

# INFOSYS LIMITED

## 34<sup>th</sup> ANNUAL GENERAL MEETING

June 22, 2015

### CORPORATE PARTICIPANTS

**R. Seshasayee**  
Chairman of the Board

**Dr. Vishal Sikka**  
Chief Executive Officer and Managing Director

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

**Roopa Kudva**  
Independent Director

**Prof. Jeffery S. Lehman**  
Independent Director

**Ravi Venkatesan**  
Independent Director

**Kiran Mazumdar-Shaw**  
Independent Director

**Rajiv Bansal**  
Chief Financial Officer

**Manikantha AGS**  
Company Secretary

**Michael Reh**  
Senior Vice President and Global Head- Finacle, Edgeverve

**Abdul Razack**  
Senior Vice President and Head- Platforms, Big Data and Analytics

**Sandeep Mahindroo**  
Assistant Financial Controller

**Jayesh Sanghrajka**  
Corporate Finance Controller

**Deepak Padaki**  
Strategy and Risk Management

**Ranganath D. Mavinakere**

EVP Head, Strategic Operations and CEO's Office

**Ramadas Kamath**

EVP and Head- Administration, Facilities, Infrastructure and Security, FAC

**Srikantan Moorthy**

Head of Applications Development and Maintenance Services and Interim Head of HR

**Sanjay Purohit**

SVP and Global Head – Consulting

**Binod Hampapur Rangadore**

EVP Global Head, Talent and Technology Operations

**David D. Kennedy**

EVP, General Counsel and Chief Compliance Officer

**Gopi Krishnan**

Deputy General Counsel

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**INVESTORS**

Sadanand Sastry

Ramprasad

Gopal Krishna Rao

Chetan SP

Neil

GV Ramanreddy

Bharat Raj

S. Ashok Chakraborty

T.N. Ramakrishna

Saha

Gautam Tiwari

H.P. Kotwani

Nigel Gonsalves

Mrs. Patel

S.A. Khanolkar

Mihir Manek

Ronil Fernandez

**R. Seshasayee**

Good Afternoon, Ladies and Gentlemen. I am Seshasayee, Chairman of the Board. I welcome all the Members to the 34<sup>th</sup> Annual General Meeting. A special word of welcome to Mr. Narayana Murthy, our Founder and Ex-Chairman; Mrs. Sudha Murthy and Mr. Rohan Murthy. I think it's the first time that Mr. Narayana Murthy sitting on the other side of the Dias. You honor us by your presence, Murthy. Ms. Carol Browner, Independent Director on the Board and Mr. John Etchemendy, Independent Director on the Board have both sent their apologies for not being able to be present at this meeting and have sort leave of absence.

Before I take up the agenda for this meeting today, I would request my colleagues on the dais to introduce themselves. Before I start with my colleagues on the extreme right, I would like to introduce Roopa Kudva who is attending the shareholders meeting for the first time and her appointment is being placed before the shareholders for approval later.

Manikantha - Company Secretary

I am Roopa Kudva – Independent Director

I am Jeff Lehman - Independent Director

Pravin Rao – Chief Operating Officer

Vishal Sikka – Chief Executive Officer & Managing Director

Rajiv Bansal – Chief Financial Officer

Ravi Venkatesan --Independent Director

Kiran Mazumdar-Shaw - Independent Director

Michael Reh – Head of Finacle

Abdul Razack – Head of Platforms

Sandeep Mahindroo – Assistant Financial Controller

Jayesh Sanghrajka – Corporate Finance Controller

Deepak Padaki – Strategy and Risk Management

Ranganath – EVP, Strategic Operations

Ramadas Kamath – EVP, Infrastructure Facilities

Srikantan Moorthy - Head of Applications Development and Maintenance Services and Interim Head of HR

Sanjay Purohit – Global Head of Consulting

Binod Hampapur – Head of Talent and Technology Operations

David Kennedy – General Counsel and Chief Compliance Officer

Gopi Krishnan - Deputy General Counsel

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### **R. Seshasayee**

We have 317 members present in person and 18 by proxy to conduct the proceedings of this meeting. The quorum being present. I call this meeting to order. The Register of Directors and key managerial personnel is kept open near the registration counters and is available for inspection by the members. Register of proxies is also available for inspection near the registration counters.

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### **Vishal Sikka**

Thank you, Sesh. It is now my real pleasure to welcome R. Seshasayee as our New Chairman and for the first time in his capacity as our Non-Executive Chairman. I now request Sesh to deliver the Chairman's Speech.

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### **R. Seshasayee**

Dear Shareholders, I am happy to welcome you all for the 34<sup>th</sup> Annual General Meeting of your company. Your presence here is a testimony to your interest and involvement with the company and I sincerely thank you for that. The Board of this company has been chaired by two iconic leaders – Mr. Narayana Murthy and Mr. KV Kamath – who have over the years set very high benchmarks in corporate governance and shareholder value creation. I am truly humbled to have been chosen by my fellow Board members to succeed these extraordinary leaders as chairman of your company and I take this opportunity to salute my predecessors and pledge to uphold the extraordinarily high standards set by them.

Fiscal 2015 was a landmark year for your company; Dr. Vishal Sikka joined your company as the new CEO and M.D. as we bid farewell to the three remaining founders who held executive positions in the company during the year. I want to take a moment today to thank on behalf of all of you all the founders of this company for their inspiring vision, their selfless efforts to build an extraordinary institution has become a pride of this country and for instilling strong foundational values which remains and will remain the bedrock of this company.

In Fiscal 2015, your company recorded revenues of Rs.53,319 crores or 8.71 Billion in US dollar terms. Annual revenue growth rate was 6.4% in rupee terms and 5.6% in US dollar terms. As you know, there was significant volatility in currency exchange rates during the year. In constant currency terms, annual revenue grew 7.1%. Operating margin handsomely improved with 25.9% compared to 24% in Fiscal 2014.

We paid an interim dividend of Rs.30 per share, (not adjusted for bonus in October 2014). Earlier policy was to pay dividend of up to 40% of the consolidated post-tax profits. I am happy to inform you that your Board has decided to increase the dividend payout ratio to up to 50% of the consolidated post-tax profits effective Fiscal 2015. Accordingly, your directors have recommended a final dividend of Rs.29.50 per share that is equivalent to Rs.14.75 per share after bonus issue. In October 2014, your company issued bonus shares in the ratio of 1:1 leading to 24% increase in the number of shareholders by December 2014. With the objective of further broadening the shareholder base, the Board has recommended another 1.1% bonus issue which has recently been approved by the shareholders through the postal ballot.

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During the year, two new independent directors join the Board – Roopa Kudva and Mr. John Etchemendy. Both are accomplished leaders in the respective fields and are no doubt that their experience and insight will bring tremendous value to your company.

Mr. Narayana Murthy, Mr. S. Gopalakrishnan left the Board in October 2014 and Mr. Shibulal left the Board in July 2014. Additionally, Dr. Omkar Goswami retired from the Board on December 31, 2014 and Mr. Srinath Batni cease to be a director w.e.f. July 31<sup>st</sup> 2014. I would like to gratefully acknowledge the extraordinary contribution of all these gentlemen to the success of our company during the tenure and place on record our deep appreciation.

As per the policy relating to the tenure of the directors on the Board, Mr. Jeffrey Lehman will retire from the Board in April 2016, so this would be the last AGM that Lehman would be attending. As a member of the Board and a chairperson of the Nomination and Remuneration Committee during the period of significant change, just wisdom, insights and interventions have been invaluable and I sincerely thank him for his contribution.

On your behalf, I would like to acknowledge the tremendous efforts of our employees, the Infoscions who are our most important asset, the dedication, intellect, hard work and deep sense of values is what differentiates and drives our company forward.

I would also like to thank our clients, vendors and partners for their trust and support. We thank the governments, the departments of various countries and space that we operate in for their continued support. Thanks to the Trustees of the Infosys Foundation, USA and the Trustees and Jury Chairs of the Infosys Science Foundation for their time and contribution.

Friends, we are in the midst of tremendous changes in our industry and therefore for our company. Traditional business models are beginning to be disrupted by new technologies and new ideas. This change throws both challenges and opportunities. Vishal Sikka and his management team have articulated a clear and cohesive strategy to exploit these emerging opportunities and thereby return your company to the pre-eminent position in the industry as industry leader. I wish to convey that the Board of Directors is fully in support of the strategic direction taken by the management and we are very confident of the desired outcomes in the coming years.

Before I conclude, I would like to thank KV Kamath – Ex-Chairman of the Board, who stepped down a couple of weeks ago consequent to his nomination as President of the BRICS New Development Bank. Kamath, apart from being a very good friend of mine for many-many decades, has been a great source of guidance to all of us on the Board, bringing clarity of purpose and speed and execution. On behalf of all of you and my colleagues in the Board, I would like to thank him for steering this company through the times of change and wish him the very best in his prestigious new position.

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### **Vishal Sikka**

Thank you very much, Sesh. Request you to please continue with the proceedings of the meeting.

### **R. Seshasayee**

We have a small video as a tribute to Mr. K.V. Kamath which I would like to be played now.

(Video Played)

I would now request Vishal Sikka to address the shareholders.

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**Vishal Sikka**

Good Afternoon, Friends. I want to join everyone in thanking Mr. Kamath. He is an extraordinary human being. He has been a great mentor to me especially during the time that I started at Infosys last year. His stature, his wisdom, and his instinct have been a source of inspiration for all of us. While we will miss him, I would like to on behalf of all of you, “wish him the very best with his new and prestigious appointment as the Head of the BRICS New Development Bank.”

I would like to thank all of you for coming to this Annual General Meeting today and I would like to especially thank Mr. and Mrs. Murthy for their presence here. We appreciate all that you have done to build this amazing institution, to help us all get here and that you have always held this company’s best interests at the heart at all times and we are deeply grateful. Thank you.

I have organized my remarks today in three parts – First, I want to look back on what we achieved in Fiscal 2015 and the immediate steps that we have taken to address our weaker-than-expected performance; Next, I want to articulate my confidence in the path that we have chosen with our Renew and New Strategy by sharing the status of the initiatives that we have launched; and Finally, I want to talk about the longer-term aspirations that we have set for ourselves.

For the Fiscal 2015, our revenue grew 6.4% in reported rupee terms, 5.6% in reported US dollar terms, and 7.1% in constant currency terms. We achieved 25.9% operating margin. In spite of cash outflows for dividend and the acquisition of Panaya, we maintained our net margins at 23.1%. Earnings per share showed a healthy 15% growth. As Sesh mentioned in his remarks, we announced two 1:1 bonus share issues in October 2014 and in March 2015 to improve the liquidity of our shares.

On the positive side, we continue to leverage some of the cost effectiveness initiatives that we have started in the previous year, and have improved our employee utilization levels. These measures have helped us pay out higher bonuses to our employees which increased to 86% in Fiscal 2015 compared to 64% in Fiscal 2014. In turn, this has helped us contain employee attrition at 13.4% in Q4 of Financial Year ‘15 compared to 23.4% in Q1 of Financial Year ‘15.

In terms of revenue growth we did not end the year as well as I had expected and hoped we would. We battled in a challenging climate where clients are experiencing a rapid deterioration of their own traditional business models and therefore looking for more efficiencies and innovation in their engagements with us. The landscape of technology service companies has become vastly more competitive, especially in large outsourcing programs, emerging technologies such as Cloud Computing, Data Analytics, and Automation are changing the ways in which clients are consuming traditional services and spawning new types of companies that provide them. Underlying this performance are several learnings that make it clear that we need to push quickly on our internal initiatives to strengthen the competitive differentiation of our service offerings and the effectiveness of our go-to-market and client engagement.

Looking back at the last fiscal year, there is no doubt that as a company we have been through quite a journey. We have had significant changes in the composition of our Board and the Management Team. We addressed several priorities that are essential for us to build momentum in the near-term and at the same time we have set the foundation of our newly articulated strategy that I believe is imperative for the sustained success of our company. We realigned the company to bring together technology service offerings capabilities that were fragmented across our business units. We needed to do this so we can evolve the next-generation of service offerings that embrace Automation, amplify our capabilities to deliver more value, and help our clients’ future proof their businesses in a fast changing world. This realignment of our organizational structure is also helping us to devote leadership bandwidth to market and in client facing functions.

I believe that this will bring greater agility and accountability in servicing the request of our clients and cross-sell our services and grow existing client accounts.

It was clear to us that we needed to rapidly differentiate our client engagement and our service offerings to address the rapid commoditization of the traditional IT Outsourcing. We have to be more competitive in addressing the large scale outsourcing needs of our clients in areas like Application Maintenance, Infrastructure Management, and in BPO. We plan to do this via better client engagement processes, and with increased Automation. Some of the initiatives that we have already put into place include meshing our Consulting organization with our sales teams to elevate the relationships that we have with 200 high potential client accounts, establishing a group that is tasked with improving the quality of our proposals and presentations to clients, realigning our large deal pursuit teams, and frequent rigorous reviews of sales performance.

Since I took over as the CEO last year I have had 100s of client meetings and dozens of employee town halls in nearly every one of our development centers around the world. Yes, I have been traveling a lot in these last 10 months and as some of you may have noticed in the media also sleeping at the airports.

It was clear to me that with all the changes in the management team that we have had we needed to address any concerns both the stakeholders had regarding leadership transition and the future direction of the company. In particular, it was important to quickly establish trust with the employees and in listening to them, we simplified several of our policies and empowered our middle managers.

I am sure you have read in our 'Annual Report' about the progress that we are making in executing our Renew and New Strategy. At the core of the strategy is an embrace of innovation to accomplish the duality of delivering existing services better and at the same time enabling the organization to completely new areas and ways of working. We are driving this strategy relentlessly across the organization so that every individual employee is empowered to live it, contribute towards its success, and benefit from it. In 1994 Prof. Nicholas Negroponte made an observation that "The change from atoms to bits is irrevocable and unstoppable." Twenty years ago, the Digital revolution was in its infancy. Today, it is all around us, transforming every industry and every walk of life in a very fundamental way. This transformation creates value by dissolving intermediary layers and by bringing intelligence and empowerment to the endpoints. On the one hand, we are seeing high powered computing becoming ubiquitous and pervasive, broadband and mobility have enabled a massive connectedness between entities in the physical and the digital world. Data of every kind is becoming increasingly available and software-led transformation is disrupting businesses as we know it, creating some ambiguity as well as tremendous opportunity. Creativity, reliability, agility are the new imperatives for a services company such as ours. For our industry and our company this is an unprecedented opportunity to renew our clients businesses and also to partner with them to build completely new ones. If we take the example of a bank, while it traditionally did business in the branch offices, the next-generation of banking questions whether we need a physical presence when all you need is a mobile device. A traditional retailer has competition from an online retailer which is becoming more of a logistics company and while these companies see the need to transform their businesses, they must look for ways to renew and extend the lives of their existing businesses and systems that are still generating much of their cash flow today. The strategy that we have adopted for ourselves is the same framework that we see that our client businesses are embracing. It focuses on both renewing our core business and innovating new services at the same time for ourselves we see a third dimension, we see this duality being enabled by our culture, the culture of learning, creativity, and purpose.

Let me talk about these three in a little bit more detail:

Renewal involves the rethinking of existing business systems and processes by leveraging new technologies and platforms such as Cloud, Mobility, Analytics, and Sensor Networks. For us, the employees a need to renew the existing service lines such as Consulting, Business Process Management, Engineering Services, Applications Development and Maintenance, Infrastructure Management, Testing and Verification Services, etc. These are our bread-and-butter businesses. These services have potential for significant renewal through automation, through innovation and simply through operational excellence. I want to emphasize that renewal will help grow our traditional businesses. It is aimed at making us more competitive in winning large outsourcing projects. It is not a distraction from our current business. It is focused squarely at improving our current business. So, what have we already started working on? As Prof. Mashelkar once said, "We want to do more with less for more." In Automation, we have been investing in our Infosys Automation Platform (IAP) everywhere. IAP helps us bring automation to our existing service lines, systematically and help improve their productivity as well as differentiation.

We launched an initiative called "Zero Distance" to bring innovation in every client engagement in every single project that we have underway. It is called Zero Distance because that is what we want between our engineering teams and client value. We have covered over 3,000 master projects to-date or almost two-thirds of our entire service delivery organization. Nearly 350 of them coming up with new ways of doing their projects and at least 1 new thing that they can bring to the client. Every day we have new ideas popping up all across the company with this initiative. We also have to rediscover the way in which we deliver our services and manage them. So we have started working on how we can increase our local workforce across the world, automate software development and maintenance processes themselves, sharpen the focus of our go-to-market teams, and increase our empathy with clients. We are also reimagining our internal systems so we can get better predictability on our operations, reduce the wasteful expenditure, leverage underutilized pockets of talent, and make decisions more responsively to real-time events.

Finally, our focus on Intellectual Property in EdgeVerve, Finacle, Panaya, and platforms, helps us build more resilient business models for ourselves while bringing value to our clients in new ways.

New elements involve new ways of engaging with and understanding customers and exploring new markets and business models. This opens up opportunities for us to build strategic partnerships with clients, co-create innovative solutions by leveraging the power of techniques like Design Thinking, it requires developing excellence in areas like Artificial Intelligence, Big Data and Analytics, Open Source Software and a deep engagement with a start-up community.

We launched our Infosys Information Platform which is a break-through way for clients to bring together the vast amounts of data they collect, analyze it, visualize it and enable intelligent decision-making. We have had 120 installations of IIP in a short timeframe of a few months with excellent results.

We have also recently added IIP-based forecasting in BPO, Analytics and Finacle and Edge as well as Analytics in our McCamish Insurance platform. More importantly, these areas where even our clients are exploring new frontiers. Being innovative means that we should enable our people to think out of the box. With Design Thinking techniques, we can help our clients explore the uncharted territory. To-date we have done more than 30 Workshops with our clients and more than 100 engagements are planned. These engagements that are led by our Consulting teams, are elevating our conversation with our clients and positively influencing some of our large client account relationships. The essence of the new strategy was best captured by Marshall McLuhan who said that "We do not know who discovered water, but it was certainly not the fish."

We recently conducted our Annual Client Conference in San Francisco. That was attended by a record number of 1,000 client executives and industry analysts. Their positive reaction to our strategic direction was extremely encouraging. We have also announced strategic partnerships



with major companies in our industry as well as investments in start-up companies like Nova and Airviz and the acquisition of Skava. And our teams are engaged already in more than 30 Artificial Intelligence projects.

The foundation of our strategy is our culture of learning and education. It is the foundation to amplify our individuals. Mr. Murthy always taught me the value of learnability which was one of the core principles and values that he had for Infosys. We are focused on preserving and instilling our values. We are focused on bringing innovation and delivering customer value in every project. I mention Zero Distance already. We have taken several initiatives – Hackathon, Open Source Adoption, Murmuration, and other initiatives to help every one of our delivery teams bring innovation to clients in each project that they work on. We have been working on creating a culture which focuses on amplifying our people’s potential, to help them evolve from solving problems, and to become innovators that can help find problems. As more and more of the manual works becomes automated, we have to enable our people to embrace Automation and Artificial Intelligence, and at the same time that we embrace Automation and Artificial Intelligence, for the manual work we have to enable our people to amplify themselves to become problem-finders for the next-generation creativity requiring innovation. The underpinning of this is our distinguished learning institutions. In my roughly 11-months that I have been at the helm of this company, I have found our companies learning infrastructure and capability to be without comparison, not only in our industry but perhaps in the world. Here is the picture of our magnificent institution in Mysore. We have been leveraging our extraordinary learning capabilities to teach some of these new skills. Design Thinking alone has been embraced in a massive way by our company. Binod’s organization has already facilitated a one-day or two-day long Design Thinking Immersive Training for more than 35,000 Infoscons. We have also been working on upgrading our learning tools themselves with a new set of technologies that we call the Infosys Learning Platform, that helps bring real-time learning and collaboration, real-time responsive collaborative learning to our students and we see very impressive results as a result of using these tools.

We have also been a partner with the universities like Stanford University and others, ECNU in China, University of Wisconsin, and University of California at Irvine and so on, to help bring new ideas, new curriculum entries, and new avenues of research into our company.

The success of our company will in the end be based on the success of our culture. As Alan Kay observed at a speech that he delivered to our executives in Mysore, “Culture is worth 80 IQ point. It is my deeply held belief that over time our success will come from the success of our people and the success of our people will come from the success of our culture that we enable through the culture of learning.” Going forward, I see tremendous potential for us to grow and lead. However, it will take us time to see the results of the changes that we have made.

I wish to make one additional observation about the “Renew and New Strategy”. The Renew and New Strategy impacts every single one of us. It is not that Renew is done by one group of people and New is done by another group of people. Every one of us does both. Just as in nature, just as complex systems evolve, simultaneously, renewing themselves and embracing new ideas each of our teams, each of our organizations and units embraces the ideas of Renew and New. I have four examples here of service lines that are both embracing Renew and New. In BPO or Business Process Management, the Renew is about automation, helping to bring productivity improvements to existing business process offerings and aggregation of steps, complex manual steps into simpler ones using tools that helps improve the productivity whereas New in BPO is about adding forecasting and creating new kinds of tools that BPO workers can use themselves to help improve their productivity. In Infrastructure Management, Renew is about pervasive automation in the work that we do, whereas New is about using the Information Platform for Analytics and working on Reference Architectures and Cloud platforms together with partners. Similarly, in Application Development and Product Engineering, Renew is about using techniques like knowledge-based Engineering to help bring Automation to Maintenance, whereas New is about building next-

generation platforms like the Skava platform as well as New kinds of applications that use AI technologies to bring applications in unprecedented areas.

In short, living our strategy is not about dividing us but it is about uniting us to bring the renewal as well as new dimensions to every single thing that we do by each one of us.

Going forward, as we look at our goals and aspirations, I see tremendous potential for us to grow and to lead. However, it will take us time to see the results of the changes that we have made and those that we are continuing to make. In the near-term, our year-on-year guidance for Fiscal 2016 is for growth to be in the range of 10-12% in constant currency. Looking beyond this year, the mission of our management team is to prepare the company to achieve our aspirational goal of achieving \$20 bn in revenue by the calendar year 2020 with the 30% operating margin. The key components of this vision are a rapid growth in our service lines, Digital Services, Innovation-led Services, and Intellectual Property-led Services. We expect inorganic investment strategies to also influence part of this growth and we will aim to deploy Automation Innovation to increase our per capita revenue to \$80,000.

In closing, I would like to say, in the last 10.5 months or so, I have met many shareholders over the last months. I sense the anxiety that if we will be able to achieve the task that we have set for ourselves. While the task in front of us does look daunting, I see incredible opportunities that are in front of us. As a company, as employees, and as an industry, I see a world that is being fundamentally and irrevocably reshaped by software and I see ourselves as distinguished creators of software with perhaps the most distinguished capability to learn and to teach. I am encouraged by the positive momentum that we are seeing in both our traditional business growth and in the deployment of new ideas. Powered by intellect and driven by values, I am confident that we will get there. Our purpose is to become the best technology services provider for our clients, and in doing so, to ensure long-term profitable growth for all of you and for our investors. Thank you.

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## **R. Seshasayee**

I now request Pravin to address the shareholders.

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## **Pravin Rao**

Good Afternoon. I will spend the next few minutes sharing some highlights of our operations. Vishal has talked a lot about our Renew and New Strategy. One of the critical elements of the Renew and New Strategy is differentiation of our services. We have made good progress in the last few months across multiple dimensions, for instance, we are investing a lot in building out Automation Tools and Platforms. Infosys Automation Platforms has been deployed across 25-clients in the areas of Infrastructure Management and Application Management. We have seen productivity improvement to the tune of 15-30%. Likewise with Panaya in the ERP space, we have seen similar kind of outcomes. We are also embracing Open Source in a massive way and we are also contributing back to the Open Source. We have also strengthened some of our existing alliances. We are also building new alliances with the likes of Hitachi, Huawei in the areas of Infrastructure Management and Cloud platforms. We are also focusing on targeted acquisitions like Skava and Panaya to accelerate our capability building. With Skava, we have a very unique opportunity to help our clients, strengthen the digital experience of their end consumers through increased conversions of their digital and mobile properties. We are also focusing on building new capabilities, Vishal already touched upon a lot about Design Thinking. We are also training people on many new areas; we have trained more than 1,000 people on "Creative Confidence," we have trained more than 2,000 people on Artificial Intelligence and Machine Learning.

We have added 221 clients last year, taking our total client counts to 950. Our repeat business revenues coming from clients with whom we have worked in the last one year is 97.8%, a clear testimony to the quality of work we are doing and high degree of client satisfaction. However, we still have to do a lot more in the areas of client mining and that would be a focus area for us in the coming year.

We continue to invest in our Employees. We have net addition of 15,782 employees last year. Total headcount was 176,187. Attrition was a big concern for us at the beginning of the year. I am happy to say through several interventions we have managed to bring down the attrition considerably. From a peak of 2,850 exits in May of last year it has come down to about 1,352 in March of 2015. Likewise last year we also started the central function, focusing on supply chain, integrating recruitment, deployment, as well as training. This along with improved planning and forecasting has helped increase our utilization excluding trainees to about 80.9%.

We continue to invest in Infrastructure. Last year we added 35.62 lakh sq.ft. of physical infrastructure. We have expanded our footprint globally. We have also commenced work on building a new campus in Hubli in Karnataka.

Brand Infosys has also won several accolades and recognitions from leading industry bodies as well as prestigious institutions globally. A glimpse of few are listed here. These are across the areas of innovation, IP value creation, corporate governance, diversity. One which we are very proud of is “Ashden Gold Award” which is the Green Oscar for “Sustainable Buildings”. Our services have also been rated as a leader in many of the endorsements from industry bodies like Forrester, Gartner, IDC, and Everest Group and so on.

So lastly, I wanted to leave this video about our CSR Activities.

(Video Played)

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## **R. Seshasayee**

Thank you, Pravin. We are all extremely proud of this outstanding work being done by the Infosys Foundation. I want to take this opportunity to thank on behalf of all of you Sudha Murthy for giving us outstanding leadership.

I request Rajiv Bansal – our CFO to make a Presentation on the Financials for the year just ended.

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## **Rajiv Bansal**

Good Afternoon, Everyone. When we entered FY15, we were faced with multiple challenges; we had below industry growth, our margins were declining, there were leadership changes, leadership attrition, low employee morale because of low variable pay to the employees, and fewer promotions. In the last one year, your company has put a lot of these things behind and is now fully focused on delivering the “Vision of 2020” which Vishal just spoke about in his address.

During the year, our revenues grew by 6.4% in rupee terms and 5.6% in US dollar terms. We delivered a 15.8% growth in EPS – one of the best in the industry. This is after having invested in multiple employee initiatives; during the year, we reinforced our commitments to employees through various initiatives, we have increased variable payout from 64% to 86%, and announced quarterly promotions. We are probably one of the only companies in the country to give quarterly promotions to our employees, promoted 25,000 employees during the year, compensation reviews in line with the market, we also did a mid-year increase for employees because of the skill set

mismatch, and we also increased employee engagement activities including training. We trained over 25,000 employees in Design Thinking initiatives that Vishal mentioned in addition to the normal training activities. In spite of all of that, we were able to improve our operating margins by 190 basis points. A lot of this was possible because of the operational efficiency that we show during the year. Our utilization excluding trainees was over 80% – the highest in 11-years. Our offshore effort mix was over 70% – the highest in the last 4-years. Employee addition of 53,386 employees gross and 15,782 in net, 221 clients added during the year.

We also made a few strategic acquisitions or investments during the year:

We acquired Panaya for US\$225 Million. Panaya is a leading provider of automation technology for enterprise software management. Panaya will enable us to enhance the competitiveness and productivity of our current services by leveraging technology. We also closed acquisition of Skava for US\$120 Million. Skava is a leading provider of digital experience solution, including mobile commerce and in-store shopping screens for large retailers.

Our cash and cash equivalents were Rs.32,585 crores as at March 31, 2015. We also articulated our capital allocation philosophy which led to the dividend payout increase from 40% to 50%, a year back, this was about 30%, in the last year, year and a half, we have been able to increase our dividend payout from 30% to 40% to 50%. As Vishal mentioned, we also announced 1:1 bonus in October which was effected in December and in June.

If you look at summary of the Financial Performance – our gross profit grew by 12.8% in US dollar terms and 13.6% in rupee terms, our net profit up by 15.8%, EPS growth of 15.8% in rupee terms. USD/INR average rate did not change much though there was a lot of volatility in the currencies during the latter part of the year. Our balance sheet of Rs.66,352 crores, cash and cash equivalents of Rs.31,241 crores, trade receivables almost at 15% of the balance sheet size. So if you look at this balance sheet, we have Rs.55,000 crores in the shareholders equity, debt-free, it is one of the best balance sheets that you would probably see in any company. We continue to balance liquidity and return. We have set ourselves a threshold of at least 2x of cost of capital for return on capital employed and 3x of cost of capital for return on invested capital. Our ROCE is today at 2.6x of cost of capital and ROIC is at 4.4x, our ROIC is 61.1%. Dividend – increase if you look at FY13, it was 30%, last year increased to 40%, this year up to 50%.

We saw broad-based growth; we saw growth across all our verticals and our geography segments. Manufacturing grew by 8.1%, Energy, Utilities, Communication, and Services grew by 8.2%, Retail continues to see some challenges at 4% growth. North America grew by 8%, Europe growth was slightly muted because of cross-currency impacts that we took during the latter part of the year.

This was one of the important metrics Mr. Murthy had set out for us when he came back that the employee cost as a percentage of revenue has to continue declining and we have to become more and more efficient in the way we do things and we demonstrated through increased utilization, bringing down the offshore mix, and employee cost has come down from 61.4% in FY14 to 59.9% including subcontractors and 57.5% to 55.8% during the year.

Our volume growth of 9.3% overall but if you look at the offshore volume growth, it was 12.1% – probably the highest that we have seen in the last 3-years. The onsite volume growth was 2.9% – two reasons; one is because of the slowness that we saw in terms of start-up project, but also because of our initiatives to bring back work offshore and our offshore mix has actually improved by almost 250 basis points during the year. Realization continues to be a challenge. Traditional business is seeing a lot of pricing challenges, a lot of commoditization, and this is something that what Vishal articulated in terms of Renew and New, is targeted towards. The Renew and New strategy would help us improve our realizations per employee and that is what Vishal has set out as 80,000 is target for 2020. Utilization of 80.9% as I said is the highest in the last 11-years, the

offshore mix of 71.2%, the highest in the last 4-years. Other income of Rs.2,892 crores, up from Rs.2,380 crores, exchange gain of Rs.475 crores. We continue to have about a Billion dollar of hedges, we have seen a lot of volatility in the currency markets, we believe that our strategy of taking short-term hedges has paid good dividends in the past and we continue to follow the same strategy, we continue to hedge for short-term, we gave the hedge for about two quarters of net assets and we will continue to do that.

The global currencies were very volatile. If you look at the latter part of the year, we get about 69% of the revenues in US dollars, about 7.6% in Australian dollars and about 10.2% in Euros. The average rate if you look at it as in the USD/INR, the USD actually appreciated against Australian dollar by about 6.5% on an average against Euro by 6.7%. However, if you look at the period ended volatility, and this is what impacted the reported numbers and our guidance for the next year, the GBP actually has moved down from 1.7 to 1.48 from Q1 of FY15 to Q4 of FY15, the Euro from 1.37 to 1.08 and AUD from 0.94 to 0.76. This impacts the reported revenue growth for the company because when you bill the client in any of these currencies when you translate into dollars, you use the latest exchange rate which starts impacting the reported numbers. However, although US dollar was appreciating against all the currencies, against the US dollar it was very-very volatile, so if you look at the movement against the US dollar, it has actually been stable over the last couple of months, but it has been highly volatile for INR against the US dollar. Because of the volatility that you are seeing, we gave a constant currency guidance of 10-12% which in reported basis would mean 6.2 to 8.2%, as of March 31<sup>st</sup> rate, there was an impact of 3.8% on the growth because of cross-currency movement that I just spoke up on the previous slide, in INR revenue terms that will be a growth of 8.4% to 10.4%, and as it was articulated by Mr. Murthy and reiterated by us, we expect to grow in line with the industry in FY17. Thank you.

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## R. Seshasayee

Thank you, Rajiv. May I have your permission to take the notice convening the meeting as read? Thank you.

We now come to the formal proceedings of the meeting. Before we proceed, I am pleased to bring to your notice that as required under Sec.108 of the Companies Act 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014, substituted by Companies (Management and Administration) Rules, 2015, the company provided to you all being the members the facility to cast your vote electronically. On all resolutions set forth in the notice, members who have not cast their vote electronically and who are present in this meeting will have an opportunity to cast their votes at the end of this meeting. Members may please note that there will be no voting by show of hands.

I will now request the Company Secretary to read the Auditors Report.

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## Manikantha AGS

Good Evening.

### **Independent Auditor's Report To the Members of Infosys Limited Report on the Financial Statements**

We have audited the accompanying standalone financial statements of Infosys Limited, ('the Company'), which comprise the balance sheet as at 31<sup>st</sup> 2015, March the statement of profit and

loss account and the cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

### **Management's Responsibility for the 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 and presentation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these standalone financial statements based on our audit. 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 financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected dependent on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's position of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on whether the company has in place an adequate internal financial control system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies, use and the reasonableness of the accounting estimates made by the Company's directors as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained 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<sup>st</sup> 2015, and its profit and its cash flows for the year ended on that date.

## Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015, ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure a statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable.

2. As required by Section 143 (3) of the Act, 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 the audit.
- (b) In our opinion proper books of accounts as required by the 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 account, the cash flow statement dealt with by this Report are in agreement with the books of account;
- (d) in our opinion the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
- (e) on the basis of the written representations received from the directors as on March 31<sup>st</sup> 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2015 from being appointed as a director in terms of Section 164(2) of the Act;
- (f) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, 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 financial statements.
  - ii. the Company has made provision as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
  - iii. There has been no delay in transferring amounts, required to be transferred, to the IEPF by the Company.

For B S R & Co. LLP  
Chartered Accountants  
Firm's registration number: 101248W/W-100022

Akhil Bansal  
Partner  
Membership number: 090906

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## R. Seshasayee

Thank you, Mani. With your permission I will now take up the resolutions which require the shareholder approval. Item No. 1 of the notice relates to the adoption of financial statements. The financial statements of the company for the year ended 31<sup>st</sup> March 2015 including the audited balance sheet, statement of Profit and Loss and the reports of the Board of directors and auditors have already been provided to the members.

I would now request the members if they have any comments to make or any queries to be raised to come up to the dais one by one and we would take up the responses to that at the end of all the queries. Thank you.

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**Sadanand Sastry**

I am Sadanand Sastry. My number is 30354599. Good Afternoon, everybody. First of all to begin with I remember that Narayana Murthy, I salute him because of him we are here. Sir, coming to the report Page ##13, in the Letter to the Shareholders, it is said and the Directors' Report also it is mentioned that is the bonus shares are issued in two phases -- one is in October and March. Sir, there is a general comment, but for that your comment is required. This bonus share is declared because of the stalwarts investors of the company withdrew their major portion during the recent days. There is a distortion of capital structure, just to balance the imbalance, just to make good of the capital structure what has gone down, this bonus share is declared. It is not the benefit of the shareholders either minority or majority of shareholders. One thing is while fixing the bonus shares, the value of the bonus shares it is also not scientifically fixed. Everybody knows that earlier during the last year it was 4200 per share, when the first bonus shares is declared, it came to 2000, then below that, Rs.1000 now it is running. I think no shareholder is benefited there. But while declaring the share itself it is the general feeling that the company should endorse some benefit to the shareholders, but there is an absence of that particular topic. Secondly, in Page #11, that is the Results of Operations. While glancing this, the income is considerably reduced compared to the earlier years. During 2012-13 it was Rs.9,781 crores, now it is reduced to Rs.3,086 crores, far below. So the profit is also the same, but however even though the income is reduced, the profitability has increased to a marginal level, that is I think compared to the earlier, it is Rs.488 crores that is all, it is far below. Apart from that just now our Chairman told that is, the package has been declared, the salaries and bonus of the employees, officers, technicians increased. Naturally it is a great death blow to the profit, but maybe, such things, but one thing is, many rival companies... these rival companies, I am using this word is only because of the press, what they have declared on 25<sup>th</sup> May, rival companies also raised their emoluments, but with the increased profit, but here to arrest the further decline, what strategy company has taken that we want to know it. The last one is, in Page #138, you have given "Investors Complaints". 492 complaints received, 492 complaints solved. Right. But certain things will be there. In the interest of the company, in the image of the company, I am telling this one, with most painful feelings. So certain damaged images will be there. Sir, one thing, let me express something here. Chairman Sir, you are a universal man, you are a global person, more than a celebrity in the eyes of the universe or the globe. We are proud of it, our Chairman has reached such state, but as far as the AGM is concerned, you are one among us, sir. But what happens here, soon after the AGM is completed, it is the system, method, either the Chairman will go to the shareholders or shareholders will come to the Chairman to share their feelings, hat is totally absent here. But why I am telling you is this, last year I tried to meet you after the meeting here, with an appeal not for my sake, it is for the sake of the entire society, I want to present a memorandum or an appeal. I was kicked out from the scene, humiliated like anything. This is the position of the shareholder here. Sir, actually TV media, and this press media are very-very important. You have to entertain them first, because they will publicize or advertise the company's performance, stability, capability, and investment, etc., Likewise our shareholders as far as this premises is concerned, soon after the premises we lift, that we have to think, we will be an interrupt for you, we will be offenders for you if we meet. But such relation, the Chairman should have to meet at least some shareholders. But last time, what I felt, it was very difficult. Sir, I think your status is high, but what happens is, some public relations, you are lagging behind, I think so. If you develop that lagging behind, you will be a complete man. Certainly, you will be a complete man. That I think here afterwards you have slight relations with those who want to meet and share their feelings. Lastly, as far as the CSR is concerned, the company is giving attention for the good thing of the society, but general feeling is, suppose if we want to, or if we help any particular school, only particular school will be benefited, if we entertain any particular hospital, the particular inmates of the hospital will be benefited, not the public in large. It is my sincere request to give attention for employment oriented and health oriented because nowadays you are seeing in the entire society, how the environment is there,



how the people are suffering from diseases like that, but you please entertain such requests from the NGOs who are trying to do such a thing on your behalf. Sir, one more request here -- after the meeting you will never be available, I know, that is why I want to give a representation to you, now itself you please accept this one, sir. With that I conclude my speech.

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## Ramprasad

Good day to everyone on the Board and to all our investor friends. I am Ramprasad, a small investor with holdings in three different Demat accounts. If you want I can furnish my Demat Client IDs later on. So I have a few points, sorry if I maybe a little irresponsible in asking some of these questions but let me be straight. I first of all congratulate Shri K.V. Kamath who was really a responsible Chairman of our Board who has been escalated to the BRICS Bank, he has become the Chairman of the international bank which is going to be floated very soon and welcome Shri Seshasayee, though I am a small person to welcome him. But in that light of Shri Seshasayee taking up as a Chairman now, I know that he was representing the Hinduja Group or Ashok Leyland and IndusInd Bank in that respect. If I may straightly ask, how much interest does Infosys have in terms of business interests in these groups, the commercial interest that Infosys has? It would be really good if you have a really good business proposition with the Hinduja Group, Ashok Leyland or IndusInd with whom Chairman Seshasayee was associated as we could see from the Infosys Annual Report. So I do welcome such an elated and really a responsible Chairman taking up the post.

And what I was only expecting was, in the 34 years of history of Infosys I was expecting or hoping that there could be a women, means there was a women behind the man Narayana Murthy sir called Ms. Sudha Murthy, so when there was a women behind the man I thought there would be a women behind Infosys who could come up as a Chairman of Infosys sooner or later but I do not know when will Infosys see women apart from probably the two who are already occupying. But I will be fast, I know there are many more questions coming up, so I would really hope five, 10 years down the line we should see a Chairman who is a women representing Infosys, so that would be better women empowerment.

And I will move forward with three more quick points, I know Infosys is powered by intellect, why do not you use your intellect to develop a mobile application, Infosys mobile application for the benefit of investors thereby saving paperwork. An investor who may be sitting at the AGM just swipes through the mobile app at the AGM or before it and learns more about the Infosys through the mobile application. Why don't you please think of it of developing an app, there are many responsible international corporations like GE or many other corporates that we can quote an example who have a mobile app for the benefit of investors. I would expect next year hope you will build a mobile app for investors actually.

And moving on to three more important points. I know that Infosys Foundation through it's outreach program is reaching out to the Northeast, I was so happy to see, I was actually, I loved the Northeast, I have travelled to Northeast and I was so happy to see outreach program reaching almost to Tripura or somewhere around that area where you held a dance program, it was so heartening and happy to note. When Infosys Foundation can reach the Northeast why cannot Infosys as a corporate reach Guwahati, Aizawl or something in a small way and create not social empowerment but corporate empowerment with moral responsibility, why only Infosys Foundation is reaching out there, why not Infosys Technologies Limited as a corporate? It is just a humble request, down the line big companies like Infosys, Wipro; okay, I will not name; big corporates have to take the responsibility to move over for better empowerment in such regions.

And sorry, just two more minutes, 120 seconds, maybe another, sorry for taking your time. And just one point, maybe I wanted to highlight this at the last, but even the previous investor was

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highlighting about the bonus, to be a little more greedy, instead of 1:1 investors I am sure would have been more greedy enough or selfish to ask, if it could have been 1:2, two bonus share for every one, making it a really numerical magic of 1:2 bonus at a 3-4 AGM, 1-2-3-4 magic, 1:2 bonus at 3-4 AGM, so why not have a 1-2-3-4 magic, can you approve it and I think investors will approve it right away here if you just announce it here that it is a 1:2 bonus instead of 1:1 and it will not be just for the benefit of investors who are sitting here, there will be a Rs.900 share which will be going down to Rs.450 or Rs.500 for the benefit of more small investors, we have to reach out to small investors where maybe we have a 4 lakh investors investing in Infosys, why not take it up to 10 lakh investors, that will be more empowerment to the investors and creating more value and wealth for the benefit of small investors. Just a humble request.

And yes one important last point, sorry I will not take, that is the last time I am coming to. There are registrars and one more last irresponsible point, sorry which maybe a responsible comment I may have, but I will come to that in the last, but one feedback. Is registrar's NSDL, Karvy and everyone have the facility of sending alerts to investors for bonus shares, sending alerts to investors for dividends? Why don't you as a responsible corporate take the responsibility of sending alert to investors for the date of the AGM, for the time of the AGM, for little more information about the corporate for the AGM, why only send, like those are emails are being sent for dividend, bonus and everything, please be a little more responsible, be more, means open up the corporate governance spirit and corporate responsibility towards sending alerts to investors for AGMs, AGM events, timings or maybe Board meeting related activities. It will be a more responsible initiative rather than Company's Act or Company Law Board compelling you to do it, you please take a step further in that direction.

And that was the last point, but just one more thing. Today, when I was registering at the counter, I actually have four Demat accounts, let me be honest. In the four Demat accounts I registered two Demat accounts and one Demat account when I was trying to register at the counter I was told that my Demat account was already registered. I was just taken aback, I am the only person who is probably registering it for my Demat account, I did not question anyone there, I did not want to waste time because I knew AGM has almost started. I don't want to take my point personally here, but related to that, whenever we are having a registration done at the counter you are taking the Demat account, you are checking it in your system automatically, trigger an alert, why don't you have again a system, use technology to the maximum, have a system where when we register there is an SMS alert which is triggered where we say that, Yes, we have registered at the AGM, we are a registered investor at the AGM and we are the person who are representing the AGM, there is no third party who is representing on our behalf, who knows there could be a scam which may not be happening in a responsible company like Infosys but in future why don't you, if there could be a possibility like that, please, if you can help as a responsible corporate.

And thank you so much for your time. I am sorry I took five minutes or more than that. But one feedback I know I left, last year I request again this year as well, your AGM Annual Reports are the best in the country, you almost win Annual Report awards from ICAI or all the international Annual Report publishing institutions everywhere, why don't you distribute these Annual Reports to public libraries, to educational institutions, I don't see these in some educational institutions in remote areas, I have travelled to some rural areas where I have seen some very small schools, rather frankly to tell you I saw Annual Report of a co-operative bank, a co-operative society lying there, it was made out of ordinary Kannada paper and everything, but it was also an informative literature this one. Why don't your beautiful and informative Annual Report reach the rural ends and even to the best educational institutions so that people who do not have access to Annual Reports apart from investors will know what is Infosys, who are Infosys and how responsible you are acting as a corporate.

So, so sorry, five points became seven. Thank you so much for your time. I hope I will get answers to all my queries. Thank you. Good bye and have a nice day.

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## Gopal Krishna Rao

Before going to some comments on the report, there are some few preliminary things. My previous speaker expressed regarding registration. We came to the meeting, we stood for more than 10 minutes for registration, it may be a minor observation, please at least you can talk to HR, because the current went off power is not there, it is natural, now a days there are two words, system-server, the use of these words will simply not working, but are not having a UPS system? UPS should be there in a meeting like this, you are Infosys to see that people should not stand there, shareholders should not stand there. It is a minor observation, not a major complaint.

Again, the meeting is being conducted here for the last two three years, why don't you conduct this meeting in some of the central place like – Gnanajyoti Auditorium or in any other good house, even according to corporate governance a meeting should be conducted in center of the city. So in that respect I am telling, because this is little corner, it is just like most interior which is going to other places in Karnataka. So this point can be kept there.

The company Infosys, it is very happy to see after entrance of Mr. Sikka the company has grown vertically and horizontally in all the respects. And one more thing, very happy to see in the press and the TV, the employees who are resigning they had a second thought, they have continued with company because of your gesture to see that salaries are increased which has been increased, I do not want to mention the names of the employees and many employees had a grouse, they had served a few years, they left and joined somewhere. So that was one of the reason which I learnt, many people have expressed to me, but now that sense is not there and employees are continuing with a happy salary. It is a matter of pride and everything.

And number, meeting place I told you. Regarding your Board of Directors has got more Independent Directors than, only two Executive Directors, Independent I think there is some declaration in para number, you have put so why there is a declaration that are supposed to give you, formerly Independent Directors were not having any voting rights, but there are other general rights. This company what I have seen, you have got more independent directors and other directors, there may be other special attraction in some other way which I do not know technically or general. But in this respect I want to tell, our Narayana Murthy Shri is the mentor and founder and I am glad to say and proud to say he is a world figure as of today and this company which was Rs.180 share in 1980s, today it is 1100 after bonus. I strongly feel and I propose, he please be taken Independent Director as a suggestion because everyone says Infosys is Narayana Murthyri andhbidthare. So in that respect I am telling, you please see and anyway he should find a place here, at least I am requesting on behalf of shareholders and in the interest of the company also.

Page #137, you have given shareholders information. Generally I see all the banks and companies, shareholders information, notices is where they give the meeting will take place at such and such a place, agenda, resolution to be passed and you are putting far corner of the report resolutions we have to search, that should be the first place shareholders' information, meeting, time, place, agenda and resolutions so that immediately we can see. It is coming in the last Page #of agenda, I need not search, it is a convention and custom in all the competition banks including software.

And very good you got awards and accolades. And Page #148, you have got health scheme to the employees, what is that? Health scheme to the employees, are you conducting any periodic checks by calling doctors, professors and diagnosing people or are you giving any medical allowances yearly, what is, simply you have put one para employees are getting health benefits.

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Page #138, legal, you say legal things are very minutely generally put, what is total cases pending is against Infosys? Generally every company in fact will have it you cannot avoid it, but what are the total cases pending, we do not want the names, at least by number.

Other things minor but it is major. You print so beautifully the language, English language, our Kannada version also should be there. The point is, I can learn, I read English but the importance please be given as Karnataka, Bank of Mysore, other banks they are giving their reports, three languages they are putting, English, Kannada and Hindi, I do not want Hindi, I like Hindi but still. But the point is, please attach the Kannada version of this, it is a must. I can understand other language including Telugu, but that is different thing.

Then, one more thing. It is a very serious matter, my previous man expressed, every shareholder who wants to see a Chairman or the CEO when he comes to the company the door must be open, your security people should not prevent in any way. The security company they are draining out, what do they know, security people, some people are literate some people are illiterates I am telling you because shareholders strictly in the sense that the proprietors of the company they are here to approve your balance sheet, but what you say, you have got AU voting, you have already got it approved. But still it is not a healthy sign, when he comes to the company he should be allowed to see any staff including CEO or the MD or any representative people, but my previous friend has said he was kicked out. I am sorry to hear that word, what does it mean, shareholders should not be looked down upon either in the AGM or when he visits the company. Please keep it in mind, it is not a healthy sign if this continues. And some of the shareholders would like to see eagerly your company visit, so please allow a group of persons on a particular day so that we will be happy to see the company in all the respect.

And regarding the dividend and, etc., I do not want to talk, you have given the dividend this year and bonus also you have given this year, and thank you company, let the company prosper in all the ways.

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## Shareholder

Good evening to the Directors who is seated on the dais and also my friends and shareholders. I do not want to take much of your precious time but I want to see Narayana Murthy, seen only in the newspaper or TV channels, I have not seen him directly. For that purpose I acquired shares recently that is mine intention. And due to him now the employees, about 1,76,187 people are employed in our Infosys company, he has given a job opportunities, I am very grateful to him, he is a Kannada, born in Karnataka, giving lot of service to the human kind.

And also in the year 1996, one person acquired 10 shares, now he stands 4 crores, I don't know how the value has gone up, he has become a crorepati, why I also thought why not to become a crorepati like that by acquiring more shares of our Infosys.

And I have seen the table, in historical data every year net profit, revenue and everything is going up only, not going down but still it has to improve much. And also I have seen in the newspaper, there is any Visa problems with USA, our Finance Minister told if they want I will help them to overcome the Visa problems.

And also our Chairman that is he has taken dress code about the employees and I don't know what is any problem regarding the dress code, that maybe they have to sort out that things. And I don't want to speak much of time and company is growing more and more, it should increase double, triple like that and compete with other IT industries. Thank you sir for giving me the opportunity to speak a few words regarding our company. Thank you sir.

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**Chetan SP**

Hi all, good evening, my name is Chetan SP. I have a few questions to the Directors of the company. As per Indian company law you have to appoint three people as key manager personals, KMPs, company secretary shall be one of them. Just before the AGM, morning I got the news that you have appointed interim Company Secretary as Company Secretary after taking six months just because you should have Company Secretary on the date of AGM, you appointed him this morning. It shows that just to comply with the law you have appointed CS, it is not kind of governance, what kind of governance you are doing from Infosys, it is just like you are playing with law like making use of it as per your wish, so as per you it was part of compliance, not absolute requirement. Since you treat this as compliance I request the Compliance Officer to respond to this.

That was my first question. Second question is, I have been observing this company from the time Mr. Murthy left, you have conducted three postal ballots in last one year. I am just telling, why cannot you take all the decisions at AGM so that see from companies like Infosys crores of amount required for conducting the postal ballots, like why are you wasting shareholders money, instead you could give more amount of dividend instead of this postal ballots spending more money on this. Further, purposefully you have kept important matters in postal ballots because of these shareholders cannot express their views and you will make all important business through the postal ballot. I request management to think over this.

And third one, I am happy to see that CSR activities which you have shown in five different departments like school, education and all, so my one more suggestion like why cannot you like planting trees somewhere so that it will be environment friendly and also what are precautions to avoid Bangalore traffic and what are the pollutions coming from Bangalore traffics, what are the things you have considered for those? So in your next activities if you consider these two things so that would be helpful for our city.

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**Neil**

Hello everyone, my name is Neil and this is the 11th AGM in the last 12 years that I am attending. The reason why I come here every day is to listen to investors speak, I mean they entertain me a lot and I think if I just come here and sit down and see the entertainment and not contribute it will not be a good thing on my part, it would not be a fair thing.

That said, let's begin. I have been talking to a lot of your employees and over the last one or two years they are very happy, they are very happy about small things, Vishal I think was responsible for taking away the dress code, wearing neckties and all those things which really made no sense, but since you are focusing on small things which employees want I think that's a pretty good thing. And apart from that Mr. Srikantan Moorthy I think you should be congratulated, Infosys was known for its HR and since 2007-08 people within the company whom I am talking to are not happy, there was a certain arrogance creeping in the HR structure but people think those tendencies are going down and I heard your interim so when you step down and hand over to the next person make sure you engage with employees better as it used to be some 10 years ago or so.

Coming to questions, I have four small questions and I will be quick because there are people behind me. One is about, I usually go through the pages of salaries, how much you guys earn, how to make money, what you guys do and the list of people who are earning more than 5 lakhs a month, 60 lakhs that has gone up from 70 last year to 200 this year and nothing wrong, I mean if you guys have top talent you pay them. When I look at the numbers, I mean there are some

people, I don't want to name them, obviously a lot of them who were getting 60 lakhs or so, all of a sudden their salaries go up 2.5 times, 3 times so I don't know how, I want to understand how that happens, maybe if you could let me know some tricks I can impress my manager at work and try to get a good raise next time. So that's one thing. The other, the new entrants as well to the list, I mean they were not there last year but today I see they are getting 1 crores, 1.2 crores, so 50%, 60%, 70% hike even if you assume they were at 59.99 lakhs, how do you weigh your talent?

And on the other hand one slight question, other question is, normal employees the guys who code and all those people, they are a little disheartened, they are getting around 8%, people with whom I have been speaking to. So I think you should also be kind to them.

The second question that I have is about technical subcontractors, Page #62. I saw that you guys paid some 2900 crores for technical subcontractors out of which 1400 crores was for subsidiary company, so 1500 crores was paid to external contractors. What do these guys do, I mean are they a single person, you hire a subcontractor, he comes, he types and goes or are these small companies 10, 25, 30 people who lease people to you or do you outsource your projects completely? Because you say 80% utilization and I think Mr. Shibulal used to say 85% is what we are comfortable with. If you have that kind of, if you still have some room for increasing your utilization why are you going to external contractors, I mean don't you have that kind of talent within the company?

And also, are you facing problems for H1B and L1 Visas and is that why you are appointing subcontractors in the US or somewhere else? Would you be able to give us which reasons are you and what percentages, where are the subcontractors coming from?

Third question is about Infosys labs. I think it was called Setlabs earlier and it was doing really good, you ramped up 600 people and that has come down to 100 or so now. So why this ramp down? You can obviously tell me that people were moved to other units where they can contribute and all that, but don't you see value in R&D, I mean what about the patents that they were filing, I mean how much revenue has that generated?

And the last question is about a mandatory contribution that your employees have to bear, that's called as it's contribution towards Infosys welfare trust. So nothing wrong about it, I just want to know if it is mandatory. And the second question is, if you are taking a deduction you are taking some Rs.200 per employee which is like 36 crores to 40 crores if you look at the size of the company, I think it is in, if you consider the transparency angle you should be telling the employees, you should be on how you spend that should go out automatically, you should not be waiting for them to ask you the question, I mean where are you spending it and are you auditing the welfare trust as well. That's it, thanks.

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## Shareholder

Good afternoon. Hearty welcome to the new team of management including the CEO, the Chairman. Sir, at the outset, yes, I think the IT industry also was going through a turbulence or economic disturbances and under those circumstances your performance has been really been hearty. I would like to stress only on the negatives because there are more plusses in the balance sheet than the minuses. So coming to the performance of the subsidiaries, actually this is with respect to Page #11 of the Board's report. There are actually the Lodestone Group, the Lodestone Group particularly, I understand there is a note wherein it says that 5% of the profits under Swiss obligations you need to keep under reserves or your capital. But in spite of it I think the Lodestone Group performance has been on a capital of... there are many group entities if you go through load stone there is a Lodestone Holding, Lodestone Consultants etc. This 5% persons which we

are talking about as to under Swiss obligation, is it for the whole of Lodestone Group or only for a particular entity?

Performance of Edge – The performance of subsidiary of EdgeVerve System, now EdgeVerve system I think was recently acquired or brought into our farm on a capital of 462 crores, there is a negative profit after dissection of 71 crores and the turnover generated is 400 possibly. Does it justify a 71 crores loss? Now is it because of any particular expense which has been charged into the profit, is it a one-off or is it going to continue?

Sir Page #59 deals with, Page #59 or the management discussion and analysis, there is a trade receivable, sir we are more of an IT company where I don't think we are in a bank or a manufacturing concern where there could be much exposure to greater than 90 days and the two under the present circumstances where we feel there is a crosswind currency blowing, I do not know what is going to happen in the next month itself. So under those circumstances I think there is an increase and greater than 90 days receivables on a percentage basis, so if the CFO can throw more light on why there is an increase in 90 days and are there going to be any write-offs involved in this, are you finding any collection problem with respect to this?

The Page #64, I would like to touch on the sensitivity of the rupee, because that is the topic which IT firms are relevant presently feeling. According to it 1% movement in rupee will give you a 0.52% will disturb your profit operation margin by 0.52%. I think with the dollar terms, I think this particular financial year the dollar rates are going up in relevance to our rupee, so are we more favorably placed vis-à-vis the dollar? And again, the pain is more likely to be felt according to your own discussion, the pain is more likely to be felt in Europe or non-US countries where in relevance to dollars there is more disparity or differences in valuation of the rupee. So again the CFO touched on the point of hedging, he said that hedging is about, we generally hedge about two quarters of, now I want to know in a particular scenario, is it fixed like your dividend policy where you say that 50% is my payout or 45% is my payout or are you more flexible with respect to it? Because as I mentioned earlier, I think the crosswind currency is more felt other than dollar terms so are you trying to hedge more for you UK client or UK or other areas, Japan also.

Then, there is an enabling resolution sir which says that there is a purchase of Health business. I think if you can throw more light on it, I think we are again going away from our core business to a health business. If you can throw some more light on it.

And finally, I think we are at the fag-end of the quarter, I think in another few days possibly you will have to declare your quarterly results. With currency problems and other problems, if you can just give an inclination as to how we are placed that will be fine sir. Thank you very much sir.

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## Shareholder

I will be speaking in Kannada. Greeting to Infosys Director, Independent Directors, Chairman. In coming years I wish Infosys progress more in the future. I have one small request to make, I want to take a photograph with the Chairman that's the reason I have come from Hubli.

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## GV Ramanreddy

Good afternoon Board of Directors and Chairman. GV Ramanreddy, ex-Bharat Electronics Limited. As you said that Rs.5 share should be divided into five, Rs.1 share you have to make like a Tata Consultancy Services, TCS. Now you propose 50% net profit, 50% dividend, thank you for announcing that. TCS also giving 50% dividend, net profit.

Dr. Vishal Sikka is against Narayana Murthy, Narayana Murthy should be there in Board of Directors, full time. He is taking only Rs.1, why he should keep away. Like Mahatma Gandhi is to India, same way Narayana Murthy is for Infosys, he should be there. Now there is no Chairman, KV Kamath left so make him as a Chairman. Thank you sir for giving this opportunity.

## **Bharat Raj**

Hi, I am Bharat Raj coming from Hyderabad. Honorable Chairman, Mr. Chairman, Mr. CEO and Managing Director, Mr. and Mrs. Directors and Infosys families, very much good evening to you all.

First of all I must thank Mr. Kamath giving his great leadership to our company, under his leadership my company has grown very much and I thank him and I always prefer the god, god bless him. Whatever the position he has taken for the BRICS definitely he will make our country proud and he will be a greatest leader for the world.

I have few questions to Mr. Chairman and Mr. CEO. Mr. Sikka, in one year time there is a recruitment of about 14 executives from SAP. When a new CEO comes to the company obviously he will recruit from the past company. Today my question is to Mr. Chairman, when a CEO leaves the company obviously the team will leave. Our company is a 35-34 years old company, Mr. Vishal leaves the company, again we should look for another Vishal. What is the roadmap you are giving to the next generation? I want my boy should be a CEO in future, one of a management trainee or a manger after 15 years or 20 years he should be a CEO of my company. I am not against that it is accordance to the strategy, but every CEO will practice the same level, he will bring his team, when he leave another team will come. So this is not the regular practice I want in my company Infosys, 35 years old company, we should create leaders. So Mr. Chairman, under your leadership I want that one of my boy, maybe any region, from US or China or Africa or Indian, but one of my boy should be a CEO, that is how we can show to the world we have created leaders, that is the purpose of coming to the AGM, my main intention.

And I want to thank Mr. Vishal and I want to congratulate him for career website Glassdoor has rated him a top 50 high rated CEO, so I request everybody to give big applause. So it shows a good signal that one of my CEO is in top 50 and I was very happy that definitely you will be top 10. I have seen your ad, Vision 2020. I want to share one example Mr. Vishal, great leader, great legend and I am unworthy to spell out his name, Mr. Narayana Murthyji has a dream to make a company \$1 bn. After 20 years my Infosys company became a \$1 bn. You are my CEO of my company, you are giving a vision of 2020, yes, I accept that but you have lot of potential, you have lot of leadership qualities are there, I want a vision that 25 or 30, see vision 2030 my company becomes 50 years old, why not we dream for Fortune Global 50 company. I want my company in 2030 a Global 50 Fortune 500 company, I don't want a company already a \$8 Billion company and you are giving a projection for \$20 Billion company for five years, no. You are captain of my company, you should think big. Mr. Narayana Murthy has a dream to make a \$1 Billion company, you are giving a projection of five years, no. I want a leader who makes my company a Fortune Global 50. I know you will do it. See, making a \$1 bn company into a Billion dollar is not a big issue, but making my company Infosys in a top 50 Global Fortune 500 company means it is a miracle. Till now in India no company has been in top Fortune Global 500, maybe few companies are there Reliance or SBI, but in this 15 years I wish that this is possible under your leadership. We have new Chairman, new CEO, everything is new and there is a leadership, definitely my company will get progress. A leader creates more leaders, Mr. Vishal when you leave this company I want one of your young boy should be next CEO of my company, we don't want an outsider come as a CEO because any young man who wants to join in Infosys he has a dream that one day I want to become a CEO. So create leaders Mr. Vishal.



And third most important, one of my shareholder has raised the question, I want to spend one day in my Mysore Campus Mr. Vishal, can you please give directions to security, arrange that program so any my Infosys family members can please give their names because 400 or 500 investors have come, you can send them mails. Any third quarter or fourth quarter any day, I want to spend one day in my Mysore Campus, I want to see the Campus. I am talking about shareholders only, because everybody is listed in registration, 500 people have registered so Mr. Manikantha will take care of it. He will give the directions. Mr. Manikantha, please look after this issue because I want to spend in my company, I want to see the Mysore campus. So please arrange that from Bangalore to Mysore one day in Diwali season or Christmas season or any season. Because a Chairman is a father to the shareholders, I want to spend with my father Mr. Chairman, and CEO is elder brother to the family, I want to spend with my elder brother in one day program. So please accept my request and I think that anywhere in the world one day we will meet Mr. Vishal, that day please remember that our Vision 2030 because by that time my company become a 50 years old company, by that 50 years old I want my company should be a top 50 Global Fortune 500 company. Thank you very much, thank you investors.

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### **S. Ashok Chakraborty**

Respected Board and my co-shareholders. My name is S. Ashok Chakraborty and I congratulate management for better picture of profit and loss account. Second point, thanks and thanks and several thanks for delivering two bonus issues. However, market has not received positively for the bonus issues for the reasons unknown, hence I once again request Board to split the shares which will not affect the balance sheet and it could benefit shareholders due to liquidity. Board and MD are aware that that the other large sized technology company shares face value is less than Rs.5, even some big banks have made split of shares.

Next sir, I congratulate Mr. KV Kamath, ex-Chairman for becoming the President of BRICS Bank and wish him all the best, hope he will enhance the goodwill and reputation of India at world level. I congratulate and wish all the best for Mr. R. Seshasayee as the Chairman. Thank you, sir.

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### **T.N. Ramakrishna**

Good afternoon, I am T.N. Ramakrishna. My DP ID is IN303077, Client ID is 10484514. First of all, earlier we had request per employee details in terms of revenue, profitability, and return on net worth and other things can be given, some details are given but what is the turnover, revenue per employee, what is the profit per employee, those histogram, bar charts can also be given.

And number of shareholders attending physically, they maybe registering and going, those are coming to the hall and attending and taking part fully has considerably reduced for the past couple of years. I don't what is the reason, earlier also I requested, this time also one of my predecessor speaker has spoken, we can send an SMS alert regarding AGM one day before and on the day of the AGM so that more people may come and attend the AGM. So that can be considered, need not have to be statutory because ours is the first company I think to declare quarterly results without any mandatory statutory requirement. So going with good credentials this can be implemented.

And some clarifications which I don't know whether the company has given in this respect, there was a news item that Infosys has encroached 25 acre of land in Bangalore campus which was taken back by government, it just appeared in media, I remember to have read, I hope it is report at least should be true, whatever I read. Now whether it is really true, I don't think our company has ever do this, has ever done it or ever will do it in future also, I don't think there is a substance in this, I don't know whether any clarification was given. When such kind of damaging news

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appears in media, these things need to be clarified and also a mail also can be sent to the shareholders, they need not have to come and ask for the clarification. I don't think our company has ever done these kind of things, so I don't think there is any substance in it, still we request you to clarify that.

And one more thing I want to ask is, the most important, I sent a mail also to investors at infosys.com and I requested so that answer can be kept ready. Why our company has funded 2.3 crores for putting up a statue of Gandhi in London? There is a widespread discussion throughout the country there are very few people who are highlighted in our country and the day will come when a mature nation and a mature world emerges when the people can differentiate between boys and men. As what happened in Russia, Stalin and Lenin statues were removed and kept in warehoused, the same thing will happen to these statues. When a matured nation emerges, when people can understand who has done what to our country, these statues will be removed and will be kept in warehouses, why do you want to be part of it, why do you want to fund it? Gandhiji himself my personality is not doubtless but Madan Mohan Malviya personality is doubtless, he is a Pratah Smarniya, Gandhiji himself has told about Madam Mohan Malviya. Three years back I had given a calendar which you have published to commemorate 150th birth anniversary of Mahamana Pandit Madan Mohan Malviya and requested what our company can do being having directly benefitted out of his great visionary work of establishing now Asia's biggest residential university, Banaras Hindu University when the concept of university was not even heard, exactly 100 years back and thousands of thousands of BHU are our employees. I requested whether a scholarship can be established by Infosys in the memory or in the most respectable memory of Madam Mohan Malviya, can Infosys fund to publish the collected works of Madan Mohan Malviya so that people can understand it, there is no replay for that.

Last year AGM, after the AGM I met Pravin Rao in the lift, I requested him to celebrate Komagata Maru incident in Infosys campus, I also tried with many IT companies. Mr. Sikka being a Panjabi he should be knowing what is the significant of Komagata Maru for all Indians of today and the future generations and how is it benefitted expert oriented companies. And thrice I sent a mail to Mr. Pravin Rao, there is no reply to that, even if you cannot celebrate at least you can decline it, we don't believe in all these things, we believe only in Gandhi and Nehru cult. There is no reply for that, while we are directly benefitted out of the struggle of the Komagata Maru and the racial discrimination which was done. Canadian Premier in 2006 he has openly apologized for the incidence for the Indians and they have released a commemorative coin on 1<sup>st</sup> of May 2014 to commemorate the Centennial Year of Komagata Maru where we are benefitted directly, why don't we celebrate or celebrating Ugadi festival. I have seen the photo in the last year report, when you celebrate Ugadi and other festival within the campus where we are directly benefitted out of our predecessors of previous generations struggle and sacrifices, why don't we consider it, at least can you reply to it. Thank you.

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## **R. Seshasayee**

Thank you members for your interest and involvement. At this juncture I would also like to acknowledge the presence of over 150 shareholders who have assembled in Mumbai. I don't know what the weather is like but I am sure despite the inclement weather if they have turned up, it's again a testimony to their interest and involvement in the company, and we thank them very much for that. So we would go back to Mumbai for comments if any after we have dealt with the responses to the various questions that have been raised and after going through the rest of the agenda.

I will try and answer as many as I can and if there are further amplifications to be done I would request the CEO and the CFO to step in. Mr. Sadanand Shashtri, firstly I must apologies to you if there had been any inconvenience caused, you referred to some difficulty at the time of entering, I

would sincerely apologize for that, we will make sure that the arrangements do not fail at the venue at the time of receiving our valued shareholders.

I would also like to at this stage say that we will all be, and I am saying not only for myself but I am speaking on behalf of CEO and the senior management, all of us will be available to you and will be accessible to you for any discussion on any matter either now or later during in terms of mail. It is our commitment that we will continue to be accessible to all shareholders, that is one of the highest values that this company has practiced and therefore there is no intention whatsoever to dilute this very-very strong commitment to the shareholders.

Mr. Shashtri you talking about the bonus issue, the only reason why this was done was to increase the liquidity in the market place so that more retail shareholders can participate in the growth of this company and I notice that other shareholders have warmly welcomed this and therefore I do believe that we have fulfilled the expectations of the retail shareholders and the number of shareholders has swollen by nearly 70% as a result of that but we are very glad that the universe of membership for this company is expanding.

The growth in the top-line has indeed been lower than previous year but the CEO in his presentation explained what are the initiatives that have been put in place for sustained growth for the coming years and also understand that that the IT industry, the market place face some challenges towards the end of last year, but never the less we are committed to growth as the CEO has explained very lucidly in the very strong presentation that he made.

CSR continues to be definitely focused on employment and improvement of health and environment. In fact if you read the pages 143 onwards in the annual report which details the kind of business responsibility that this company is discharging. It would be a unique reading, I have not come across any other company which has the extent and the spread of engagement with the society through the CSR activities and other wise particularly in the cause of environment and we are truly proud of what this company has accomplished and therefore we want to continue to be pursuing this course.

Mr. Ramprasad, you came with some very interesting ideas and I want to assure Mr. Ramprasad that we will certainly look at what can be done. You talked about mobile application for the shareholders and you talked about alerts, anything that is going to give further value to the shareholders and giving further facility to the shareholder to engage with the company we will certainly explore.

You asked about the interest that the companies that I am associated with Infosys, excepting for IndusInd Bank which is a customer of Finacle product of Infosys we have no other commercial interest.

Very interesting point that you made about wanting to see a lady, a women being the Chairman, I would most certainly look forward to that day and I can assure you that the diversity that we have on the Board we don't have Carol Garner with us and I can assure you that the diversity that you will see in the Board will certainly assure you that there is a good potential at some future date, I cannot say when, future date for seeing a women Chairman for this company.

I am not familiar with the precise problem that you have with regard to the registration of the two Demat accounts, we will have this certainly looked into and I am sure Mani will get back to you if you have the details in this, we will certainly do that.

Infosys Foundation, looking at northeast certainly we are doing that but I am not sure what we can do as a company in engagement in Northeast. You will appreciate that 97% of the company's revenue come from outside of India, so there is not that we can do very much in terms of business

with Northeast but clearly we will look forward to discharging a responsibility as a good corporate citizen in terms of looking at what we can do to develop the Northeastern state.

Mr. Gopal Krishan Rao, again my apologies for this power interruption that we had at the beginning. We will try our best to ensure that there are no such interruptions going forward, but please appreciate that this is not owned facility and sometimes these receptions are beyond our control but we will certainly make sure whatever that it takes not inconvenience to shareholders in any manner.

There have been several shareholders who have expressed their keenness to see Mr. Murthy on the Board, let me say that Mr. Murthy regardless whether he sitting on this side of the dais or that side of the dais, he is our mentor for all of us here and if I can say he is the Bhishma Pitamah and we will certainly go to him for any advice to conduct the business in a manner that he had dreamt of.

I will request Vishal to detail about the health scheme for employees.

As regards the company visit, it is an interesting point. I know that in other companies also we have similar kind of request coming from shareholders, please appreciate that we have a very-very large number of shareholder community running to several lakhs and it would be practically impossible to promise that all shareholders can have visit to the company but we will figure out a way by which at least some could have a chance to visit the premises but we will think about that.

There was another shareholder, I am sorry I did not catch the name, he raised a question about the US Visa problem that has recently been in the news. Let me assure you that all that has happened is that the labor department has done an audit as they have done in the previous years and as they have done with other companies and beyond that there is nothing more to it, we have not received any other communication from the US Labor Department.

Mr. Chetan, I want to assure you that the position of the Company Secretary being filled up today is not only for the purpose of ticking the box, that would be if I may say a very unfair statement to make in the context of very strong commitment to governance that this company has always practiced.

The fact of the matter is that we had the company secretary separating in January and after that the company had been engaged in looking at both in internal slate and external slate we went through the due process and we are very-very glad to say that we have found the right person with us and therefore, Mr. Manikantha has been confirmed. And this is only because of the processes gone through. But let me sure that you there is no intension in any of the compliance situation to tick a box. We are proud as a company to live by the spirit of the compliance and not by the letter of the compliance. There was a question about whether we can get all the items to be taken up by the AGM and not go through the postal ballot. Some of the issues such as for example, the issue of bonus shares require immediate shareholder approval it cannot wait, we could not or we could not have issued bonus shares if this has to wait only for the AGM so, these are requirements that we have to go through. So the alternates are either to convene extraordinary general body meeting or to through a postal ballot. I am sure that you will agree that postal ballot is a far more elegant way of reaching out to the shareholders and getting their consent and is a far more in expensive way of doing it then going through an Extraordinary General Meeting. Mr. Tej, you had referred to the performance evaluation processes employed, I think we have in recent times tweak this evaluation processes is far more performance oriented and therefore, you will see that there will be some variation between employees who have done very well getting more than those who are slightly lagging behind. There is very robust process for helping people to come up to speed in the company and therefore, this is a part of the growing process and the focus that we will continue to have on performance. There was a question from Mr. Tej about the subcontractors, the

reason why we need subcontractors despite the utilization not being 100% or 85% as a norm is often because specialist skills are required and there are surge requirements happening and for which we do not have the bench capabilities and therefore, we have to resort subcontractor in order to give satisfaction to the customer in terms of speedy responses and giving them the right kind of skills. So these are unavoidable part of any IT company but we will constantly be looking at how to ensure that we develop the bench of skills which are a required. Forecast will be required by the customers will be constantly our endeavor to see how this can be minimize.

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I will request Vishal to respond to the issue relating to the Infosys Labs. But let me say that the focus on research continues to be there. It might be called differently the focus and the attention paid in terms of getting our own capability for increased IPR, increased future competencies, and products that we develop, we continue to be there in fact it has been accelerated. There was a question relating to Lodestone. Yes, there has been a bit of slow start in terms of the Lodestone turnaround process it is now being firmly places a part of the consultancy service division. And with that, we expect that there will be greater degree of synergy kicking in and we are quite confident that we will see significant improvement in that. EdgeVerve again is a company that has been in the development phase. So in the development phase you would typically see financial stresses but when you harvest the products that are developed and you scale them up we will see the returns in. And in coming we are very confident that EdgeVerve is on the right direction and this would be no doubt be one of the stars in the company in the coming years.

On trade receivables, I will request Rajiv to step in with any further amplification but I can assure you that this is something which is very closely looked at there are some clients particularly in India where we have some what about long view overdue situation but any write-off that we have in trade receivable is given a careful thought we make sure that we are rather conservative in terms of provisioning on doubtful debts and do not take any aggressive stances on that which is a good thing to happen.

The hedging policy is primarily to ensure certainty. There are currency variations we have seen in the last one year the volatility has been extremely high. But let me say that we are in the business of taking bets on currency movements and making profits on that. We are in the business of doing tech services of our clients and therefore, what we are buying in terms of hedging is certainty of the revenue and the expense and therefore, it is not our intention to play on the hedging policy in order to make gains in foreign currency movement.

Mr. Ramana Reddy and other's talked about share split we already have a very large number of shareholder base now because of the successive bonus issues we have brought the per value of the share down to a level which is now easily tradable by retail shareholders. So as and when we believe that the need for share split is necessary the Board will take a considered view at the future date.

Mr. Varadharaj, at the substance of your point and you talked about the fact that Mr. Vishal Sikka brought with him the some of the executives from SAP and you were concerned and I must say that Mr. Varadharaj that your continues emphasis on your company and expressing the concern we should not face a problem of leadership pipeline getting dry I think is a very valid point. Let me assure you again that the Board is very seized of this matter. We will continue to focus on leadership development and the talent pipeline being very robust in the company. And we certainly would like to see the succession of clients for any not mainly receivable but every part of this company being put in place and robustly in place. So that we do not have any challenges with regard to leadership so the point is well taken. Yes, we would also I am sure Vishal with his vision will certainly line this company one day at the Fortune 50. Well I hope we will have the joy of being part of that in this road.

Yes, Mr. Varadharaj, I would like to confirm that yes, he is the CEO or elder brother and then be a father even though that makes me feel a little old then necessary but I do not have any issue on this.

There are being Mr. Ramakrishna you have made some points about certain other indicators chart being given to indicate the operating performance we will keep this in mind and see what else we can do. The information that is being given let me also say but some knowledge of about other companies do I think extremely high level in Infosys. We are very glad that we are able to share this information. We will continue to be committed to as giving as much information. There is any of the thing that we can do to further tweak it we will take it seriously and take it forward.

Last point is that I want to say without going into the details about the on the statues and so on so will make one point we are responsible corporate citizen and we have been discharging this responsibility as I said you will see that very amply illustrated in the pages in the Annual Report. Our commitment to the CSR activity, our commitment to social development is very very high but by the same time I will categorically say that we will stay out of politics, we will stay out of communal or religious politics for sure and this a company that must be regardless of which community or religion our beneficiaries belong to we are committed to first in the society and that will be the watch word for us.

Thank you very much. And I will now request if Vishal has anymore to amplify. Thank you.

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### **Vishal Sikka**

Thank you. Perhaps Pravin, can address that later. Thank you, Sesh. To add to a few of these one of the questions was around what has been done to arrest the further decline in attrition, what strategy have we taken? We already talked about the bonus, compensation, and rewards. Beyond that, I think that in order for people to feel that essence of belonging and essence of purpose it is important to focus on developing people's potential, we have been doing that with education as well as with more and more employee engagement and engaging employees in new kinds of purpose by creating an atmosphere as well as tools for people to contribute.

On the matter of Infosys labs our strategy is based on innovation therefore the, work on innovation including of R&D is fundamental to our future. We strongly believe in innovation happening everywhere in the company that's why we have launched significant efforts to bring innovation in every project in all aspects of the company. And as a result of that, yes, we have repurposed the Infosys labs towards more and more of the strategic client priority projects that are of high priority right now. And in addition, we will continue to have small focused efforts on pure corporate research kinds of activities. With regard to Lodestone performance, as Sesh already mentioned, we have integrated both the MCS unit and the Lodestone into Infosys consulting under the leadership of Sanjay who is right here. Infosys consulting will increasingly play a strategic role in the company's future in elevating our engagements with clients. The top 100 partners of Infosys consulting have taken responsibility for the top 200 Infosys clients and we are very confident that with this the former Lodestone and the former MCS teams will actually become an integral part of the company initiative that we call tip of the sphere. With regard to the aspiration to be in the fortune global 50 I will take that into advice, it is a great goal to have for sure and yes, we will arrange sir for you to visit the Mysore campus. Thank you.

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### **R. Seshasayee**

Rajiv, do you want to?

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**Rajiv Bansal**

Just two or three questions which are left, one question was regarding the healthcare business we are moving away from the core. We are not moving away from our core business we continue be in the software development. This is with respect to our core business, with respect to our clients in the healthcare business so we do cater to our clients in all verticals. This is with respect to clients in the healthcare business so, the software development for them. The question was on the healthcare benefit what we provide to employees. If you look at the Annual Report we have actually devoted three pages to what we do for employees benefit and employee welfare from Page #146-147-148 our three pages dedicated to that is very detailed. In case, is there anything more that you need please feel free to write to us and we will be more than happy to take your queries. And there was a question with respect to the employees contributing to Infosys Welfare Trust and what do we do? So again the three pages that I referred to a lot of these activities are done through Infosys Welfare Trust, we also take care of the canteen facility, the gym facility, the entertainment facility, employee engagement initiatives and also the insurance and the medical exigency. So a lot of this work is done by employee welfare trust but I take the suggestion could we could send a mail to the employees on a periodic base with respect to the contribution on what we have done for them, I think it is a great suggestion we will definitely look at it. One question was with respect to number of employees getting more than 5 lakhs a month gone up from 7,200. I would like to clarify, if you look at the bottom of the table there is a note which says that this includes long-term retention bonus paid to the employees for financial year 2013-2014 and 2015 which is in paid of March 2015. So there is three year retention bonus which is paid to employees in March and that is the reason you see this numbers jump-up. Thank you.

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**R. Seshasayee**

Thank you. I trust that we have tried to respond to all the questions raised and if there are still any more clarifications required you are welcome to get in touch with the Company Secretary and we will be glad to provide the information to you.

Let me move on to the other items of the agenda:

The Item #2 – the notice is to declaration of Dividend. The Board has recommended a final dividend of `29.50 per equity share (Pre- Bonus) and an interim dividend of `30/- per equity share already paid for the year ended March 31, 2015.

Are there any questions from the members pertaining to this Item?

The Item #3 – the notice is to appoint the Director in place of Pravin Rao who retires for rotation and being eligible seeks reappointment any queries from anyone. Well there is no polling as you know this all this item should be now read out and you have the opportunity to do the exercising your vote in electronic mode after this meeting is over.

Appointment of auditor Item #4 – text of resolution has provided the notice circulate to members any questions.

Question by shareholder from audience.

Well let me answer that question. I think we certainly believe that we need to have completely Independent Auditors and this a part of our commitment to the shareholders and we are extremely happy that we have an independent firm which is giving an exceptionally good service. The rotation of auditors has been prescribed by the Government of India in terms of the legislative requirement. We will certainly confirm to the legislative requirement and when need arises we will do that but let me assure that continuing from the last it is 20 years whatever the number we have

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spread. I think it is certainly it is our intention to make sure that whoever is the audit firm acts independently, completely independently they are reportable to Audit Committee and the Board is fully charged on this. Thank you.

Okay, so Item #5 – release the appointment of Roopa Kudva and Independent Director the text of the resolution and the explanatory statement is already provided any questions? Thank you.

Item #6 of the notice is commissioned to Non-Executive Directors again the text of the resolution and the explanatory statement is provided, any questions? Thank you.

Item #7 relates to the purchase of the healthcare business from Infosys Public Services. Again the text of the resolution and explanatory statement is provided in the notice, any questions? Thank you.

Now, I would turn to Niladri you have been patiently along with the shareholders so, let me first once again, welcome the shareholders and invite any one of them to make any comments. Thank you.

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### **Niladri**

Yes, good evening sir this is from Mumbai. We have few members who wants to ask certain question Mr. Saha.

### **Saha**

Good evening, sir. I am thankful to Mr. Sandeep who has acknowledge my mail and congratulate our new Chairman and what I observed is first time I have seen Chairman's speech is very short and I have read the speech and I have sent my mail also. What I am looking here he said, the bonus share was approved by shareholders by postal ballot but he has not said in his speech what is the record date, that I would like to know from him.

My second question is Page #126 it is now high time to refresh Articles of Association in respect of retirement policy. This time we have changed our dividend policy similarly, we should look into the revision of retirement policy to have real tribute, gratitude and tremendous respect to founders and once again their vision leadership, guidance, inspiration their true entrepreneurship to propel the company. This will be a great transition and if you refer Page #136, SEBI wants to use Narayana Murthy Services. Why we should not use his services again? And it is not what we are asking his services what we are looking for is to improve the company's performance.

Page number three, Mr. Sikka said that liquid asset is 32,585 crores, how it is directly related with a cash reserves of 27,722 this is very important and at the same time what I am looking here current investment and that current liabilities are reduced by 72.8 and 91.8% practically it has become zero so, how you will transfer this benefit to shareholders? And my earlier point, what I said because of this retirement policy what Sikka said earlier in his speech recently that we do want to divide but we have to unite so we should look into this aspect.

Page 64, sensitivity of rupees movement and visa issue how you will take care of this during this financial year. You know that basically that dollar will go up or dollar will go down accordingly whether we are going to fix our prices. Now, I look to the Page #139 FII is 37.96, to what level this can be increased? Then Page #121 income from India is 1284 crores from whom we have received this? Page #7, #92-117 cost of power we are reduced. In Page #152 and 153 RR panel develop to save cost what is 3M in last four years connected load is reduced by 23.7 megawatt and this year we plan to reduce by 3.4 megawatt. Total PV is 2.3 megawatt planned to increase to



by 22 megawatt. Goal to have 100% renewal by 2018 please indicate what is our maximum demand need what is our connected megawatt need and how many units we consume per year?

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### Shareholder

Okay, I got only one point and we appreciate that attrition rate is reduced and thank you. Thank you.

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### Gautam Tiwari

Good evening, sir. My name is Gautam Tiwari from Mumbai. Sir, in fact first of all, all Mumbaikars would like to salute Narayana Murthy our Bhishma Pitamah millions and billions thanks for giving such a good reward right from the inception till date and even in the future also we expect the same from him. So why not we continue taking his services always for our global organization which is of highly repute in India and abroad. Sir, I would like to really be grateful to Mrs. Murthy also without whose cooperation vision and inspiration and support Mr. Narayana Murthy perhaps would have not been so much able to do bring our organization to this level. So I would really like to salute and pray for his health and prosperity and survival throughout the year after year.

Sir, I would also be grateful to Mr. K.V. Kamath for his highly position and for his contribution to our Infosys all the while. Sir, this automation, invention, operational excellence, leveling, intellectual prosperity, everything is so much excellent that it has been really visualized domestically and abroad for which we are very much grateful to our informative. More over the balance sheet is also sir annual report is very informative, colorful and with total transparency for which we would like to salute. We would like to congratulate our secretary and his team.

Sir, we all are very happy for having increased the dividend to PTF from 40% to 50% of the total profits earned. So that now all the shareholders will start getting more dividend. Sir we all Mumbaikars are very happy that the share which the one share which we had one year before has become now four number of shareholders that is means every 100 shares in the last year have become 400 shares this time for which we would like to be very much thankful to Mr. Vishal Sikka and his region and his promise and excellence expertise and the confidence with which he has assured us that in the future also he is going to give us the same rate of profits.

Sir, I have got out of an anxiety some three or four more quires which if at all you answer I would be very much grateful. Our rate attrition in the globally and domestically, our strength of employees in India, abroad amount spend on our R&D division and amount spend all training our employees they are improving their skills and provisional abilities. Thank you very much for patent listening. I wish you all the best for the company and their health and prosperity. Thank you very much, sir.

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### H.P. Kotwani

Hello, I am H.P. Kotwani from Mumbai everybody respected at Infosys so he is in dais our breakout dais opposite dais sitting in Mumbai, all are respected at Infosys. As we already seen the meeting huge conversion, huge discussion nothing left for the questions. But I certainly ask one question Mr. Chairman, were we stand at Infosys today is it on booming cycle, recession cycle, a recovery cycle how you see the future? How the Infosys in next two-three years? And what is the

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contingency plan if the dollar falls as crude fell down give us a contingency plan in the appreciation of rupee and depreciation of rupee? Thank you and good luck.

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### **Nigel Gonsalves**

Chairman, sir members of the Board, my dear fellow shareholders, I am Nigel Gonsalves. Thank you at outset sir for having this sort of video conference here in Bombay so that we can take part in meeting. What I would like to make a few comments so I have a concern that over a period of one year the company has given twice issue of bonus share in ratio 1:1. So on a matter of years' time sir the capital has quadrupled from 250 crores to more than 1,000 crores. Now while the return on equity remain same what I find that this rapid equity inflation now sir your return on equity same but your EPS will go down. And you know sir this IT industry is cyclical and you all are planning to increase your payout to 50% of the PAT. So what happens when there is recession in this in the IT industry, will you able to service this huge equity base and what is the motivation in the years' time to give twice 1:1 bonus issue. Another point sir that under the new CEO Mr. Vishal Sikka from SAP Infosys is moving from the service business to the products business more towards product side so sir over the next five years I would like to know Infosys's revenue mix what will be the revenue mix from the services and from the products? I would like to know what is revenue mix? Another sir Infosys has got a very strong technology competence so could Infosys explore setting up e-marketplace. Recently, I was reading HDFC Bank also has set up e-market place or you could try to sort of at least invest in such ventures. Another thing sir I would like to low-end jobs of Infosys how much of your low end jobs are outsourced? And one thing I was sad to see sir because last few years I find this thing is not there in the Annual Report because an IT company it is very company it is very important to intangible asset valuation. I find your human capital valuation brand valuation is not there last few years you have come out with a separate booklet which I do not find it now so those who are interested in this like me can you please have this in a separate booklet? And lastly sir, I believe that there is move to demerge Finacle into EdgeVerve or something like. So how do we plan to gain by this? Thank you very much, sir.

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### **Mrs. Patel**

Mr. Sikka, please allow a lady speaker to speak from Bombay, we are waiting for such a long time. You Directors have taken a very long time to speak. In every company it is only the Chairman who speaks. Otherwise we are slowly and steadily waiting over here. Last year also I said the same thing that if you directors take such a long time what about the Bombay Office it is an industrial capital of India and we shareholders we wait here for four hours. Please Mr. Sikka, see that we get a chance to speak. This is only once in a year. I am Mrs. Patel and I would like to speak. You have to give us time.

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### **S.A. Khanolkar**

Hello, good evening everybody. I am Mr. S.A. Khanolkar from Mumbai. So first of all, so overall excellent all round performance and rewards to shareholders, attrition have been controlled and reduced it is a very good sign. So welcome efforts made in the Artificial Intelligence segment. Then coming to next point, Infosys leadership institute is all right and a wise move also. But I am struck by the fact that we are extending training for Independent Directors in the form of attendance at the courses of education in well-known business schools in the world. Sir, this is something Independent Directors supposed to be already expert visionary personal discharging duties of independent views guidance alert in Board. So training to Independent Directors is something striking so, I would like you to throw some light on this fact because in so many years of my

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connections with corporate world I have rarely seen an Independent Directors being send for training and the program is being executed like this.

Sir another thing it is very good sign that our Independent Directors strength on the Board is seven quite lot of a majority compare to the total number of Board members. We welcome sir then I again have a lot of good words to speak about Mr. Kamath, I wish him bright and memorable future in the BRICS field. Then sir one thing I would like to draw your attention that Mr. Narayana Murthy is retiring from active work from our company but I would like to draw your attention to the fact that I have heard we are in Mumbai. I heard a lot of good things in press, in print media and in vocal media also very good things spoken about Mr. Rohan Murthy and some I remember read in the media also that Mr. Rohan Murthy from our present two-three member Board members also that Mr. Rohan Murthy is highly visionary, highly intelligent person and can deliver extraordinary good results for the betterment of our company. I once again request you last EGM I have also mentioned this point and in this Annual General Meeting also I insist and I brought your point that Mr. Rohan Murthy be brought as a one of the youngest and highly talented person on the Board of our company for the betterment of our company.

Sir now running through the financials. Sir because our Mumbai people are very rushing after me to finish it up. Sir first of all, absolutely superb balance sheet we have got. Strong position of results to equity, zero debt company that we are funds flow and working capital management is really very very excellent cash flow is also very well-managed through thought it is little less cash generation from our operations this year. Good rise in net profits and EPS. Appropriation is very prudent and we are on very progressive path. With this few words I take leave. Thank you very much.

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### Shareholder

We have a great interest interesting in your AGM every year year-on-year sir. We are very much happy to see this balance sheet this time around with new management at the helm of it and also the reward given to the shareholders in the form of bonus 1:1. My only question is the earnings per share which you have shown from Rs. 89 to Rs. 105 this year, will you able to maintain next year also so that our dividend does not get hurt. This time of course you have mentioned that Rs. 29 is equivalent to Rs. 14.15 to Rs. 14.75 brought down in terms of the bonus., But next year sir it could not happen so I believe that you declare a handsome interim dividend to us in the mean time before the year end. So that our confidence continues same repos and whatever guidance you give us you we follow with the encouraging note. Thank you very much once upon, sir. Thank you.

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### Mrs. Patel

Mr. Niladri I am very much thankful to you for giving opportunity to the Bombay people especially to me, thank you. Sir, I am Mrs. Patel over here Mr. Sikka welcome I am very much happy to have you on the Board. Before that, I would say please forgive me the Board of Directors for being a small mouth and big talk. But please every year you all have been taking long time and we shareholders over here are waiting here impatiently to talk to have few minutes. Please in every company I find I do not talk about others but I do find that it is only the Chairman who speaks at the AGM. AGM is meant for the shareholders mainly and please I request you there are n numerable shareholders who are impatiently waiting for three hours to have a word with you. I am sure all the shareholders in Bombay will agree with me. Anyway I come to the point, I have few questions to you sir. First I would like to thank Rashika from Bangalore for being very helpful to me for giving me the Annual Report. I also thank Ravi Gurav here in Bombay a small person but a very helpful person. Ravi Gurav thank you very much and all your assistance with you. I also

congratulate Roopa Kudva and Kiran Mazumdar-Shaw on the Board Lady Directors. I welcome you on the Board thank you so much to have you on the Board.

Mr. Rajiv Bansal I congratulate you on being the best CFO, you have receive this award and I wish you all the best. A very intelligent person like you indeed will help Infosys to come up more and more though today the price of Infosys has come down to 1003 the last when I left the BSE site. Of course TCS is 2587 today please note that. Your Sharjah Islamic Bank, your all financial and banking facilities what you have given to Sharjah Islamic Bank, HPB Croatia, Global Wellness Company, I congratulate you for all this. I would like to ask a few questions now.

Sir, you have given us bonus last year as well as this year 1:1 but I find that your dividend has come down from last year. Last year your dividend was Rs. 73, this year your dividend is Rs. 29.5. I would like to know why because of the two consecutive bonus that you have given us? I would also like to enquire that you have acquired Panaya, Skava, Anzes and other IT facilities what will be their cash consideration to Infosys, I would like to know that. Your 90% to 92% revenue as you have said just now it comes from abroad what will be its usefulness to Info sys and its shareholders? The Fortune Global 50 Infosys name has to be included lakhs of shareholders are waiting for this. I congratulate all the people in Infosys, the Board of Management and the Board of Director wish you all the best and hope that Infosys flourishes more and more. Thank you.

### **Mihir Manek**

No, I will take only one minute. Respected Chairman, respected Mr. Vishal Sikka, Board of Director and my dear shareholders. My name is Mihir Manek and I am a Global Purchasing Manager with Nicomet and I have worked all over the world. I thank the Management for 1:1 bonus and healthy dividend, high dividend payout ratio of 50% most of my questions have been answered by the Chairman. We stand by vision 2020, \$20 bn Turnover Company and I just wanted to know one thing, I myself have studied on scholarship in North America like Mahindra Foundation and Tata Foundation does Infosys Foundation give scholarship? Once again thank you very much.

### **Shareholder**

Respected Chairman, Mr. R. Seshasayee, welcome you on the Board sir because you have been on the IndusInd Bank we have seen where the IndusInd Bank is and you have turn around Ashok Leyland Company also. So I welcome you on the Board and thank you very much for twice bonus of 1:1 Mr. Sikka you have spoiled us so now after getting two bonus we are waiting for the third one we are waiting for the hat-trick and I cannot speak much because there are many shareholders who are waiting and there will be riot created. So I wish very the company a very best, thanks a lot for the efforts you have put in sir. Thanks a lot sir.

### **Management**

Thank you. Since we are running a little late, may I request you to be brief and restrict the number of members speaking from Mumbai please?

### **Ronil Fernandez**

Good evening Chairman, Managing Directors, Directors and my dear fellow shareholders. My name is Ronil Fernandez. At the outset first and foremost going to the Annual Report, sir I liked it

my much but it is very blunt and very-very fine print. I am not wearing specs but still I would like to improve the print quality of the print. Now, going to the reports sir you have selected the venue also in Mumbai as Four Seasons. We are all being enjoying the climate very well all the Four Seasons and with your lovely bonus around the corner six months six months it is something very good two autumn and winter and summer and rainy of course no doubt you selected the date of the meeting as 22-06-2015  $2+2=4+6=10+2+1+5=18$ . If you look at open your Page #18 on the AGM Report and what you find over there? Nothing, it is Board of Director with their training qualifications everything and last and least it is written their retirement and resignations of course one more word is missing over there sir reconciliation. You can easily take Narayana Murthy on the Board as I call him NAMU Narayana Murthy, short form for NAMU of course no doubt NAMU and of course if you could consider it would be very well suggestion from the shareholders' point of view. No doubt I do not much of your time but do consider it sir and give us some dividend as well as bonus in the years to come and of course no doubt as your name rightly suggests Seshasayee, "mirror is in front and heart is with him". So it is Seshasayee is right and second thing you have Sikka with you. Vishal means we shall overcome all the difficulties when you are there on the Board of Director. With this I support all the resolutions and thanks the management for patience listening. Thank you.

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## Management

This will be our last one.

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## Shareholder

Sir I will take 30 seconds of your. I have a lot of questions, but no matter. Sir here's office people treat us properly and give us a lot of respect. And sir we want to visit you and we come Bangalore from our own expense so this type of visit Bombay so we please request you to do it. Thank you very much sir.

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## R. Seshasayee

Thank you once again. I thank all the members who have assembled in Mumbai and patiently being waiting to raise issues I will try and run through the responses and if something is left out I am sure that Company Secretary will revert to you.

Queries which came from Sharad Kumar Shah, the record date for the bonus shares there was book closure date for 17<sup>th</sup> June that has been intimated to Stock Exchange and the shares have been credited already to your accounts and in fact today the shares have started trading.

Regarding the Articles of Association and the retirement policy, the retirement policy is given in Page #126 dealt with in detail. Regardless, of whatever be the policy as I have said earlier and I would like to repeat this again because the sentiment that all of you have been expressing to which we also completely subscribe to is the fact that we have had this very strong personality in this company, the visionary who build this institution along with his team. Mr. Narayana Murthy regardless of where he is we would certainly be benefited from his advice and his guidance and we will let me assure you that we will continue to seek his advice and mentorship.

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There was a question relating to the sensitivity of rupee let me I think this issue was raised even by other members. As I said, we have more than 97% of our total revenue coming from outside the rupee region and it is not going to be possible for us to be taking bets on the currency movement and therefore, the only thing we can do is to ensure that we have a responsible way of bringing certainty to the business and therefore we will not in the short-term be able to alter the situation of earnings in foreign currency. There is no legal limit to FII holding that is 0.96% now theoretically it can go 100%.

There was a question relating to power requirement I think our total power is expected to be in the region of about 175 megawatts in 2018 which is moving from 158 and we expect that we will have very nearly 100% of energy coming from renewable sources by 2000. It is a very lofty objective, lofty goal but I think we have made significant progress in the last few years in terms of pursuing our policy of getting green energy. Mr. Gautam raises issue relating to amount of R&D and the amount of training cost so I will request our CFO to answer this question.

Mr. Kotvali talked about which cycle are we in? I believe that regardless of what the industry cycle is we certainly believe that we are a part of the growth cycle given the kind of initiatives that are being unleashed in the last few years and in particular now in the last few months and therefore it is our objective to say that regardless of where the industry moves we should be moving in the right direction in terms of growth. There was a question relating to the EPS. There is obviously no change in the earnings per share. The amount will obviously be lower because of the number of shares. But the quantum the return on equity remains the same the quantum of profits would not be affected by the number of shares the division will be because of the larger number the denominator gets higher and therefore correspondingly the EPS come strong but that is more arithmetic.

I will request Vishal to amplify if he wishes to do with regard to the revenue split between Products and Services but I think he has made this point several times in the past that the lines between Products and Services is blurring now and there is not much importance being given to the split between Products and Services. This is the fast changing landscape but we have in the technology industry this is perhaps getting to be no longer relevant.

We do not have any plan to get into e-market place but we serve the e-market companies. We would continue to be focused on that.

It is a good suggestion about having an independent value creation on the intangibles like HR and brand. We will keep that in mind I am not sure whether there is something that which we would do this is above the Annual Report immediately I do not want to promise. But it is a good suggestion to take stock of that considering that we are very strong brand and we are company with very strong HR resources I will take it forward.

There was some question about training of Independent Directors and sending them to business schools. Well I think it is sometimes necessary at least for me but I can assure that it is not being done. There has been no expenditure incurred or there has been no move to send any Independent Director to business school but it is not a bad idea. I will request again Vishal to amplify the question related by Mrs. Patel on Panaya and Skava.

Yes, the question about the fine print is I think unavoidable either we have that we have another few kilos added onto the pages and perhaps destroy a few more trees. But I appreciate your difficulty that this is somewhat difficult to read, we will keep that in mind.

So I think I have covered all the questions, I think I will request Vishal and Rajiv to add on if they have any more comments. Thanks.

**Vishal Sikka**

Thank you, sir. On the matter of where we see Infosys in two to three years given currency and things of this nature as Sesh already said we are not much of currency speculators but I just want to assure our shareholders that innovation is something that you need when times are good and innovation is something that you need when times are bad and therefore we will continue to focus on innovation. And from an operational perspective managing our cost so that we achieve our goal of consistent profitable growth and as Rajiv and his team have already done continuing to focus on dealing with the currency matter with the appropriate hedges as necessary.

On the matter of Products versus Services again Sesh already talked about this we see the great move around us is about Services and as we become more and more IP-led Services company this distinction becomes less relevant. However, Infosys is a Services company we will continue to be a Services company, we will as we go bring more and more intellectual property and automation in our Services so that we can increase the productivity increase the efficiency and the differentiation of our Services.

With regard to the matter of Finacle and Edge coming together – we want to create this synergy between these teams so, Michael is responsible for both these units now and we want to create an atmosphere where the benefits of the processes in our EdgeVerve subsidiary around HR, around hiring, and around internal systems use are more conducive to the kind intellectual property centric work that is done in that unit. So therefore, we want the Finacle team to also have the benefits of that and this is why we have brought these two units together. We are extremely excited about the growth in both of these areas as you have seen under Michael's leadership and Michael is sitting right here the work in Finacle has grown significantly over the last three quarters and we continue to be very excited about what the prospects are for Edge and for Finacle.

With regard to Mrs. Patel's question on Panaya and Skava, we paid approximately \$225 mn Rajiv if I am not mistaken for Panaya and about \$125 mn for the acquisition of Skava. We are extremely excited about it. These acquisitions are already paying dividends. The Infosys sales force has already sold Panaya in more than 12 accounts which means that the Infosys sales force has developed the ability to sell this. This is in addition to whatever the Panaya sales force continues to sell and reverently, we also had an opportunity to bring Panaya to a client in a new service the Infosys Verification Service, IVS which was not the original focus of Panaya which means that we are growing down in this path as well so, we are really excited about this.

And with regard to scholarships, yes, the Infosys Foundation does a lot of work with regard to scholarship. I request you to look at it through the website or perhaps or reach out to the Infosys Foundation or through our Secretary to get more information about that. In addition to the Infosys Foundation the Infosys does a lot of work around supporting career development and education for our employees and we continue to be excited about that. We are offering also for some of our senior executives business schools training program at Stanford Business School and we will continue invest to higher education for our employees as necessary. And finally for the visits from our Bombay based shareholders to Bangalore you are most welcome to do this and we look forward to arranging that. Thank you.

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**Rajiv Bansal**

Okay, there were two or three more questions. One was on R&D, we spend roughly between 1% to 2% on research and development every year, last year it was about 1.3%.

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On the question of human capital valuation and brand valuation you know the challenge is we use to publish this still about a few years back but there is no clear guideline or standard which is used for publishing these valuations and we found that not many companies are doing it because the absence of the standard or a guideline which is universally adopted. The companies which actually do it also use very subjective methods to do it and some of the feedback that we got the shareholders was that it is a very subjective report open to interpretation you should not be publishing something which is there is no standard so that is the reason we discontinued it.

On the issue of dividend decreasing from last year this year if you look at pre-bonus, the dividend that we paid out last year was Rs. 63 for the full year and this year we are paying Rs. 89 so there is a significant increase in dividend. As I also mentioned in my presentation the dividend pay-out has increased to 40% to 50% of profits and that is a significant increase.

There was one question about attrition. The attrition has come down from 23.4% to 13.4% in the last three quarters. Pravin, also showed the data in terms of how 2008 and odd employees were quitting sometime about a year back and as of March it dropped to about 1300 employees. Thank you.

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## **R. Seshasayee**

Okay. I think we have now come to the end of this meeting. We should now take up call and all the resolution set forth in the notice. Members who already registered are requested to sign and submit the poll paper in the ballot box near the exit gates. Members who are yet to register are requested to proceed through the registration counters. Board of Directors have appointed P. G. Hegde as the scrutinizer to supervise the e-voting and the poll process. Further, hereby authorized Company Secretary to declare the results of the voting and place the results on the website of the company at the earliest. The resolutions are set forth and notice should be deemed to be passed today subject to receipt requisite number of votes.

With this the 34<sup>th</sup> Annual General Meeting comes to an end. I want to thank all the shareholders both here and those who have assembled in Mumbai truly very purpose our existence and I am truly grateful to you for your time and your involvement. And on behalf of all of us and the Board I would like to pledge that we continue to work to enhance your value in this company. I now declare the proceedings as closed. Thank you.

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