLC	29	37
	554	459
Sale of shared services including facilities and personnel		
Infosys Limited	21	19
Infosys McCamish Systems LLC	–	1
EdgeVerve Systems Limited	–	–
	21	20
Dividend paid		
Infosys Limited	846	–

Particulars	Year ended March 31,	
	2018	2017
	846	–

Changes in key management personnel

The following were the changes in key management personnel:

Names	Designation
Anup Uppadhayay[1]	Managing Director and Chief Executive Officer
Anantharaman Radhakrishnan[2]	Managing Director and Chief Executive Officer
Prof. Jayanth R.Varma	Independent Director
Dr. Omkar Goswami[11]	Independent Director
Bindu Raghavan [8]	Company Secretary
Roopa Kudva[3]	Independent Director
Deepak Bhalla[4]	Chief Financial Officer
A.G.S. Manikantha [7]	Company Secretary
UB Pravin Rao [9]	Chairman and Director
Nishit Ajitkumar Shah[5]	Chief Financial Officer
D.N. Prahlad[6]	Director
Sangita Singh[6]	Director
Ravikumar Singisetti [10]	Chairman and Director

(1) Resigned as a Managing Director and Chief Executive Officer effective May 17, 2016

(2) Appointed as a Managing Director and Chief Executive Officer effective May 17, 2016

(3) Resigned as a Director effective November 11, 2016

(4) Resigned as a Chief Financial Officer effective July 18, 2016

(5) Appointed as a Chief Financial Officer effective July 19, 2016

(6) Appointed as a Director effective January 6, 2017

(7) Resigned as a Company Secretary effective April 13, 2017

(8) Appointed as a Company Secretary effective April 14, 2017

(9) Resigned as Chairman effective July 17,2017

(10) Appointed as Chairman effective July 18, 2017

(11) Resigned as Director effective March 31, 2018'

Transaction with key management personnel

The compensation given to key managerial personnel comprising 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	4	5
Commission and other benefits to non-executive / independent directors	–	–
Total	4	5

2.22 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 primarily relate to providing business process management services to organizations that outsource their business processes. 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 analysis of various performance indicators by business segments and geographic segements. Accordingly, information has been presented both along business segment and geographic segment. 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 note on significant accounting policies.

Business segments for the Company are primarily enterprises in Financial Services and Insurance (FSI) , enterprises in Manufacturing (MFG), enterprises in the Energy and utilities, Communication and Services (ECS),enterprises in Retail, Consumer packaged goods and Logistics (RCL) and enterprises in Life Sciences and Healthcare (LSH). Geographic segmentation is based on business sourced from that geographic region and delivered from both onsite and offshore locations. North America comprises the United States of America, Canada and Mexico, Europe includes continental Europe (both the east and the west), Ireland and the United Kingdom, and the Rest of the World comprises all other places except those mentioned above and India.

Revenue and identifiable operating expenses in relation to segments are categorized based on items that are individually identifiable to that segment. Allocated expenses of segments include onsite expenses, which are categorized in relation to the associated turnover of the segment. Certain expenses such as depreciation, which form a significant component of total expenses, are not specifically allocable to specific segments as the underlying assets are used interchangeably. The Management believes that it is not practical to provide segment disclosures relating to those costs and expenses, and accordingly these expenses are separately disclosed as 'unallocated' and adjusted against the total income of the 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. 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

Details of revenues and expenses from business segments are as follows:

in ₹ crore

Particulars	FSI	MFG	RCL	LSH	ECS	Total
Revenue from operations	875	898	264	89	935	3,061
	815	*945*	*241*	*89*	*850*	*2,940*
Identifiable operating expenses	363	440	119	41	354	1,317
	305	*449*	*113*	*40*	*309*	*1,216*
Allocated expenses	356	366	107	36	379	1,244
	310	*359*	*93*	*35*	*324*	*1,121*
Segment operating income	156	92	38	12	202	500
	200	*137*	*35*	*14*	*217*	*603*
Unallocable expenses						77
						74
Operating profit						423
						529
Other income, net						219
						221
Profit before tax						642
						750
Tax expense						173
						198
Net profit for the year						469
						552
Depreciation and amortization expense						77
						74
Non-cash expenses other than depreciation and amortization						1
						–

Geographic segments

Details of revenues and expenses from geographic segments are as follows:

in ₹ crore

Particulars	North America	Europe	Rest of the World	Total
Revenue from operations	1,704	739	618	3,061
	1,675	*732*	*533*	*2,940*
Identifiable operating expenses	707	378	232	1,317
	643	*372*	*201*	*1,216*
Allocated expenses	694	300	250	1,244
	639	*279*	*203*	*1,121*
Segment operating income	303	61	136	500
	393	*81*	*129*	*603*
Unallocable expenses				77
				74
Operating profit				423
				529
Other income, net				219
				221
Profit before tax				642
				750
Tax expense				173
				198
Net profit for the year				469
				552
Depreciation and amortization expense				77
				74
Non-cash expenses other than depreciation and amortization				1
				–

Significant clients

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

2.23 Corporate social responsibility

As per Section 135 of the Companies Act, 2013, a CSR committee has been formed by the Company. The proposed areas for CSR activities are eradication of hunger, poverty and malnutrition, promoting education and healthcare, and rural development projects. The funds will be allocated to a corpus and utilized through the year on these activities which are specified in Schedule VII of the Companies Act, 2013.

in ₹ crore

Particulars	In cash	Yet to be paid in cash	Total
(A) Gross amount required to be spent by the Company during the year	16	–	16
	16	–	16
(B) Amount spent during the year			
(i) Construction / acquisition of any asset	3	–	3
(ii) On purposes other than (i) above	13	–	13
	16	–	16

2.24 Function-wise classification of Statement of Profit and Loss

in ₹ crore

Particulars	Year ended March 31,	
	2018	2017
Revenue from operations	3,061	2,940
Cost of sales	2,192	1,993
Gross profit	869	947
Operating expenses		
Selling and marketing expenses	166	156
General and administration expenses	280	262
Total operating expenses	446	418
Operating profit	423	529
Other income	219	221
Profit before tax	642	750
Tax expense		
Current tax	182	198
Deferred tax	(9)	–
Profit for the year	469	552
Other comprehensive income		
Items that will not be reclassified subsequently to profit or loss		
Remeasurement of the net defined benefit liability / asset	(3)	(4)
	(3)	(4)
Items that will be reclassified to profit or loss		
Fair value changes on investments, net	(2)	–
	(2)	–
Total other comprehensive income, net of tax	(5)	(4)
Total comprehensive income for the year	464	548

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

Ravikumar Singisetti
Chairman and Director

Anantharaman Radhakrishnan
Managing Director and Chief Executive Officer

D.N. Prahlad
Director

Sangita Singh
Director

Prof. Jayanth R. Varma
Director

Nishit Ajitkumar Shah
Chief Financial Officer

Bindu Raghavan
Company Secretary

Bengaluru
April 11, 2018

Independent Auditors' Report

To the members of Infosys BPM Limited (formerly known as Infosys BPO Limited)

Report on the consolidated financial statements

We have audited the accompanying consolidated financial statements of INFOSYS BPM 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.

Auditors' 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 accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2018, and the consolidated profit, consolidated total comprehensive income, consolidated statement of changes in equity and the 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, none of the directors of the Company 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". Our report expresses a unmodified opinion on the 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 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 were not amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For Deloitte Haskins & Sells LLP
Chartered Accountants
Firm's registration Number. 117366W/W-100018

Anand Subramanian
Partner
Membership number : 110815

Bengaluru,
April 11, 2018

Annexure 'a' to the independent auditors' report

(Referred to in paragraph (f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Infosys BPM 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 BPM LIMITED (hereinafter referred to as "the Company") as of that date.

Management's responsibility for internal financial controls

The Board of Directors of the Company, which is incorporated in India, is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the respective company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ("the Guidance Note") 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.

Auditors' 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 issued by the ICAI and the Standards on Auditing, prescribed under Section 143(10) of the Act, 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.

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 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 Control Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Deloitte Haskins & Sells LLP
Chartered Accountants
Firm's registration Number. 117366W/W-100018

Anand Subramanian
Partner
Membership number : 110815

Bengaluru,
April 11, 2018

Balance Sheet

in ₹ crore

Particulars	Note no.	As at March 31, 2018	As at March 31, 2017
ASSETS			
Non-current assets			
Property, plant and equipment	2.1	275	287
Capital work-in-progress		3	13
Goodwill	2.2	387	378
Other intangible assets	2.2	16	27
Financial assets			
Investments	2.3	491	416
Loans	2.4	-	-
Other financial assets	2.5	38	35
Deferred tax assets, net	2.17	85	91
Income tax assets, net	2.17	82	75
Other non-current assets	2.8	88	10
Total non-current assets		1,465	1,332
Current assets			
Financial assets			
Investments	2.3	458	279
Trade receivables	2.6	859	686
Cash and cash equivalents	2.7	1,928	2,534
Loans	2.4	57	24
Other financial assets	2.5	347	260
Other current assets	2.8	143	110
Total current assets		3,792	3,893
Total assets		5,257	5,225
EQUITY AND LIABILITIES			
Equity			
Equity share capital	2.10	34	34
Other equity		4,080	4,435
Total equity attributable to equity holders of the Company		4,114	4,469
Non-controlling interests		-	-
Total equity		4,114	4,469
LIABILITIES			
Non-current liabilities			
Financial liabilities			
Other financial liabilities	2.11	4	-
Other non-current liabilities	2.12	30	-
Total non-current liabilities		34	-
Current liabilities			
Financial liabilities			
Trade payables		110	10
Other financial liabilities	2.11	640	522
Loans from fellow subsidiary		40	-
Other current liabilities	2.12	273	176
Provisions	2.13	33	39
Income tax liabilities, net	2.17	13	9
Total current liabilities		1,109	756
Total equity and liabilities		5,257	5,225

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 number: 117366W/ W-100018

Anand Subramanian
Partner
Membership number: 110815

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

Ravikumar Singisetti
Chairman and Director

Anantharaman Radhakrishnan
Managing Director
and Chief Executive Officer

D.N. Prahlad
Director

Sangita Singh
Director

Prof. Jayanth R. Varma
Director

Bengaluru
April 11, 2018

Nishit Ajitkumar Shah
Chief Financial Officer

Bindu Raghavan
Company Secretary

Statement of Profit and Loss

in ₹ crore

Particulars	Note no.	For the year ended March 31, 2018	2017
Revenue from operations		4,518	4,019
Other income, net	2.14	210	242
Total income		4,728	4,261
Expenses			
Employee benefit expenses	2.15	2,537	2,338
Cost of technical sub-contractors and professional charges	2.15	357	198
Travel expenses		143	156
Lease rentals	2.16	138	128
Cost of software packages and others		376	167
Depreciation and amortization expense		105	103
Other expenses	2.15	291	282
Total expenses		3,947	3,372
Profit before tax		781	889
Tax expense			
Current tax	2.17	199	209
Deferred tax	2.17	10	(49)
		209	160
Profit for the year		572	729
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss			
Remeasurement of the net defined benefit (liability) / asset		(3)	(4)
Equity instruments through other comprehensive income		(1)	-
		(4)	(4)
Items that will be reclassified subsequently to profit or loss			
Exchange differences on translation of foreign operations, net		95	(44)
Fair value changes on investments, net		-	-
		95	(44)
Total other comprehensive income, net of tax		91	(48)
Total comprehensive income for the year		663	681
Profit attributable to			
Owners of the Company		572	729
Non-controlling interests		-	-
		572	729
Total comprehensive income attributable to			
Owners of the Company		663	681
Non-controlling interests		-	-
		663	681
Earnings per equity share			
Equity shares of par value ₹10/- each			
Basic (₹)		169.14	215.50
Diluted (₹)		169.14	215.50
Weighted average equity shares used in computing earnings per equity share			
Basic		3,38,27,751	3,38,27,751
Diluted		3,38,27,751	3,38,27,751

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 number: 117366W/ W-100018

Anand Subramanian
Partner
Membership number: 110815

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

Ravikumar Singisetti
Chairman and Director

Anantharaman Radhakrishnan
Managing Director
and Chief Executive Officer

D.N. Prahlad
Director

Sangita Singh
Director

Prof. Jayanth R. Varma
Director

Bengaluru
April 11, 2018

Nishit Ajitkumar Shah
Chief Financial Officer

Bindu Raghavan
Company Secretary

Consolidated Statement of Changes in Equity

in ₹ crore

Particulars	Equity share capital	Other equity							Total equity attributable to equity holders of the Company
		Reserves and surplus					Other comprehensive income		
		Securities premium account	Retained earnings	Capital reserve	General reserve	Special economic zone re-investment reserve [1]	Equity instruments through other comprehensive income	Other items of other comprehensive income	
Balance as of April 1, 2016	34	25	2,658	1	1,000	-	-	70	3,788
Changes in equity for the year ended March 31, 2017									
Remeasurement of the net defined benefit liability / asset, net of tax effect	-	-	-	-	-	-	-	(4)	(4)
Exchange differences on translation foreign operations	-	-	-	-	-	-	-	(44)	(44)
Profit for the year	-	-	729	-	-	-	-	-	729
Balance as of March 31, 2017	34	25	3,387	1	1,000	-	-	22	4,469
Balance as of April 1, 2017	34	25	3,387	1	1,000	-	-	22	4,469
Changes in equity for the year ended March 31, 2018									
Remeasurement of the net defined benefit (liability) / asset, net of tax effect	-	-	-	-	-	-	-	(3)	(3)
Equity instruments through other comprehensive income	-	-	-	-		-	(1)	-	(1)
Exchange differences on translation foreign operations	-	-	-	-	-	-	-	95	95
Fair value changes on investments, net of tax effect	-	-	-	-	-	-	-	-	-

Particulars	Equity share capital	Other equity							Total equity attributable to equity holders of the Company
		Reserves and surplus					Other comprehensive income		
		Securities premium account	Retained earnings	Capital reserve	General reserve	Special economic zone re-investment reserve [1]	Equity instruments through other comprehensive income	Other items of other comprehensive income	
Dividends (including corporate dividend tax of ₹172 crores)	-	-	(1,018)	-	-	-	-	-	(1,018)
Transfer to Special Economic Zone Re-investment Reserve[1]	-	-	(59)	-		59	-	-	-
Transfer from Special Economic Zone Re-investment Reserve on utilization [1]	-	-	35	-	-	(35)	-	-	-
Profit for the year	-	-	572	-	-	-	-		572
Balance as of March 31, 2018	34	25	2,917	1	1,000	24	(1)	114	4,114

[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 Section 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 Section 10AA(2) of the Income Tax Act, 1961.

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 number: 117366W/ W-100018

Anand Subramanian
Partner
Membership number: 110815

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

Ravikumar Singisetti
Chairman and Director

Anantharaman Radhakrishnan
Managing Director and Chief Executive Officer

D.N. Prahlad
Director

Sangita Singh
Director

Prof. Jayanth R. Varma
Director

Bengaluru
April 11, 2018

Nishit Ajitkumar Shah
Chief Financial Officer

Bindu Raghavan
Company Secretary

Statement of Cash Flows

(in ₹ crore)

Particulars	Year ended March 31,	
	2018	2017
Cash flow from operating activities		
Profit for the year	572	729
Adjustments to reconcile net profit to net cash provided by operating activities		
Income tax expense	209	160
Depreciation and amortization	105	103
Interest on bank deposits and others	(127)	(196)
Income on other financial assets	(61)	(4)
Allowance for credit losses on financial assets	1	(1)
Other Adjustments	(4)	-
Profit on sale of fixed assets	(1)	-
Exchange difference on translation of assets and liabilities	18	27
Changes in assets and liabilities		
Trade receivables and unbilled revenue	(295)	(64)
Loans and other financial assets and other assets	(107)	(59)
Trade payables	100	3
Other financial liabilities, other liabilities and provisions	246	59
Cash generated from operations	656	757
Income taxes paid	(203)	(220)
Net cash generated by operating activities	453	537
Cash flow from investing activities		
Expenditure on property, plant and equipment including intangible assets net of sale proceeds, including changes in retention money and capital creditors	(68)	(102)
Deposits with corporations	(6)	-
Loans to employees	-	-
Interest received on bank deposits and others	185	204
Loan given to fellow subsidiary	(33)	(5)
Payments to acquire financial assets		
Preference and other securities	(33)	(315)
Promissory notes	-	(10)
Liquid mutual fund units	(3,407)	(2,872)
Liquid mutual fund FMP	-	(50)
Certificate of deposits	(363)	-
Non-convertible debentures	(104)	(298)
Proceeds on sale of financial assets		
Preference and other securities	26	-
Certificate of deposit	279	-
Liquid mutual fund units	3,388	2,892
Government bonds	10	-
Net cash used in from investing activities	(126)	(556)
Cash flow from financing activities		
Payment of dividends (including corporate dividend tax)	(1,018)	-
Loan taken from fellow subsidiary	40	-
Net cash used in financing activities	(978)	-
Effect of exchange rate on translation of foreign currency cash and cash equivalents	45	(52)
Net decrease in cash and cash equivalents	(651)	(19)
Cash and cash equivalents at the beginning	2,534	2,605
Cash and cash equivalents at the end	1,928	2,534
Supplementary information		
Restricted cash balance	-	-

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 number: 117366W/ W-100018

Anand Subramanian
Partner
Membership number: 110815

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

Ravikumar Singisetti
Chairman and Director

Anantharaman Radhakrishnan
Managing Director
and Chief Executive Officer

D.N. Prahlad
Director

Sangita Singh
Director

Prof. Jayanth R. Varma
Director

Bengaluru
April 11, 2018

Nishit Ajitkumar Shah
Chief Financial Officer

Bindu Raghavan
Company Secretary

1. Company overview and significant accounting policies

1.1 Company overview

Infosys BPM Limited ('Infosys BPM' or 'the Company') (formerly known as Infosys BPO Limited) along with its wholly-owned subsidiaries, Infosys (Czech Republic) Limited s.r.o (formerly known as Infosys BPO s.r.o.), Infosys Poland Sp. z o.o (formerly known as Infosys BPO Poland Sp. z o.o), Infosys McCamish Systems LLC, Portland Group Pty. Limited and Infosys BPO Americas LLC, collectively called as 'Group' is a leading provider of business process management services to organizations that outsource their business processes. The Group leverages the benefits of service delivery globalization, process redesign, and technology, and thus, drives efficiency and cost effectiveness into client's business processes and thereby improve their competitive position by managing their business processes in addition to providing increased value.

The Company is a public limited company incorporated and domiciled in India and has its registered office at Bengaluru, Karnataka, India. The Company is a subsidiary of Infosys Limited.

With effect from December 18, 2017, the name of the Company was changed from Infosys BPO Limited to Infosys BPM Limited.

The Group's consolidated financial statements are approved by the Company's Board on April 11, 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). 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 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.

Amounts for the year ended March 31, 2017 were audited by the previous auditors – B S R & Co. LLP.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

As the yearly figures are taken from the source and rounded to the nearest digits, the figures reported for all the quarters during the year might not always add up to the year figures reported in this statement.

1.3 Basis of consolidation

Infosys BPM consolidates entities which it owns or controls. 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 consolidated 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 Company 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 Company's investment in associates includes good will identified on acquisition.

1.4 Use of estimates

The preparation of the consolidated 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 year. Application of accounting policies that require critical accounting estimates involving complex and subjective judgments and the use of assumptions in these financial statements have been disclosed in Note 1.5. Accounting estimates could change from period-to-period. Actual results could differ from those estimates. Appropriate changes in estimates are made as the Management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the consolidated financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to these 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 Group's major tax jurisdiction is India, although the Group 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.

c. Property, plant and equipment

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

d. Impairment of goodwill

Goodwill is tested for impairment on an annual basis and whenever there is an indication that the recoverable amount of a cash generating unit (CGU) is less than its carrying amount based on a number of factors including operating results, business plans, future cash flows and economic conditions. The recoverable amount of CGU 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 CGU, which are benefitting from the synergies of the acquisition and which represents the lowest level at which goodwill is monitored for internal management purpose.

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

1.6 Revenue recognition

The Group derives revenues primarily from business process management services and related services and from the licensing of software product. Arrangements with customers for business process management 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 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.

License fee revenue is recognized when the general revenue recognition criteria given in Ind AS 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 AS18 to account for the revenue from the 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 the 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 service 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 these services are performed. ATS revenue is recognized ratably over the period in which services are recognized.

In arrangements for transition related services and maintenance services, the Group 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 transition related services as separately identifiable components. For allocating the consideration, the Group 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 Group is unable to establish objective and reliable evidence of fair value for the transition related services, the Group 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.

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 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 Group 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 Group 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 present revenues net of indirect taxes in its Statement of Profit and Loss.

1.7 Property, plant and equipment

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

Building[(1)]	22-25 years
Plant and machinery[(1)]	5 years
Computer equipment[(1)]	3-5 years
Furniture and fixtures[(1)]	5 years
Office equipment[(1)]	5 years
Leasehold improvements	over lease term

(1) Based on technichal evaluation, the Management believes that the useful lives as given above best represent the period over which the Management expects to use these assets. Hence, the useful lives for these assets is different from the useful lives as prescribed under Part C of Schedule II of the Companies Act, 2013.

Leasehold improvements are written off over the lower of the lease term or the useful life of the asset.

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 are 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 net profit in the Statement of Profit and Loss when incurred. The cost and related accumulated depreciation are eliminated from the financial statements upon sale or retirement of the asset and the resultant gains or losses are recognized in net profit 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.

1.8 Goodwill

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

1.9 Intangible assets

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

1.10 Financial instruments

1.10.1 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.

1.10.2 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 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 (OCI).

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

A financial asset which is not classified in any of the above categories are subsequently fairvalued 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 Ind AS 109, Financial Instruments. Any derivative that is either not designated a 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 the 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 hedges

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

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

c. Share capital

Ordinary shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of new ordinary shares are recognized as a deduction from equity, net of any tax effects.

For all other financial instruments, the carrying amount is approximately equal to fair value, due to short maturity of those instrument.

1.10.3 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.

1.11 Fair value of financial instruments

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

Refer to Note 2.8 for the disclosure on carrying value and fair value of financial assets and liabilities. For financial assets and liabilities maturing within one year from the Balance Sheet date and which are not carried at fair value, the carrying amounts approximate fair value due to the short maturity of these instruments.

1.12 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 Statement of Profit and Loss.

b. Non-financial assets

(i) Goodwill

Goodwill is tested for impairment on an annual basis and whenever there is an indication that goodwill may be impaired, relying on number of factors including operation 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 CGUs expected to benefit from the synergies arising from the business combination. A CGU is the smallest identifiable group of assets that generates cash flows that are largely independent of the cash flows from other assets or group of assets. Impairment occurs when the carrying amount of CGU including the goodwill, exceeds the estimated recoverable amount of the CGU. The recoverable amount of the CGU if 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 in goodwill is recognized in the net profit the Statement of Profit and Loss and is not reversed in the subsequent period.

(ii) Intangible assets and property, plant and equipment

Intangible assets and property, plant and equipment are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell or 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 cash generated unit ('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 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 net profit in the Statement of Profit and Loss if there has been a change in the estimates used to determine the recoverable amount. The carrying amount of the asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortization or depreciation) had no impairment loss been recognized for the asset in prior years.

1.13 Provisions

A provision is recognized if, as a result of a past event, the group has a present legal or constructive obligation that is reasonably estimable, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

a. Post-sales client support

The Group provides its clients with a fixed-period post-sales support for corrections of errors and support on all its fixed-price, fixed-timeframe and time and material contracts. Costs associated with such support services are accrued at the time related revenues are recorded and included in cost of sales. The Group estimates such costs based on historical experience and estimates are reviewed on a periodic basis for any material changes in assumptions and likelihood of occurrence.

b. Onerous contracts

Provisions for onerous contracts are recognized when the expected benefits to be derived by the group from a contract are lower than the unavoidable costs of meeting the future obligations under the contract. The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established the group recognizes any impairment loss on the assets associated with that contract.

1.14 Foreign currency

Functional currency

The functional currency of the Company is the Indian Rupee. The functional currencies for Infosys (Czech Republic) Limited s.r.o, Infosys Poland Sp. z o.o., Infosys McCamish Systems LLC, Portland Group Pty. Limited, and Infosys BPO Americas LLC are the respective local currencies. These consolidated financial statements are presented in Indian Rupees.

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 statement of Profit and Loss. However, when a change in the parent's ownership does not result in laws 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 with the Balance Sheet date.

1.15 Earnings per equity share

Basic earnings per equity share is computed by dividing the net profit attributable to the equity holders of the Group 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 Group 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.

1.16 Income taxes

Income tax expense comprises current and deferred income tax. Income tax expense is recognized in net profit in the Statement of Profit and Loss, except to the extent that it relates to items recognized directly in equity, in which case it is recognized in Other Comprehensive Income. Current income tax for current and prior periods is recognized at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date. Deferred income tax assets and liabilities are recognized for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Deferred income tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect of changes in tax rates on deferred income tax assets and liabilities is recognized as income or expense in the period that includes the enactment or the substantive enactment date. A deferred income tax asset is recognized to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilized. Deferred income taxes are not provided on the undistributed earnings of subsidiaries and branches where it is expected that the earnings of the subsidiary or branch will not be distributed in the foreseeable future. The Group offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously. Tax benefits of deductions earned on exercise of employee share options in excess of compensation charged to income are credited to share premium.

1.17 Employee benefits

1.17.1 Gratuity

The Group provides for gratuity, a defined benefit retirement plan ('the Gratuity Plan') covering eligible employees of Infosys BPM. The Gratuity Plan provides a Lumpsum 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 BPO 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 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 remeasurements of the net defined benefit liability / asset are recognized in Other Comprehensive Income. 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 the Statement of Profit and Loss.

1.17.2 Superannuation

Certain employees of the Group are participants in a defined contribution plan. The Group has no further obligations to the Plan beyond its monthly contributions.

1.17.3 Provident fund

Eligible employees of the Company are participants in defined contribution plan. The Company has no further obligations under the provident fund plan beyond its monthly contributions.

1.17.4 Compensated absences

The Group has a policy on compensated absences which are both accumulating and non-accumulating in nature. The expected cost of accumulating compensated absences is determined by actuarial valuation performed by an independent actuary at each Balance Sheet date using projected unit credit method on the additional amount expected to be paid / availed as a result of the unused entitlement that has accumulated at the Balance Sheet date. Expense on non-accumulating compensated absences is recognized in the period in which the absences occur.

1.18 Cash Flow Statement

Cash flows are reported using the indirect method, whereby profit for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

Amendment in Ind AS 7

Effective April 1, 2017, the Company adopted the amendment to Ind AS 7, which requires the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the Balance Sheet for liabilities arising from financing activities, to meet the disclosure requirement. The adoption of amendment did not have any material effect on the consolidated financial statements.

1.19 Leases

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.

1.20 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.

1.21 Other income

Other income is comprised primarily of interest income, dividend income and exchange gain / loss on forward and options contracts and on translation of other assets and liabilities. Interest income is recognized using the effective interest method. Dividend income is recognized when the right to receive payment is established.

1.22 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 rule will come into force from April 1, 2018. The Group has evaluated the effect of this on the consolidated financial statements and it 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.
- 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 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 use 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

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

(in ₹ crore)

Particulars	Land-leasehold [1]	Buildings	Leasehold improvement [2]	Plant and machinery [2]	Office equipment [2]	Computer equipment	Furniture and fixtures [2]	Total
Gross carrying value as of April 1, 2017	12	153	114	46	119	345	79	868
Additions	-	1	24	13	4	33	5	80
Deletions	-	-	(1)	-	(1)	(22)	(1)	(25)
Translation difference	-	-	3	1	1	11	2	18
Gross carrying value as of March 31, 2018	12	154	140	60	123	367	85	941
Accumulated depreciation as of April 1, 2017	1	56	78	30	104	246	66	581
Depreciation	-	6	20	8	5	49	7	95
Accumulated depreciation on deletions	-	-	(1)	-	(1)	(21)	(1)	(24)
Translation difference	-	-	3	-	3	6	2	14
Accumulated depreciation as of March 31, 2018	1	62	100	38	111	280	74	666
Carrying value as of March 31, 2018	11	92	40	22	12	87	11	275
Carrying value as of April 1, 2017	11	97	36	16	15	99	13	287

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

in ₹ crore

Particulars	Land-leasehold [1]	Buildings	Leasehold improvement	Plant and machinery	Office equipment	Computer equipment	Furniture and fixtures	Total
Gross carrying value as of April 1, 2016	12	152	93	43	128	318	82	828
Additions	-	1	26	3	7	56	6	99
Deletions	-	-	(4)	-	(16)	(25)	(8)	(53)
Translation difference	-	-	(1)	-	-	(4)	(1)	(6)
Gross carrying value as of March 31, 2017	12	153	114	46	119	345	79	868
Accumulated depreciation as of April 1, 2016	1	50	67	22	114	227	66	547
Depreciation	-	6	16	8	6	47	8	91
Accumulated depreciation on deletions	-	-	(4)	-	(16)	(25)	(7)	(52)
Translation difference	-	-	(1)	-	-	(3)	(1)	(5)
Accumulated depreciation as of March 31, 2017	1	56	78	30	104	246	66	581
Carrying value as of March 31, 2017	11	97	36	16	15	99	13	287
Carrying value as of April 1, 2016	11	102	26	21	14	91	16	281

[1] Gross carrying value of leasehold land represents amounts paid under certain lease-cum-sale agreements to acquire land including agreements where the Company has an option to purchase or renew the properties on expiry of the lease period.

[2] Property, plant and equipment of ₹ 13 crore was transferred from Infosys Limited to Infosys BPM Limited.

The aggregate depreciation has been included under depreciation and amortization expense in the Consolidated Statement of Profit and Loss.

The rental income from the leasing of certain assets to holding company for the year ended March 31, 2018 and March 31, 2017 amounted to ₹ 3 crore and ₹ 8 crore, respectively.

2.2 Goodwill and other intangible assets

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

in ₹ crore

Particulars	As at March 31,	
	2018	2017
Carrying value at the beginning	378	389
Translation differences	9	(11)
Carrying value at the end	387	378

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to the cash generate units (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 break-up of allocation of goodwill to operating segments is as follows:

in ₹ crore

Segment	As at March 31,	
	2018	2017
FSI	240	240
MFG	90	91
RCL	13	12
LSH	10	4
ECS	34	31
Total	387	378

The recoverable amount of a CGU is the higher of its fair value less cost to sell and its value-in-use. The value-in-use is determined based on specific calculations. These calculations use pre-tax cash flow projections for a CGU / groups of CGUs over a period of five years. An average of the range of each assumption used is mentioned below. As of March 31, 2018, the estimated recoverable amount of the CGU exceeded its carrying amount. The recoverable amount was computed based on the value-in-use. The carrying amount of the CGU was computed by allocating the net assets to operating segments for the purpose of impairment testing.

The key assumptions used for the calculations are as follows:

in %

Particulars	As of March 31,	
	2018	2017
Long term growth rate	10	6-12
Operating margins	12-13	7-10
Discount rate	13	14-18

The above discount rate is based on the Weighted Average Cost of Capital (WACC) of the Company. These estimates are likely to differ from future actual results of operations and cash flows.

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

in ₹ crore

Particulars	Customer related	Total
Gross carrying value as of April 1, 2017	111	111
Additions during the year	-	-
Deletions during the year	-	-
Translation difference	1	1
Gross carrying value as of March 31, 2018	112	112
Accumulated amortization as of April 1, 2017	(84)	(84)
Amortization expense	(10)	(10)
Deletion during the year	-	-
Translation differences	(2)	(2)
Accumulated amortization as of March 31, 2018	(96)	(96)
Carrying value as of March 31, 2018	16	16
Carrying value as of April 1, 2017	27	27
Estimated Useful Life (in years)	10	
Estimated Remaining Useful Life (in years)	1-4	

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

in ₹ crore

Particulars	Customer related	Total
Gross carrying value as of April 1, 2016	114	114
Additions during the year	-	-
Deletions during the year	-	-
Translation difference	(3)	(3)
Gross carrying value as of March 31, 2017	111	111
Accumulated amortization as of April 1, 2016	(75)	(75)
Amortization expense	(12)	(12)
Deletion during the year	-	-
Translation differences	3	3
Accumulated amortization as of March 31, 2017	(84)	(84)
Carrying value as of March 31, 2017	27	27
Carrying value as of April 1, 2016	39	39
Estimated Useful Life (in years)	3-10	
Estimated Remaining Useful Life (in years)	1-7	

The amortization expense has been included under depreciation and amortization expense in the Consolidated Statement of Profit and Loss.

2.3 Investments

in ₹ crore

Particulars	As at March 31, 2018	2017
Non-current investments		
Equity instruments	21	14
Preference securities	59	45
Non-convertible debentures	346	297
Fixed maturity plan securities	53	50
Convertible promissory note	12	10
	491	416
Current investments		
Liquid mutual fund units	38	-
Non-convertible debentures	52	-
Government bonds	-	9
Certificates of deposit	368	270
	458	279
Total carrying value	949	695

in ₹ crore

Particulars	As at March 31, 2018	2017
Non-current		
Quoted investments at fair value through other comprehensive income		
Non-convertible debentures	346	297
Quoted investments at fair value through profit or loss		
Fixed maturity plan securities	53	50
Unquoted investments at fair value through profit or loss		
Convertible promissory notes of Tidal Scale Inc.	12	10
Vertex Ventures US Fund LLP	59	32
Unquoted investments at fair value through other comprehensive income		
UNSILO A/S	21	14
Cloudyn Software Limited*	-	13
Total non-current investments	491	416

Particulars	As at March 31, 2018	2017
Current		
Quoted investments at fair value through other comprehensive income		
Non-convertible debentures	52	-
Quoted investments at amortized cost		
Government bonds	-	9
Unquoted investments at fair value through other comprehensive income		
Certificates of deposit	368	270
Unquoted investments at fair value through profit or loss		
Liquid mutual fund units	38	-
Total current investments	458	279
Total investments	949	695
Aggregate amount of quoted investments	451	356
Market value of quoted investments (Including interest thereon)	451	356
Aggregate amount of unquoted investments	498	339
Investments carried at fair value through other comprehensive income	787	594
Investment carried at amortized cost	-	9
Investment carried at fair value through Profit or Loss	162	92

*Investment sold during the current year

2.3.1 Details of investments in Liquid mutual fund units

The balances held in liquid mutual fund units are as follows:

in ₹ crore

Particulars	As at March 31, 2018		2017	
	Units	Amount	Units	Amount
Aditya Birla Sun Life Cash Plus Growth Direct Plan	13,62,562	38	-	-
	13,62,562	38	-	-

2.3.2 Details of investments in government bonds

The balances held in government bonds are as follows:

in ₹ crore

Particulars	As at March 31,			
	2018		2017	
	Units	Amount	Units	Amount
Treasury Notes PHY6972FWQ99 MAT DATE 07 JUN 2017	–	–	340,000	4
Treasury Notes PIBL1217C056 MAT DATE 14 MAR 2018	–	–	400,000	5
	–	–	740,000	9

2.3.3 Details of investments in non-convertible debentures

The balances held in non-convertible debentures are as follows:

in ₹ crore

Particulars	As at March 31,			
	2018		2017	
	Units	Amount	Units	Amount
8.6% Life Insurance Corporation Housing Finance Limited 22 JUL 2020	1,000	107	1,000	108
8.6% Life Insurance Corporation Housing Finance Limited 29 JUL 2020	350	37	350	38
8.5% Housing Development Finance Corporation Limited 31 AUG 2020	50	54	50	53
8.49% Housing Development Finance Corporation Limited 27 APR 2020	900	49	900	49
8.66% IDFC Bank Limited 27 DEC 2018	400	52	400	49
7.78% Housing Development Finance Corporation Ltd 24 MAR 2020	100	99	-	-
	2,800	398	2,700	297

2.3.4 Details of investments in mutual funds - fixed maturity plan (FMPs)

The balances held in mutual fund FMPs are as follows:

in ₹ crore

Particulars	NAV	As at March 31,			
	INR	2018		2017	
		Units	Amount	Units	Amount
ICICI FMP Series 80-1194 D Plan F Div	10	1,50,00,000	16	1,50,00,000	15
Reliance Fixed Horizon Fund XXXII Series 8 Dividend Plan	10	1,50,00,000	15	1,50,00,000	15
HDFC FMP 1155D Feb 2017Direct Growth Series 37	10	1,00,00,000	11	1,00,00,000	10
Birla Sunlife Fixed Term Plan Series OD (1145 days)	10	1,00,00,000	11	1,00,00,000	10
		5,00,00,000	53	5,00,00,000	50

2.3.5 Details of investments in certificate of deposits (CD)

The balances held in certificate of deposit are as follows:

in ₹ crore

Certificate of deposits	As at March 31,			
	2018		2017	
	Units	Amount	Units	Amount
Kotak Mahindra Bank Limited 23 FEB 2018	-	-	11,500	109
Axis Bank Limited 19 JAN 2018	-	-	12,000	114
IDFC Bank Limited 7 MAR 2018	-	-	5,000	47
Axis Bank Limited 24 JAN 2019	23,000	217	-	-
ICICI Bank Limited 14 FEB 2019	10,000	95	-	-
ICICI Bank limited 21 FEB 2019	6,000	56	-	-
	39,000	368	28,500	270

2.4 Loans

in ₹ crore

Particulars	As at March 31,	
	2018	2017
Non-current		
Unsecured, considered doubtful		
Loans to employees	4	7
Less: Allowance for doubtful loans to employees	4	7
	-	-
Current		
Unsecured, considered good		
Loans to employees	18	19
Loans to fellow subsidiary[1]	39	5
	57	24
[1] Includes dues from other Group companies (Refer to Note 2.20)	39	5

2.5 Other financial assets

in ₹ crore

Particulars	As at March 31,	
	2018	2017
Non-current		
Security deposits[1]	3	2
Rental deposits [1]	35	33
	38	35
Current		
Security deposits [1]	1	3
Rental deposits [1]	3	2
Restricted deposits*[1]	81	75
Unbilled revenues [1][3]	230	108
Interest accrued but not due[1]	21	53
Foreign currency forward contracts[2]	-	16
Others[1][3]	11	3
	347	260
Total financial assets	385	295
[1] Financial assets carried at amortized cost.	385	279
[2] Financial assets carried at fair value through Profit or Loss.	-	16
[3] Includes dues from holding company and other group companies (Refer to Note 2.20)	17	5

* 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

in ₹ crore

Particulars	As at March 31,	
	2018	2017
Current		
Unsecured		
Considered good[1]	859	686
Considered doubtful	11	10
	870	696
Less: Allowances for credit losses	11	10
	859	686
	859	686
[1] Includes dues from holding company and group companies (Refer to Note 2.20)	62	41

2.7 Cash and cash equivalents

in ₹ crore

Particulars	As at March 31,	
	2018	2017
Balances with banks		
In current and deposit accounts	1,317	1,784
Cash on hand	-	-
Others		
Deposits with financial institution	611	750
	1,928	2,534
Deposit with more than 12 months maturity	-	-
Balances with banks held as margin money deposits against guarantees	2	2

Cash and cash equivalents as of March 31, 2018 and March 31, 2017 include restricted cash and bank balances of less than ₹ 1 crore and less than ₹ 1 crore, respectively. The restrictions are primarily on account of cash and bank balances held by irrevocable trusts controlled by the Group, bank balances held as margin money deposits against guarantees.

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 at Balance Sheet dates with banks are as follows:

in ₹ crore

Particulars	As at March 31,	
	2018	2017
In current accounts		
Bank of America, Atlanta, USA	90	54
Bank of America, California, USA	27	21
Bank of America, California - Trust account, USA	-	1
Bank of Philippine Islands	1	-
Citi Bank, Costa Rica	1	5
Citi Bank, Manila	-	1
Citi Bank, South Africa	-	1
Citibank, India	-	-

Particulars	As at March 31,	
	2018	2017
Citibank NA Czech Republic	-	-
Citibank, IBPM, Australia	6	-
Citibank, Portland, Australia	12	6
Citibank (Euro account), South Africa	1	-
Citibank, Singapore	1	1
Deutsche Bank, EEFC (Euro account)	1	4
Deutsche Bank, EEFC (US Dollar account)	5	2
Deutsche Bank, EEFC (UK Pound Sterling account)	1	1
Deutsche Bank, India	4	3
Deutsche Bank, Czech Republic	15	8
Deutsche Bank, Czech Republic (Euro account)	3	7
Deutsche Bank, Czech Republic (US Dollar account)	2	30
Deutsche Bank, Netherland	5	-
Deutsche Bank, Philippines (PHP account)	10	1
Deutsche Bank, Philippines (USD account)	3	4
Deutsche Bank, Poland	17	11
Deutsche Bank, Poland (Euro account)	8	4
Deutsche Bank, Poland (ES Fund)	1	1
Deutsche Bank, London, UK	1	1
ICICI Bank- EEFC (Euro account)	1	1
ICICI Bank- EEFC (US Dollar account)	29	1
ICICI Bank- EEFC (UK Pound Sterling account)	11	1
ICICI Bank, India	3	5
Royal Bank of Canada, Ontario, Canada	1	-
State Bank of India, India	1	1
	261	176
In deposit accounts		
Axis Bank	-	230
BNP, Poland	144	183
Citi Bank, Australia	93	92
Deutsche Bank, Poland	211	71
HDFC Bank Limited	75	120
ICICI Bank	7	282
IDFC Bank	-	200
Kotak Mahindra Bank	-	35
South Indian Bank	250	250
Deutsche Bank, Czech Republic	24	-
Yes Bank	-	143
IDBI Bank	250	-
	1,054	1,606
In margin money deposits against guarantees		
Citibank, Australia	2	2
	2	2
Deposits with financial institution		
HDFC Limited	611	750
	611	750
Total cash and cash equivalents as per Balance Sheet	1,928	2,534

2.8 Other assets

in ₹ crore

Particulars	As at March 31,	
	2018	2017
Non-current		
Capital advances	1	1
Prepaid expenses	61	-
Withholding taxes and other taxes receivables*	21	-
Advances other than capital advance		
Prepaid gratuity	5	9
	88	10
Current		
Unsecured, considered good		
Advance payment to vendors for supply of goods	10	16
Others		
Withholding taxes and other taxes receivable(1)	32	28
Prepaid expenses	101	57
Deferred contract cost(2)	-	4
Others	-	5
	143	110
Total other assets	231	120

(1) Withholding taxes and the others primarily consists of input tax credit.

(2) Deferred contract costs are upfront costs incurred for the contract and are amortized over the term of the contract.

2.9 Financial instruments

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 to Note 2.7)	1,928	-	-	-	-	1,928	1,928
Investments (Refer to Note 2.3)							
Equity, preference and other securities	-	-	59	21	-	80	80
Convertible promissory notes	-	-	12	-	-	12	12
Non-convertible debentures	-	-	-	-	398	398	398
Certificates of deposit	-	-	-	-	368	368	368
Fixed maturity plan securities	-	-	53	-	-	53	53
Liquid mutual fund units	-	-	38	-	-	38	38
Trade receivables (Refer to Note 2.6)	859	-	-	-	-	859	859
Loans (Refer to Note 2.4)	57	-	-	-	-	57	57
Other financial assets (Refer to Note 2.5)	385	-	-	-	-	385	385
Total	3,229	-	162	21	766	4,178	
Liabilities							
Trade payables	110	-	-	-	-	110	110
Other financial liabilities (Refer to Note 2.11)	642	-	2	-	-	644	644
Loans	40					40	40
Total	792	-	2	-	-	794	

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 to Note 2.7)	2,534	-	-	-	-	2,534	2,534
Investments (Refer to Note 2.3)							
Equity, preference and other securities	-	-	32	27	-	59	59
Promissory notes	-	-	10	-	-	10	10
Non-convertible debentures	-	-	-	-	297	297	297

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		
Certificates of deposit	-	-	-	-	270	270	270
Government bonds	9	-	-	-	-	9	9
Fixed maturity plans	-	-	50	-	-	50	50
Trade receivables (Refer to Note 2.6)	686	-	-	-	-	686	686
Loans (Refer to Note 2.4)	24	-	-	-	-	24	24
Other financial assets (Refer to Note 2.5)	279	-	16	-	-	295	295
Total	3,532	-	108	27	567	4,234	
Liabilities							
Trade payables	10	-	-	-	-	10	10
Other financial liabilities (Refer to Note 2.11)	522	-	-	-	-	522	522
Total	532	-	-	-	-	532	

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 hierarchy of assets and liabilities measured at fair value is as follows:

in ₹ crore

Particulars	As at March 31, 2018	Fair value measurement at end of the reporting year using		
		Level 1	Level 2	Level 3
Assets				
Investments in fixed maturity plan (Refer to Note 2.3)	53	-	53	-
Investments in preference securities (Refer to Note 2.3)	59	-	-	59
Investments in equity instruments (Refer to Note 2.3)	21	-	-	21
Investments in non-convertible debentures[(1)] (Refer to Note 2.3)	398	202	196	-
Investments in convertible promissory notes (Refer to Note 2.3)	12	-	-	12
Investments in liquid mutual fund units (Refer to Note 2.3)	38	38	-	-
Investments in certificate of deposits (Refer to Note 2.3)	368	-	368	-
Derivative financial instruments - gain on foreign currency forward contract (Refer to Note 2.5)	-	-	-	-
Liabilities				
Derivative financial instruments - loss on outstanding foreign exchange forward contracts (Refer to Note 2.11)	2	-	2	-

(1) During the year ended March 31, 2018, the non-convertible debentures of ₹ 196 crore were transferred from Level 1 to Level 2.

The hierarchy of assets and liabilities measured at fair value is as follows:

in ₹ crore

Particulars	As at March 31, 2017	Fair value measurement at end of the reporting year using		
		Level 1	Level 2	Level 3
Assets				
Investments in fixed maturity plan (Refer to Note 2.3)	50	-	50	-
Investments in quoted government bond (Refer to Note 2.3)	9	9	-	-
Investments in equity and preference securities (Refer to Note 2.3)	59	-	-	59

Particulars	As at March 31, 2017	Fair value measurement at end of the reporting year using		
		Level 1	Level 2	Level 3
Investments in non-convertible debentures (Refer to Note 2.3)	297	297	-	-
Investments in certificate of deposits (Refer to Note 2.3)	270	-	270	-
Investments in promissory notes (Refer to Note 2.3)	10	-	-	10
Derivative financial instruments - gain on foreign currency forward contract (Refer to Note 2.5)	16	-	16	-
Liabilities				
Derivative financial instruments - loss on outstanding foreign exchange forward contracts (Refer to Note 2.11)	-	-	-	-

The fair value of liquid mutual fund units is based on quoted price. The fair value of government bonds and non-convertible debentures is based on quoted prices and market-observable inputs. The fair value of fixed maturity plan securities and certificates of deposit is based on market-observable inputs. Derivative financial instruments are valued based on quoted prices for similar assets and liabilities in active market or inputs that are directly or indirectly observable in the marketplace. The fair value of investments in unquoted equity, preference and other securities is determined using Level 3 inputs like discounted cash flows, market multiple method, option pricing model, etc.

Financial risk management

Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk, credit risk, and liquidity risk. The Group's 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 US and elsewhere, and purchases from overseas suppliers in various foreign currencies. The Group holds derivative financial instruments, such as foreign exchange forward 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 rupee appreciates / depreciates against these currencies.

The analysis of foreign currency risk from financial instruments as of March 31, 2018 is as follows:

in ₹ crore

Particulars	US Dollars	Euro	United Kingdom Pound Sterling	Australian Dollars	Other currencies	Total
Cash and cash equivalents	157	20	14	113	425	729
Trade receivables	545	127	77	56	25	830
Other financial assets (including loans)	248	7	7	14	19	295
Trade payables	(91)	(2)	(4)	-	(3)	(100)
Other financial liabilities	(289)	(15)	(3)	(21)	(99)	(427)
Net assets / (liabilities)	570	137	91	162	367	1,327

The analysis of foreign currency risk from financial instruments as of March 31, 2017 is as follows:

in ₹ crore

Particulars	US Dollars	Euro	United Kingdom Pound Sterling	Australian Dollars	Other currencies	Total
Cash and cash equivalents	115	16	3	101	281	516
Trade receivables	403	102	61	40	27	633
Other financial assets (including loans)	166	7	5	11	36	225
Trade payables	(2)	-	-	-	(1)	(3)
Other financial liabilities	(159)	(45)	(11)	(29)	(90)	(334)
Net assets / (liabilities)	523	80	58	123	253	1,037

For the year ended March 31, 2018 and March 31, 2017, every percentage point depreciation / appreciation in the exchange rate between the Indian Rupee and US Dollar, has affected the Group's incremental operating margins by approximately 0.34% and 0.33%, respectively.

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 year and the current reporting year.

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 or a financial institution. These derivative financial instruments are valued based on inputs that are directly or indirectly observable in the marketplace.

The details of outstanding foreign exchange forward contracts are as follows:

Particulars	As at March 31,			
	2018		2017	
	in million	in ₹ crore	in million	in ₹ crore
Forward contracts				
In US Dollars	67	437	46	298
In Euro	5	40	8	52
In United Kingdom Pound Sterling	6	51	5	42
In Australian Dollars	5	25	5	25
Total forwards		553		417

The foreign exchange forward 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	2017
Not later than one month	134	88
Later than one month and not later than three months	295	213
Later than three months and not later than six months	124	116
	553	417

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

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

in ₹ crore

Particulars	As of March 31,			
	2018		2017	
	Derivative financial asset	Derivative financial liability	Derivative financial asset	Derivative financial liability
Gross amount of recognized financial asset / liability	-	(2)	16	-
Amount set off	-	-	-	-
Net amount presented in the Balance Sheet	-	(2)	16	-

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 ₹ 859 crore and ₹ 686 crore and unbilled revenue amounting to ₹ 230 crore and ₹ 108 crore – both as of 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. 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 Company's historical experience for customers.

The percentage of revenues generated from top customer and top ten customers is as follows:

in %

Particulars	Years ended March 31,	
	2018	2017
Revenue from top customer	7%	9%
Revenue from top ten customers	33%	37%

Credit risk exposure

The provision for lifetime expected credit loss on customer balances for the fiscals, 2018 and 2017, respectively were ₹ 1 crore and ₹ 3 crore.

in ₹ crore

Particulars	Years ended March 31,	
	2018	2017
Balance at the beginning	10	8
Provisions recognized / (reversed)	1	(3)
Write-offs	-	-
Translation differences	-	5
Balance at the end	11	10

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.

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 believes that the working capital is sufficient to meet its current requirements. Accordingly, no liquidity risk is perceived.

As of March 31, 2018, the Group had a working capital of ₹ 2,683 crore (2017: ₹ 3,132 crore) including cash and cash equivalents of ₹ 1,928 crore (2017: ₹ 2,534 crore) and current investments of ₹ 458 crore (2017: ₹ 279 crore).

As of March 31, 2018 and March 31, 2017, the outstanding employee benefit obligations were ₹ 198 crore and ₹ 164 crore, respectively, which have been substantially funded. Further, as of March 31, 2018 and March 31, 2017, the Group had no outstanding bank borrowings. Accordingly, no liquidity risk is perceived.

The contractual maturities of significant financial liabilities as of March 31, 2018 are as follows:

in ₹ crore

Particulars	Less than 1 year	1-2 years	2-4 years	4-7 years	Total
Trade payables	110	-	-	-	110
Client deposits	1	-	-	-	1
Other liabilities (Refer to Note 2.11)	546	-	-	-	546

The contractual maturities of significant financial liabilities as of March 31, 2017 are as follows:

in ₹ crore

Particulars	Less than 1 year	1-2 years	2-4 years	4-7 years	Total
Trade payables	10	-	-	-	10
Client deposits	1	-	-	-	1
Other liabilities (Refer to Note 2.11)	522	-	-	-	522

2.10 Equity

Equity share capital

(in ₹ crore, except as stated otherwise)

Particulars	As at March 31,	
	2018	2017
Authorized		
Equity shares, ₹10/- (₹10/-) par value		
12,33,75,000 (12,33,75,000) equity shares	123	123
Issued, subscribed and paid-up		
Equity shares, ₹10/- (₹10/-) par value	34	34
3,38,27,751 (3,38,27,751) equity shares fully paid up		
(of the above 3,38,22,319 equity shares are held by the holding company, Infosys Limited)		
	34	34

The Company has only one class of shares referred to as equity shares having a par value of ₹10/-. Each holder of equity shares is entitled to one vote per share.

The Board, in its meeting on October 17, 2017, declared an interim dividend of ₹ 250 per equity share, which resulted in cash outflow of ₹ 1,018 crore inclusive of corporate dividend tax of ₹ 172 crore.

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.

The details of shareholder holding more than 5% shares are as follows:

Name of the shareholder	As at March 31, 2018		As at March 31, 2017	
	Number of shares	% held	Number of shares	% held
Infosys Limited, the holding company	3,38,22,319	99.98	3,38,22,319	99.98

The reconciliation of the number of shares outstanding and the amount of share capital is as follows:

in ₹ crore, except as stated otherwise

Particulars	As at March 31, 2018		As at March 31, 2017	
	No. of shares	Amount	No. of shares	Amount
Number of shares at the beginning of the period / year	3,38,27,751	34	3,38,27,751	34
Add: Shares issued during the period / year	-	-	-	-
Number of shares at the end of the period / year	3,38,27,751	34	3,38,27,751	34

There has been no buy-back of shares, issuance of bonus shares or shares issued for consideration other than cash during the last 5 years.

2.11 Other financial liabilities

in ₹ crore

Particulars	As at March 31,	
	2018	2017
Non-current		
Others		
Compensated absences	4	-
	4	-
Current		
Others		
Accrued compensation to employees	198	164
Capital creditors	3	-
Provision for expenses [1]	329	265
Client deposits	1	1
Other payables [2]	14	8
Compensated absences	93	84
Foreign currency forward contracts	2	-
	640	522
Financial liability carried at amortized cost	642	522
Financial liability carried at fair value through Profit or loss	2	-
[1] Includes dues to holding and other Group Companies (Refer to Note 2.20)	-	2
[2] Includes dues to holding company and other Group Companies (Refer to Note 2.20)	9	3

2.12 Other liabilities

in ₹ crore

Particulars	As at March 31,	
	2018	2017
Non-current		
Deferred rent	30	-
	30	-
Current		
Unearned revenue	210	126
Others		
Withholding and other payable	55	50
Deferred rent	8	-
	273	176
Total other liabilities	303	176

2.13 Provisions

in ₹ crore

Particulars	As at March 31,	
	2018	2017
Others		
Post-sales client support and warranties and others	33	39
	33	39

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	As at March 31,	
	2018	2017
Balance at the beginning	39	46
Provision recognized / (reversed)	8	(5)
Provision utilized	(13)	(3)
Exchange difference	(1)	1
Balance at the end	33	39

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 Other income

in ₹ crore

Particulars	Year ended March 31,	
	2018	2017
Interest income on financial assets at carried at amortized cost:		
Deposit with banks and others	127	192
Interest income on financial assets at fair value through other comprehensive income:		
Non-convertible debentures	26	-
Certificates of deposit	14	-
Income on investments carried at fair value through profit and loss:		
Gains / (losses) on liquid mutual funds units	20	4
Dividend income on liquid mutual funds units	-	3
Profit on sale of property, plant and equipment	1	-
Rental income from holding company	3	8
Exchange gains / (losses) on foreign currency forward and options contracts	12	41
Exchange gains / (losses) on translation of other assets and liabilities	(18)	(27)
Other income[1]	25	21
	210	242

[1] Sale of duty scripts ₹ 23 crore during the current year.

2.15 Expenses

in ₹ crore

Particulars	Year ended March 31,	
	2018	2017
Employee benefit expenses		
Salaries and bonus including overseas staff expenses	2,423	2,238
Staff welfare	37	28
Contribution to provident and other funds	77	72
	2,537	2,338
Cost of technical sub-contractors and professional charges		
Cost of technical sub-contractors	285	126
Legal and professional	42	37
Recruitment and training	30	35
	357	198
Other expenses		
Computer maintenance	12	8
Printing and stationery	5	4
Office maintenance	86	83
Consumables	4	5
Brand building and advertisement	4	2
Marketing expenses	3	4
Power and fuel	27	31
Insurance charges	6	11
Communication	82	80
Rates and taxes	15	12
Contribution to corporate social responsibility	13	15
Bank charges and commission	6	2
Postage and courier	24	25
Allowances for credit losses on financial assets	-	(3)
Provision for doubtful loans and advances	1	2
Professional membership and seminar participation fees	1	1
Other miscellaneous expenses	2	-
	291	282

2.16 Lease rentals

Obligations on long-term, non-cancellable operating leases

The lease rentals charged during the period and the obligations on long-term, non-cancellable operating leases payable as per the rentals stated in the respective agreements are as follows:

in ₹ crore

Particulars	Year ended March 31,	
	2018	2017
Lease rentals recognized during the year	138	128

in ₹ crore

Lease obligations payable	As at March 31,	
	2018	2017
Within one year of the Balance Sheet date	106	107
Due in a period between one year and five years	314	279
Due after five years	74	98

The operating lease arrangements, are renewable on a periodic basis and for most of the leases extend up to 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.

2.17 Income taxes

Income tax expense in the Statement of Profit And Loss comprises:

in ₹ crore

Particulars	Year ended March 31,	
	2018	2017
Current taxes	199	209
Deferred taxes	10	(49)
Income tax expense	209	160

Current tax expense for the fiscals, 2018 and 2017 includes provisions (net of reversal) of ₹ 1 crore and ₹ 7 crore, respectively, pertaining to earlier periods.

Entire deferred income tax for fiscals, 2018 and 2017 relates to origination and reversal of temporary differences.

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 as follows:

in ₹ crore

Particulars	Year ended March 31,	
	2018	2017
Profit before income taxes	781	889
Enacted tax rates in India	34.61%	34.61%
Computed expected tax expense	270	308
Tax effect due to non-taxable income for tax purposes	(58)	(67)
Overseas taxes	6	3
Tax reversals, overseas and domestic	(1)	(7)
Effect of unrecognized deferred tax assets	-	4
Effect of differential overseas tax rates	(16)	(20)
Effect of non-deductible expenses	(2)	4
Others	10	(65)
Income tax expense	209	160

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

The provision for taxation includes tax liabilities in India on the group's global income as reduced by exempt incomes and any tax liabilities arising overseas on income sourced from those countries as per Indian Income Tax Act, 1961. Infosys BPM Limited operations are mainly conducted through

Software Technology Parks ('STPs') and Special Economic Zones ('SEZs'). At present, income from STP units are taxable. Income from SEZ unit is fully tax exempt for the first 5 years, 50% exempt for the next 5 years and 50% exempt for another 5 years subject to fulfilling certain conditions.

The details of income tax assets and income tax liabilities are as follows:

in ₹ crore

Particulars	As at March 31,	
	2018	2017
Income tax assets	82	75
Current Income tax liabilities	(13)	(9)
Net income tax assets (liability) at the end	69	66

The gross movement in the current income tax asset / (liability) is as follows:

in ₹ crore

Particulars	Year ended March 31,	
	2018	2017
Net income tax asset / (liability) at the beginning	66	60
Translation differences	(2)	(5)
Income tax paid	203	220
Income tax expense	(199)	(209)
Income tax on other comprehensive income	1	-
Net income tax asset / (liability) at the end	69	66

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	2017
Deferred income tax assets		
Property, plant and equipment	24	17
Accrued compensation to employees	4	4
Trade receivables	6	8
Compensated absences	25	23
Post-sales client support	-	3
Carry forward loss	24	70
Tax Subsidy	14	15
Others	27	21
Total deferred income tax assets	124	161
Deferred income tax liabilities		
Intangibles	21	28
Others	18	42
Total deferred income tax liabilities	39	70
Deferred income tax assets after set off	85	91

In assessing the realizability of deferred income tax assets, the Management considers whether some portion or all the deferred income tax assets will not be realized. The ultimate realization of deferred income tax assets is dependent upon the generation of future taxable income during the periods in which the temporary differences become deductible. The Management considers the scheduled reversals of deferred income tax liabilities, projected future taxable income, and tax planning strategies in making this assessment. Based on the level of historical taxable income and projections for future taxable income over the periods in which the deferred income tax assets are deductible, the Management believes that the group will realize the benefits of those deductible differences. The amount of the deferred income tax assets considered realizable, however, could be reduced in the near term if estimates of future taxable income during the carry forward period are reduced.

The gross movement in the deferred income taxes is as follows:

in ₹ crore

Particulars	Year ended March 31,	
	2018	2017
Net deferred income tax asset at the beginning	91	45
Translation differences	4	(3)
Credits / (charge) relating to temporary differences	(10)	49
Net deferred income tax asset at the end	85	91

The charge relating to temporary differences during the year ended March 31, 2018 is primarily on account of compensated absences, carry forward of losses and tax subsidy partially offset by reversal of credits pertaining to property, plant and equipment, trade receivable and intangibles.

2.18 Employee benefits

(a) Gratuity

The funded status of the gratuity plan and the amounts recognized in the group's financial statements are as follows:

in ₹ crore

Particulars	As of March 31,	
	2018	2017
Change in benefit obligations		
Benefit obligations at the beginning	66	57
Service cost	10	9
Interest expense	4	4
Acquisitions (credit) / cost	-	(2)
Remeasurements - actuarial (gains) / losses	5	6
Benefits paid	(7)	(8)
Benefit obligations at the end	78	66
Change in plan assets		
Fair value of plan assets at the beginning	75	58
Interest income	5	5
Acquisitions adjustment	(1)	(2)
Actuarial gain / (loss)	-	-
Return on plan assets excluding amounts included in interest income	1	1

Particulars	As of March 31,	
	2018	2017
Contributions	10	22
Benefits paid	(7)	(9)
Fair value of plan assets at the end	83	75
Funded status	5	9
Prepaid gratuity benefit	5	9

The amounts recognized in the Statement of Profit and Loss under employee benefit expenses are as follows:

in ₹ crore

Particulars	Year ended March 31,	
	2018	2017
Service cost	10	9
Net interest on the net defined benefit liability / asset	(1)	(1)
Net gratuity cost	9	8

The amounts recognized in the Statement of Other Comprehensive Income are as follows:

in ₹ crore

Particulars	Year ended March 31,	
	2018	2017
Remeasurements of the net defined benefit liability / (asset)		
Actuarial (gains) / losses	5	5
(Return) / loss on plan assets excluding amounts included in the net interest on the net defined benefit liability / (asset)	(1)	(1)
	4	4

in ₹ crore

Particulars	Year ended March 31,	
	2018	2017
(Gain) / loss from change in demographic assumptions	-	-
(Gain) / loss from change in financial assumptions	(1)	1
(Gain) / loss from change in experience assumptions	6	5
	5	6

The weighted-average assumptions used to determine benefit obligations are as follows:

Particulars	As of March 31,	
	2018	2017
Discount rate	6.9%	7.8%
Weighted average rate of increase in compensation levels	7.5%	7.5%

The weighted-average assumptions used to determine net periodic benefit cost are as follows:

Particulars	Year ended March 31,	
	2018	2017
Discount rate	6.9%	7.8%
Weighted average rate of increase in compensation levels	7.5%	7.5%
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 Group assesses these assumptions with its projected long-term plans of growth and prevalent industry standards. The discount rate is based on the government securities yield.

As of March 31, 2018, every percentage point increase / decrease in discount rate will affect our gratuity benefit obligation by approximately ₹ 2 crore.

As of March 31, 2018, every percentage point increase / decrease in weighted average rate of increase in compensation levels will affect our gratuity benefit obligation by approximately ₹ 2 crore.

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.

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

The group contributes all ascertained liabilities towards gratuity to the Infosys BPO Limited Employees' Gratuity Fund Trust. Trustees administer contributions made to the trust. As of March 31, 2018 and March 31, 2017, the plan assets have been primarily invested in insurer managed funds.

Actual return on assets for fiscals, 2018 and 2017 were ₹ 6 crore and ₹ 5 crore, respectively.

Maturity profile of defined benefit obligation is as follows:

in ₹ crore

Within 1 year	24
1-2 year	21
2-3 year	19
3-4 year	18
4-5 year	16
5-10 years	42

(b) Superannuation

The Company contributed ₹ 9 crore to the Superannuation Trust for the fiscal 2018 (₹ 9 crore in 2017).

(c) Provident fund

The Company contributed ₹ 65 crore towards Provident Fund for fiscal 2018 (₹ 63 crore in 2017).

(d) Pension fund

The Company contributed ₹ 6 crore to pension funds for the fiscal 2018 (₹ 5 crore in2017).

2.19 Contingent liabilities and commitments (to the extent not provided for)

in ₹ crore

Particulars	As at March 31,	
	2018	2017
Contingent liabilities		
Claims against the group, not acknowledged as debts[(1)]	175	118
[Amount paid to statutory authorities ₹ 65 crore (₹23 crore)]		
Commitments		
Estimated amount of unexecuted capital contracts (net of advances and deposits)	34	33
Other commitments[(2)]	45	78

(1) Claims against the Company not acknowledged as debts includes demand from the Indian income tax authorities for payment of tax including interest for fiscals 2006, 2007, 2008, 2009, 2011, 2012, 2013 and 2015. These income tax demands are mainly on account of disallowance of a portion of the deduction claimed by the Company under Section 10A and / or 10AA of the income Tax Act in respect of export turnover. The above matters are pending before various Appellate Authorities.

The Company is contesting the demand and the Management including its tax advisors believes that its position will likely be upheld in the appellate process. The Management believes that the ultimate outcome of these proceedings will not have a material adverse effect on the Company's financial position and results of operations.

(2) Other commitments relate to investment committed by Infosys Poland Sp. z o.o in Vertex Ventures US Fund.

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

2.20 Related party transactions

List of holding companies

Name of the holding company	Country	Holding as at March 31,	
		2018	2017
Infosys Limited	India	100%	100%

List of subsidiaries

Name of the subsidiary	Country	Holding as at March 31,	
		2018	2017
Infosys (Czech Republic) Limited s.r.o [(1)]	Czech Republic	100%	100%
Infosys Poland Sp. z o.o [(1)]	Poland	100%	100%
Infosys BPO Americas LLC[(1)]	US	100%	100%
Infosys McCamish Systems LLC [(1)]	US	100%	100%
Portland Group Pty. Limited[(1)]	Australia	100%	100%

List of fellow subsidiaries

Name of the subsidiary	Country
Infosys Technologies (China) Co. Limited (Infosys China)	China
Infosys Technologies S. de R. L. de C. V. (Infosys Mexico)	Mexico
Infosys Technologies (Sweden) AB. (Infosys Sweden)	Sweden
Infosys Technologies (Shanghai) Company Limited (Infosys Shanghai)	China
Infosys Tecnologia DO Brasil LTDA. (Infosys Brasil)	Brazil
Infosys Public Services, Inc. USA (Infosys Public Services)	US
Infosys Americas Inc., (Infosys Americas)	US
Infosys Technologies (Australia) Pty. Limited (Infosys Australia)	Australia
EdgeVerve Systems Limited (Edge Verve)	India
Infosys Consulting Holding AG (Infosys Lodestone)	Switzerland
Lodestone Management Consultants Inc.[(2)]	US
Infosys Management Consulting Pty Limited [(2)]	Australia
Infosys Consulting AG [(2)]	Switzerland
Lodestone Augmentis AG [(4)(7)]	Switzerland
Lodestone GmbH [(2)(9)]	Switzerland
Infosys Consulting (Belgium) NV (formerly Lodestone Management Consultants (Belgium) S.A.) [(3)]	Belgium

Name of the subsidiary	Country
Infosys Consulting GmbH [2]	Germany
Infosys Consulting Pte Ltd.[20]	Singapore
Infosys Consulting SAS [2]	France
Infosys Consulting s.r.o.[2]	Czech Republic
Lodestone Management Consultants GmbH(Lodestone Austria) [17]	Austria
Lodestone Management Consultants Co., Ltd. [2]	China
Infy Consulting Company Ltd [2]	UK
Infy Consulting B.V. [2]	The Netherlands
Infosys Consulting Ltda. [3]	Brazil
Infosys Consulting Sp. Z.o.o.[2]	Poland
Lodestone Management Consultants Portugal, Unipessoal, Lda. [2]	Portugal
S.C. Infosys Consulting S.R.L.[2]	Romania
Infosys Consulting S.R.L.[2]	Argentina
Infosys Canada Public Services Ltd.[12][13]	Canada
Infosys Nova Holdings LLC. (Infosys Nova)	US
Panaya Inc. (Panaya)	US
Panaya Ltd.[5]	Israel
Panaya GmbH[5]	Germany
Panaya Pty Ltd[5][8]	Australia
Panaya Japan Co. Ltd.[5]	Japan
Skava Systems Pvt. Ltd. (Skava Systems)	India
Kallidus Inc. (Kallidus)	US
Noah Consulting LLC (Noah) [14]	US
Noah Information Management Consulting Inc. (Noah Canada) [6][16]	Canada
Brilliant Basics Holding Limited [10]	UK
Brilliant Basics Limited[11]	UK
Brilliant Basics MENA DMCC[11]	Dubai
Infosys Chile SpA[15]	Chile
Infosys Arabia Limited[19]	Saudi Arabia
Infosys Middle East FZ-LLC[18]	Dubai

(1) Wholly-owned subsidiary of Infosys BPM.
(2) Wholly-owned subsidiaries of Infosys Consulting Holding AG (formerly Lodestone Holding AG)
(3) Majority-owned and controlled subsidiaries of Infosys Consulting Holding AG (formerly Lodestone Holding AG)
(4) Wholly-owned subsidiary of Infosys Consulting AG (formerly Lodestone Management Consultants AG)
(5) Wholly-owned subsidiary of Panaya Inc.
(6) Wholly-owned subsidiary of Noah
(7) Liquidated effective October 5, 2016
(8) Liquidated effective November 16, 2016
(9) Liquidated effective December 21, 2016
(10) On September 8, 2017, Infosys acquired 100% of voting interest in Brilliant Basics Holding Limited, UK
(11) Wholly-owned subsidiary of Brilliant Basics Holding Limited
(12) Wholly-owned subsidiary of Infosys Public Services, Inc.
(13) Liquidated effective May 9, 2017
(14) Liquidated effective November 9, 2017
(15) Incorporated effective November 20, 2017
(16) Liquidated effective December 20, 2017
(17) On February 28, 2018, Infosys Ltd acquired 100% shares of Lodestone Management Consultants GmbH
(18) Wholly-owned subsidiary of Infosys Consulting Pte. Ltd.
(19) Subsidiary of Infosys Limited
(20) Wholly-owned subsidiary of Infosys

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

List of other related parties

Particulars	Country	Nature of relationship
Infosys BPO Limited Employees' Gratuity Fund Trust	India	Post-employment benefit plan of Infosys BPM
Infosys BPO Limited Employees' Superannuation Fund Trust	India	Post-employment benefit plan of Infosys BPM

The details of amounts due to or due from related parties are as follows:

in ₹ crore

Particulars	As at March 31,	
	2018	2017
Trade receivables		
Infosys Limited	60	37
Infosys Technologies S. de R. L. de C. V.	-	-
Infosys Public Services, Inc. USA	2	1
Infosys Technologies (China) Co. Limited	-	-
Infy Consulting B.V. (Netherlands)	-	1
Infy Consulting Company Limited(UK)	-	-
Infosys Consulting Pte Ltd. (Singapore)	-	2
EdgeVerve Systems Limited	-	-
	62	41
Other financial assets		
Infosys Limited	11	3
EdgeVerve Systems Limited	-	2
Infosys Public Services	6	-
	17	5
Loans given		
Infosys Technologies (China) Co. Limited	5	5
Infosys Technologies (Shanghai) Company Limited	34	-
	39	5
Trade payables		
Infosys Limited	79	6
EdgeVerve Systems Limited	1	-
Infosys Management Consulting Pty Limited(Australia)	-	-
Infy Consulting Company Limited (UK)	3	-
Infosys Consulting Pte Limited(Singapore)	1	-
	84	6
Other financial liabilities		
Infosys Limited	7	3
EdgeVerve Systems Limited	2	-
	9	3
Loans taken		
Infosys Public Services, Inc. USA	40	-
Provision for expenses		
Infosys Limited	-	2

The details of related party transactions entered into by the group are as follows:

in ₹ crore

Particulars	Years ended March 31,	
	2018	2017
Capital transactions		
Loan disbursed		
Infosys Technologies (China) Co. Limited	-	5
Infosys Technologies (Shanghai) Company Limited	34	-
	34	5
Loan taken		
Infosys Public Services, Inc. USA	40	-
	40	-
Revenue transactions		
Purchase of services		
Infosys Limited	182	59
EdgeVerve Systems Limited	9	3
Infosys Consulting Pte Ltd(Singapore)	1	-
Infy Consulting Company Limited(UK)	18	10
Infosys Management Consulting Pty Limited(Australia)	-	-
	210	72

Particulars	Years ended March 31,	
	2018	2017
Purchase of shared services including facilities and personnel		
Infosys Limited	68	50
EdgeVerve Systems Limited	-	-
	68	50
Sale of services		
Infosys Limited	568	426
EdgeVerve Systems Limited	3	4
Infosys Technologies (China) Co. Limited	-	-
Infosys Public Services, Inc. USA	17	20
Infosys Technologies S.de R.L.de C.V. (Infosys Mexico)	-	1
Infy Consulting Company Limited(UK)	1	-
	589	451
Sale of shared services including facilities and personnel		
Infosys Limited	22	19
	22	19
Interest income		
Infosys Technologies (Shanghai) Company Limited	1	-
Infosys Technologies (China) Co. Limited	-	-
	1	-
Interest expense		
Infosys Public Services, Inc. USA	1	-
	1	-
Dividend paid		
Infosys Limited	846	-
	846	-

Changes in key management personnel

The following were the changes in key management personnel

Name	Designation
Anup Uppadhayay[(1)]	Managing Director and Chief Executive Officer
Anantharaman Radhakrishnan[(2)]	Managing Director and Chief Executive Officer
Prof. Jayanth R.Varma	Independent Director
Dr. Omkar Goswami[(11)]	Independent Director
Bindu Raghavan [(8)]	Company Secretary
Roopa Kudva[(3)]	Independent Director
Deepak Bhalla[(4)]	Chief Financial Officer
A.G.S. Manikantha [(7)]	Company Secretary
U.B. Pravin Rao [(9)]	Chairman and Director
Nishit Ajitkumar Shah[(5)]	Chief Financial Officer
D.N. Prahlad[(6)]	Director
Sangita Singh[(6)]	Director
Ravikumar Singisetti [(10)]	Chairman and Director

(1) Resigned as a Managing Director and Chief Executive Officer effective May 17, 2016.

(2) Appointed as a Managing Director and Chief Executive Officer effective May 17, 2016.

(3) Resigned as a Director effective November 11, 2016.

(4) Resigned as a Chief Financial Officer effective July 18, 2016.

(5) Appointed as a Chief Financial Officer effective July 19, 2016.

(6) Appointed as a Director effective January 6, 2017.

(7) Resigned as a Company Secretary effective April 13, 2017.

(8) Appointed as a Company Secretary effective April 14, 2017.

(9) Resigned as Chairman effective July 17, 2017.

(10) Appointed as Chairman effective July 18, 2017.

(11) Resigned as Director effective March 31, 2018.

Transaction with key management personnel

The compensation given to the key managerial personnel comprising directors and executive officers are as follows:

in ₹ crore

Particulars	Years ended March 31,	
	2018	2017
Salaries and other employee benefits to whole-time directors and executive officers	4	5
Commission and other benefits to non-executive, independent directors	-	-
Total	4	5

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 primarily relate to providing business process management services to organizations that outsource their business processes.

Based on the 'management approach' as defined in Ind AS 108, Segment reporting, the Chief Operating Decision Maker (CODM) evaluates the Company's performance and allocates resources based on analysis of various performance indicators by business segments and geographic segments. Accordingly, information has been presented both along industry classes and geographic segmentation. Secondary segmental reporting is performed on the basis of the geographical location of customers. 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 note on significant accounting policies.

Business segments for the Company are primarily enterprises in: Financial Services and Insurance (FSI), Manufacturing (MFG), Energy and utilities, Communication and Services (ECS), Retail, Consumer packaged goods and Logistics (RCL), and Life Sciences and Healthcare (LSH). Geographic segmentation is based on business sourced from that geographic region and delivered from both onsite and offshore locations. North America comprises the United States of America, Canada and Mexico; Europe includes continental Europe (both the east and the west), Ireland and the United Kingdom; and the Rest of the World 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. Allocated expenses of segments include 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 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	FSI	MFG	RCL	LSH	ECS	Total
Revenue from operation	1,320	1,368	429	313	1,088	4,518
	1,243	*1,385*	*349*	*102*	*940*	*4,019*
Identifiable operating expenses	618	732	214	222	410	2,196
	560	*681*	*167*	*46*	*343*	*1,797*
Allocated expenses	467	497	153	85	444	1,646
	452	*494*	*125*	*40*	*361*	*1,472*
Operating income	235	139	62	6	234	676
	231	*210*	*57*	*16*	*236*	*750*
Unallocable expenses						105
						103
Operating profit						571
						647
Other income, net						210
						242
Profit before tax						781
						889
Tax expense						209

Particulars	FSI	MFG	RCL	LSH	ECS	Total
						160
Net profit						572
						729
Depreciation and amortization						105
						103
Non-cash expenses other than depreciation and amortization						-
						-

Geographical segments

Year ended March 31, 2018 and March 31, 2017

in ₹ crore

Particulars	North America	Europe	Rest of the World	Total
Revenue from operation	2,655	1,123	740	4,518
	2,230	*1,105*	*684*	*4,019*
Identifiable operating expenses	1,331	593	272	2,196
	961	*579*	*257*	*1,797*
Allocated expenses	924	409	313	1,646
	814	*386*	*272*	*1,472*
Operating income	400	121	155	676
	455	*140*	*155*	*750*
Unallocated expenses				105
				103
Operating profit				571
				647
Other income, net				210
				242
Profit before tax				781
				889
Tax expense				209
				160
Net profit				572
				729
Depreciation and amortization				105
				103
Non-cash expenses other than depreciation and amortization				-
				-

Significant clients

No client individually accounted for more than 10% of the revenues in the fiscals, 2018 and 2017.

2.22 Function-wise classification of consolidated Statement of Profit and Loss Account

in ₹ crore

Profit and Loss account	For the year ended March 31,	
	2018	2017
Revenue from operations	4,518	4,019
Cost of sales	3,369	2,819
Gross profit	1,149	1,200
Operating expenses		
Selling and marketing expenses	169	165
Administrative expenses	409	388
Total operating expenses	578	553
Operating profit	571	647
Other income, net	210	242
Profit before tax	781	889
Income tax expense	209	160
Profit for the year	572	729

Profit and Loss account	For the year ended March 31,	
	2018	2017
Other comprehensive income		
Items that will not be reclassified subsequently to profit or loss		
Remeasurement of the net defined benefit (liability) / asset	(3)	(4)
Equity instruments through other comprehensive income	(1)	-
	(4)	(4)
Items that will be reclassified subsequently to profit or loss		
Exchange differences on translation of foreign operations, net	95	(44)
Fair value changes on investments, net	-	-
	95	(44)
Total other comprehensive income, net of tax	91	(48)
Total comprehensive income for the year	663	681
Profit attributable to		
Owners of the Company	572	729
Non-controlling interests	-	-
	572	729
Total comprehensive income attributable to		
Owners of the Company	663	681
Non-controlling interests	-	-
	663	681

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

Ravikumar Singisetti
Chairman

Anantharaman Radhakrishnan
Managing Director and Chief Executive Officer

D.N. Prahlad
Director

Sangita Singh
Director

Prof. Jayanth R. Varma
Director

Bengaluru
April 11, 2018

Nishit Ajitkumar Shah
Chief Financial Officer

Bindu Raghavan
Company Secretary

Ratio analysis

	2017-18
Ratios - Financial performance	
Gross profit / total revenue (%)	27.8
COR / total revenue (%)	72.2
Selling and marketing expenses / total revenue (%)	3.7
General and administrative expenses / total revenue (%)	9.1
SG&A expenses / total revenue (%)	12.8
Aggregate employee costs / total revenue (%)	56.2
Operating profit (PBIDAT) / total revenue (%)	15.0
Depreciation and amortization / total revenue (%)	2.3
Operating profit after depreciation and interest / total revenue (%)	12.6
Other Income / total revenue (%)	4.6
Profit before tax / total revenue (%)	17.3
Tax / total revenue (%)	4.6
Effective tax rate - Tax / PBT (%)	26.8
Net profit after tax/ total revenue (%)	12.7
Ratios - Balance Sheet	
Debt-equity ratio	-
Current Ratio	3.4
Days Sales Outstanding (DSO)	69
Cash and equivalents / total assets (%)	36.7
Cash and equivalents / total revenue (%)	42.7
Depreciation / average gross block (%)*	10.5
Capital Expenditure / total revenue (%)	1.5
Operating Cash Flows / total revenue (%)	10.0
Ratios - Return	
ROCE (PBIT / average capital employed) (%)*	18.1
Ratios - Growth	
Total revenue (%)	12.4
Operating profit after depreciation and interest (%)	(11.7)
Net profit (%)	(21.5)
Earning per share - basic**(%)	(21.5)
Earning per share - diluted (%)	(21.5)

Note: The ratio calculations are based on consolidated IND AS financial statements

* Capital employed and gross block considered based on average of opening and closing balance of the financial year

** Weighted average number of shares are used in computing earning per share

Global presence

Registered Office

Plot nos. 26 / 3, 26 / 4 and 26 / 6 Electronics City, Hosur Road Bengaluru 560100

Tel. : 91 80 -28522405

Fax : 91 80 -28522411

Web Site : www.infosysbpm.com

Asia Pacific

Australia

Melbourne

Level 5, 818, Bourke Street
Docklands VIC 3008
Tel. : 61 3 9860 2000

Sydney

Level 6, 56 Station Street,
Parramatta NSW 2150
Tel : 61 2 8913 5900

India

Bengaluru

Electronics City,
Hosur Road, Bengaluru 560 100
Tel. : 91 80 2852 2411
Fax : 91 80 2852 2411

Salarpuria Infozone Wing A,
No. 39 (P) 41 (P) and 42 (P)
Electronic City, Hosur
Road, Bengaluru 560 100
Tel. : 91 80 4067 0035
Fax : 91 80 4067 0034

27 SJR Towers
Bannerghatta Road
J. P. Nagar, III Phase Bengaluru
560078 Tel. : 91 80 5103 2000
Fax : 91 80 2658 8676

Gold Hill
Supreme Software Park
Ground Floor, South Wing,
Plot nos. 21, 22, 27 and
28 Konappana Agarhara
Village, Bengaluru 560 100
Tel. : 91 80 33229000

Bharatiya Center of
Information Technology,
Block 1, 3rd floor &
portion of 4th floor
Thanisandra, Main Road,
Chokkanahalli 560064
Tel- 080 4615 4600

Chennai

3rd and 8th Floor, A Block,
South Wing, Tidel Park Ltd, No
4, Rajiv Gandhi Salai (OMR),
Taramani, Chennai 600113.
Tel. : 91 44 3090 7001
Fax : 91 44 3090 7005

Unit of Ramanujan IT
city SEZ Hardy towers,
3rd & 4th Floor, TRIL Infopark
Ltd, Taramani, Rajiv Gandhi
Salai (OMR) Chennai 600113
Tel. : 044-66855111
Fax : 044-66855107

Gurugram

7th Floor, Tower A, B
and C Building No. 6
DLF Cyber City Developer
Limited, Special
Economic Zone Sector
24 and 25 DLF PH-3, Gurugram
Haryana Tel. : 91 124 458 3700
Fax : 91 124 458 3701

Jaipur

IT-A-001 Mahindra World City
Special Economic Zone
Village Kalwara Tahsil
Sanganer Jaipur 302037
Tel. : 91 141 3956 000
Fax : 91 141 3956 100

Hyderabad

Hyderabad STPI
B-10, 2nd floor, Survey No.
210, Manikonda Village,
Lingampally
Hyderabad 500032.
Tel: 91 40 2300 5223

Mysuru

Plot No. 347 / A, 347 / C, 348,
349,373 to 375,
Hebbal Electronics City,
Hootagalli, Mysuru 570 027
Tel : 91 821 240 4101
Fax : 91 821 240 4200

Pune

Plot No. 24 / 3,
Rajiv Gandhi Infotech Park,
Phase II, Village Maan, Taluka
Mulshi, Pune 411 057
Tel : 91 20 4023 2001
Fax : 91 20 3981 5352

Plot No. 24 / 2,
Rajiv Gandhi Infotech Park,
Phase II, Village Maan, Taluka
Mulshi, Pune 411 057
Tel : 91 20 2293 2800
Fax : 91 20 2293 4540

Plot No. 1,
Building No. 4 Pune Infotech
Park, Hinjawadi, Taluka
Mulshi, Pune 411 057
Tel : 91 20 2293 2900
Fax : 91 20 2293 4540

Ascendas Services India Pvt
Ltd Ground floor, Juniper
International Tech Park
Plot No. 18, MIDC Phase III
Rajiv Gandhi Infotech Park,
Hinjewadi (one line)
Pune 411 057
Tel : 912042917000

Philippines

Metro Manila

23rd Floor,
BGC Corporate Center,
11th Ave,Cor 30th St, Fort
Bonifacio Taguig City Metro
Manila Philippines 1634
Tel. : 6329463440
Fax : 6328230000

Muntinlupa City

5th, 6th, 7th and 12th Floor,
Site 3, Vector 2 Building,
Northgate Cyberzone,
Filinvest Corporate City,
Alabang, Muntinlupa
City Philippines 1781
Tel. : 632 823 0000
Fax : 632 823 0000

Europe

United Kingdom

London

14th Floor, 10 Upper Bank
Street Canary Wharf, E14 5NP
Tel.: 44 20 7715 3388
Fax: 44 20 7715 3301

The Netherlands

Eindhoven

Vredeoord 105, Verdieping
4 Vleugel B, 5621 CX
Eindhoven Netherlands
Tel : 31402321100

Utrecht

2nd and 3rd floor
Pythagoraslaan
2-1B, Utrecht 3584 BB
Netherlands
Tel- 310302155030

North America

United States

Atlanta

3200 Windy Hill Road,
Suite 100-W, Atlanta,
GA 30339 Tel : 1 770 799 1958
Fax : 1 770 799 1861

Basking Ridge

106 Allen Road, 1st Floor,
Liberty Corner, NJ 07920
Tel : 1 908 860 4900
Fax : 1 908 860 4899

Milwaukee

1515 N River Center Drive,
Suite 50, Milwaukee, WI 53212
Tel : 414 914 9400
Fax : 414 914 9401

Canada

Toronto

5140, Yonge Street Suite,
1400 Toronto ON M2N
6L7 Tel. : 416 224 7400
Fax : 416 224 7449

Puerto Rico

Aguadilla

Road No. 2, West of KM 126,
BO Camital Bajo, Aguadilla,
00603 Tel : 1 787 658 3400

Costa Rica

San Jose

Building N & M Piso 2 Forum
2, Lindora, Santa Ana, San
Jose 10901 Costa Rica
Tel. : 506 2205 1201
Fax : 506 2205 1299

Africa

South Africa

Johannesburg

8, Hillside Rd, Parktown,
Johannesburg, RSA,
2193 Tel :0027114869311

Subsidiaries of Infosys BPM Limited

Portland Group Pty. Limited

Australia

Brisbane
L18, Brisbane Club
Tower, 241 Adelaide Street
Brisbane, QLD 4000
Tel : 61 7 3009 8100
Fax : 61 7 3009 8123

Melbourne
Level 6,818 Bourke Street,
ocklands, Melbourne VIC 3008.
Tel : +61 3 9860 2090

Perth
Level 9, 37 St Georges Terrace
Perth WA 6000 Australia
Tel : 61 8 9254 9313
Fax : 61 8 9254 9388

Sydney
Level 8, 68 Pitt Street
Sydney NSW 2000
Tel : 61 2 9210 4399
Fax : 61 2 9210 4398

Infosys Poland Sp. z o.o.

Poland

Łódz
morska 106A, 91 402 Łódz
Tel : 48 42 278 15 00
Fax : 48 42 278 15 01

Infosys McCamish Systems LLC

United States

Atlanta
6425 Powers Ferry Road
3rd Floor, Atlanta, GA 30339
Tel : 1 770 690 1500
Fax : 1 770 690 1800

Des Moines
500 SW 7th St. Suite 200 / 201
Des Moines, IA 50309
Tel : 1 515 365 1236
Fax : 1 515 365 0236

Infosys (Czech Republic) Limited s.r.o

Czech Republic

Brno
Registered office:
Holandska 9, 63900, Brno
Tel : 420 515 914600

Other office:
Holandska 10, 63900, Brno
Tel : 420 515 914600

Infosys BPO Americas LLC

United States

Atlanta
3200 Windy Hill Road
Suite 100-W, Atlanta, GA 30339
Tel : 1 770 799 1958
Fax : 1 770 799 1861

Infosys®
POWERED BY INTELLECT
DRIVEN BY VALUES

Date: May 30, 2018

Dear member,

You are cordially invited to attend the 16th Annual General Meeting ('AGM') of the members of Infosys BPM Limited ('the Company') on June 23, 2018 at 11.30 a.m. IST at the registered office of the Company at Plot nos. 26/3, 26/4 and 26/6, Electronics City, Hosur Road, Bengaluru.

The notice for the meeting containing the proposed resolutions is enclosed herewith.

Very truly,

Sd / -

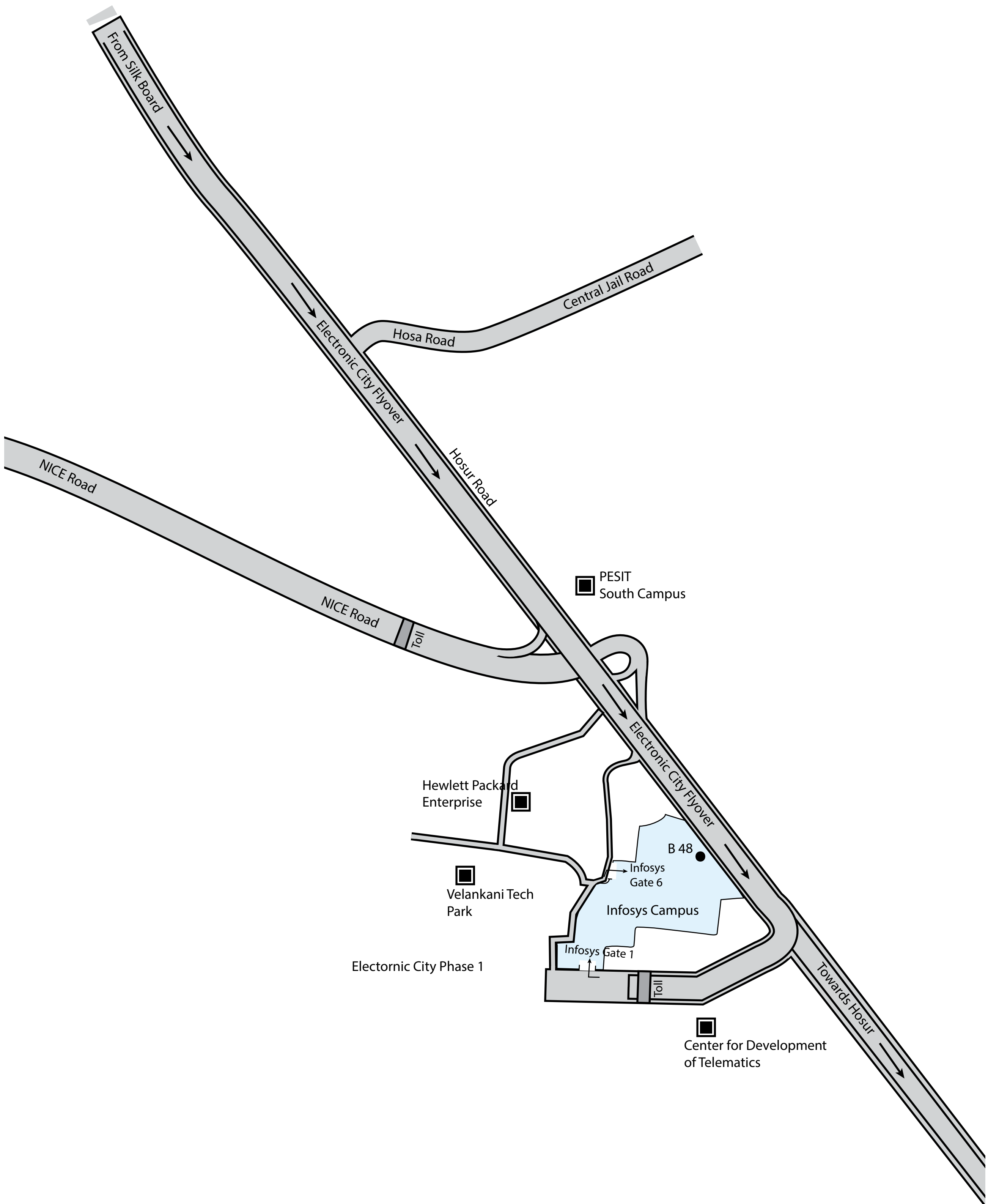
Ravikumar Singisetti
Chairman of the Board

Enclosures:

1. Notice of the 16th AGM
2. Explanatory statement pursuant to Section 102 of the Companies Act, 2013
3. Proxy form
4. Attendance slip

INFOSYS BPM LIMITED
CIN : U72200KA2002PLC030310
Electronic City, Hosur Road
Bengaluru 560100, India
T : 91 80 2858 2405
F : 91 80 2852 2411
cosecretarybpm@infosys.com
www.infosysbpm.com

Road map to the venue of the AGM



Notice to the 16th Annual General Meeting

Notice is hereby given that the 16th Annual General Meeting (AGM) of the members of Infosys BPM Limited (the Company) will be held on Saturday, June 23, 2018 at 11.30 a.m. IST at the registered office of the Company at Plot no. 26/3, 26/4 and 26/6, Electronics City, Hosur Road, Bengaluru 560100, to transact the following business:

Ordinary business

Item no. 1 - Adoption of financial statements

To consider and adopt the audited financial statements (including the consolidated financial statements) of the Company for the financial year ended March 31, 2018 and the reports of the Directors ('the Board') and auditors thereon.

Item no. 2 – Appointment of Ravikumar Singisetti as a director liable to retire by rotation

To appoint a director in place of Ravikumar Singisetti (DIN: 07534544), who retires by rotation and, being eligible, seeks re-appointment.

Explanation: Based on the terms of appointment, executive directors and the non-executive, non-independent Chairman are subject to retirement by rotation. Ravikumar Singisetti, who was appointed on June 2, 2016 is the longest-serving member on the Board, retires by rotation and, being eligible, seeks reappointment.

To the extent that Ravikumar Singisetti is required to retire by rotation, he would need to be reappointed as a director. Therefore, shareholders are requested to consider and if thought fit, to pass the following resolution as an ordinary resolution:

RESOLVED THAT, pursuant to the provisions of Section 152 and other applicable provisions of the Companies Act, 2013, the approval of the members of the Company be, and is hereby accorded to the reappointment of Ravikumar Singisetti (DIN: 07534544) as a director, to the extent that he is required to retire by rotation.

Item no. 3 – Ratification of appointment of auditors

To ratify the appointment of auditors of the Company, and to fix the remuneration payable to them for the financial year ending March 31, 2019, as may be determined by the Board in consultation with the auditors, and that such remuneration may be paid on a progressive billing basis as may be agreed upon between the auditors and the Board.

Explanation: Under Section 139 of the Indian Companies Act, 2013 and the Rules made thereunder, it is mandatory to rotate the statutory auditors on completion of the maximum term permitted under the said section. In line with the requirements of Companies Act, 2013, Deloitte Haskins & Sells LLP, Chartered Accountants (Firm registration number: 117366 W/W 100018) ('Deloitte') was appointed as the statutory auditors of the Company to hold office for a period of 5 consecutive years from the conclusion of the 15th Annual General Meeting of the Company held on June 24, 2017, till the conclusion of the 20th Annual General Meeting to be held in the year 2022, subject to ratification by shareholders at the general meeting or as may be necessitated by the Act from time to time. The first year of audit was of the financial statements for the year ended March 31, 2018, which included the audit of the quarterly financial statements for the year. Accordingly, the appointment of Deloitte Haskins & Sells LLP is being placed before the shareholders for ratification.

RESOLVED THAT, pursuant to the provisions of Section 139, 142 and all other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder, as amended from time to time, pursuant to the recommendations of the audit committee of the Board, and pursuant to the resolution passed by the members at the AGM held on June 24, 2017, the appointment of Deloitte Haskins & Sells, LLP, Chartered Accountants (Firm registration number : 117366 W/W 100018) as the auditors of the Company to hold office till the conclusion of the next AGM be and is, hereby, ratified and that the Board be and is hereby authorized to fix the remuneration payable to them for the financial year ending March 31, 2019, as may be determined by the audit committee in consultation with the auditors, and that such remuneration may be paid on a progressive billing basis as may be agreed upon between the auditors and the audit committee / Board.

Special Business

Item no. 4 – Revision in remuneration of Anantharaman Radhakrishnan, Managing Director and Chief Executive Officer

To consider and if thought fit to pass with or without modification(s) the following as an Ordinary Resolution:

RESOLVED THAT, pursuant to the recommendation of the Board, the Nomination and Remuneration Committee ('the Committee') and pursuant to the provisions of Section 196, 197 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof), read with Schedule V to the Act (including any statutory modification(s) or re-enactment(s) thereof), consent of the members be and is hereby accorded to the payment of the following revised remuneration to Anantharaman Radhakrishnan, (DIN: 07516278), Managing Director and Chief Executive Officer of the Company, with effect from January 1, 2018:

1. Fixed salary: Annual fixed salary of ₹1,63,97,958 less applicable tax withholdings to be paid periodically in accordance with the Company's rules and policy as applicable.
2. Variable pay: Variable compensation of ₹1,03,41,066 less applicable tax withholdings to be paid on achievement of targets set by the Board, and payable at such intervals as may be decided by the Board of Directors from time to time and in accordance with the Company's rules and policy;
3. Stock compensation: Based on fiscal 2017 performance, 7,100 restricted stock units (RSU) 'under 2015 Stock

Incentive Compensation Plan (2015 plan') of Infosys Limited, the holding Company as per the terms and conditions of RSU Plans approved by the holding Company. The RSU's would vest over a period of 4 years and shall be exercisable within the period as approved by the Nomination and Remuneration Committee of the Infosys Limited. The exercise price of the RSUs will be equal to the par value of the shares. RSUs in future periods, will be granted on achieving performance conditions, as may be decided by the Nomination and Remuneration Committee;

4. Employee benefits: During the term of his employment, Anantharaman Radhakrishnan will be entitled to all the employee benefit plans as may be applicable to other Senior Executives of the Company and as per the rules of the Company;
5. Grant of stock incentives to MD and CEO in FY 2019: It is proposed that subject to the approval of the nomination and remuneration committee of Infosys Limited, Anantharaman Radhakrishnan, MD & CEO, Infosys BPM Limited be granted stock incentives having a value equal to ₹92,60,976 for FY 2019 at target value as part of his revised total rewards package comprising fixed salary, variable salary and stock incentives amounting to ₹3,60,00,000 . The actual stock grant will be made on the Company and individual performance considerations at the time of the grant.
6. Minimum remuneration: Notwithstanding anything herein above contained, should the Company incur a loss or its profits are inadequate in any financial year closing on and after March 31, 2017, during the tenure of Anantharaman Radhakrishnan as a MD & CEO, the Company shall pay him the above remuneration by way of fixed pay, variable pay, bonus and other allowances as a minimum remuneration subject to the limits specified under Section II of Part II of Schedule V to the Companies Act, 2013 (including any statutory modifications or re-enactment(s) thereof, for the time being in force), or such other limits as may be prescribed by the Government from time to time as minimum remuneration;
7. Annual increases to components of Anantharaman Radhakrishnan's compensation will be determined on an annual basis by the Board or its committees at its sole discretion, taking into account the Company's prior years' audited financial performance, market conditions and independent compensation benchmarks.

RESOLVED FURTHER THAT, the Board be and is hereby authorized to decide annual increase and alter and vary the terms and conditions of appointment and / or components of remuneration payable to Anantharaman Radhakrishnan subject to the same not exceeding the limits specified above and as specified under Section 197, read with Schedule V of the Companies Act, 2013 (including any statutory modifications or re-enactments thereof, for the time being in force).

by order of the Board of Directors
for Infosys BPM Limited
Sd/-
Bindu Raghavan
Company Secretary

Bengaluru
April 11, 2018

Notes

1. The explanatory statement pursuant to Section 102 of the Companies Act, 2013, which sets out details relating to Special Business at the meeting, is annexed hereto.
2. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote at the meeting and the proxy need not be a member of the company . A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total share capital of the Company.
3. The instrument of proxy, duly completed and signed, should be deposited at the registered office of the Company not less than 48 hours before the commencement of the meeting. Proxies submitted on behalf of companies, societies, etc. must be accompanied by resolution of the Board / power of attorney / attested specimen signature, as may be applicable. A proxy form is enclosed.
4. Members / proxies / authorized signatories should bring duly-filled attendance slips sent herewith to attend the meeting.
5. The Register of Directors' and Key Managerial Personnel and their shareholdings, maintained under Section 170 (1) of the Companies Act, 2013, will be available for inspection by the members at the AGM.
6. The Register of Contracts or arrangements in which directors are interested maintained under Section 189 of the Companies Act, 2013, will be available for inspection by the members at the registered office of the Company.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

Item no. 5

The Nomination and Remuneration Committee ('the Committee') which, based on performance in fiscal 2017, market conditions and independent compensation benchmarks and from a corporate parity standpoint had reviewed and recommended the revised remuneration to Anantharaman Radhakrishnan, Managing Director and Chief Executive Officer of the Company. The Board, vide resolution on April 11, 2018, and subject to the approval of the members in the general meeting, have approved the revised remuneration as stated in the Notice with effect from January 1, 2018.

The resolution seeks approval of the shareholders pursuant to Section 197 and other applicable provisions read with

Schedule V of the Companies Act, 2013 for payment of increased remuneration.

This may also be treated as an abstract of the terms and conditions governing the variation in the payment of remuneration to Anantharaman Radhakrishnan pursuant to Section 190 of the Companies Act, 2013 and other applicable provisions of the Act, if any.

The Agreement entered into between the Company and Anantharaman Radhakrishnan is available for inspection without any fee by the members at the Company's registered office during normal business hours on any working day till the date of AGM.

None of the directors and key managerial personnel, except Anantharaman Radhakrishnan to whom the resolution relates, is interested or concerned in the resolution.

The Board recommends the resolution as set out in item no. 5 of the notice for the approval of the shareholders.

by order of the Board of Directors
for Infosys BPM Limited

Sd/-

Bindu Raghavan
Company Secretary

Bengaluru
April 11, 2018

Additional information on directors seeking election / revision of remuneration at the Annual General Meeting

Ravikumar Singisetti
Chairman

Ravikumar Singisetti is President and the Deputy Chief Operating Officer at Infosys. In this role, he leads the Infosys global delivery organization across all global industry segments. In addition, Mr. Kumar leads the US talent model for Infosys to drive the creation of new Innovation and Technology Hubs by collaborating with clients, local state governments and academic ecosystems. He oversees Infosys Business Process Management (BPM) and is the Chairman of the Board of Infosys BPM Limited. He also oversees operations for Infosys Public Services, and the Infosys arms in Latin America, Japan and China. He is the Chairman of the Board of Infosys China and is also on the Board of Infosys Public Services, Infosys Consulting and McCamish Systems LLC (an Infosys BPM company). He is the Chairman of Infosys Foundation, USA. Mr. Kumar's responsibilities include managing the alliances organization and the partner ecosystems at Infosys. He is a trustee of the Infosys Foundation, USA. He has over 20 years of experience in the consulting space, incubating new practice lines, driving large transformational programs, and evangelizing new business models across industry segments. He has played diverse roles across organizations within the CRM space for Oracle Corporation, building a next-generation CRM practice at Cambridge Technology Partners. He has also worked on process and technology transformation for the unbundling of Indian State Electricity Boards at PricewaterhouseCoopers. Mr. Kumar started his career as a nuclear scientist at the Bhabha Atomic Research Center. He is a part of several steering committee boards of large transformational initiatives for global clients. He is a member of the Young Presidents Organization (YPO) Manhattan Chapter; Honorary Founding Board Member of the Technology Advisory Board at MIT Forum; Advisory Board of the Global Supply Chain Center at Marshall Business School, University of Southern California; NASSCOM IT Services Council and many other industry forums. Mr. Kumar has a Master's degree in Business Administration from Xavier Institute of Management, Bhubaneswar, India.

Nature of expertise in specific functional areas

Information Technology Services and Business Management

Disclosure of inter-se relationships between directors and key managerial personnel

None

Companies (other than Infosys Group) in which Ravikumar Singisetti holds directorship and committee membership

Directorship

None

Chairperson / Membership of Board committees

None

Shareholding in the Company

Nil

Anantharaman Radhakrishnan
Managing Director and Chief Executive Officer

Anantharaman Radhakrishnan (Radha), EVP, is the Managing Director and Chief Executive Officer of Infosys BPM Limited effective May 17, 2016. Prior to this role, Radha was the Chief Operating Officer (COO) managing the global operations for the organization.

He has played multiple roles at Infosys BPM Limited, spanning Technology, Transformation, Enterprise Capability and Global Centers Management, working with clients in their transformation journey, enhancing business value delivered. Further, Radha has spent many years with the Infosys Group, working across consulting and IT services, before his stint in business process management. Before Infosys, he has worked with a transnational corporation and brings with him rich leadership experience and intensive domain capability across multiple industries.

Radha is a postgraduate from Indian Institute of Management, Lucknow (IIM-L), and a honors graduate in Mechanical Engineering from National Institute of Technology, Tiruchirappalli (NIT, Trichy).

Nature of expertise in specific functional areas

Information Technology Services and Business Management

Disclosure of inter-se relationships between directors and key managerial personnel

None

Companies (other than Infosys Group) in which Anantharaman Radhakrishnan holds directorship and committee membership

Directorship

None

Chairperson / Membership of Board committees

None

Shareholding in the Company

Nil

Proxy form

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014 - Form No. MGT-11]

INFOSYS BPM LIMITED
CIN : U72200KA2002PLC030310
Electronics City, Hosur Road, Bengaluru 560 100, India
cosecretarybpm@infosys.com | www.infosysbpm.com

I / We, being the member(s) of ………………………………………………………… shares of the above named company, hereby appoint

Name : ……………………………………………………………………………Email: …………………………………………………………………

Address : ………

……………………………………………………………………………………………………Signature :

or failing him / her

Name : ……………………………………………………………………………Email: …………………………………………………………………

Address : ………

……………………………………………………………………………………………………Signature :

As my / our proxy to attend and vote (on a poll) for me / us and on my / our behalf at the Infosys BPM Limited Annual General Meeting of the Company, to be held on Saturday, June 23, 2018, at 11.30 a.m. IST at the Registered Office of the Company at Plot No 26 / 3, 26 / 4 and 26 / 6, Electronics City, Hosur Road, Bengaluru 560 100, Karnataka, India and at any adjournment thereof in respect of such resolutions as are indicated as follows :

Resolution number	Resolution	Vote *(Optional see Note 2)* (Please mention no. of shares)	
		For	Against
Ordinary business			
1	Adoption of financial statements (including the consolidated financial statements		
2	Appointment of Ravikumar Singisetti as a director liable to retire by rotation		
3	Ratification of appointment of auditors		
Special business			
4	Revision in the remuneration of Anantharaman Radhakrishnan, *Managing Director and Chief Executive Officer*		

Signed this ………………………………… day of ………………………… 2018.

Affix revenue stamp of not less than ₹ 1

…………………………………
Signature of the member

…………………………………
Signature of the proxy holder(s)

Notes :

1. This form of proxy, in order to be effective, should be duly completed and deposited at the registered office of the Company, not less than 48 hours before the commencement of the Meeting.
2. It is optional to indicate your preference, if you leave the 'for' or 'against' column blank against any or all the resolutions, your proxy will be entitled to vote in the manner as he /she may deem appropriate.

……………………………………………………………………Please tear here……………………………………………………………………

Attendance slip

INFOSYS BPM LIMITED
CIN : U72200KA2002PLC030310
Electronics City, Hosur Road, Bengaluru 560 100, India
cosecretarybpm@infosys.com | www.infosysbpm.com

Registered folio number :

Number of shares held :

I certify that I am a member / proxy for the member of the Company.

I hereby record my presence at the 16th Annual General Meeting of the Company held at Saturday, June 23, 2018 at 11.30 a.m. IST at the registered office of the Company at Plot nos. 26/3, 26/4 and 26/6, Electronics City, Hosur Road, Bengaluru – 560 100

....
Name of the member / proxy
(in BLOCK letters)

....
Signature of the member / proxy

Notes : Please fill up this attendance slip and hand it over at the entrance of the meeting hall.

Notes

Safe Harbor

This Annual Report contains 'forward-looking statements' that are based on our current expectations, assumptions, estimates and projections about the Company, our industry, economic conditions in the markets in which we operate, and certain other matters. Generally, these forward-looking statements can be identified by the use of forward-looking terminology such as 'anticipate', 'believe', 'estimate', 'expect', 'intend', 'will', 'project', 'seek', 'should' and similar expressions. Those statements include, among other things, the discussions of our business strategy and expectations concerning our market position, future operations, margins, profitability, liquidity and capital resources. These statements are subject to known and unknown risks, uncertainties and other factors, which may cause actual results or outcomes to differ materially from those implied by the forward-looking statements. Important factors that may cause actual results or outcomes to differ from those implied by the forward-looking statements include, but are not limited to, those discussed in the 'Outlook, risks and concerns' section in the Annual Report of Infosys Limited. In the light of these and other uncertainties, you should not conclude that the results or outcomes referred to in any of the forward-looking statements will be achieved. All forward-looking statements included in this Annual Report are based on information available to us on the date hereof, and we do not undertake to update these forward-looking statements to reflect future events or circumstances unless required to do so by law.

This page is left blank intentionally

Infosys BPM Limited Annual Report 2017-18