

R. Seshasayee  
*Chairman of the Board and  
Independent Director*



## CHAIRMAN'S SPEECH

Dear Shareholders,

On behalf of the Infosys Board of Directors, I am happy to welcome you to the 35th Annual General Meeting of your company. Thank you for your presence here today, and for your continued support and goodwill that is critical to the success of our company.

During fiscal 2016, we recorded revenues of ₹62,441 crore or 9.5 billion in US dollar terms. Our company's annual revenue growth rate was 17.1% in rupee terms and 9.1% in US dollar terms. As you know, there was significant volatility in currency exchange rates during the year. In constant currency, our annual revenue grew 13.3% in US dollar terms. The operating margin was 25% compared to 25.9% in fiscal 2015.

We paid an interim dividend of ₹10/- per share in October 2015. The directors recommend a final dividend of ₹14.25 per share for the year ending March 31, 2016. This represents 49.7% of consolidated FY16 post-tax profits and is in accordance with our stated dividend payout policy of up to 50% of post-tax profits.

Our company's performance in the last fiscal illustrates the opportunities and challenges facing our industry. The phenomenal impact that digital technology is having on businesses around the world is creating exciting and viable new opportunities for us to partner with clients. However, capitalizing on this opportunity requires

a strong focus on innovation and collaboration. At the same time, there has never been a greater imperative to embrace technology to counter the downward pressures on pricing, resulting from commoditization of traditional software services, in order to maximize efficiencies and reconfigure our solutions.

Vishal Sikka, our CEO and his management team have articulated a strategy to reengineer the business of our company and have set themselves a target to achieve US\$ 20 billion in revenue by year 2020 with a 30% operating margin and US\$ 80,000 in revenue per employee.

While these are aggressive and ambitious goals, the Board strongly believes that these are eminently achievable through game changing initiatives. This will of course not be easy. These goals have to be viewed in the context of significant external and internal challenges. Markets are volatile, business models are changing rapidly, new capabilities need to be built and the organization needs to adapt with great agility. However, the start of the journey has been very encouraging, as evidenced by the performance during the last fiscal year, both in quantitative and qualitative terms. With focused energy, creativity and discipline many new initiatives are beginning to show tangible results.

The Board of Directors is completely aligned with the management team on these longer term goals, and I would like to take this opportunity to pledge to you that we will pursue them on a foundation of the highest standards of governance and ethics. These are aspects that our company has always valued, and been known for. Respect for the laws of the land, fairness to the interests of all our stakeholders and a commitment to uphold our core values drive the deliberations and decisions of the Board.

The Board strongly believes that the leadership of Vishal and his executive team is crucial to the achievement of our aspirations. In keeping with our principles of pay for-performance, the Board proposed suitable incentives for the executive team but with high variability in executive compensation linked directly to company performance and strategic goals. I am thankful to all of you for your overwhelming support with 98.73% of shareholders voting in favor of Vishal's reappointment in the recently concluded postal ballot.

During the year, Punita Kumar-Sinha joined the Board and Jeff Lehman's directorship was extended up to April 13, 2018. Punita brings to our board rich understanding of global macro-economics, finance and investment management. These are factors that significantly influence our company's business and her perspective and participation will add value to our deliberations at the Board. Jeff, of course, has been closely associated with our company for many years, especially during the transitions

in the management in recent years. With his reappointment, we have been able to continue to benefit from his valuable historical perspectives.

In addition to our business goals and commitment to drive shareholder value, our company is focused on playing its role as a responsible corporate citizen. We continue to contribute towards initiatives that drive societal change in the communities where we operate, while ensuring that our growth is sustainable. The work done by the Infosys Foundation, the Infosys Foundation USA and the Infosys Science Foundation in these areas are remarkable and we owe our thanks to the trustees of the Infosys Foundation, Infosys Foundation USA and the trustees and jury chairs of the Infosys Science Foundation for their time and contribution towards these initiatives.

I frequently visit our company's campuses, and interact with Infoscions at all levels. I am glad to notice a renewed sense of vigor and energy in the organization. Infoscions are at the heart of our successes and potential, and I would like to gratefully acknowledge their commitment and contribution.

Before I conclude, I would also like to thank other stakeholders – our clients, vendors and partners – for their trust and support. I thank the governments, ministries and departments of various countries and states that we operate in, for their continued support.

And of course, I look forward to your continued support and best wishes.

Thank you,



**R. Seshasayee**

*Chairman of the Board and  
Independent Director*

Bangalore  
June 18, 2016