

Infosys Technologies Limited Annual General Meeting

June 20, 2009

- Narayana Murthy: Folks, welcome to this 28th Annual General Meeting of your company. I would request my colleagues on the dais to introduce themselves. I would like to say that we have our colleague Mr. Niladri Prasad Mishra, GM - Finance anchoring this meeting in Bombay. Thank you.
- Srinath Batni: Good afternoon. My name is Srinath Batni, Member of the Board and Head of Delivery Excellence.
- Sridar Iyengar: My name is Sridar Iyengar. I am an Independent Director.
- S. D. Shibulal: Good afternoon. My name is S. D. Shibulal. I am the Chief Operating Officer.
- Rama Bijapurkar: Good afternoon, Rama Bijapurkar, Independent Director.
- K. V. Kamath: Good afternoon. My name is K. V. Kamath, Independent Director.
- K. Dinesh: Good afternoon. I am K. Dinesh, Member of the Board and I also lead Quality, Information Systems, and Communication Design Group.
- David Boyles: Good afternoon. My name is David Boyles. I am an Independent Director.
- S. Gopalakrishnan: Good afternoon. My name is S. Gopalakrishnan, CEO.
- Claude Smadja: Good afternoon. My name is Claude Smadja, Independent Director.
- Narayana Murthy: Good afternoon, Narayana Murthy, Chairman of the Board.
- Nandan Nilekani: Good afternoon. My name is Nandan Nilekani, Co-Chairman.
- Deepak Satwalekar: Good afternoon, Deepak Satwalekar, Lead Independent Director.
- Jeffrey Lehman: Good afternoon. My name is Jeffrey Lehman, Independent Director.
- R. P. Subramaniam: Good afternoon. I am R. P. Subramaniam, Independent Director.
- Mohandas Pai: Good afternoon, Mohandas Pai, Member of the Board.
- Omkar Goswami: Hi, Omkar Goswami, Independent Director.
- V. Balakrishnan: Good afternoon, Balakrishnan, CFO.
- K. Parvatheesam: Good afternoon, Parvatheesam, Company Secretary.
- H. R. Binod: Hi, Binod, Head of the India Business Unit.
- Chandra Shekar Kakal: Good afternoon, Chandra Shekar Kakal, Member of Executive Council.
- Srikanthan Moorthy: Good afternoon, Srikanthan Moorthy, Head of Education and Research.
- M. D. Ranganath: Good afternoon, M. D. Ranganath, Chief Risk Officer.
- Nandita Gurjar: Good afternoon, Nandita Gurjar, Group Head, HR.

- Sanjay Purohit: Good afternoon, Sanjay Purohit, Head of Corporate Planning and Business Assurance.
- Ramdas Kamath: Good afternoon, Ramdas Kamath, Head, Infrastructure.
- P. D. Mallya: Good afternoon. I am P.D. Mallya. I head information, security assurance. Thank you.
- Narayana Murthy: Well folks, we have a tradition of rotating the chairmanship of the Annual General Meeting. This year, I have pleasure in welcoming Mr. Claude Smadja, Independent Director and requesting him to chair this Annual General Meeting.
- Claude Smadja: Thank you Mr. Murthy for giving me this opportunity to chair this meeting. Again, good afternoon to all of you. We have 460 members physically present and we have 305 by proxy to conduct the proceedings of this meeting. The quorum being present, I call this meeting to order. The register of Directors' Shareholding is kept open near the registration counter and is available for inspection by the members. The register of proxies is also available for inspection near the registration counter. Now, with the consent of the members, I take the notice convening the meeting as read. Thank you. May I now request Mr. Narayana Murthy, Chairman and Chief Mentor to deliver his address.
- Narayana Murthy: I am glad to welcome you all to this 28th Annual General Meeting of your company. I thank you for your continued trust, encouragement, and support. I am pleased to announce that your Board of Directors have recommended the induction of Sri K. V. Kamath to the Board of the Company. A person of extraordinary capabilities and accomplishments, Mr. K. V. Kamath has had an illustrious career in the banking industry. On behalf of Infosians, all of you, and the Board of Directors, I welcome Mr. K. V. Kamath. You will be shortly participating in a vote to confirm his appointment. I am confident that you will favor his appointment. Today, as we meet at our AGM, the entire world is going through a severe financial crisis that has led to a global recession of a magnitude never anticipated by critics or the free market system. The International Monetary Fund estimates that the global financial system will suffer losses of around 4 trillion dollars US with the OECD countries constituting most of these losses. For the first time since the Second World War, the global economy could contract by as much as 2%. Millions of people have lost their jobs. Thousands of companies have gone bankrupt leading the governments around the world to pump in trillions of dollars of liquidity into the financial system. Critics say that there is still more to come and financial bubble of the past many years would need considerable time to heal. We started the year with a revenue guidance of a growth of 19% or 21% in US dollar terms. During the course of the year, we ran into a perfect storm of global financial crisis and consequently growth and revenue was severely impacted. There were violent currency fluctuations with the dollar appreciating against the euro by 15.9% and the pound sterling by 28%. Despite these adversities, we ended the year with revenues growing by 11.7% in US dollar terms as per the international financial reporting standards, that is IFRS. During the year, we also saw a significant depreciation of the Indian rupee against the US dollar by as much as 26.7% and this resulted in a revenue growth of over 30% as per the Indian GAAP. As per our dividend policy, your directors recommend a final dividend of rupees 13.5 per share, making it a total dividend of rupees 23.5 per share for the whole year. Our business model has indeed proved its versatility in this tough environment. Our client base continues to grow. We added 156 clients with our repeat business contributing as much as 97.6% of revenues. We now have 579 active clients with 4 of them billing over 100 million dollars of business annually. Finacle continues to do well. Finacle was named the leader in the January 2009 report that titled the Forrester Wave Global Banking Reforms Q1 2009. Finacle was ranked number one in overall strategy and earned the top score for its current offering as well as a product

strategy. Our India Business Unit has performed well. The Uttar Pradesh Power Corporation Limited and 3 Rajasthan-based power distribution companies consulted us for power reforms programs. The Income Tax Department have engaged us on a large transformation project to set up a central processing centre to collect, digitize, and process IT returns. Many of our clients are reducing their IT budgets. This will impact our growth during the current year. A recent survey of our top 135 clients indicated that a majority of them will indeed downsize their IT budgets. Consequently, our revenue guidance in US dollar terms indicates a decline of 3.1% or 6.7% in the current fiscal. We have taken several steps to mitigate the impact of the current crisis. We are confident that we will be stronger when the economic uncertainties come to an end. We have increased our focus on new engagement models such as solution-based offerings, platform-based BPO, software as a service among others. The pricing of some of these models are value based and our revenues from these models depend upon the number of transactions or on the outcomes. This ensures higher return on investment for us. We have enhanced our existing suite of offerings. For example, Shopping Trip 360 which allows shoppers, retailers, and consumer goods companies to collaborate in real time by creating an information ecosystem has been a complete success. We partnered with Bharti Airtel through our digital convergence program to enhance the digital TV users experience. We have realigned our cost structure to protect our margins. The leadership of your company has led by example and has accepted the highest reduction in their variable compensation. For fiscal 2010, we have postponed any revisions in compensation and promotions to remain competitive in the current difficult circumstances. However, we have honored our commitments to campus recruits during the last fiscal. We have enhanced our focus on our performance management system to improve productivity and we are also training our employees in multiple domains and technologies to rationalize our cost. We continue to focus on research and innovation. We have filed 200 patent applications in the US and India so far. We established a research centre for creating intellectual property valuable to the Australian services market. We signed an agreement with the International Institute of Information and Technology, Hyderabad to sponsor research in unstructured data analytics and in the development of next generation business intelligence tools. We have been listed amongst the top 20 global companies in the prestigious Most Admired Knowledge Enterprises study for 2008. We have won this recognition for the learning ability of our organization and for our concerted effort to provide an integrated knowledge management system through content sharing, collaboration, and professional networking. We have completed the construction of 6 million square feet of workspace across our development centers in India, taking our total workspace to 22.64 million square feet, the largest in the country. The global education centre at Mysore can train 13,500 engineers at a time and can manage the training of 20,000 engineers annually. The company and the senior management contributed to set up the Infosys Science Foundation. The foundation will award prizes for the Infosys Prize in five categories of science and engineering to encourage young Indian researchers and promote a culture of innovation and research in India. Each prize is rupees 50 lakhs. We continue to focus on environmental sustainability during the year. We have reduced per capita consumption of energy and carbon emissions by 5% during the year. All our buildings are designed to be IGBC-LEED Gold rating compliant. We have launched a patent pending carbon footprint calculator that measures an individual's carbon emissions and reports the carbon credit required to offset them. We published our first sustainability report documenting the company's economic performance, innovation in offerings, people engagement, and CSR initiatives. This report received an A+ rating from the Global Reporting Initiatives i.e the GRI framework. Our employees constitute our biggest asset. Their commitment has enabled your company to overcome several challenges. Infosians contributed significantly to the relief funds for floods in the eastern states of India. They contributed to the alleviation of people in the Mumbai terror

attacks. They contributed to the earthquake in China and they contributed to the Jaipur bomb blast and to the wildfires in Australia. On your behalf and on behalf of the Board of Directors, I salute them on yet another year of achievements. We also place on record our appreciation of our clients, vendor partners, investors, and bankers for their continued support. We thank the Government of India, particularly the Ministry of Communications and Information Technology, the Customs and Excise Department, the Income Tax Department, the Software Technology Park in Bangalore, Bhuvaneshwar, Chandigarh, Chennai, Gurgaon, Hyderabad, Jaipur, Mangalore, Mysore, New Delhi, Pune, and Thiruvananthapuram. We also thank the Ministry of Commerce, the Ministry of Finance, the Reserve Bank of India, the State Government, and other government agencies for their support and we look forward to their continued support. We also thank the governments of various countries where we have operations. We thank the trustees of the Infosys Foundation for sparing their time for the foundation activities. Thank you very much.

Claude Smadja: Thank you Mr. Murthy. Let me now request Mr. S. D. Shibulal, Chief Operating Officer to make a presentation on operational highlights 2008-2009.

S. D. Shibulal: Thank you Chairman. Good afternoon. Let me once again welcome all of you to the 28th Annual General Meeting. I will take you through the operational highlights of year 2008-2009. Before we proceed, I would like to remind you regarding the safe harbor clause for forward looking statements which many of you must be familiar with. As I take you through the operational highlights, let me point out that in spite of the turbulent times faced by us, we have focused on the most important aspects of our business throughout the year. I will be taking you through three aspects of the operational highlights. Number one, building trusted relationships. Number two, expanding our accessible market and number three, increasing business capacity and capability. We continue to be the trusted partner for our stakeholders and continue to set industry standards. For example, we were ranked as the 14th most respected company in the world by the Reputation Institution. We were named the Best Indian Company in Corporate Governance in the Asset Magazine's Annual Corporate Governance Index 2008. We were ranked second in the Global Sourcing List of 100 best performing IT services providers. We were recognized not just by our client base but for our operational excellence by other stakeholders. Infosys was rated positive in Gartner's Market Scope for remote monitoring service and remote support in October 2008. Finacle was named a leader in January 2009 report of the Forrester Wave Global Banking Platforms. In November 2008, Magic Quadrant for Europe offshore application service and Magic Quadrant for North American offshore application service have positioned us as a leader in the quadrants. We strengthened our client base this year by adding 156 new clients. We derived 97.6% of our revenue from repeat business. We increased the number of million dollar clients from 310 to 327 in this year. We have four customers giving us more than 100 million dollars of revenue per year. Not only we increased our client base, we have deepened our relationships with our clients. Our average revenue from clients in FY2009 is 8.1 million dollars compared to 2.2 million dollars in year 2003. Operational excellence continued to be a hallmark in our performance. We were honored with the Sharpening Brand and Competitive Differentiation Market Excellence Award from the Information Technology Service Marketing Association this year. We have increased our investment in our employees in building capabilities in technology domain, process and soft skills. We filed 79 patent applications in the year FY 2009. With that, today we have 200 applications pending in India and in US. In spite of the turbulent times, we have maintained one of the lowest DSO days in the industry. We have maintained our geographical spread during the year. Our revenue from North America was 63.2%. We have expanded our subsidiaries in various parts of the world. Infosys Australia has 48 clients with 341 employees. Infosys China, 71 clients with 1053 employees. Infosys Mexico, 21 clients and

221 employees. The Uttar Pradesh Power Corporation Limited and 3 Rajasthan-based power distribution companies consulted us for power reform programs during the year. Finacle currently powers 114 banks across 62 countries and through those banks, we serve 244 million customers. We continue to expand our vertical footprint. In some verticals, we have strengthened our position during the year. The revenue from manufacturing has gone up to 19.7% from 14.7% in 2008. Our revenue from retail is 12.6% during the year. We have sustained our non-ADM revenue above 50%. Our consulting and enterprise solutions revenue has reached 24.9% during the year FY 2009. Our business model continued to reflect the changing client and market dynamics. We have added new services during the year 2008 and 2009. Today, we have new services in the market; learning, software as a service. We have increased our footprint in consulting and business process management. We are engaging with our clients using our new engagement models which are value-based pricing, platform-based offerings and solutions. We continue to recruit the best in class people around the globe. During the year, we honored all the offers, 19,828 offers made to engineering students for the year 2009. They will be joining us between June 2009 and March 2010. Last year, we received close to 5 lakh applications from prospective employees. We added 13,600 people net during the year. The Infosys Leadership Institute offered nearly 343,000 person days of learning during the year. We set up Infosys Science Foundation, a not-for-profit trust to promote research in science. We continued to attract best in class talent across the globe. Our InStep Program received 4,200 applications from 95 top universities. Today, we have 176 people interning with us in our campus. We have stepped up our global hiring in US, UK, China, Eastern Europe, and other parts of the world. We are not only recruiting engineers, we have started tapping into the nontraditional labor pool by recruiting nonengineering talent for services like infrastructure management, testing, and business process operations. We continue to build world class infrastructure. We have 54 global development centers across the globe, 27 in India. Today, we have 22.6 million square feet of total space which can accommodate 95,000 employees. This was 16.5 million square feet when we were here last time for the last AGM. We have 4.6 million square feet under construction. We have ability to scale our infrastructure to meet our growth demands. To conclude, I would like to reiterate that despite challenging times, we stand out from the crowd, thanks to our operational excellence and we continue to inspire trust in our stakeholders. Thank you very much.

Claude Smadja:

Thank you Shibu. I would like now to request Mr. Balakrishnan, Chief Financial Officer to make a presentation on financial performance 2008-2009.

V. Balakrishnan:

Good afternoon friends. It is a great pleasure to meet all of you and take you through the financial highlights of the great company called Infosys for fiscal 2009. Financial highlights, we achieved revenues of 4.66 billion in fiscal 09, net profit of 1.28 billion. We added 156 new clients. We added 28,200 employees, net addition of 13,000 employees. We got the Hall of Fame Award. The institute got fed up with us because we kept winning the best annual report award year after year and they gave us the Hall of Fame Award. This is like the lifetime achievement award and we got the message. The Board recommended a final dividend of 13.5 per share, taking the total for the year to 23.5 per share amounting to a payout of 1,573 crores including the dividend tax. The world has not seen a slowdown like this for many years. People say that it will be similar to what the world saw in 1930 when there was a great depression. If you remember in 2001, this industry had seen a recession, but that was limited to one part of the economy, that is US, and mostly on the technology side. Today, we are seeing a global recession and which is impacting all around the world and there are estimates which talks about impact of something around 25-30 trillion which is almost equivalent to 60-70% of world GDP. So, in this kind of an environment, clients are focusing on cutting costs and technology budget is one

thing which clients are focusing more to cut and save cost and thereby save the precious cash and that is also impacting the pricing. We have seen the pricing coming down in the later part of the year mainly because of the impact we are seeing in the global economy and the clients are also pushing towards stricter contractual terms because they think they have to extract whatever they can from the vendors. There are also instances where vendor consolidation is happening, and that is impacting our growth. During the year, we have also seen unprecedented volatility in the currency markets. We have seen currencies moving around 25-30% in one quarter which we have not seen in many years in the past and all that led us to focus more on risk management. We started focusing on credit risk of clients and make sure our account receivables are collected on time and the DSO is maintained at a reasonable level. We also focused on all the contractual risk and make sure the company is protected in any eventuality. If you remember, in the beginning of the year, we gave a guidance of 19% to 21% growth in dollar terms for revenues. During the year, mostly in the later part of the year, we revised our guidance because the currencies moved against us and that impacted the revenues thereon 4% to 5% and also reduction in revenue productivity and the volume of business because of the external environment. All that led us to revise the guidance from 19% to 21% and finally at the end of the year we achieved a growth of 11.7% in US dollar terms. If you look at the revenues in rupee terms, revenues grew by 30% to 21,693 crores, gross profit grew by 33%, operating profit grew by 37%, net profit grew by 30% to 5,880 crores. We maintained our margins in spite of the volatile external environment. Our gross profit margin was 45.8% from 44.8 last year and net profit is almost at the same level at 27.1%. In a tough environment like this, we have seen impact in pricing for us. If you look at the last year, first two quarters our pricing was almost stable. The later half of the year when there was a larger impact on the global economy, our prices went down by 6% and 3% sequentially in the third and fourth quarter. If you look at the constant currency level, it came down by around 2% to 3% each quarter. So, we believe that we are able to maintain the pricing at much lesser impact for the whole year in spite of the volatile environment we have seen in the global economy. If you are a treasurer of a company this year, it was a most emotional torture you went through because not only the rupee dollar which you have to focus, the cross currencies moved up and down. We have seen the global currencies like UK Pound and Australian Dollar moving by around 26% to 30% in one quarter. The US Dollar weakened against all the global currencies. It impacted our reported revenues in dollars. If you look at our proposition of revenues, around 4.6 comes from Australian Dollars, 7.1% comes from Euro, and 12.7% comes from GBP. On average to average, the UK Pound weakened against the dollar by around 16%, Australian Dollar by 11%, but if you look at the year on year, it could be around 26% to 30%. So, what went in our favor is the rupee. Rupee depreciated on an average basis by around 16.4% this year to take that period-end rate, it depreciated by around 26.7%. If you remember, last year rupee appreciated by 11% and that had an impact on our margins. This year, even though the global currencies have weakened and it impacted our revenues and margins, the rupee depreciation helped us to make sure our margins are maintained. We also proactively managed our currency exposures. Last year we said we will hedge up to one year's of net exposures at any point of time. In the beginning of the year, we took a view that rupee could depreciate, so we reduced our hedging position. If you look at this data, in the beginning we had some 800 million. We came down to 500 million by end of Q4. So, we made sure we reduced our hedges and we said in a volatile environment like this, we are going to hedge for next two quarters at any point of time, not beyond that and it helped us and the impact was lessened. See, how lucky we are. If you look at the currency impact on operating income, it was around 105 million dollars, but on a non-operating side, because we proactively hedged, the impact was minimized and the net impact on the net income is only 10 million for the year. So, our hedging strategy actually worked this year and we were able to minimize

the impact of currency. We cannot eliminate it, but we were able to minimize the impact of currency on our net income. We clearly understand that offshoring is a big mega theme in the industry. There is no technology which is driving the growth in this industry and if you are a player who don't leverage the offshore global delivery model, you don't have a space in this industry. So, I think we leverage that offshore global delivery model. All our global competitors have increased their presence in India but we don't believe they have the right presence because they are using the offshore global delivery model in a more defensive way, not in an offensive way. It is in our DNA, when we go to the clients, we sell the offshore from day one, they are worried about the contamination of their revenues and also the displacement of the workforce. So, even though they have a presence, we don't believe they have the right presence. At the same time, we are able to leverage the offshore global delivery model. Today, close to 30% of our efforts, value addition happens outside India and around 70% happens from India. That gives us the benefit, even if you look at the change in the billed person months, 16% is the growth in the offshore man months as compared to 10% onsite, overall our volumes grew by around 14%. These are tough times, so we need to focus on reducing the cost, all the unnecessary cost, not the necessary cost. Even though salaries went up by around 11% to 13% this year as compared to 13% to 15% last year, onsite salaries went by around 4% to 5%. Onsite salaries today are around 31.4% of our revenues, offshore is around 17.5% and we have not reduced the overall payout for the company much because last year we had paid 96% of the variable for the whole company. This year, it is around 84%. However, people at the senior level have taken a higher degree of cuts to make sure we lead by example. The utilization has come down this year. The utilization including trainees is around 68.6%. Last year, it was 70%. Excluding trainees, it came down to 73.7% as compared to 75.9%. This is mainly because of the impact we have seen in the global economy which impacted the velocity of the new business coming to players like us. At the same time, we focused on G&A cost. G&A cost is under control. As a percentage to revenue, it came down from 8% in fiscal 08 to around 7.5% in fiscal 2009. At the same time, we kept investing for the growth. Sales and marketing expense is around 5.1% of our revenue. We added more people there. The total number of employees in sales and marketing went up to 821. We have 55 sales and marketing offices today. R&D expenditure, we still continue to invest and we also made subsidiaries, losses in some of the subsidiaries and we still absorb that and make sure the impact on margin is minimized. So, there are too many variables, there are too many black cells floating around across the globe. So, with all this, the end result is the profit is still on.

We had a profitable growth. If you look at the gross margin, it was 45% in fiscal 08, 46% in fiscal 09. Operating profit 28% in fiscal 08, 30% in fiscal 09. Net income margin 28%, it remains at 28%. Risk management is in the top of the mind for everybody now. I think today the chief risk officer is the most wanted person in many companies and we are able to manage our risk in a volatile environment like this. If you look at the contribution from new services, it increased to 50% of our total portfolio, it was 48% last year, mainly led by consulting and package implementation which went up to 24.9% from 23.8% last year. We have well diversified revenues. The insurance, banking, and financial services is 34% of our revenues, others is 20%, telecom is 18%, and manufacturing and retail is around 15% and 13%. In terms of geography, US continues to be the largest part of our portfolio at 63%, Europe is around 27%. So, we have a well diversified revenue mix. So, anything happening in one segment of the business, the impact will not be that large for the organization. The receivables are under control. As I said earlier, there are two things that management sees everyday, one is the cash in the bank and we make sure the cash really exists and the second is account receivable. Today, our DSO days are 61 days. Last year, it was 72 days and 58.5% of the receivables are less

than 30 days. This is something which is very dear to the hearts of our chairman. He keeps seeing the cash everyday. Even when he travels, he makes sure the cash exists and today cash is not king, it is god. So, if you have cash, keep it and worship it. We have a very strong balance sheet. 60% of our balance sheet is in cash and cash equivalents, 24% is account receivable, 35% is the fixed assets. Nothing else exists in this balance sheet. We are still a zero debt company and this is one of the best balance sheet you can see in any part of the world. Cash is the most important thing in life. As a CFO, I have to make sure that we protect the cash and everybody has an eye on it. The return on capital employed is 42.9%, which is 3.5 times the cost of capital. Our target is 2. Return on invested capital excluding cash is 79.1%. This is 6.5 times the cost of capital. Our target was 2. The DSO days is 61 days. Our target is 60 and if you look at dividend, our policy is to pay up to 30% of the net profit as dividend. This year, our payout is 27%. They are actually 5, we have 5 subsidiaries. We spend more time with the subsidiaries than with the parent to make sure the subsidiaries come back to profit very soon. The total investment till date is around 659 crores. We hold 99.98% in that company. The revenues for Infosys BPO grew by 38.5%. We have a 15.4% net profit. There are some 17,000 employees in the company today. Infosys Australia continued to do well. We acquired this company in January 2004. The total investment in that company till date is 66 crores. We hold 100% of that company. The revenues are almost flat. The impact on revenues is mainly because of the currency, the Australian Dollar strengthened against the US Dollar this year and the PAT is 8.4 as compared to 18.2. The main impact is because of currency and we also went into a new transformational pricing regime for this subsidy. That is why the margin is less. Otherwise, the subsidiary is still doing well. We have 341 employees in the subsidiary as of 31st March 2009. Infosys China – We started in October 2003. The total investment in that subsidiary is 65 crores. We hold 100% of the company. The revenue grew 68% because they have a lower base. They are still making losses and hopefully this year or next year they will break even and the total number of employees in the subsidiary is 1053 employees. Consulting continued to make loss. We got the message and the Board is fully on it and hopefully this year or next year, the consulting will breakeven. These are standalone numbers. There are a lot of consulting activity happening in Infosys also. So, if you take on a consolidated level, we have still broken even, but we are trying to make sure even on the standalone, in the next few years they will breakeven. We formed this subsidiary in 2004. The total investment is 193 crores. We hold 100% of that company. The revenues were 287 crores with a net loss of 59 crores. Infosys Mexico, formed in 2008, total investment is 22 crores. We hold 100% of that company. The revenue was 37 crores with a loss of 8 crores. The subscale, once they grow they will become profitable. There are 221 employees as of March end. We produce our financials in GAAP of 8 countries. Now, we have started publishing IFRS also. This is one company, in any GAAP you publish the numbers, the gap doesn't exist. Financial highlights, the revenues grew by 12% in dollar terms. Gross profit grew by 14% in dollar terms. Operating income 19% and net income grew by 10% in dollar terms. In terms of margin percentage, gross profit was 42.1%. Last year, it was 41.3%. Operating income 29.5% and net income was 27.5% as compared to 27.8% last year. The batch which joined the company last year, you see many women employees there, the result is this; the total women employees for the company is 33.4% now. Last year, it was 32.5%. Average age continues to remain at 26 in spite of the senior team sitting on the dais. Education index is 272,644. Attrition is 11.1. Excluding involuntary, it is 9.1. HR values 102,000 crores, EVA is 3,563 crores, value added is 19,000 crores. We have given a guidance for fiscal 2010 with year on year revenue growth at 1.7% to 5.7% in rupee term. The guidance for dollar term is a decline of 6.7% to 3.1%. EPS growth in rupee term to decline by 7.6% to 3.3% , in dollar term 15% to 11%. This is basically because we are investing more money in creating local employment in countries like US and also we are putting more money in sales

and marketing during the year. The impact is also to some extent because of the external environment where the volume and pricing got impacted. Thank you.

Claude Smadja:

Thank you Bala and thank you for proving again that financial accounts presentation need not be too boring and that you can inject a lot of humor in it. Members may note that we have commenced serving high tea in the refreshment area. We now come to the formal part of the meeting. Before we proceed, I am pleased to bring to the notice of the members that the company volunteered to transact the business as set forth in the notice through a non-mandatory ballot conducted on the internet. Members may please note that the company is not required to transact the items of business as set forth in the notice through a ballot on the internet either by the Company's Act 1956 or any other law currently in force. The non-mandatory ballot is not a substitute for an Annual General Meeting or an alternate method to exercise the voting rights. This process has been adopted to enable shareholders unable to attend the meeting in person to convey their voting preferences to the company. We have received the report from the scrutinizers. We should declare the results of the ballot at the beginning of each item of business. I now request Mr. K. Parvatheesam, the Company Secretary to read the auditor's report.

K. Parvatheesam:

Auditor's report for the members of Infosys Technologies Limited: "We have audited the attached balance sheet of Infosys Technologies Limited as at 31st March 2009, the profit and loss account of the company, and the cash flow statement of the company for the year ended as on that date. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on the audit. We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit, to obtain reasonable assurance about whether the financial statements are free from material misstatements. An audit includes examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion. Thank you. For BSR & Co, Chartered Accountants, Natarajan Ramakrishna, Partner."

Claude Smadja:

Thank you Mr. Parvatheesam. Item number 1, adoption accounts, item number 1 of the notice. We now come to item number 1 of the notice, the adoption of accounts. The balance sheet, profit and loss account, director's report, and auditor's report for the year ended March 31, 2009, are already with the members. I now declare the results of the non-mandatory ballot of item number 1. Holders of 96,561,414 equity shares have voted in favor of the resolution and there are no votes against the resolution. If any member desires to ask any question pertaining to this item, she or he may do so. However, please restrict your questions only to matters relating to the adoption of the account. Any other questions of a general nature will be taken up at the end of this meeting. Any questions?

Srinivas Rao:

Good afternoon. My name is Srinivas Rao. Many companies, the weight of this annual report is 530 grams, so the company is spending almost 300 tonnes of paper in just sending to the shareholders. So, I find it is very costly for the company to incur unnecessary expenses when 90% of the shareholders do not know what is a balance sheet, what is a profit and loss account. I request the company to ensure that the balance sheet size is very nominal and it is with minimum information. Many large companies...so, many companies, large companies are publishing in various consolidated manner and saving cost. I request the company to take initiatives and get more benefits to the company. Thank you. I understand the company is taking some initiatives to reduce the

size of the balance sheet, so if you go to page 18 of the annual report, you find something very interesting. Under 25, green initiative, we have started a substantiality initiative with the aim of being carbon neutral and minimize our impact on the environment. Sustainability practices are being implemented and tracked diligently to ensure that we comply with the goals we have set for ourselves. Each year, we send the printed copies of our annual and quarterly reports to our shareholders. In doing so, we consume around 600 tonnes of paper. To reduce the consumption of paper and its impact on the environment, we have leveraged technology in communicating it to our shareholders. We adopted the practice of sending the quarterly reports through email to around 2000 shareholders who had updated their email addresses with the depository participant.

Claude Smadja:

It is 2 million, not 2000; 200,000.

Srinivas Rao:

Yeah, 2 lakh shareholders. Taking it forward, starting fiscal 2010, we intend to send a printed copy of the annual report to our shareholders containing details that are statutorily required. We believe this approach will help us to reduce paper consumption by approximately 120 tonnes. Sir, it is a very good initiative that you are taking, please keep it up sir. Thank you.

Claude Smadja:

Thank you. If there is any other question pertaining to the account, I would ask the member who want to ask question to come to the podium so that we can know.

Dr. Ashok:

My name is Dr. Ashok. I have just three or four points. Page number 21 to, going on and on, to 36, sir, two-three points. Here, number one, highest paid salaries, we expect for an IT company to be an IT man, but then two accountants are being highly paid, first, okay. Now, this conveys a very, very wrong message. Normally, accountants are paid very high for doing some creative accounting, okay. Now, I am not meaning anything, but anyway I thought I can...and then, other thing is sir, the average revenue turned by Infosys employee is 20 lakhs. What is the rationale in giving 20 lakhs, 2 crores and all as the salaries per year? And then sir, coming to page 38 and 39, sir, I find all the directors have signed, but then when we look into the report, maximum dozen meetings only they have attended; of course, 60 lakhs fees and all they have taken, that is a different thing, but with 12 meetings, now, my humble question to all the directors here is have you simply signed or have you dug into the information, studied all the details and then signed, okay. And then similarly auditor, since I am not sure if the auditor is here...yeah, he is there, so my humble question is have you physically verified the bank balance, number one, because the reason is, sorry sir, I have burnt my fingers by not quizzing the Satyam auditors, okay. I don't want to repeat the same mistake. And then the second point to the auditors is how much of the transactions have you physically checked...physically checked and then, of course, for the auditors, have you taken any free lunches, gifts, etc., from the company. And then my final thing is which is somewhat touching the local sentiments here, sir, some German is here, some Chinese or Japanese, French is also there, but local language Kannada is not here. I think what majority of the local sentiments are being affected. Either you do only English, okay, or if you are including other languages, at least give one page for Kannada. Okay sir, thank you. That's all I have.

Claude Smadja:

Since your question in fact has three parts, I will ask Mr. Bala, the Lead Director and Mr. Deepak and the auditor to answer your question. So, in the order, Mr. Bala first, the Lead Director and then the auditor.

- V. Balakrishnan: Let me answer the last two questions. Cash really exists, that is why we have given all the bank names and the amount. If you want, you can also go and physically verify it. Auditors have checked, they have got the confirmation. We have given access to the accounts, read-only access to the auditors for all the accounts. So, please don't worry, cash really exists. On the Kannada, we don't have a Kannada GAAP yet. All the countries have got their own individual GAAP. The moment Karnataka has got a Kannada GAAP, we will definitely publish.
- Narayana Murthy: GAAP means Generally Accepted Accounting Principles, so please...
- Amit Somani: Good afternoon everybody and thank you for asking that question. We have got read-only access to all the bank accounts.
- Claude Smadja: Can you mention who you are.
- Amit Somani: Sorry. My name is Amit Somani. I work as a Director in the audit firm and our focus is very high over the cash in bank and we have circularized balance confirmations and we have received independent confirmation from the bank. From December quarter onwards, the company has disclosed bank balances in each of the banks, both in their Indian GAAP accounts and also the IFRS accounts for the whole world to note and also we have got read-only access into the bank accounts of the company where we have gone and checked the bank balance by logging through our computers. That, you know, told us that the cash really existed and that we updated to the audit committee as well. As far as the question on the free lunch or the freebies are concerned, no, we don't. On the current account, it is 100%. On the fixed deposit, it is 98%. Sampling, it is difficult to give a coverage, but I can give you on the balance sheet what we have covered. On the balance sheet, we have covered 98% of the fixed deposit and 100% of the current account and obviously there are internal auditors of the company who do a very detailed check on the cash in bank and they check a substantive coverage of the cash and bank transactions. Surprise visits, we do, that is, I mean, surprise visits as such, cash in hand of the company is very less, but we do build unpredictable procedures in terms of determining whether there is any kind of incident which needs to be reported, but we haven't come across yet.
- Claude Smadja: Deepak, can you...
- Deepak Satwalekar: Okay. Deepak Satwalekar, I chair the audit committee and in response to the question of whether we just sign the accounts or we study the accounts before signing them, the audit committee goes into it in great detail. Through the year also, the audit committee has independent discussions with the internal auditors as well as the statutory auditors in the absence of the management. So, we have direct access to the audit team. The accounts are presented to us and those are gone through in detail by us and only after that is done does the audit committee recommend to the Board the approval of the accounts. So, please rest assured that the accounts have been scrutinized well before we sign them.
- Claude Smadja: Thank you. I don't see any other question. Is there a gentleman coming...
- Mr. Srinivasan: Hello...are you hearing? I am investor. Just like any other person...
- Claude Smadja: Can you give us your name.
- Mr. Srinivasan: My name is Srinivasan. I am an ordinary investor and an illiterate. I cannot understand your book, Infosys, but I can very well understand what is happening here. and also we don't have space to keep in our households, but CDs will enable us to keep us and also educate us not only on this institution and also...I

am an investor in many of the securities, many of the securities and also I am hedging because I am losing in Infosys and I am gaining in Reliance by selling this and again purchasing it because whatever bonus we have had all these years I have lost because of the high cost I have paid in 5,600 rupees five to six years back and now I am a poor investor. So, please help us by giving CDs of all these programs every year so that we can have the financial understanding of this institution and also manufacturing institutions because so many investors, so many educated investors will put questions and get answers which we can understand nowadays not reading the books, but by seeing only through CDs. Thank you very much.

Claude Smadja: Thank you Mr. Srinivasan. Mr. Murthy will answer.

Narayana Murthy: Thank you Mr. Srinivasan for this wonderful suggestion. We used to provide the annual report on a CD. Later on, several investors wrote to us saying that look when you can actually put all of this on your website, there is no need for us to send to CD, that is why we have stopped. However, yes, on our website, we do have pictorial vignettes of the progress that we have made during the year. Certainly, we will consider your suggestion, we will have a discussion and see whatever additional data we can provide on the progress of the company and certainly, if you go to our website, you can see...you can get the balance sheet and the P&L and the management discussions, etc. Thank you.

Claude Smadja: Another question...

Mr. Nagaraj: Good evening everybody. Nanna hesaru Nagaraj antha. Naanu itheechige ondu Times of India newspaper nalli ondu mahithi Infosys bagge odide. Narayan Murthy avara staku 0.36%ge ideyantha, so nanige ansuthe yake, Board...ivru, promoters, I think you are losing confidence in the company, why you are reducing the stake in the company. So, namge anumaana barthade, yake neevu reduce martha idhira stake, promoter stake thumba kadime, 0.36% antha andre, adhu neeve founder sir, so founder de ishtu kammi idhe anthandre, bere avargella, naavu yake illi invest madbekka anna ondu idhu baruthe, dayavittu adhana swalpa thilskodi namge. Aamele, Karvy avaru, Registrar of the Company, Karvy navarige, e annual general body bagge June last week nalli naanu phone madide, idhur bagge nange book bandirililla, navu Karvy ge contact marde avaga, phone attend marthera, music aaki bitbidthare, phone attend marthera, music aaki bitbidhtare, ent-hattu call marde, illa. Final aagi, then I called Infosys itself. Alli obru yaro Shivakumar antha phone takondru, avaru phone takond bittu transfer mardru first, alli yaru respond madilla, thirugi again I called, again same person attend madudru, naanu thagonde, nimma hesaru enu antha kelide, Shivakumar antha helidmele, amele helde, amele avru heludru, sir company secretarydu naavu cell number kodthivi, avarige contact madi antha heludru. Naan helde avarige, naavu yakappa contact madbeku, neevu minimum courtesygadru namdhe number thogondu, avranne contact madakke heli antha helide. Neevu, dayavittu heli nimma yivarigi, yaare obru investor, naav varshakke ondu sari contact madadu, adu madidre, intha mahiti galenadru bekagidri, frequentagi naavu yenu call madodilli, namage yavadu mahitinu bekagalla because we are confidence in Infosys. Nimma telephone operator yaarge agli, yaare obru investor call madidre, avra numberanna thogondu, sambadha pattorigi kottu, avaranna call madakke helu, dayavittu. Amele innondu, naan sumaru 4 to 5 varshadinda observe madthaidini, yee refreshments, illororu yaaru namjotha share mododilla refreshmentsannu, meeting mugdidda thakshana hortogthare, yaake nimge yenadru anumanana neevu olle quality kodthaila, navyake hogi allu thinbeku antha, yeli, yaake neev share madthaila, naan sumaru general bodygalige hogthene, yellarunu bandu namjothege share madthare. Nimmannu naav yaarnu nodthayilla naanu. Meeting mugdidda thakshana, hanginda hange hortog biddthira. Dayavittu neevu bandu namjotha thinni, yaav thara quality, yaav thara serve madthare,

yenide annadanna neev Adanna anubhavisi swalpa. You experience yourself, dayavittu. This is only a one occasional you are getting to share with your shareholders, you are not getting always, once in a year atleast. I am requesting all the members, please share refreshments with members. You see the taste and quality, what type of that is, okay, please take note of this one.

Narayana Murthy: Thank you. Let me answer this.

Mr. Nagaraj: Thank you sir, thank you very much.

Narayana Murthy: Thank you. Let me answer your question. First of all, please remember that whatever holdings I have in my company includes the holdings of my wife and children. So, please don't look at my individual holding and come to conclusion and it is much higher than what you pointed out. I don't want to get into the details. That is not the right thing on a public platform like this. Second thing you talked about the food, whatever, the refreshments that they provide, please, I want you to understand that as soon as we finish this meeting, we go into a board meeting that has to approve of various things and that is why we are all very busy with the board meetings. Otherwise, we can come and spend time with you, but we have to finish our board meeting, that is the reason why we are not able to come. Karvy, I think Bala, please you answer, Parvatheesam...

V. Balakrishnan: Please meet me after the meeting, I will fix it. Karvy has done a good job. There will be some instances where this may happen. We will take it very seriously and we will fix it. On the refreshment, please be assured we eat the same refreshment in the board meetings also.

K. P. Titus: My name is K. P. Titus, ID number 301516. This is the day that the Lord has made because I am saying...this is the day that the Lord has made. When we start our business, this annual general body, we have to pray to Lord because if the Lord has given this shwasam, shwasam thannakondaanu nammal ivide nikkunnadhu, ittaruyum karyangallokke namakku thannadu daivamaanu, adu oru prayer songodu kudi thodangugangill, that will be very nice. Thanks to Jesus, thanks to shareholders, and Board of Directors and employees. When I open the cover of Infosys, I could have seen the front cover of annual report 2008 and 2009 because first impression is the best impression. According to my opinion is that this annual report is not arranged artistically and aesthetically. For example, annual report 2008-2009 in a small letter, saadharana vyanmarikku kandupidikyan pattulla ee sadhanam. Aduthadayittu 570 plus customers, adinde oru star ittekkannudu, March 31st 2009, so we have to use goggle glass to find this. Then, 570 plus, then there is no equals. For example, $1 + 1 = 2$, all data should be centered and more attractive. Companies new products photo is necessary in the balance sheet. You have to print ID number in the balance sheet cover, otherwise we have to go here and there. When Mr. Balakrishnan started his highlights in this board, there was a film song plus that love making photographs, that is not good for this GM. The communication addresses should be in the front page, that is telephone number, fax number, email address also. Nothing is here. And they have more specified in 100% paper and here also printed in paper matters, not Infosys company's matters. Then, is there any logo of the company, is there an catchword of the company, is there any short form of the company, is there any brand name of the company, is there any advertisement in Bangalore City of Infosys? I am presenting to the Board of Directors that I have written and Infosys this emblem means in global Infosys for information, then human, then information. I am presenting this paper to here that power of intangibles are very good, not like cinema. Jai Ho is very good. Today, I am presenting one theme song, you can also accept that theme song. I will read out the theme song. Infosys for information means enhancing trust, so we call Infosys for information, that is global one. So, we trust in Infosys.

Claude Smadja: Sir, I am sorry sir. Thank you very much. Sir, thank you. Any questions, I mean, questions.

B. R. Prakash: Yes sir. My name is B. R. Prakash. I am a very small investor. Anyway, I was overtaken by the senior people. So, though I wanted to talk about the subject, I was delayed. So, coming to the subject of this one, so before putting, I have just a few observations before that. I think it is very fair on my part to thank the Chairman and the Board for the results and when you come to page 5, The year at a glance, when you come to the last column of growth, you can find that maximum growth of 44.6% only except the dividend and though the company has developed only to that extent, they have well in mind the shareholders' interest and the appreciation in dividend has reached 7.4%. So, I think it is correct on my part to thank the Board and Chairman on this. Coming to my observations...

Claude Smadja: Do you have a question sir?

B. R. Prakash: On page 45...yes sir, that is what, I am coming to the point. On page 45, we have on the left column, that is amount provided and less amount written off, so here, opening balance is 40, that is for sundry debtors, so it has increased amount provided from 42 crores to 74 crores, are we safe by increasing the debtors? And again on the same page to the right side column on the tax details, domestic tax, it is 132 crores in 2008 and 267 crores in 2009 whereas overseas tax it is from 83 crores, it has gone down to only 1 crore. Are we still due, or don't we have overseas tax to be paid? And on page 48, on the first table, we have post sales customer support and warranties, from 2008 where it was 46 crores, it has come down to 39 crores, the expenses. Is the quality of service reduced or is there no need for the service after post sales service. So, I think a clarification is necessary. And on the same page 2C, selling and marketing expenses tabular, we find that the revenues have grown only by 29.5, roughly 30% whereas the commission charge has increased by 50%. I think the growth in revenue is not in comparison to this payment what you are making as commission, so you should take a better care on this. And on page 49, the first tabular on the left side, we have provisions for bad and doubtful debts and advances, again there it has increased from 42 crores to 75 crores, why, are we expecting any bad debts to that extent, are we not definite about our clients? So, I think with these explanations, I think our accounting will be helpful. Thank you.

Claude Smadja: Thank you sir. I will ask Mr. Bala to answer these questions.

V. Balakrishnan: Well, if you look at the provision for bad and doubtful debts, whenever we see that we have a slightest amount of concern for a debt, we provide for it fully. I think we are one of the few companies in this industry which provides for all receivables which are more than 180 days, whether collectable or not. So, when you compare to revenues, 74 crores of provision is too small to catch anybody's eye. On the tax, advance tax, overseas tax, we had a refund this year and that got adjusted, so there was no need for us to pay additional advance tax overseas in the current year. We had a refund in the US which is the largest market for us outside India. Post sales customer support is a warranty cost. It depends purely on the fixed price contracts. More the fixed price contracts we do and more outstanding, the value will go up. On a revenue of 20,264 crores, post sales customer support at 39 crores is not even an accounting error. Selling and marketing expense, again, it is basically the commission we pay for selling our product Finacle outside India and it is purely related to the revenue we get from Finacle and again 21 crores on 20,264 crores of revenue is again too small. I think provision for bad and doubtful debt, I explained already. Thank you.

Claude Smadja: Thank you. Thank you Bala. I would like now to request any member...sorry...so, I will take the last question before we move.

Mr. Chetan: My name is Chetan Bisa. I came from Bombay. I must give congratulations for declaring dividend and payout ratio of the 30% after 28 years. Company thinks shareholders are not fixed deposit holder, but they are the owner of the company, hence shareholders should get cashew instead of peanuts. So, this year shareholders enjoy the taste of the cashew instead of the peanuts. Thus, Mr. Narayana Murthy has increased the welfare of the shareholder, but please don't take 27 years again from making 30% to 40% payout ratio, please. Secondly, 10th April 2003 was the darkest day of Infosys, share price falls from 4,200 to 2,400 due to the inadequate dividend and inadequate bonus. Company realized the mistake and Mr. Narayana Murthy in April 2004 declared a special dividend of rupees 100 each in addition to 300% dividend and issued the bonus in ratio of 3:1 instead of 1:1 without the knowledge of the demand and supply. Due to this, shareholders suffer so much due to excess supply of the stock in the market. Hence, in April 2010, if company declares a dividend, please note that ratio should not be more than 1:1 only, otherwise again the price of the share will proportionately decrease. Both decisions are good, rupees 100 dividend, 100 rupees per share is excellent decision, that Narayana Murthy has done excellent. Decision regarding the bonuses was good, but ratio was not proper. Instead of 1:1, company has declared 3:1. That increases the supply of the stock in the market and proportionately reduces the price of the sales during the last five years, okay. Thank you very much sir.

Claude Smadja: Mr. Bala, would you like to answer that or not?

V. Balakrishnan: Look, when you run a company, we need certain amount of cash to make sure the company is built for a long term. We balance it and whenever we feel there is excess cash, we had given dividends and I think if you look at the total payout of dividend over the history of the company, I think not many companies have paid so much of dividend. And number two, on the bonus issue, again it is a function of the growth and it is left to the wisdom of the Board and whenever we believe that we have opportunity to issue bonuses, we will issue. This company is one of the companies which has rewarded the shareholders many times in the past and I think it will continue the tradition. Thank you.

Claude Smadja: Thank you. I would like now to request any member to move the resolution for the adoption of the account.

Male Speaker: Mr. Uma Shankar

Claude Smadja: Okay, thank you sir. I request any member to second this resolution.

Male Speaker: Mr. Gopalan B S

Claude Smadja: Thank you sir. I request the members in favor of the resolution to raise their hands. I request the members who are against this resolution to raise their hands. I don't see any hand raised. So, I declare the resolution as passed with requisite majority.

Item number 2 of the notice, the declaration of final dividend. The board has recommended a final dividend of rupees 13.50 per share together making a total dividend of 23.50 rupees per share including an interim dividend of 10 rupees per share paid during October 2008 for the year 2008-2009. I now declare the results of the non-mandatory ballot relating to item number 2. Holders of 96,561,394 equity shares have voted in favor of the resolution and holders of 20 equity shares have voted against the resolution. Are there any questions from the members pertaining to this item? Then, I request any member to propose

the resolution. Mr. Uma Shankar proposed the resolution. Thank you sir. I request any member to second the resolution. Mr. Gopalan B S seconded the resolution. Then, I request the members in favor of the resolution to raise their hands. Thank you. I request the members who are against the resolution to raise their hands. I don't see any. I then declare the resolution as passed with requisite majority.

I am now coming to the item number 3 of the notice which is to appoint a director in place of Mr. Deepak Satwalekar who retires by rotation and being eligible, seeks reappointment.

Claude Smadja: In terms of the article 122 of the Articles of Association, Mr. Deepak Satwalekar retires by rotation and being eligible, seeks reappointment. I now declare the results of the non-mandatory ballot relating to item number 3. Holders of 96,558,809 equity shares have voted in favor of the resolution. Holders of 2,500 equity shares have voted against the resolution. Any questions from the members pertaining to this item? Then, I request any member to propose the resolution.

Male Speaker: C Sarangan

Claude Smadja: Thank you. I request any member to second the resolution. Sir...yes...

Male Speaker: Abhay Kumar K V

Claude Smadja: Mr. Kumar...thank you. I request the members in favor of the resolution to raise their hands. Thank you. I request the members who are against the resolution to raise their hands. I declare the resolution as passed with requisite majority.

Item number 4 of the notice to appointment a director in place of Dr. Omkar Goswami who retires by rotation and being eligible, seeks reappointment. In terms of article 122 of the Articles of Association, Dr. Omkar Goswami retires by rotation and being eligible, seeks reappointment. I now declare the results of the non-mandatory ballot relating to item number 4. Holders of 96,558,809 equity shares have voted in favor of the resolution. Holders of 2,500 equity shares have voted against the resolution. Any questions from the members pertaining to this item? Then, I request any member to propose the resolution. Mr. B R Sanjay proposed the resolution. . I request any member to second the resolution. Mr. Raghavendra Rao seconded the resolution. Sir...thank you. I request the members in favor of the resolution to raise their hands. Thank you. I request the members against the resolution to raise their hands. There is one here. Okay, thank you. I declare the resolution as passed with requisite majority.

Item number 5 of the notice, to appoint as a director in place of Mrs. Rama Bijapurkar who retires by rotation and being eligible, seeks reappointment. In terms of article 122 of the Articles of Association, Mrs. Rama Bijapurkar retires by rotation and being eligible, seeks reappointment. I now declare the results of the non-mandatory ballot relating to item number 5. Holders of 96,557,099 equity shares have voted in favor of the resolution. Holders of 4,210 equity shares have voted against the resolution. Any questions from the members pertaining to the item? I don't see, so I request any member to propose the resolution. Mr. M R Prakash proposed the resolution. I request any member to second the resolution. Mr. J Nagaraja Rao seconded the resolution. . I now request the member in favor of the resolution to raise their hands. Okay, thank you very much. I request the member against the resolution to raise their hands. None, so I declare the resolution as passed with requisite majority.

We are now going to item number 6 of the item, which is to appoint the director in place of Mr. David Boyles who retires by rotation and being eligible, seeks reappointment. In terms of article 122 of the Articles of Association, Mr. David Boyles retires by rotation and being eligible, seeks reappointment. I now declare the results of the non-mandatory ballot relating to item number 6. Holders of 96,561,309 equity shares have voted in favor of the resolution. There are no votes against the resolution. Any questions from the members pertaining to this item? Then, I request any member to propose the resolution. Mr. J Nagaraja Rao proposed the resolution. . I request any member to second the resolution. Mr. S V Sathya Prakash seconded the resolution. I request the members in favor of the resolution to raise their hands. Thank you. Members against the resolution to raise their hands. I don't see any, so I declare the resolution as passed with requisite majority.

Item number 7 of the notice, to appoint a director in place of Professor Jeffrey Lehman who retires by rotation and being eligible, seeks reappointment. In terms of article 122 of the Articles of Association, Professor Jeffrey Lehman retires by rotation and being eligible, seeks reappointment. I now declare the results of the non-mandatory ballot relating to item number 7. Holders of 96,557,083 equity shares have voted in favor of the resolution. Holders of 4,226 equity shares have voted against the resolution. Any questions from the members pertaining to this item? If not, I request any member to propose the resolution. Mr. Abhay Kumar K V proposed the resolution. I request any member to second the resolution. Mr. Gopalan B S seconded the resolution. Thank you sir. I request the members in favor of the resolution to raise their hands. Members against the resolution to raise their hands. I don't see any, so I declare the resolution as passed with requisite majority.

Coming to item number 9 of the notice. It is the appointment of Mr. K. V. Kamath as director liable to retire by rotation. Mr. K. V. Kamath was co-opted as an additional director of the company with effect from May 2, 2009. Mr. K. V. Kamath holds the office of Director up to the date of the ensuing Annual General Meeting. The company has received notice in writing from a member along with a deposit of rupees 500 proposing the candidature of Mr. K. V. Kamath for the Office of Director under the provision of Section 257 of the Companies Act 1956. None of the directors of the company other than Mr. K. V. Kamath is interested or concerned in the resolution. The Board recommends the resolution set forth in item number 9 for the approval of the members. The text of the resolution is provided in the notice circulated to the members. I now declare the results of the non-mandatory ballot relating to item number 9. Holders of 96,558,715 equity shares have voted in favor of the resolution. Holders have 2,594 equity shares have voted against the resolution. Now, I seek the members' approval by way of ordinary resolution. Are there any questions from the members pertaining to this item? Sir...

Male Speaker:

Good evening. Sir, the Finacle software is well received by the banking industry. Almost entire public sector feels that Finacle is giving excellent service. Even the Corporation Bank, I understand they are shifting from their present vendor to Infosys. My question is appointing a competitor bank on the Board of Infosys, will it not affect the business of the company? In fact, I have highest regards to Sri Kamath as a banker, I was reading in the books, for the past 15 years in business and I really admire him, but Infosys being a technology company, will it not affect the competitor person sitting in the Board? Thank you sir.

Narayana Murthy:

Mr. K. V. Kamath, as I pointed out, is a highly respected, one of the most admired CEOs. Today, he is the Non-executive Chairman of ICICI Bank, the second largest bank in the country. He is seen as, in an industry level, he is seen as a statesman, you know, in the industry. So, I don't think that there is

absolutely any issue of anybody perceiving it as a competitor as far as banks are concerned. The fact that we installed it in ICICI Bank did not prevent other banks, Punjab National Bank or Central Bank or other banks to install our software. So, when that is the case, where is the issue of anybody saying that you have Mr. K. V. Kamath on your Board, so we won't buy your software. That really is not the way things work. Thanks.

Claude Smadja: Thank you. I would like now to request any member to propose the resolution. Mr. S V Sathya Prakash proposed the resolution. . I request any member to second the resolution. Mr. Sreepada seconded the resolution. . Now, the members in favor of the resolution, please raise their hands. Members against the resolution, please raise their hands. I don't see any, so I declare the resolution as passed with the requisite majority.

I am coming now to the next item on the agenda which is the appointment of auditors. The auditors M/s. BSR & Co, Chartered Accountant retire at this meeting and have confirmed their eligibility and willingness to accept of this, if reappointed. The text of the resolution is provided in the notice convening the meeting. I now declare the results of the non-mandatory ballot relating to item number 8. Holders of 96,561,399 equity shares have voted in favor of the resolution. Holders of 15 equity shares have voted against the resolution. Any questions from the members pertaining to this item? I don't see any, so I request any member to propose the resolution. Sorry...auditors remuneration...yes, Mr. Bala...

V. Balakrishnan: Well, we pay auditors close to a crore of rupees. It is for both Indian GAAP and US GAAP audit. For next year, we are still in discussion with them and I don't think it will be substantially high.

Male Speaker: Left to the Board...

V. Balakrishnan: Yeah, left to the Board.

Claude Smadja: Thank you. I request any member to propose the resolution. Mr. Uma Shankar proposed the resolution. I request any member to second the resolution. Mr. J Nagaraja Rao seconded the resolution. I request the members in favor of the resolution to raise their hands. Members against the resolution to raise their hands. I declare the resolution as passed with requisite majority.

With this, the formal part of the 28th Annual General Meeting comes to an end. Thank you for attending. I hereby declare the proceedings of the 28th Annual General Meeting as closed. Now, the floor is open for any questions from Mumbai.

Mr. Niladri: Good evening sir, Niladri here. We have few members to ask some questions.

Claude Smadja: Please go ahead. We are waiting for the question from Mumbai.

Mr. Shah: My name is Jailesh Shah. I am joint shareholder of your company. I congratulate your company to print your balance sheet on recycled paper. In India, this is the first company to print balance sheets on recycled paper. My suggestion is we have to send annual reports copy to all members of the company if there are more than five to six members. So, I request you to pass a resolution to take a consent from other members. Thank you. I am a freedom fighter at the age of 80, I take pride in such a company which has made famous in the world. Thank you. I am handing this letter to you that you will go through it and do something with this regard. Thank you.

Claude Smadja: Thank you sir. Mr. Bala, would you like to answer?

- V. Balakrishnan: There is no question to answer.
- Claude Smadja: Okay. So, next question please.
- Mr. Behrus: Respected Chairman, my name is Mr. Behrus. My client ID is 10106303. Sir, I would like to ask you that two of our subsidiaries in Mexico and China, they are running in losses. When are they going to turn the corner? Also, page number 69, you have shown that donations have been given. Compared to last year, it was 20 crores, this year it is 21 crores. I would like to know this donation, whether it is going to some political party or Infosys Foundation, so can you throw certain light on that. And also the grant has increased from 15 crores to 22 crores. So, we would like to know whether this grant is pertaining to India or to the whole world. Also, we would like to know that insurance charges has come down from 20 crores to 18 crores, so whether the losses or the future profits have been suitably insured. Sir, we are very glad that your company has given a huge dividend of 470% last...and we would like to know when you are going to come out with the bonuses because this year TCS has taken the initiative of giving the bonus 1:1. So, we would like to know when you are going to give bonus sir. And also...sir, thank you very much. I don't want to take much of your time. Thank you.
- S. Gopalakrishnan: So, with respect to the subsidiaries, as V. Balakrishnan said, we are working very hard to make sure that, you know, either this year or next year, those losses will become zero and we will start making profits. Many of the items, you know, the contribution, the donation is to Infosys Foundation. Bala, you want to talk about rest of the item. Yeah, we do not make any donations to political parties.
- V. Balakrishnan: Yeah, we have not made any donation to political parties. Insurance charges have come down because we negotiated better. Research grant is basically the grant given to Infosys Science Foundation.
- Claude Smadja: Thank you. There is one more question from Mumbai. Sir, we are listening to you.
- Male Speaker: India and China are the only countries with a forward looking economy, especially multinationals are attracted to invest in India. However, our Indian revenue is 1% of the total revenue of the country. Why don't you increase it? Now, again all subsidiaries are making loss, why don't you dispose it off.
- S. Gopalakrishnan: From November 2007 onwards, we have created a special business unit focused on India. In India, we were selling Finacle, implementing Finacle in various banks. This has been going on, you know, we have been doing this work for the past 20 years, 20 plus years actually, so in November 2007, we decided to expand our sales and marketing activities in India to include other businesses, other industries and created the special unit. I am glad to report that even just in the last three months, the India Business Unit has won three large contracts. So, it is doing actually very well and you will see increased revenues from India. To the subsidiary question, as I already answered, you know, three of the subsidiaries are still under loss. Partly, when you look at consulting, etc., it is a standalone part of consulting. If you take consulting as a whole, actually it is much, much better and the profitability on the individual project undertaking are actually pretty good. So, we are working very hard to make sure that even the subsidiary reported revenues, we don't incur losses and pretty soon, we hope...in the next one or two, we hope that they will also be positive. Thank you.
- Claude Smadja: Thank you. Next question from Mumbai.

Female Speaker:

Sir, I just want to thank the company for giving a thought to the shareholders of Infosys in Mumbai and holding this video conference in Mumbai. We got to watch the AGM proceedings live and was so happy taking part in the AGM. Sir, now the questions; sir, the company has huge reserves of rupees 17 crores .523 against capital of rupees 286 crores as given on page 64, so why don't you give us bonus like TCS has given us bonus, one. The second question is we would like to know about your Software Technology Park of India under STPI Act 2000, it has been extended up to 31st March 2010. So, is the government going to extend the benefit beyond 2010? Sir, third question, out of the total employees of Infosys of 104,000, sir how many employees are covered under section 217 given on page 21 to 36. Sir, these are three questions. Sir, one more, as promised earlier, you have started distributing 30% of your net earnings, thank you very much, but sir we just want to know why the benches are higher than last year, rent is 22 crores this year. Sir, we wish the company all the best. Thank you very much for holding this video conferencing here. I hope you will continue doing so. Thanks a lot sir.

S. Gopalakrishnan:

So, regarding bonus shares, you know, we listen to you people and we will, you know, discuss this within the Board and let us see what the Board decides. Regarding your other questions about...yeah, see, there is a statutory requirement on giving details above a certain gross remuneration, you know. Those are the employees who are listed here. This is a small percentage of the overall number of employees. As you know, Infosys has almost 105,000 employees and this is a small set of employees who are required, you know, under section 217 of the Companies Act, you know, that is required to be reported. So, it is a small set actually. Thank you.

Claude Smadja:

One last question from Mumbai.

Male Speaker:

Sir, the object of the annual report is to inform the shareholders that Annual General Meeting will be held on so and so date and so and so business will be transacted. It is correct, but you know sir almost all the companies in India, they are printing the notice conducting the meeting on the first page whereas you are printing on the last page, you ask the shareholder to undertake sirsasana. I hope you as an Indian Director understand what is meant by sirsasana, that leg is up and head is below, so now this practically should be discontinued and notice conducting the meeting should be printed on the first page sir. Sir, coming to the dividend, we shareholders expect dividend. Now, total dividend on page number 4, you have reported 101 rupees earning per share. Sir, larger the company, smaller the heart, it should not go together sir. Your dividend payout is 23 rupees and a half as against 33 rupees which is a normal and just and fair expectation of the shareholder that at least status quo dividend should be maintained. We expect that 33 rupees is to be maintained. No doubt, last year it was a special dividend, but sir bearing in mind that the 101 rupees earning is there, heaven would not have fallen if you would declare 33 rupees per share sir. Sir, another thing, I would like to know how many patents are pending with different countries and different authorities and how many patents we are enjoying sir. And sir, just now one shareholder had spoken about the video conferences. Mr. Narayana Murthy knows this, people love Narayana Murthy, people like to hear his words of wisdom and on the corporate matters. Sir, when you came to Bombay just one or two years ago, people thronged to hear you. So, we would like to have an informal meeting in Bombay to be conducted by Narayana Murthy. Sir, in this connection, I would like to invite you to page number 121, sir, you are always going ahead with the legal requirement. On page 121, you have given us a geographical pattern. Our earning is also coming from different countries, so why not have an informal meeting in Bombay sir. Bombay holding the largest number of shares, Bombay gives a valuation to the shares, why not have a straightforward meeting with Narayana Murthy and other

directors present in Bombay sir. I hope you will consider this suggestion on behalf of all the shareholders sir. Thank you.

- Claudia Smadja: So, there are two parts in your question. The first is relating to the dividend. Mr. Bala, would you want to answer that part and maybe Mr. Murthy the second part.
- V. Balakrishnan: See, we have to balance the needs of all the stakeholders. Shareholders are one of the stakeholders. So, currently the company's policy is to pay up to 30% to the shareholders. We do balance out the returns and the expectation we have in the business to retain the cash. From time to time, whenever we feel there is excess cash, we have given a one-time dividend or a special dividend and we will seriously consider it next time when we come to the conclusion on dividend.
- Narayana Murthy: Well, on the second question, thank you very much for your kind words. Certainly, we will look at it and see if we can have an informal meeting with the shareholders in Bombay. Thanks.
- Claude Smadja: Okay. Very last question from Mumbai.
- Hakim Bookwala: Sir, I am Hakim Bookwala. Hello...sir, this is...our corresponding language is English. Sir, any different shareholders can speak in different languages and you can answer. Sir, I am a Gujarati, I can speak in Gujarati and ask the questions? Anyway, sir why you have not considered to take Satyam in our company? Thank you.
- S. Gopalakrishnan: Yeah, thank you. See, when we look at acquisitions, we believe that the opportunity for acquisition or the requirement for acquisition is more outside the country at this point. If you look at, you know, the number of employees added by Infosys in the last 12 months, you know, we have no challenge in growing our employee base in India. So, that is the reason why when we look at acquisitions, we look outside India. We have added 25,000 employees in India last year at gross level. So, we look at adding employees, adding...acquiring companies outside India at this point. That is our strategy. Thank you.
- Claude Smadja: Thank you. With this question, we unfortunately have to close our dialogue with Mumbai. Thank you very, very much for being with us. Whereas here, one last question, so we don't want to frustrate you, but please make sure that it is a question.
- Male Speaker: Just two issues to be raised here. One is about the status of education in India is very bad, especially of the teachers and professors. I request...this will be a big bottleneck in the future for the growth of our country. The outgo of dividend is around 1,345 crores. I request the dividend be brought down at least by...at least 10% of the dividend be used towards helping the educational sector, especially the teachers and other people. The second issue I have is post Satyam, we are seeing the kind of questions being raised here. If this is the state of affairs in India here, then what about foreign investors who want to see India as a destination of...investible destination. So, this has nothing to do with Mr. Deepak Satwalekar who is the Audit Head here, but I have a suggestion because Infosys is a trendsetter and leader in transparency, ethics, and integrity, why don't you have an independent director who is a well known practicing accountant who can head the audit committee which the other companies will be forced to follow in future. Thank you sir.
- Claude Smadja: Mohan, on the first question about education.
- Mohandas Pai: Hello...we run a very large program called Campus Connect. We have 500 engineering colleges who come and work with us. We train 2000 faculty members every year plus we have 60,000 students who take this course in their

own college. It is a transformational project which we are doing for the last five years. We also have a program called SPARK whereby last year 35,000 children from schools, colleges all over India came to our campuses and spent one day. So, we make substantial investment into the education system. We also work with the Government of India in reforms.

- Narayana Murthy: Thank you. On the second question, Mr. Deepak Satwalekar is again one of the most respected, admired CEOs. He has had tremendous experience in looking at the operations of the company, looking at the financials aspects and he is one of the directors who has served longest on the Board of Infosys. So, he is the Chairman of the Audit Committee. However, in addition to him, we have Mr. Sridhar Iyengar who is a certified public accountant, a well known chartered accountant. He used to head KPMG in India. He used to be worldwide partner of KPMG in the US. So, he is also on the audit committee, so we are well served.
- Claude Smadja: Thank you Murthy. With this, I declare the 28th Annual General Assembly closed and now please join us for high tea. Thank you very much. Thank you.
- Male Speaker: I have only one question.
- Narayan Murthy: No, no, kindly understand, earlier many, many people came here, they asked their questions and then when the meeting was formally closed, we shifted to Mumbai to give an opportunity to Mumbai shareholders to ask us questions and because the gentleman there had asked a question before we went to Mumbai, Mr. Smadja said yes, as soon as we complete the transactions in Mumbai, we will come back and he was given the opportunity. It is not like nobody was given opportunity, please. However, if this is the only question, you can ask, no problems.
- Mr. Murali: Hello sir. This is Murali here. I am one of the small investors and I would like to congratulate the Board on the performance of the company as such. Coming to the point, we would like to know how many people, how many employees are there on the bench as of now and what is the percentage of total employees who are sitting on the bench and if at all, what steps are you taking to cut the cost by reducing your employees as such, which can be added value to the shareholders as such. Coming to another point, in fact, Narayana Murthy had invited us to come to...we could visit the campus as such. In fact, I had asked for permission to visit your Mysore campus once. I was denied one. Thank you very much.
- S. Gopalakrishnan: So, currently the utilization excluding trainees is around 72-72%, we are in the middle of the quarter. So, that is why I am saying between 72 and 73%. At any point of time now, we have...in normal periods, we have probably about 5,000 people who are in between projects. So, right now, that number is about 13,000 or something like that actually. We have taken a conscious decision to, you know, continue to invest in our employees. We are encouraging them. We have actually got special training programs and we are encouraging them to continue learning. We believe that, you know, this downturn will end at some point, the business will come back, and at that point we want to utilize these resources and that is why we are continuing to hold. As you know, we have been able to maintain our operating margin in spite of, you know, the bench increasing. So, we believe that this is a fair way of balancing all the stakeholders, you know, investors, employees, everybody. So, that is the reason we are doing this. We have also, as was already mentioned, honored the commitments we have made in the campuses again because we believe that these are investments for the future. Thank you. And on the second, you know, visit to Mysore campus, you know, please write to us again and we will make sure that...so, you know, you can maybe contact company secretary Parvatheesan, we will try and make the arrangements. The only concern at any point is there is heightened awareness

of security. You need to realize, you know, the importance of making sure that we have a secured campus, that is the only concern at any point of time, but otherwise we will make sure that permission is given to, especially investors. Thank you.

Claudia Smadja:

Now, the General meeting is closed. Thank you very much.