Annual Report 2011-12

Infosys BPO Limited

Board Of Directors

Mr. V. Balakrishnan
Chairman

Mr. D. Swaminathan
Managing Director and Chief Executive Officer

Prof. Jayanth R. Varma
Independent Director

Mr. Sridar A. Iyengar
Independent Director

Mr. Chandrashekar Kakal
Director

Committees of the Board

Audit Committee

Prof. Jayanth R. Varma
Chairman

Mr. Sridar A. Iyengar

Mr. V. Balakrishnan

Compensation Committee

Prof. Jayanth R. Varma
Chairman

Mr. Sridar A. Iyengar

Mr. V. Balakrishnan

Share Allotment Committee

Mr. V. Balakrishnan
Chairman

Mr. D. Swaminathan

Mr. Chandrashekar Kakal

Investment Committee

Mr. V. Balakrishnan
Chairman

Mr. D. Swaminathan

Mr. Abraham Mathews

Subsidiaries

Infosys BPO s.r.o

Supervisory Board

Mr. D. Swaminathan
Chairman of the Supervisory Board

Mr. Ritesh M. Idnani

Mr. B. G. Srinivas

Mr. Abraham Mathews
Jednatel

Infosys BPO Poland Sp. Z o.o

Mr. B. G. Srinivas
Director

Mr. Abraham Mathews
Director

Mr. Ritesh M. Idnani
Director

McCamish Systems, LLC

Management Committee

Mr. D. Swaminathan
Chairman

Mr. Gordon Beckham
Chief Executive Officer

Mr. Eric S. Paternoster

Mr. Ritesh M. Idnani

Mr. Sam Thomas

Portland Group Pty Ltd

Mr. D. Swaminathan
Chairman

Mr. Gavin Solsky
Managing Director and Chief executive Officer

Mr. David Gardiner
Director

Mr. Abraham Mathews
Director

Ms. Jackie Korhonen
Director

Mr. Gautam Thakkar
Director

Portland Procurement Services Pty Ltd

Mr. D. Swaminathan
Chairman

Mr. Gavin Solsky
Managing Director and Chief executive Officer

Mr. David Gardiner
Director

Mr. Abraham Mathews
Director

Ms. Jackie Korhonen
Director

Mr. Gautam Thakkar
Director

Global presence

Registered Office
Plot No. 26/3, 26/4 and 26/6
Electronics City, Hosur Road
Bangalore 560100
Tel: 080-28522405
Fax: 080-28522411
Web Site: www.infosysbpo.com

Australia – Melbourne
Level 5, 818, Bourke Street
Docklands VIC 3008
P.O. Box 528 Collins Street West
Melbourne VIC 8007
Tel. : 61 3 9860 2000
Fax : 61 3 9860 2999

Canada - Toronto
5140, Yonge Street Suite
1400 Toronto ON M2N 6L7
Tel. : 416 224 7400
Fax : 416 224 7449

India – Bangalore
Electronics City, Hosur Road
Bangalore 560 100
Tel. : 91 80 2852 2405
Fax : 91 80 2852 2411

Salarpuria Infozone
Wing A, No. 39 (P) 41 (P) and
42 (P) Electronic City,
Hosur Road
Bangalore 560 100
Tel. : 91 80 4067 0035
Fax : 91 80 4067 0034

SJR Towers
Bannerghatta Road
J. P. Nagar, III Phase
Bangalore 560 078
Tel. : 91 80 5103 2000
Fax : 91 80 2658 8676

Pavithra Complex
#1, 27th Main, 2nd Cross
1st Stage, BTM Layout
Bangalore - 560 068
Tel. : 91 80 3021 3600
Fax : 91 80 4171 4808

India – Chennai
Temple Steps 6th and 7th Floor
No. 184, Annasalai
Saidapet
Chennai 600 015
Tel.: 91 44 6600 7000
Fax: 91 44 6600 7005

Unit of Ramanujam IT City SEZ,
Hardy Towers, 3rd & 4th floor,
TRIL Infopark Ltd, Taramani,
Rajivgandhi Salai (OMR),
Chennai 600113
Tel : 91 44-66855111
Fax : 91 44 -66855107

India - Gurgaon
7th floor Tower A, B and C,
Building No. 6, DLF Cyber City,
Developer Limited,
Special Economic Zone,
Sector 24 and 25 DLF PH-3,
Gurgaon
Tel. : 91 124 4583 700
Fax : 91 124 4583 701

India – Jaipur
Plot No. E-142-143
Sitapura Industrial Area
Jaipur 302022
Tel. : 91141 2771 325
Fax : 91141 2771 325

IT-A-001 Mahindra World City
Special Economic Zone
Village Kalwara
Tahsil Sanganer
Jaipur 302029
Tel. : 0141-3956000
Fax : 0141-3956100

India – Pune
Plot No. 1, Building No. 4
Pune Infotech Park
Hinjawadi, Taluka
Mulshi
Pune 411 057
Tel. : 91 20 2293 2900
Fax : 91 20 2293 4540

Plot No. 24
Rajiv Gandhi Infotech Park
Phase II, Village Maan
Taluka Mulshi,
Pune 411 057
Tel. : 91 20 2293 2800
Fax: 91 20 2293 4540

Plot No. 24 / 3,
Rajiv Gandhi Infotech Park
Phase II, Village Mann
Taluka Mulshi
Pune 411 057
Tel: 91 20 4023 2001
Fax: 91 20 3981 5352

Philippines
2nd and 3rd Floor,
Trade Hall Metro Market Market,
Bonifacio Global City
Fort Bonifacio Taguig City Metro
Manila, Philippines
Tel. : 632 856 3319
Fax : 632 856 3320

United Kingdom
14th Floor 10
Upper Bank Street
Canary Wharf
London E14 5NP
Tel. : 44 20 7715 3388
Fax : 44 20 7715 3301

United States – Atlanta
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Suite 100-W
Atlanta, GA 30339
Tel : 770-799-1958
Fax : 770-799-1861

United States - Bridgewater
400 Crossing Boulevard
1st Floor, Bridgewater
NJ 08807
Tel. : 1 908 450 8209
Fax : 1 908 842 0284

Subsidiaries

Infosys BPO s.r.o
Holandka 9,
63900, Brno
Tel. : 420 542212406
Fax : 420 543236349

Infosys BPO Poland Sp.Z o.o.
Al. Piłsudskiego
22 90-051 Lodz,
Poland
Tel. : 48 42 291 8000
Fax : 48 42 291 8081

UL. Gdanska
47 90-729 Lodz,
Poland
Tel. : 48 42 291 8205
Fax : 48 42 291 80 73

McCamish Systems, L.L.C.
6425, Powers Ferry Road
Third Floor Atlanta,
GA 30339
Tel: 1 800-366-0819
Fax: 1 770-690-1800

Portland Group Pty Limited

Brisbane
L18, Brisbane Club Tower
241 Adelaide St
Brisbane QLD 4000 Australia
Tel. : 61 7 3009 8100
Fax : 61 7 3009 8123

Melbourne
Suite 602, 10 Yarra Street
South Yarra VIC 3141 Australia
Tel. : 61 3 8825 3899
Fax : 61 3 8825 3898

Perth
Level 1, 99 St Georges Terrace
Perth WA 6000 Australia
Tel. : 61 8 9254 9313
Fax : 61 8 9254 9388

Sydney
Level 8, 68 Pitt Street
Sydney NSW 2000 Australia
Tel. : 61 2 9210 4399
Fax : 61 2 9210 4398

Subsidiary of Portland Group Pyt. Ltd.
Portland Procurement Services Pty Ltd

Brisbane
L18, Brisbane Club Tower
241 Adelaide St
Brisbane QLD 4000 Australia
Tel. : 61 7 3009 8100
Fax : 61 7 3009 8123

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Contents

CEO and CFO Certification

To
The Board of Directors
Infosys BPO Limited
Bangalore

We, D. Swaminathan, Chief Executive Officer and Managing Director, and Abraham Mathews, Chief Financial Officer of Infosys BPO Limited, to the best of our knowledge and belief, certify that :-

1. We have reviewed the Balance Sheet and Profit and Loss account (standalone and consolidated), and all the schedules and notes on accounts, as well as the Cash Flow statements, and the Directors' report.

2. Based on our knowledge and information, these statements do not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the statements made.

3. Based on our knowledge and information, the financial statements, and other financial information included in this report, present in all material respects, a true and fair view of the Company's affairs, the financial condition, results of operations and cash flows of the Company as of, and for, the periods presented in this report, and are in compliance with the existing accounting standards and / or applicable laws and regulations.

4. To the best of our knowledge and belief, there are no material transactions entered into by the Company during the year that are fraudulent, illegal or violative of the Company's code of conduct and ethics.

5. We are responsible for establishing and maintaining disclosure controls and procedures and internal controls over financial reporting for the Company, and we have :-

   a) Designed such disclosure controls and procedures to ensure that material information relating to the Company, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared.

   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with Generally Accepted Accounting Principles (GAAP).

   c) Evaluated the effectiveness of the Company's disclosure, controls and procedures.

   d) Disclosed in this report any change in the Company's internal control over financial reporting that occurred during the Company's most recent fiscal year that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting.

6. We have disclosed based on our most recent evaluation, wherever applicable, to the Company's auditors and the audit committee of the Company's Board of Directors (and persons performing the equivalent functions):-

   a) There were no deficiencies in the design or operation of internal controls, that could adversely affect the Company's ability to record, process, summarize and report financial data, and there have been no material weaknesses in internal controls over financial reporting including any corrective actions with regard to deficiencies.

   b) There were no significant changes in internal controls during the year covered by this report.

c) All significant changes in accounting policies during the year, if any, and that the same have been disclosed in the notes to the financial statements.

d) There were no instances of fraud of which we are aware, that involve the Management or other employees who have a significant role in the Company's internal control system.

7. In the event of any materially significant misstatements or omissions, we will return to the Company that part of any bonus or incentive or equity-based compensation, which was inflated on account of such errors.
8. We affirm that we have not denied any personnel, access to the audit committee of the Company (in respect of matters involving alleged misconduct) and we have provided protection to whistleblowers from unfair termination and other unfair or prejudicial employment practices.
9. We further declare that all Board members and senior managerial personnel have affirmed compliance with the code of conduct and ethics for the current year.

s/d	**s/d**
D Swaminathan **Chief Executive Officer and Managing Director**	**Abraham Mathews** **Chief Financial Officer**

Bangalore
April 6, 2012

Directors' Report

To the Members,

We are pleased to present the report on the business and operations of the company for the year ended March 31, 2012.

Company's overview

Your company (www.infosysbpo.com) was established in April 2002 as the business process outsourcing subsidiary of Infosys Limited ("Infosys"). Today, it is among the Top 10 third-party BPO companies in India according to the National Association of Software and Service Companies (NASSCOM) ranking. Your company's promise is that it can help customers transform their business by enabling them to do their work cheaper, better, differently and eliminate non-value adding work. Your company's sales and marketing offices are largely co-located with Infosys and it has delivery centers in India, Australia, The United States of America, Czech Republic, Poland and Philippines.

Financial overview

in ₹ Crore

	March 31, 2012	March 31, 2011
Revenue from business process management services	1,312.41	1,129.11
Profit Before tax	394.28	214.48
Profit /(loss) after tax	304.62	204.83

Share capital

During the year under review, your company has not issued any shares and hence the outstanding issued, subscribed and paid-up equity share capital stands at ₹ 33.83 Crore as on March 31, 2012 (₹ 33.83 Crore as on March 31, 2011)

Acquisition of Portland Group Pty. Limited, Australia

As part of making our company a truly global entity and also as part of investment strategy, our company concluded a definitive agreement to acquire all of the outstanding share capital in Australia-based Portland Group Pty Ltd, a leading provider of strategic sourcing and category management services for a total purchase consideration of AUD 36.0 million excluding certain post-completion adjustments. Portland Group was founded in 1999 and counts several large ASX 200 organizations within the Australia region as clients. It is headquartered in Sydney and has offices in Melbourne, Brisbane, and Perth. Portland Group's expertise in strategic sourcing and category management services is expected to complement our company global Sourcing & Procurement capabilities to create a market offering that will positively impact client's business efficiency and effectiveness.

Appropriations

Retained earnings

Your Company proposes to retain ₹ 384.75 Crores in the Profit and loss account.

Performance Overview

The company earned revenue of ₹ 1,312.41 Crores in Financial Year 2011-2012 as compared to ₹ 1,129.11 Crores in Financial Year 2010-2011. The Company ended the year with net profit of ₹ 304.62 Crores when compared with the previous year of ₹ 204.83 Crores. The company's profitability for the year was 23.21%. Your Company is amongst the most profitable BPO companies in India. The company added 30 (net) customers and now has 126 customers as on March 31, 2012. The company ended the year with 18,383 employees.

Due to our investments in strategies aligned to growth, differentiation and people in Financial Year 2011-2012 we were able to grow our revenue more than the industry benchmarks and strengthen our market position. Our focus was on enhancing the relationship with existing customers, which has yielded us a significant revenue growth. Our wins have been broad based. Some of the key clients won this year include a leading issuer of credit cards, auto loans and other consumer loan products, a leading global custodian and private bank, world's leading pharmaceutical company, a large global bank, a world leader in healthcare, lifestyle and lighting, the largest mobile operator in the UK, a top-10 pharmaceutical company that delivers health solutions and operates in multiple global markets.

We have also won clients in the space of business process on cloud and social media. In cloud, we are providing Customer service and electronic discovery and have successfully transitioned the process. The process is stable and we hope to see increased revenue in the next financial year. We have a healthy pipeline of projects and we expect to see some of these projects converting into revenue streams in the next Financial Year.

Our LPO offering has also witnessed considerable traction and we have a healthy pipeline of prospects going into next financial year. Some of the major wins in LPO in this year, has been a global oil and gas company, a leading provider of world-class financial news and business intelligence, a leading bank in Japan, a fortune 500 financial service data publisher, a leading provider of actionable Intelligence solutions and services for enterprise and security intelligence.

This year on January 4, 2012 we acquired an Australian Based Company, M/s Portland group Pty Ltd. This acquisition has enhanced our delivery presence in high end S&P space in Asia Pacific region. Our Company also added a delivery center in Atlanta, United States in addition to the existing delivery center of M/s McCamish Systems, LLC which was acquired in the year 2009.

Due to our investments to deliver measureable business outcomes to our clients through benchmarked processes, Technology solutions and domain capabilities we are able to take our relationships with the existing clients to a new level. This has also helped up open conversations with prospective new clients.

We did a transformation project for a Large Manufacturing company during this year. Using our benchmarks for process and business metrics we were able to access and provide business benefits for their compliance, reporting and analysis, order to cash, record to report, procure to pay processes. This has led to many other transformation projects from the company.

Our investments in Technology solutions have also yielded business benefits. We have increased the breadth and depth of our technology solutions this year. Some of the new key client wins using our technology solutions are a large telecom player, a leading global bank, a large dairy company, large equipment, tools, technology and Services Company, a global healthcare company.

In the pursuit to improve HR practices and create the building blocks that provide ‘careers for life’, Infosys BPO has established a mandatory training grid aligned to career streams and competency. Your company has partnered with premier institutions for further education opportunities and launched specific leadership development programs for first-time leaders. On the external front, Infosys BPO’s outreach programs such as “Project Genesis” and “Spark” have contributed to enhancing the skill sets of students in Tier II and III towns. The training team was instrumental in supporting the training requirements of students in Bhutan and Egypt (70+ offers and 2500+ students coached). The HR practices continue to set benchmarks and are recognized in various public forums and trade bodies both in India and overseas.

Infosys BPO Limited participated in leading industry events across Europe, the United States of America and APAC this year. Some of these include: Shared Services Singapore & Australia, IQPC-International Quality and Productivity Center Brazil & US, Nasscom BPO Strategy Summit India, RLA & Argyle Leadership Conferences USA, Hackett BP Conference (US&UK) among others. Infosys BPO Limited also established its thought leadership with ‘Colloquium’ – the annual user event in its 3rd year in running. The company also launched its first ever case-study handbook, featuring 7 global client case studies. The Infosys BPO thought leadership journal is in its 6th edition with contributions from sourcing advisors and analysts besides domain experts.

Keeping in view of the achievements in this Financial Year and the market landscape our strategies continues to enhance Growth, differentiation and People. Infosys BPO has aligned its strategy and investments towards the following key initiatives:

1. To invest in increasing the domain capabilities of our processes
2. Growing the next generation delivery models like cloud, social media and mobility
3. Invest in international centers to build capabilities to acquire new revenue and grow revenue existing revenue
4. Focus on platforms and technology solutions to lower the business costs and risk of our clients
5. Bridging our capability gaps by investing in people process and technology
6. Focus on operational analytics to provide measurable business benefits to our clients

Results of operations

The total revenue increased to ₹ 1,312.41 Crore from ₹ 1,129.11 Crore. The Company ended the year with net profit of ₹ 304.62 Crore when compared with the previous year of ₹ 204.83 Crore. The company added 30 (net) customers and now has 126 customers. The company ended the year with 18,383 employees having added 1,967 (net) employees during the year.

Human Resources Management

Creating an Inspired Workplace

Human Resource Management plays a pivotal role at Infosys BPO as part of the GDP (Growth, Differentiation and People) strategy. The people practices are an integral lever of driving the growth agenda of the organization. Under our "Inspired Workplace" initiative, we have been extensively focusing on designing and deploying initiatives and practices that provide a career for life to our employees.

Employee Growth

As part of the Talent Strategy of filling upto 70% requirements through internal resources, we had 2,822 employees participate in the internal job posting program, including this significant channel for lateral movements, promotions and progressions and internal growth and movements have been provided to 3,502 employees.

Employee Engagement

The proactive measures of retention had employee engagement programs, career enabling avenues and learning opportunities to attract and retain talent. The employee engagement through Employee Relations worked on the 5 Cs (Connect, Communicate, Celebrate, Compliance and Control) of which the 1st three Cs were instrumental in more employee connect, more transparent & uncomplicated communication and fun at work through celebratory events

- **Connect** – As a part of building employee connects, we focused on employee connect all-round the year. There were a number of connect programs run by the Employee engagement team this year. Some of them are listed below:
  - Meet Your Leader – Meet Your Leader is a beautiful forum for leadership connect that happens in various forms like connect through a class room session, floor walks, focused group sessions and various other forms. The leadership connect last year saw 90 thousand plus employees being touched (approximately every employee has been connected 4.5 times this year).
  - guruCOOL(Connect Of Organization's Leaders)– This forum ensures that each leader in the organization has a batch of new employees to mentor and help them understand the big picture that they are part of. This is to share the wisdom and the vision to connect with them. The year gone by witnessed 125 gurus (leaders/mentors) connecting more than 2785 mentees
  - The Banyan Tree (An External Leadership Connect Program)- As the name suggests, wisdom of leaders in other industries, from the field of academia and other inspiring fields was made available to Infoscions through The Banyan Tree which invited external leaders to address out employees and connect them to the happenings around them . Also to let them know a world outside their unit and outside Infosys.
  - Club 5- Club 5 is the forum to connect with employees with 5 years and more tenure (3081 employees currently). The connect program opens with felicitation ceremony followed by their experience sharing.

  Communicate

  - Footprints – It is a monthly newsletter hosted by all DCs which takes us to the hosting DC. The last FY saw 10 editions with Manila, Atlanta, and Brno hosting their editions from Int DCs. If one wants to know the happenings in a DC then there is nothing like Footprints.

- Team Huddles- Company related updates are sent to the entire organization through the Team Huddle program wherein information is percolated down through team leaders
- Knowledge Nuggets- This weekly communication keeps employees at managerial/supervisory level abreast of management trends across the globe. Featured A.P.J. Abdul Kalam, N.R. Narayana Murthy and presently showcasing Indra Nooyi.
- My Infy Story- Infy is a place to make careers and none other than a hardcore Infoscion can reiterate it the best. This communication features Infoscions of 5 year (and older) vintage to share their career story.

Employee Development

- **Leadership Development**
  We covered over 2607 employees (JL4 & Above) through 184 programs translating into a total man-days in excess of 3374 days. The learning year FY 12 unveiled many new offerings in our Leadership Development practice covering our Delivery centers in India and also significant traction in the International locations. We designed and launched many new programs with ample focus on "Content and Relationship" leadership dimensions. More specifically there were specific business focused interventions that were rolled out for Global Markets and Solution Design career streams. The Harvard Manage Mentor (HMM) suite of learning assets was launched this year with a view to strengthen our efforts in the 'Management' competency development dimension. Infosys has tied up with Harvard Business Publishing (a wholly owned venture of Harvard Business School, Boston) to provide high quality learning programs directly from Harvard.
- **Geo Ambassador Program:** It is a constant endeavor at Infosys BPO to strengthen the Leadership in the international centers to take on the next wave of Growth driven through Globalization philosophy of the organization. As a first step towards this, a high Impact intervention was conceived by Mr. D. Swaminathan and the Executive council of Infosys BPO. Through this intervention a set of chosen 29 high performing talents representing all the seven international centers across the globe. These set of high performing leaders are called "GeoAmbassadors" to rightly describe their role. Each of these leaders, subsequent to a 5 day transformational program, had not only detailed the action plans for each of their centers, but also taken an oath on their commitment to implement these plans. International Center Heads together with Executive Council Sponsor of the International Centers will be providing the required support for these leaders to realize these plans through a structured plan.

Corporate Social Responsibility (CSR)

- **World Disability Day celebrations –** This is an event especially for the employees with disabilities within the company. The day celebrates their perseverance and tenacity in overcoming various odds in their journey to be the professionals they are today. A special reward & recognition program recognizes not just employees with disabilities but also their managers and teams.
- **Project Genesis:** Project Genesis is an award winning community initiative of Infosys BPO aimed at aligning the teaching and course curriculum at Graduate Schools to the industry requirement, so the students have an edge as far as employability is concerned. The project focuses on creating awareness and educating the teaching fraternity in tier II and tier III towns of various states in India on global skill sets. In our 6 year journey we have reached out to over 100000 students and 3163 academicians across 1723 colleges in 7 states. The project has been recognized globally at various forums and has won various international and national awards which include winning the Best CSR Practice award conferred by the National Outsourcing Association; Asia's Best CSR Award; Asia Pacific HRM Congress Awards for Global HR Excellence under 'Outstanding contribution to the cause of education' and the World HRD Congress, Award for 'Outstanding contribution to the cause of education'.

Industry Awards

- Infosys BPO was awarded in 15 different Awards/Award Categories for its people practices in both domestic (India) and International forums. This includes Optimas Workforce Management (Corporate Citizenship - EduEgypt – Taking learning Beyond Boundaries), National Outsourcing Association Awards for Best Practice in Outsourcing (Award for CSR - Project Genesis) and The Brandon Hall Excellence (Silver Award for On boarding Program) among the international ones and multiple other India based awards.

Subsidiaries

A. Infosys BPO s.r.o

Your Company incorporated Infosys BPO s.r.o. in the year 2004 in the Czech Republic, as a wholly owned subsidiary. Your company till March 31, 2012, has invested an amount of ₹ 3.50 Crore (18,750,000 Czech Koruna) towards its equity capital. The company provides multi-lingual processing skills to its clients and addresses their requirement for a development center closer to their locations. During the year under review, Infosys BPO s.r.o had 12 Clients and generated revenue of ₹ 57.26 Crore as against revenue of ₹ 55.86 Crore for the year ended March 31, 2011 with a net loss of ₹ 0.34 Crore as against a profit of ₹ 1.54 Crore for the year ended March 31, 2011.

The financial year for the Centre has been very dynamic. It saw the ramp down of 2 big projects but at the same time another project was started. The attrition has been higher in Financial Year 2011-12 than usual, which helped to reduce the cost related to headcount reductions in ramping down engagements. The attrition did not influence delivery which was on very high level bringing high CSAT scores. Because of the new project the Centre had to invest additional amount into infrastructure and recruitment. Thanks to the very good operational management the new project is growing and will stay the main growth engine also for the next year.

B. Infosys BPO (Poland) Sp.Z.o.o

During the year under review, Infosys BPO (Poland) Sp.Z.o.o has generated revenue of ₹ 191.67 Crore as against revenue of ₹ 140.03 Crore for the period ended March 31, 2011 with a net profit of ₹ 41.71 Crore as against a profit of ₹ 11.44 Crore for the period ended March 31, 2011.

The centre maintained and optimized a growth realized in 2011 for current clients by focusing on high-end services (Tax, SOX Compliance, FP&A reporting and analysis, FP&A Consolidation of financial statements, BTS, onsite project work) moreover center started few projects for existing clients and new one.

The center has been bestowed with the following awards in the year under review: Best Outsourcing Partner (Outsourcing Magazine, 2011), Best Company of the Lodz Region (Bcc, 2011), Partner Of Innovative Education (University Of Lodz, 2011), Most Dynamically Developing Company (Puls Biznesu, 2011), Top 100 Ideal Employer (Universum, 2011) And Top Employer (Crf Institute, 2012).

C. McCamish Systems LLC

Headquartered in Atlanta, Georgia, McCamish Systems, LLC, ("McCamish") a platform based business process outsourcer (BPO) that provides end to end administrative services to the financial services industry in support of life insurance and annuity products, non-qualified retirement plans and the distribution organizations that sell these products. McCamish leverages its suite of proprietary intellectual property and deep domain expertise to provide services through a myriad of deployment options including comprehensive BPO, SaaS, license and other hybrid service models. McCamish's clients include many of the largest financial services companies in the United States and a growing number outside of the United States, hire McCamish to support single products, a single line of business or the client's entire product portfolio. While McCamish deploys a unique instance of its base software product for each client, each client also requires and funds client specific enhancements based on their proprietary product and market requirements. These revenues, which are generated under time and materials or fixed priced engagements, augment the recurring revenue flows from the long term master service contracts. McCamish's intellectual property utilizes an advanced service oriented architecture that promotes seamless integration with client specific operating models.

McCamish has been historically focused on the US market, but it is currently expanding into international markets.
Infosys BPO acquired the Company in December 2009 to enhance its life insurance and retirement services footprint both in the US and abroad. With this acquisition, Atlanta also becomes Infosys' US BPO delivery center.

Consequent to the purchase of Members Interest in McCamish, Infosys BPO Limited has become the sole member of McCamish with effect from December 4, 2009. During the year under review the company generated a revenue of ₹ 187.13 Crore as against a revenue of ₹ 149.88 Crore for the year ended on March 31, 2011 with a loss of ₹ 24.05 Crore as against the loss of ₹ 19.68 for the year ended On March 31, 2011.

D. Portland Group Pty Limited

Your company acquired on January 4, 2012 all of the outstanding share capital in Australia-based M/s Portland Group Pty Ltd, a leading provider of strategic sourcing and category management services for a total purchase consideration of AUD 36.0 million.

Portland Group was founded in 1999 and today counts several large ASX 200 organizations within the Australia region as clients. It is headquartered in Sydney and has offices in Melbourne, Brisbane, and Perth. Portland Group's expertise in strategic sourcing and category management services is expected to complement our company global Sourcing & Procurement capabilities to create a market offering that will positively impact client's business efficiency and effectiveness.

Revenue for the period January 4, 2012 to March 31, 2012 was ₹ 44.40 Crore. The Revenue growth has been strong, particularly in Queensland and Western Australia which are the states with the strongest economies in Australia. The Headcount grew by almost 10% (11 people). Portland Group is continuing to invest in improving category expertise and has established 4 practice areas focused on specific categories. Portland Group Pty Limited holds 100% equity in its subsidiary M/s Portland Procurement services Pty Limited.

Awards/ recognition and certifications

Our work in the outsourcing space was validated by key influencers, as we were recognized for several achievements. Some of our key achievements and recognitions this year were:

• Infosys BPO recognized at the BPO Excellence Awards 2012.
• Asia's Best Employer Brand Awards 2011 and Asia's Best CSR Practices Awards 2011.
• Infosys BPO wins second CMO Asia Award for Brand Excellence.
• Infosys BPO Poland wins Best Company of the Lodz Region Award 2011.
• Infosys BPO Wins India Business Law Journal's Annual Legal Process Outsourcing Award for Corporate Services.
• Infosys BPO Wins Prestigious CSR Award for Project Genesis at the 8th National Outsourcing Association Awards in London.
• Infosys BPO Repeat Wins SSON Excellence Awards.
• Infosys BPO bags 'Talent Management' award at the 6th Employer Branding Awards.
• Infosys BPO was awarded 'Best Employer' and 'Fun at Work' at the BPO Excellence Awards 2010-11.

Corporate Governance

Corporate governance is about the commitment to values and about ethical business conduct. We believe that sound corporate governance is critical to enhance and retain stakeholders trust. Accordingly, we always seek to ensure that we attain our performance rules with integrity. Our Board exercises its fiduciary responsibilities in the widest sense of the term. Our disclosures always seek to attain best practices. At Infosys BPO, our pursuit to achieve good governance is an ongoing process, thereby ensuring transparency, accountability and responsibility in all our dealings with our employees, shareholders, clients and the community at large. Our corporate governance philosophy encompasses not only regulatory and legal requirements, but also several voluntary practices aimed at a high level of business ethics, effective supervision and enhancing value of all the stakeholders. Your company believes that the governance process should ensure that the company is managed in a manner that meets stakeholder's aspirations and societal expectations

Your company's corporate governance initiative is based on the following principles

- Satisfy the spirit of law and not just the letter of the law. Corporate governance standards should go beyond the law.
- Be transparent and maintain a high degree of disclosure levels. When in doubt, disclose.
- Make a clear distinction between personal conveniences and corporate resources.
- Communicate externally, in a truthful manner, about how the company is run internally.
- Comply with the laws in all the countries in which we operate.

- Have a simple and transparent corporate structure driven solely by business needs.
- Management is the trustee of the share capital and not the owner.

We wish to state that your company has complied with all norms of corporate governance applicable to Unlisted Public Companies as envisaged under the Companies Act, 1956.

Committees of the Board

1. Audit Committee

As on March 31, 2012, the committee had Prof. Jayanth R. Varma as the Chairman, Mr. Sridar A. Iyengar and Mr. V. Balakrishnan as members. During the year ended March 31, 2012, the committee met four times. The primary objectives of the committee are to monitor and provide effective supervision of the management's financial reporting process with a view to ensure accurate, timely and proper disclosures and the transparency, integrity and quality of financial reporting. The Committee oversees the work carried out in the financial reporting process – by the management, including the internal auditors and statutory auditors and notes the processes and safeguards employed by each.

2. Compensation Committee

As on March 31, 2012, the committee had Prof. Jayanth R. Varma as the Chairman, Mr. Sridar A. Iyengar and Mr. V. Balakrishnan as members. During the year ended March 31, 2012, the committee met four times. The committee has the mandate to review and recommend the compensation payable to the executive directors and senior management of the company. It also administers the company's stock option plan, including the review and grant of stock options payable to eligible employees under the plan.

Details of remuneration to the CEO

Mr. D Swaminathan, Managing Director and CEO

The Board of Directors in their meeting held on January 7, 2010 appointed, subject to the approval of the shareholder in a General Meeting, Mr. D. Swaminathan as the Managing Director and CEO for an initial term of five (5) years with effect from January 16, 2010 or till his attaining the age of superannuation whichever is earlier.

The details of remuneration paid to Mr. D. Swaminathan for the year ended March 31, 2012 are as follows-

in ₹

Particulars	March 31, 2012	March 31, 2011
Salary, allowances including contributions to Provident Fund, Gratuity, Superannuation allowance and Performance incentive	2,58,45,613	1,24,74,014

Responsibility statement of the Board of Directors

The directors' responsibility statement setting out the compliance with the accounting and financial reporting requirements specified under Section 217 (2AA) of the Companies (Amendment) Act, 2000, in respect of the financial statements, is annexed to this report.

Fixed deposits

Your company has not accepted any fixed deposits and, as such, no amounts of principal or interest were outstanding as of the balance sheet date.

Directors

Appointment of Directors

1. In accordance with Article 122 of the Article of Association of the company Prof. Jayanth R. Varma retire by rotation in the forthcoming Annual General Meeting. Prof. Jayanth R. Varma being eligible offers himself for re-appointment. Prof. Jayanth R. Varma appointment as director requires the approval of the members at the ensuing Annual General Meeting. The necessary resolutions for obtaining the approval of members with regard to re-appointment of Prof. Jayanth R. Varma as Directors of the Company have been incorporated in the notice of the ensuing Annual General Meeting.

2. In the Board Meeting held on June 11, 2011, the Board of Directors has inducted Mr. V. Balakrishnan as additional director of the company. His appointment requires the approval of the members at the ensuing Annual General Meeting. The necessary resolution for obtaining the approval of members with regard to appointment of Mr. V. Balakrishnan has been incorporated in the notice of the ensuing annual general meeting. Further, the Board in its same meeting has unanimously appointed Mr. V. Balakrishnan as the Chairman of the Board.

3. In the Board Meeting held on October 7, 2011, the Board of Directors has inducted Mr. Chandrashekar Kakal as additional director of the company. His appointment requires the approval of the members at the ensuing Annual General Meeting. The necessary resolution for obtaining the approval of members with regard to appointment of Mr. Chandrashekar Kakal has been incorporated in the notice of the ensuing annual general meeting.

Resignation of Directors

4. Mr. T. V. Mohandas Pai resigned as Chairman and Member of the Board and Committees of the Board with effect from June 11, 2011. Mr. T. V. Mohandas Pai has been associated with our company almost from the very beginning and has contributed immensely for our company's current success. The Directors place on record their sincere appreciation for the services rendered by Mr. T. V. Mohandas Pai while he was the Chairman and Member of the Board and Committees of the Board of the company.

5. Mr. S. D. Shibulal resigned as Member of the Board and Committees of the Board with effect from closing of business hours of September 30, 2011. Mr. S. D. Shibulal has been associated with our company almost from the very beginning and has contributed immensely for our company's current success. The Directors place on record their sincere appreciation for the services rendered by Mr. S. D. Shibulal while he was the Member of the Board and Committees of the Board of the company.

6 Mr. B. G. Srinivas and Mr. Eric S. Paternoster resigned as Members of the Board with effect from closing of business hours of September 30, 2011. The Directors place on record their sincere appreciation for the services rendered by Mr. B. G. Srinivas and Mr. Eric S. Paternoster while they were the Members of the Board and Committees of the Board of the company.

Auditors

The statutory auditors, M/s. B S R & Co, Chartered Accountants, retire at the ensuing Annual General Meeting and have confirmed their eligibility and willingness to accept office, if reappointed.

Conservation of energy, research and development, technology absorption, foreign exchange earnings and outgo

The particulars as prescribed under subsection (1)(e) of section 217 of the Companies Act, 1956, read with the Companies (Disclosure of particulars in the report of Board of Directors) Rules, 1988, are set out in the annexure included in this report.

Consolidation of accounts

As per Section 212 of the Companies Act, 1956, we are required to attach the Directors' report, Balance Sheet, and Profit and Loss account of our subsidiaries. The Ministry of Corporate Affairs, Government of India vide its Circular No. 2/2011 dated February 8, 2011, has provided an exemption to companies from complying with Section 212, provided such companies publish the audited consolidated financial statements in the Annual Report. Accordingly, the Annual

Report 2011-12 does not contain the financial statements of our subsidiaries. The audited annual accounts and related information of our subsidiaries, where applicable, will be made available on request. The same will be published on our website, *www.infosysbpo.com*. These documents will also be available for inspection during business hours at our registered office in Bangalore, India.

Particulars of employees

As required under the provisions of section 217 (2A) of the Companies Act, 1956, read with the Companies (Particulars of employees) Rules, 1975, as amended, the name and other particulars of employee are annexed to this report.

Acknowledgments

Your directors thank the Company's clients, vendors, investors and bankers for their continued support during the year. Your directors place on record their appreciation of the contribution made by employees at all levels, who, through their competence, hard work, solidarity, cooperation and support, have enabled the company to achieve consistent growth. Your Directors thank the Governments of various countries where we have operations. Your directors also thank the Government of India, particularly the Ministry of Communication and Information Technology, the Department of Electronics, the Customs and Excise Departments, Software Technology Parks – Bangalore, Pune, Jaipur, Gurgaon, Chennai and the Ministry of Commerce and Industry, the Ministry of Finance, Ministry of Corporate Affairs, the Reserve Bank of India, the Department of Telecommunications, the State Governments and other Government agencies for their support and look forward to their continued support in the future.

For and on behalf of the Board of Directors

-s/d	**-s/d**
V. Balakrishnan	**D. Swaminathan**
Chairman	**Managing Director and Chief Executive Officer**

Bangalore

April 6, 2012

Annexure to the Directors' report

a) Particulars pursuant to Companies (Disclosure of particulars in the report of the Board of Directors) Rules, 1988

1. Conservation of Energy

The operations of your company are not energy-intensive. However, adequate measures have been taken to reduce energy consumption by using energy-efficient computers and by the purchase of energy-efficient equipment. Your company constantly evaluates new technologies and invests in them to make its infrastructure more energy-efficient.

2. Research and Development (R & D)

Not applicable.

a. R & D initiatives at institutes of national importance

Not applicable

b. Specific areas for R & D at your company

Not applicable

c. Benefits derived as a result of R & D activity

Not applicable

d. Future plan of action

Not applicable

e. Expenditure on R & D for the year ended March 31, 2012

Not applicable

3. Technology absorption, adaptation and innovation

Not applicable

4. Foreign exchange earnings and outgo

a. Activities relating to exports, initiatives taken to increase exports, developments of new export markets for product and services, and export plans

Your company has established marketing offices in Australia, Canada, Philippines, United States of America and United Kingdom. These offices are staffed with adequate sales and marketing specialist who sells your company's services to large international clients. Further, your Company plans to take part in several international seminars and exhibitions to promote its services.

b. Foreign exchange earned and used for the year ended

in ₹Crores

	March 31, 2012	March 31, 2011
Foreign exchange earnings	1,198.56	1,090.00
Foreign exchange outgo (including capital goods and imported software packages)	274.60	264.14

For and on behalf of the Board of Directors

-s/d	**-s/d**
V. Balakrishnan	**D. Swaminathan**
Chairman	**Managing Director and Chief Executive Officer**

Bangalore

April 6, 2012

c) The directors' responsibility statement as required under Section 217 (2AA) of the Companies (Amendment) Act, 2000

The financial statements are prepared in conformity with the accounting standards issued by the Institute of Chartered Accountants of India and the requirements of the Companies Act, 1956, to the extent applicable to the company, on the historical cost convention, as a going concern and on accrual basis. There are no material departures from the prescribed accounting standards in the adoption of the accounting standards. The accounting policies used in the preparation of the financial statements have been consistently applied, except where otherwise stated in the notes of accounts.

The Board of directors and the management of your company accept responsibility for the integrity and objectivity of these financial statements. The estimates and judgments relating to the financial statements have been made on a prudent and reasonable basis, in order that the financial statements reflect in a true and fair manner, the form and substance of transactions, and reasonably present the company's state of affairs. To ensure this, the company has taken proper and sufficient care in installing a system of internal control and accounting records; for safeguarding assets, and, for preventing and detecting frauds as well as other irregularities; which is reviewed, evaluated and updated on an ongoing basis. Our internal auditors have conducted periodic audits to provide reasonable assurances that the established policies and procedures of the company have been followed. However, there are inherent limitations that should be recognized in weighing the assurances provided by any system of internal controls and accounts.

The financial statements have been audited by M/s. B S R & Co., Chartered Accountants, the independent auditors.

The audit committee of your company meets periodically with the internal auditors and the independent auditors to review the manner in which the auditors are performing their responsibilities, and to discuss auditing, internal control and financial reporting issues. To ensure complete independence, the independent auditors and the internal auditors have full and free access to the members of the audit committee to discuss any matter of substance.

For and on behalf of the Board of Directors

-s/d	**-s/d**
V. Balakrishnan	**D. Swaminathan**
Chairman	**Managing Director and Chief Executive Officer**

Bangalore

April 6, 2012

Management's Discussion and Analysis (Consolidated)

Overview

Our Business

Infosys BPO Limited ("Infosys BPO"), incorporated on April 3, 2002 as "Progeon Limited", offers business process outsourcing solutions to its global clients by leveraging process, domain and people management expertise. At Infosys BPO we have built our organization around managing risk for our clients through a scalable, cost-effective and predictable delivery platform. We focus on acquiring "strategic'' clients with whom we can build a deep and wide relationship over time. The company is committed to providing best-in-class services to both horizontal and vertical focus areas. Horizontal solutions comprise of Sourcing and Procurement, Customer Service, Finance & Accounting, Knowledge Services, Human resources, while Vertical (Industry) solutions include Banking & Capital Markets, Communication Media & Entertainment, Manufacturing, Emerging Market Solutions, Insurance & Healthcare, Retail, Energy, Utilities & Resources, Automotive & Aerospace, Transportation & Services.

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

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

Financial Condition & Business Performance

The financial statements have been prepared in compliance with the requirements of the Companies Act, 1956, and International Financial Reporting Standards. The management of Infosys BPO accepts responsibility for the integrity and objectivity of these financial statements, as well as for various estimates and judgments used therein. The estimates and judgments relating to financial statements have been made on a prudent and reasonable basis, in order that the financial statements reflect in a true and fair manner the form and substance of transactions, and reasonably present the company's state of affairs and profits for the year.

Financial condition

Financial Position as on March 31, 2012 at a glance

- Current year generated free cash flows to the tune of ₹ 381.08 Cr. (Net profit plus Depreciation plus stock compensation plus customer contract write off)
- Additions to Infrastructure and facilities during the current year amounted to ₹ 239.29 Cr. which accounts for 38% of the opening gross block.
- Cash and Cash Equivalents were at ₹ 659.94 Cr. at the end of March 31, 2012 as compared to ₹ 661.61 Cr. at the end of March 31, 2011.

Balance Sheet Snapshot

In ₹Cr

	March 31, 2012	%	March 31, 2011	%	Growth %
Current Assets	1,243.64	62.9	1,059.92	66.5	16.8
Non-Current Assets	734.83	37.1	541.60	33.5	36.9
Total Assets	1,978.47	100.0	1,601.52	100.0	23.5
Current Liabilities	490.37	24.8	427.04	25.9	18.2
Non-Current Liabilities					
Other Non-Current Liabilities	66.53	3.4	53.51	3.3	24.3
Equity	1,421.57	71.9	1,120.97	70.0	26.8
Total Liabilities and Equity	1,978.47	100.0	1,601.52	100.0	23.5

1. Equity

In ₹Cr

Year ended	March 31, 2012	March 31, 2011
Share Capital	33.83	33.83
Share Premium	123.69	123.69
Other components of equity	3.83	8.21
Retained Earnings	1,260.23	955.24
Total Equity	**1,421.57**	**1,120.97**

- At present, the Authorized Share Capital of the Company has one class of shares – equity shares of par value ₹ 10/- each.
- During the current year there were no changes towards Issued Subscribed and Paid up common stock.
- Other components of equity decreased by ₹ -4.49 Cr. due to Exchange differences on translating foreign operations.

2. Current Assets

In ₹Cr

Year ended	March 31, 2012	March 31, 2011
Cash and cash equivalents	639.89	617.52
Available-for-sale financial assets	20.05	20.59
Trade receivables	396.68	271.28
Unbilled revenue	32.66	29.73
Income tax assets	25.99	23.11
Derivative financial instruments	-	3.03
Prepayments and other assets	128.37	94.66
Total Current Assets	**1,243.64**	**1,059.92**

2.1 Cash and cash equivalents:

In ₹Cr

As of	March 31, 2012	March 31, 2011
Cash on Hand	0.20	0.07
Bank balances in India		
Current accounts	24.07	21.94
Deposit accounts	562.42	501.50
Bank balances – overseas		
Current accounts	43.21	44.01
Total cash and bank balances	**629.89**	**567.52**
Add: Deposits with financial institutions / body corporate	10.00	73.50
Add: Investments in Mutual Funds	20.05	20.59
Total cash and cash equivalents	**659.94**	**661.61**
Balance in current accounts as % total Cash & Bank Balances	10.7%	11.6%
Cash and cash equivalents as a % of total assets	33.4%	41.3%
Cash and cash equivalents as a % of revenues	37.3%	45.0%

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

2.2. Trade Receivables

Trade Receivables amount to ₹ 396.68 Cr. as of March 31, 2012 as compared to ₹ 271.28 Cr. as of March 31, 2011. The need for provisions is assessed based on various factors including collectibles of specific dues, risk perceptions of the industry in which the customer operates and general economic factors which could affect the customer's ability to settle. Provisions are generally made for all debtors outstanding for more than 180 days as also for others, depending on the management's perception of the risk. Debtors are at 22.43% of revenues for the year ended March 31, 2012 and 18.43% of revenues for the year ended March 31, 2011. The Company generally provides 30-60 days credit to its customers. For the year ended March 31, 2012 ₹ 2.61 Cr. were provided towards the doubtful debts. Remaining all debtors are considered good and realizable.

In Perentage

Period in days	March 31, 2012	March 31, 2011
0-30	51%	51%
31-60	32%	32%
61-90	5%	5%
More than 90 days	12%	12%

2.3 Unbillled revenue

Unbilled revenues comprise of revenue recognized in relation to efforts incurred on fixed-price and time & material contracts not billed as of the year-end. The unbilled revenues as of March 31, 2012 and March 31, 2011 amounted to ₹32.66 Cr, and ₹ 29.73 Cr.respectively.

3. Non-Current Assets

In ₹Cr

Year ended	March 31, 2012	March 31, 2011
Property, plant and equipment	249.82	195.63
Goodwill	311.31	178.48
Intangible assets	85.85	48.48
Deferred income tax assets	67.38	87.33
Other non-current assets	20.47	31.68
Total non-current assets	734.83	541.60

3.1 Property, plant and equipment

In ₹Cr

Year Ended	March 31, 2012	March 31, 2011	Growth % YOY
<u>**Gross Book Value**</u>			
Goodwill	311.31	309.70	0.5%
Land	11.55	11.55	0.0%
Building	139.28	92.63	50.4%
Land– lease-hold Improvements	49.88	37.07	34.6%
Plant and Equipment	140.03	105.20	33.1%
Computer equipment	153.07	128.11	19.5%
Furniture and fixtures	56.17	46.13	21.7%
Vehicles	0.03	0.11	-67.1%
Total	861.33	730.50	17.9%
Less: accumulated depreciation	302.19	249.93	20.9%
Net block	559.15	480.57	16.4%
Add: capital work-in-progress	1.99	24.76	-91.9%
Net fixed assets	561.14	505.33	11.0%
Depreciation as a % of total revenues	3.4%	3.9%	-14.8%
Accumulated depreciation as a % of gross block	35.1%	34.2%	2.5%

Details of Location wise leased built up area and seats are as under.

Location	March 31, 2012		March 31, 2011	
	sq. ft.	seats	sq. ft.	seats
Bangalore	5,88,159	7,829	5,88,159	8,399
Pune	6,59,966	6,965	3,95,722	5,007
Jaipur	2,29,627	2,767	3,33,618	4,409
Delhi	75,406	855	75,406	847
Chennai	94,176	1,034	39,416	405
Manila	91,636	1,741	63,056	1,171
Brno	39,809	454	39,809	454
Lodz	99,300	1,216	86,846	998
Portland	1,077	103	-	-
USA & Germany (for sales force)	11,311	89	2,209	38
McCamish	55,987	401	40,104	273
Total	**19,46,454**	**23,454**	**1,664,345**	**22,001**

USA & Germany Seats increased because of new space at Atlanta of 9,335 Sq ft to accommodate 55 people. Pune seats increased due to SEZ 2 unit.

3.2. Intangible Assets

In ₹Cr

Year ended	March 31, 2012	March 31, 2011
Customer contracts – Philips	6.32	8.84
Customer contracts – McCamish Systems LLC	39.20	39.51
Customer Contracts-Portland Group Pty Ltd	40.21	-
	85.73	**48.35**

Customer contract represents (a) Value attributable to Phillips contract as per valuation conducted by external valuer. Same is amortized over the deal period. During the current year ₹ 2.53 Cr. was amortized towards customer contract and balance amount of ₹ 6.32 Cr. is shown as intangible asset. (b)For McCamish ₹ 5.56 Cr. was amortized and balance amount of ₹ 39.20 Cr. is shown as intangible asset towards customer contracts. (c)For Portland ₹ 1.01 Cr. was amortized and balance amount of ₹ 40.22 Cr. is shown as intangible asset towards customer contracts.

1.3 Deferred tax assets

The company benefits from certain significant tax incentives provided to firms rendering business process management services under the Indian tax laws. The Government of India provides tax incentives to companies set up in designated Special Economic Zone ("SEZ"). Income from SEZs is fully exempt from tax for the first 5 years, 50% exempt for the next 5 years and 50% exempt for another 5 years subject to fulfilling certain conditions.

Income taxes are computed using the tax effect accounting method, where the taxes are accrued in the same period the related revenue and expenses arise. The differences that result between the profit considered for income taxes and the profit as per the financial statements are identified and thereafter a deferred tax liability or a deferred tax asset is recorded for all timing differences, namely the differences that originate in one accounting period and reversed in another. The tax effect is calculated on the accumulated timing differences at the end of an accounting period, based on the prevailing enacted or substantially enacted regulations.

Deferred tax assets are recognized only to the extent there is reasonable certainty that the asset can be realized in the future; however, where there is unabsorbed depreciation or carried forward loss under taxation laws, are recognized only if there is a virtual certainty of realization. Deferred tax assets are reviewed as at each balance sheet date and written down or written up to reflect the amount that is reasonably/virtually certain (as the case may be) to be realized. For the year ended March 31, 2012, the company has recognized a deferred tax asset of ₹ 67.38 Cr. as compared to ₹ 87.33 Cr. for the year ended March 31, 2011.

2. Current liabilities

In ₹Cr

As of	March 31, 2012	March 31, 2011
Trade payables	13.48	5.50
Current income tax liabilities	12.51	4.83
Client deposits	1.52	3.34
Unearned revenue	10.77	16.51
Employee benefit obligations	39.04	29.84
Provisions	8.83	7.66
Other current liabilities	404.21	359.36
Total	**490.36**	**427.04**

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

Accrued Compensation to Staff includes provision for salaries, allowances and variable pay to employees both in India and abroad, provision for bonus, performance and salary incentives payable to the staff. It also comprises of provision for the company's liability for leave encashment and gratuity.

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

4.1 Unearned Revenue

Unearned revenue represents revenue not recognized due to non-conformity with revenue recognition principles. The deferred revenues amounted to ₹ 10.77 Cr as of March 31, 2012 and ₹ 16.51 Cr. as of March 31, 2011.

B. Subsidiaries of Infosys BPO

Infosys BPO s.r.o, Republic of Czech

Infosys BPO s.r.o was incorporated on February 4, 2004, under the laws of Czech Republic and is a wholly owned subsidiary of Infosys BPO. As on March 31, 2012 the company had ₹3.50 Cr. investments in the form of share capital in Infosys BPO s.r.o.

Infosys BPO (Poland) Sp.z.o.o

Infosys BPO Sp..Z.o.o is the wholly owned subsidiary of Infosys BPO Limited formed under the laws of Poland. As on Mar. 31, 2012 Infosys BPO Ltd has ₹ 3.94 Cr. investment in the form of share capital in Infosys BPO Sp..z.o.o.

McCamish Systems LLC

McCamish Systems LLC Is the wholly owned subsidiary of Infosys BPO Limited formed under the laws of United States. As on March 31, 2012 Infosys BPO Ltd has ₹146.98 Cr. investments in form of share capital in McCamish Systems LLC.

Portland Group Pty Limited

Portland Group is the wholly owned subsidiary of Infosys BPO Limited. As on March 31, 2012 Infosys BPO Ltd has ₹17.93 Cr. investments in form of share capital in Portland.

C. Results of Operations

Performance during the year ended on March 31, 2012 at a glance

In ₹Cr

	March 31, 2012	March 31, 2011
Income	1,768.71	1,471.63
Gross Profit (Post depreciation)	650.80	457.56
Gross Profit %	36.8%	31.1%
Operating Profit	360.13	169.82
Net Profit	304.98	197.43
Net Profit %	17.2%	13.4%

- Consolidated Revenues for the year were ₹ 1768.71 Cr. as against ₹ 1471.63 Cr. for the previous year
- Gross Margin post depreciation for the year was ₹ 650.80 Cr. compared to ₹ 457.56 Cr. during the previous year
- Gross Addition to headcount for the year ended March 31, 2012 was 9,968 compared to 8,250 at the end of the previous year.

1. Income

Year ended	March 31, 2012	%	March 31, 2011	%	Growth YOY
Revenues					
Overseas	1761.31	99.58%	1465.35	99.57%	20.20%
Domestic	7.40	0.42%	6.28	0.43%	17.89%
Total	**1768.71**	**100.00%**	**1471.63**	**100.00%**	**20.19%**

Revenues for the current year increased by 20.19% as compared to the immediately preceding year mainly due to growth in existing customers

1.1 Analysis of Consolidated Revenues

The company's revenues are segmented into onsite and offshore revenues. Onsite revenues are those services which are performed at client sites as part of transition or discovery services, while offshore services are those services which are performed at the company's operations centers. The onsite-offshore mix has a significant impact on the revenues.

The details of revenues and products are as follows:-

In ₹Cr

Year Ended	March 31, 2012	%	March 31, 2011	%
Onsite	178.74	10%	109.25	7%
Offshore	1,589.97	90%	1362.38	93%
Total	**1768.71**	**100%**	**1471.63**	**100%**

The details of the man months efforts are given below:-

Efforts in Person Months

Year Ended	March 31, 2012	March 31, 2011
Onsite	2,996	3,798
Offshore	1,31,861	1,30,399
Billed-total	**1,34,857**	**1,34,197**

Year Ended	March 31, 2012	March 31, 2011
Non-billable	51,642	47,902
Training	8,730	9,627
Total professionals	**1,95,229**	**1,91,726**
Support	12,173	11,869
Total	**207,402**	**203,595**

1.2 Revenues by Project Type

The company's revenues are generated principally on time and material basis and fixed price contracts. Revenue from fixed price contracts is recognized as per the proportionate completion method. On time and material contracts, revenue is recognised as the related services are rendered.

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

year Ended	March 31, 2012	March 31, 2011
Fixed price	10.5%	5.4%
Transaction Based Pricing	27.4%	27.4%
Time and material	62.2%	67.2%
Total	**100.0%**	**100.0%**

1.3 Revenues by Industry Segments

Infosys BPO offers Business process outsourcing solutions to several clients and its service offerings span across multiple industry segments. Following is the revenue by industry:-

year Ended	March 31, 2012	March 31, 2011
Insurance, banking & financial services	28.7%	29.7%
Insurance	13.7%	12.7%
Banking & financial services	15.1%	17.0%
Manufacturing	32.9%	32.2%
Retail	2.2%	2.3%
Telecom	25.1%	25.4%
Energy and Utilities	2.0%	1.9%
Transportation & logistics	0.7%	0.0%
Services	2.3%	1.4%
Others	6.1%	7.1%
Total	**100.0%**	**100.0%**

1.4 Revenues by Geographic Region

Revenue is also analyzed in terms of the client locations spread across the globe. Infosys BPO offers services to clients located at different parts of the world, both offshore and onsite. Revenues by location are:-

year Ended	March 31, 2012	March 31, 2011
North America	47.8%	47.2%
Europe	41.5%	44.8%
Others	10.7%	8.0%
Total	**100.0%**	**100.0%**

1.5 Client Concentration and New Business Development

For year ended March 31, 2012, the company has 126 active clients. The company has been consistently providing value added services to its existing clients resulting in better visibility and stability of revenue streams. The following table provides information about client concentration:-

Year Ended	March 31, 2012	March 31, 2011
Active Clients	126	96
Added during the year	36	14
Deleted during the year	6	5

Year Ended	March 31, 2012	March 31, 2011
Revenue – top client	11%	13%
Revenue – top 5 clients	32%	36%
Revenue – top 10 clients	45%	48%

1.6 Voice Vs. Non-Voice

Infosys BPO has from the beginning advocated a non-voice BPO strategy. The management is of the opinion that non voice would offer greater opportunities for process improvements, higher client retention and greater revenues. For the current year ended March 31, 2012, the voice and non-voice proportion was at 18:82 whereas for the previous year, the voice and non-voice proportion was 19:81

2. Expenditure

In ₹Cr

Year Ended	March 31, 2012					March 31, 2011					Growth %
	IBPO*	McCamish	Portland	Total	%	IBPO*	McCamish	Portland	Total	%	(YoY)
Revenues	1,537.18	187.13	44.40	1768.71	100.0%	1321.75	149.88	-	1,471.63	100.0%	20.2%
Cost of Services	835.03	181.75	41.70	1058.48	59.8%	813.92	142.12	-	956.04	65.0%	10.7%
Gross profit	702.15	5.38	2.71	710.24	40.2%	507.83	7.76	-	515.59	35.0%	37.8%
Selling & mktg	80.50	9.16	0.04	89.70	5.1%	96.27	7.42	-	103.68	7.0%	-13.5%
Gnrl and admn	184.99	14.57	1.42	200.97	11.4%	167.48	16.58	-	184.06	12.5%	9.2%
Total	265.49	23.73	1.46	290.67	16.4%	263.74	24.00	-	287.74	19.6%	1.0%
Operating profit	436.66	(18.35)	1.25	419.56	23.7%	244.09	(16.24)	-	227.84	15.5%	84.1%
Depreciation	54.00	5.10	0.33	59.44	3.4%	54.69	3.34	-	58.03	3.9%	2.4%
Operating profit after Interest & Depreciation	382.66	(23.45)	0.92	360.13	20.4%	189.40	(19.58)	-	169.82	11.5%	112.1%
Other income	46.27	(0.60)	0.06	45.72	2.6%	41.16	(0.11)	-	41.05	2.8%	11.4%
Profit before tax	428.93	(24.05)	0.97	405.85	22.9%	230.55	(19.68)	-	210.87	14.3%	92.5%
Provision for tax	99.08	0.00	1.79	100.87	5.7%	13.43	0.00	-	13.43	0.9%	650.9%
Profit After Tax	329.85	(24.05)	(0.82)	304.98	17.2%	217.12	(19.68)	-	197.43	13.4%	54.5%

* IBPO includes Infosys BPO Limited, Infosys BPO s.r.o and Infosys BPO S.p. zoo

2.1 Cost of Services

In ₹Cr

Year Ended	Mar 31, 2012					Mar 31, 2011					Growth %
	IBPO*	McCamish	Portland	Total	%	IBPO*	McCamish	Portland	Total	%	(YoY)
Employee Costs	640.21	93.67	32.47	766.35	43.3	589.16	82.99	-	672.15	45	14.0%
Travelling expenses	56.75	1.76	1.02	59.53	3.4	51.73	2.32	-	54.04	3.7	10.2%
Consultancy	10.04	68.27	4.51	82.82	4.7	36.45	39.97	-	76.42	5.2	8.4%
Cost of software	19.40	4.68	0.03	24.11	1.4	24.03	3.00	-	27.04	1.8	-10.8%
Communication expenses	24.49	2.12	0.20	26.81	1.5	35.08	0.52	-	35.60	2.4	-24.7%
Rent	52.53	2.98	0.85	56.36	3.2	46.42	2.92	-	49.34	3.4	14.2%
Other expenses	31.61	8.27	2.62	42.50	2.4	31.06	10.40	-	41.46	2.8	2.5%
Total	835.03	181.75	41.70	1058.48	59.8	813.92	142.12	-	956.04	65	10.7%
Revenues	1,537.18	187.13	44.40	1768.71		1,321.75	149.88	-	1,471.63		

* IBPO includes Infosys BPO Limited, Infosys BPO s.r.o and Infosys BPO S.p. zoo

Employee Cost consists of salaries paid to employees in India and includes overseas staff expenses. Details of total billed and non-billable person months and gross addition for the year are as follows:-

Year Ended	Mar 31, 2012	Mar 31, 2011
Billed Person Month	1,34,857	1,34,196
Non Billable and Trainee Person Month	60,372	57,530
Gross Addition	9,968	8,250
Aggregate Employees	20,523	18,113

During the current year there is increase in both billed and non billable person month.

The utilization rates of billable employees are as below:-

As of	March 31, 2012	March 31, 2011
Including trainees	69%	70%
Excluding trainees	73%	74%

Travelling expenses, representing cost of travel abroad for transition and discovery, client visits, local conveyance etc constituted approximately 3.37% and 3.67% of total revenue for the year ended March 31, 2012 and March 31, 2011 respectively.

Consultancy charges represent the cost of sub-contractors used for operational activities. The company uses these consultants mainly to meet mismatch in certain skill-sets that are required in various projects and will continue to use external consultants for some of its project work on a need basis. It also includes sub-contractor charges of an existing client.

Cost of software packages represents the cost of software packages and tools procured for internal use by the company for enhancing the quality of its services.

A major part of the company's revenue comes from offshore business process services. This involves the large-scale use of communication links in order to be online with clients. Communication expenses represent 1.52% and 2.42% of revenues for the years ended March 31, 2012 and March 31, 2011 respectively.

Other expenses represent office and computer maintenance, consumables and general expenses, which were 2.40% and 2.82% of the revenues for the year ended March 31, 2012 and March 31, 2011 respectively.

2.2 Selling and Marketing expenses

In ₹Cr

Year Ended	March 31, 2012					March 31, 2011					Growth %
	IBPO*	McCamish	Portland	Total	%	IBPO*	McCamish	Portland	Total	%	(YoY)
Employee Costs	57.64	3.84	-	61.49	3.5%	75.59	3.59	-	79.18	5.4%	-22.4%
Foreign Travel	9.27	0.71	-	9.98	0.6%	9.65	0.58	-	10.24	0.7%	-2.5%
Brand Building	6.45	0.33	-	6.78	0.4%	2.36	0.23	-	2.59	0.2%	161.9%
Professional Charges	1.07	0.01	-	1.08	0.1%	0.83	0.00	-	0.83	0.1%	29.1%
Travelling Exp	-	-	-	-	-	-	-	-	-	-	-
Recruitment Exp	0.14	-	-	0.14	-	0.29	-	-	0.29	0.0%	-50.8%
Rent	2.46	0.07	-	2.53	0.1%	1.97	0.07	-	2.04	0.1%	24.0%
Other Exp	3.47	4.19	0.04	7.70	0.4%	5.57	2.94	-	8.51	0.6%	-9.5%
Total	80.50	9.16	0.04	89.70	5.1%	96.27	7.42	-	103.68	7.0%	-13.5%
Revenues	1537.18	187.13	44.40	1768.71		1321.75	149.88	-	1471.63		

* IBPO includes Infosys BPO Limited, Infosys BPO s.r.o and Infosys BPO S.p. zoo

The company incurred Selling and Marketing expenses at 5.07% of its revenue during the current year as compared to 7.05% during the previous year.

Employee costs consist of salaries paid to sales and marketing employees and include the bonus payments made to sales personnel. Brand building expenses includes payments to PR agencies.

Professional charges primarily relate to payments made for legal charges, translation charges, etc. It also includes consultant charges towards recruitment of sales personnel.

Rent comprises of overseas and domestic rent payments for space utilized by sales and marketing team.

Other Marketing Expenses represents communication expenses, printing and stationery, recruitment charges, postage and courier and other miscellaneous expenses.

At the end of the current year, Infosys BPO had 126 clients as compared to 96 clients in the previous year.

2.3 General and administration expenses

In ₹Cr

Year Ended	March 31, 2012					March 31, 2011					Growth %
	IBPO*	McCamish	Portland	Total	%	IBPO*	McCamish	Portland	Total	%	(YoY)
Employee Costs	78.65	10.02	0.00	88.67	5.0%	79.14	11.54	-	90.68	6.2%	-2.2%
Professional Charges	8.63	0.86	0.03	9.46	0.5%	7.48	0.71	-	8.19	0.6%	15.5%
Rent	3.74	0.25	0.00	4.00	0.2%	3.84	0.24	-	4.08	0.3%	-2.0%
Power and fuel	22.60	0.19	0.02	22.81	1.3%	18.90	0.15	-	19.05	1.3%	19.7%
Travel and Conveyance	3.36	0.20	0.00	3.57	0.2%	2.24	0.06	-	2.30	0.2%	54.9%
Cost of Software	1.17	0.03	0.00	1.20	0.1%	1.18	0.00	-	1.18	0.1%	1.8%
Office Maintenance	33.51	0.12	0.01	33.64	1.9%	30.72	0.11	-	30.83	2.1%	9.1%
Insurance Charges	8.70	0.57	0.02	9.28	0.5%	7.28	0.91	-	8.20	0.6%	13.2%
Other expenses	24.64	2.32	1.39	28.36	1.6%	16.70	2.87	-	19.57	1.3%	44.9%
Total	184.99	14.57	1.42	200.97	11.4%	167.48	16.58	-	184.06	12.5%	9.2%
Revenues	1537.18	187.13	44.40	1768.71		1321.75	149.88	-	1471.63		

*IBPO includes Infosys BPO Limited, Infosys BPO s.r.o and Infosys BPO S.p. zoo

The company incurred General and administration expenses amounting to 11.36% of its total revenue during the current year as compared to 12.51% of revenues during the previous year.
Professional charges include fees paid for availing services such as consultant charges, US GAAP audit, legal fees, etc.

3. Operating profits

During the year ended March 31, 2012, the company earned an operating profit (profit after interest, depreciation and tax) of ₹ 360.13 Cr is representing 20.36% of revenues as compared to ₹ 169.82 Cr. is representing 11.54% of revenues during the previous year.

4. Interest

The company continued to be debt-free during the year.

5. Depreciation and Amortization

The company provided a sum of ₹ 59.44 Cr. and ₹ 58.03 Cr. towards depreciation for the years ended March 31, 2012 and March 31, 2011 respectively representing 3.36% and 3.94% of total revenues respectively. The depreciation and amortization as a percentage of average gross block is 7.99% and 9.69% for the years ended March 31, 2012 and March 31, 2011 respectively.

6. Other income

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

In ₹Cr

Year Ended	March 31, 2012	March 31, 2011
Interest Income	61.10	32.18
On deposits with financial institution/bodies corporate	8.64	3.39
On deposits with banks	51.94	28.68
On Loans to Subsidiary	0.53	0.11
Dividend income	3.13	3.41
Exchange differences	(18.50)	6.63
Miscellaneous Income	(0.01)	(1.17)
Total	**45.72**	**41.05**

7. Provision for tax

The present Indian corporate tax rate is 32.445% (comprising a base rate of 30% and a surcharge of 5% on the base rate and an educational cess of 3% on the cumulative tax).The company had exemptions from payment of Indian corporate income taxes for a period of ten consecutive years of operation of software development facilities designated as "Software Technology Parks" (the "STP Tax Holiday"). The period of the STP Tax Holiday available was restricted to 10 consecutive years beginning from the financial year when the unit started rendering business process management services or March 31, 2011, whichever was earlier. During the year all STP units are taxed at full rate.

Infosys BPO also has operations in a Special Economic Zone ("SEZ"). Income from SEZs is fully tax exempt for the first 5 years, 50% exempt for the next 5 years and 50% exempt for another 5 years subject to fulfilling certain conditions. Pursuant to the amendments in the Indian Income Tax Act, the company has calculated its tax liability after considering Minimum Alternate Tax (MAT). The MAT liability can be carried forward and set off against the future tax liabilities.

The Exemptions are summarized in the table below:

SEZ India Locations	100% first 5 years	50% next 5 years
Chennai	2011-12 to 2015-16	2016-17 to 2020-21
Gurgaon	2008-09 to 2012-13	2013-14 to 2017-18
Jaipur	2008-09 to 2012-13	2013-14 to 2017-18
Pune	2007-08 to 2011-12	2012-13 to 2016-17

SEZ Manila Locations	100% for first 4 years	100% for next 2 years
Unit 1 Manila	2007-08 to 2010-11	2011-12 to 2013-14
Unit 3 Manila	2012-13 to 2016-17	-

Provisions for taxation represent estimated income tax liabilities, both in India and abroad. For the year ended March 31, 2012, provision for taxation amounts to ₹ 92.89 Cr. Deferred tax assets of ₹ (0.55) Cr. were recognized and MAT credit entitlement for ₹ (8.53) Cr. was accounted for. Net impact of provision for taxation for different period is as follows.

In ₹Cr

As of	March 31, 2012	March 31, 2011
Provision for Taxation (net)	100.87	13.43
Total	100.87	13.43

8. Net profit

The net profit of the company from ordinary activities amounted to ₹ 304.98 Cr. and ₹ 197.43 Cr. for the years ended March 31, 2012 and March 31, 2011 respectively. This represents 17.24% and 13.42% of total revenue for the respective years. Excluding other income of 145.72 Cr. (2.59% of revenues) in the current year as compared to ₹ 41.05 Cr. (2.79% of revenues) in the previous year, the net profit would have been ₹ 259.26 Cr. and ₹ 156.38 Cr. in the current and previous year respectively.

9. Liquidity

The growth of the company has been largely financed by cash generated from operations. As of March 31, 2012 the company had cash and cash equivalents of ₹ 659.94 Cr. including short term liquid investments in money market instruments amounting to ₹ 10.00 Cr. and investment in Mutual fund amounting to ₹ 20.05 Cr. The cash and cash equivalents decreased by ₹ 1.67 Cr. during the year.

Liquidity Position

In ₹Cr

	March 31, 2012	March 31, 2011
Cash and cash equivalents	659.94	661.61
Net increase in cash and cash equivalents	(1.67)	333.41
Cash Flows :		
Operating Activities	280.33	168.06
Investment Activities	(155.08)	215.70
Financing	-	-
Capital expenditure	(110.81)	(53.52)
Exchange Impact on Cash	(16.10)	3.17

Investment activities include investment in Mutual Fund ₹ 20.05 Cr.

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

10. Stock option plans

Employee Stock Option Plan (2002 plan)

As at March 31, 2012, 476,250 options are held by Infosys Limited. Options held by Infosys Limited cannot be exercised due to legal restrictions and will expire in due course. Accordingly these options have not been considered while computing dilutive earnings per share of the company from the date Infosys Technologies Limited owned these options.

The following table summarizes information about stock options held by Infosys Limited as of March 31, 2012 and March 31, 2011

Range of exercise prices (in ₹)	Stock options o/s at the end of the period	
	March 31, 2012	March 31, 2011
33.12-58.33	-	-
58.34-77.89	-	-
77.90-99.20	-	-
99.21-162.23	-	-
162.24-195.00	-	2,03,000
195.01-214.00	-	-
214.01-230.00	1,05,000	1,05,000
230.01-310.00	61,250	61,250
310.01-604.00	3,10,000	3,10,000
Total	4,76,250	6,79,250

11. Acquisition of Portland Group:

On January 4, 2012, Infosys BPO acquired 100% of the voting interests in Portland Group Pty Ltd a strategic sourcing and category management services provider based in Sydney, Australia. The business acquisition was conducted by entering into definitive share sale agreement for a cash consideration of ₹ 211,05,71,750 (AUD 36 million). The acquisition was completed during the year and accounted as a business combination which resulted in goodwill of ₹ 167,58,14,255 (AUD 24 million)

Ratio Analysis

	2011-2012	2010-2011
Ratios- Financial Performance		
Overseas revenue/ total revenue (%)	99.6	99.6
Domestic revenue/total revenue (%)	0.4	0.4
Gross profit / total revenue (%)	40.7	35.6
COR / total revenue (%)	59.3	64.4
Selling & Marketing Expenses / total revenue (%)	5.1	7.0
General & administrative expenses / total revenue (%)	11.4	12.5
SG&A expenses / total revenue (%)	16.4	19.6
Aggregate employee costs / total revenue (%)	51.8	57.2
Operating profit (PBIDAT) / total revenue (%)	24.2	16.0
Depreciation / total revenue (%)	3.4	3.9
Operating profit after depreciation and interest / total revenue (%)	20.9	12.1
Other Income / total revenue (%)	3.0	3.1
Profit before tax / total revenue (%)	23.9	15.1
Tax / total revenue (%)	5.7	0.9
Effective tax rate - Tax / PBT (%)	23.9	6.0
Net Profit after Tax/ revenue(%)	18.2	14.2
Ratios - Balance Sheet		
Debt-equity ratio	-	-
Current Ratio	2.4	2.4
Days Sales Outstanding (DSO)	78.0	77.5
Cash and equivalents / total assets (%)	30.9	36.7
Cash and equivalents / total revenue (%)	36.2	42.0
Depreciation / average gross block (%)*	8.0	9.7
Capital Expenditure / total revenue (%)	13.5	3.4
Operating Cash Flows / total revenue (%)	15.4	11.9
Ratios- Return		
ROCE (PBIT / average capital employed) (%)*	31.5	20.7
Ratios- Growth		
Overseas revenue (%)	20.2	5.8
Total revenue (%)	20.2	6.9
Operating Profit (%)	107.9	(36.3)
Net Profit (%)	53.6	(25.2)
Earnings Per Share- Basic** (%)	53.6	(25.2)
Earnings Per Share- Diluted (%)	53.6	(25.2)

Note: The ratio calculations are based on consolidated Indian GAAP financial statements

* Average Capital of LTM and revenue of LTM is considered for calculation

** Weighted average number of shares are used in computing earnings per share

Report on Health, Safety and Environment

The operations of Infosys BPO Limited are people intensive rather than resource intensive. Hence we not only work towards sustaining our infrastructure but, employees who are the end users of this infrastructure are also engaged through various initiatives.

OZONE – The Health, Safety and Environmental Management System (HSEMS) at Infosys BPO Limited

The Ozone initiative, in partnership with Infosys Limited helps the company to comply fully with all legal requirements and meet or exceed these expectations wherever we operate, helps in providing a secure working environment to protect employees, assets and operations against all risks of injury, loss or damage, from natural calamities and hostile acts. The initiative also strives to keep employees, contractors and others well informed, trained and committed to our HSE process.

The various initiatives undertaken in the year 2011-12 includes and is not limited to:

- **Awareness:** Creating awareness about OZONE, SAFE and other initiatives among all employees
- **Energy:** Better controls - optimization of Chillers, UPS etc., adoption of best practices - introduction of LED lights, installation of energy savers in lighting systems, installation of occupancy sensors etc., and use of energy efficient systems, have resulted in conservation of energy.
- **Water:** Water is diligently used on all our campuses. Waste water, resulting from usage within each of our campuses, is treated and recycled in our own sewage treatment plants. All recycled water is used for landscape maintenance within the campus.
- **Paper:** Paper consumption has been reduced significantly through various initiatives like access password controlled printing, monitoring and control of printer utilization, building e-modules, awareness campaigns like zero print weeks among others.
- **Carbon emissions:** Our goal and commitment is to become carbon neutral by 2012. Several energy reduction programs have been initiated. Campaigns and initiatives promoting the use of mass transportation and car pooling amongst employees are two such examples. Employees are encouraged to use teleconferencing and video conferencing to avoid long distance travel and thus minimize their impact on the environment.
- **Waste management:** A focused approach to waste management has resulted in better disposal systems.
- **Campus design and infrastructure development:** Developing smart infrastructures which not only caters to our needs but also supports the overall ecology and enable a secure, healthy and environmentally-sound performance throughout their operational life has been our focus. The highlight of the year was the LEED Platinum rating for our building at Jaipur.

Health and Safety

Safety is every employee’s responsibility and concern. Employees are expected to report workplace hazards and incidents to the concerned officials and contribute to finding and implementing solutions.

SAFE - Secure Affirmative Fun Environment

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

- **Risk assessment, disaster recovery and business continuity**

An exhaustive, well defined and well-rehearsed Business Continuity Plan exists at Infosys, to effectively address all perceived threats. This partnership of Infosys BPO Limited with Infosys Limited operates under the banner of the "Phoenix" initiative. Learnings from previous incidents, threats and exercises are used to update plans and trainings effectively.

- **Assessments and Reviews**

Periodic reviews and quarterly audits of the HSEMS were conducted for evaluating the HSE performance. An annual surveillance audit of the Bangalore and Pune facilities will be held during March 2012 which will be conducted by our certification body.

Risk Management Report

Management of Risk

This report sets out the enterprise wide risk management that is practiced by Infosys BPO. Readers are cautioned that the risks outlined here are not exhaustive and are for information purposes only. This report contains statements, which may be forward-looking in nature. Our business model is subject to uncertainties that could cause actual results to differ materially from those reflected in the forward-looking statements. Readers are requested to exercise their own judgment in assessing the risks associated with the company.

Infosys BPO leverages the strengths of the streamlining of processes to make them more standardized and simpler, minimizing risks associated with internal fraud, information leakage, interruption risk, damage to physical assets and innovation to eliminate redundant steps in process and add value for its stakeholders. In this process Infosys BPO recognizes the fact that its clients are taking substantial risk in deciding to outsource their complex business processes and consequently adopts a strategic approach towards risk management from their perspective. This business model is fundamentally different from that of our competitors and hence our approach to risks is different from others. Further, Infosys BPO also recognizes the fact that internal risk management practices are also important to all stakeholders including its internal clients and regulators.

Infosys BPO has grown both organically and inorganically since its inception. This has led to integration of management systems and internal controls. Globally, business process outsourcing is attracting considerable attention and is gaining significant momentum. However, changes in global economic environment, matured and higher client expectations, and shifts in competitive landscape, have increased the challenges faced by Infosys BPO and therefore the management of risks has become more important.

Risk Management Framework

Infosys BPO has always sought a comprehensive view to risk management to address risks inherent to clients as well as enterprise risks. Over the last few years, Infosys BPO has implemented many controls focusing on reducing the risks to its operations from the perspective of operational risk and control, data protection, information security and business continuity.

Risk Governance: Key risks are managed through a structure that cascades across the corporate, business units and the subsidiaries are located in following locations

Americas

- Brazil
- Mexico
- United States

Europe

- Czech Republic
- Poland

APAC and Australia

- China
- India
- Philippines

At the corporate level, The Board of Directors is responsible for managing risks on various parameters. Under the supervision of the Managing Director and CEO, the Executive Council has to ensure implementation of the mitigation measures. The Audit Committee of the Board provides oversight and reviews the risk management policies annually. The Risk Management group facilitates the implementation and management of the controls at business unit and department level. The implementation approach and governance is based on the following three approaches

1) Control Self-Assessment by the various departments and units.
2) Control validation through process audits.
3) Third party assessments of control implementation

The day to day implementation of the Risk Management steps are undertaken at each facility by respective functional teams for each location and their implementation are overseen at the organization level by a Risk Management Core Group comprising of the various functional heads. (See Pic 1)

The Risk Council, comprising of the CEO, COO and CFO along with the CRO review both client facing risks and Infosys BPO internal risks and suggest appropriate mitigation to be put in place. Material Non Compliances identified out of Self Assessment and other audits are reported to the Risk Management Council. Mitigation action for the top risks in the organization is also tracked by the Risk council.

The Risk Management Core Group comprises of represented members from each of the Business Enabling Functions and center heads. This team recommends policies and standards formulation, implementation and communication. On a monthly basis this teams reviews all incidents, exceptions and suggests necessary changes to the appropriate policies and standards.

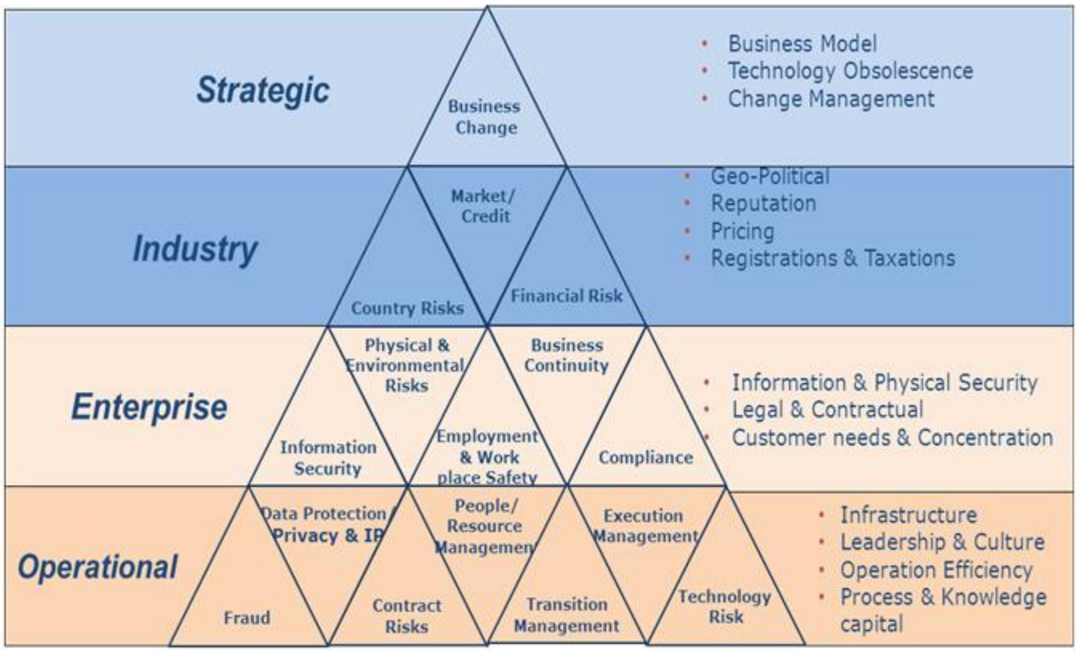
Risk Identification: External and internal risk factors that must be managed are identified in the context of organizational strategy. These are identified by using the recommendations for Enterprise Risk Management being proposed by The Committee of Sponsoring Organizations of the Tread way Commission (COSO). Using this framework, the risk factors that could potentially affect the company and its stakeholders are identified. The process of business/strategic risk identification is done at the enterprise level by an annual Risk survey and at functional levels by the various functional teams along with the Risk Management team. At an engagement/ client level risks are identified and reported on a monthly basis.

Risk Assessment and Control: Infosys BPO has a Control Self-Assessment Framework - SA/IA that is administered by the quality group. The Self-assessment (SA) is conducted every quarter and the Independent assessment (IA) is done every 6 months.

Infosys BPO carries out periodic initiatives to improve the risk management capability of its managers and increase organizational awareness through a 6 monthly Risk Management Refresher campaign. In addition to ensuring that all employees go through a mandatory training on risk management during induction, employees are put through these refresher sessions including use of online awareness quiz which has been mandated twice a year for all employees and other learning resources has been introduced via the intranet online training module which is Technical Advance Learning under which courses like Anti Money Laundering (AML), Health Insurance Portability and Accountability Act

(HIPAA) have been made available for all employees across the organization. In addition establishing adequate control environment, the company has a comprehensive scheme of transfer of residual risks by insurance.

Infosys BPO has developed a comprehensive Risk Management Framework that is applied to each of the client engagements and tested periodically. The framework includes identifying and assessing the risk and hazards, analyzing the control measures in place to mitigate the risks and or its consequences. Risks are documented and reviewed in the form of a dashboard as illustrated below:



Third Party Assurance

Infosys BPO's internal controls are also audited by third party and this is done via the International Standards of Assurance Engagements (ISAE) 3402 is an internationally recognized auditing standard developed by International Auditing and Assurance Standards Board (IAASB), which is part of the International Federation of Accountants (IFAC).. A ISAE 3402 audit suggests that a service organization has been through an in-depth audit of control activities, which generally include controls over information technology and related processes. Infosys BPO has been providing all clean reports since 2004. The audit is conducted by one of big four audit firm.

Infosys BPO has covered all its locations under this audit- In FY11- Manila, Philippines; Atlanta-USA; Bangalore, Chennai, Jaipur and Gurgaon, India; Lodz, Poland; and Brno, Czech Republic were certified Type II or SOC1 audit

Corporate Governance Report

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

The Corporate conduct is integral part of our business. The actions are governed by the values and principles which are reinforced at all levels in the organization. Our code of business principles reflects our continued commitment to ethical business practices, values and compliance to all laws of the land. Our company belongs to the visionary founders who have made good governance as part of their life and demonstrated in every act they pursued.

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

In line with the company's commitment to good corporate governance practices, your company has constituted audit and compensation committees consisting of majority of independent directors. As a step further towards this objective, your company has also complied with major aspects of the US Sarbanes–Oxley Act of 2002 such as constituting of the Whistle Blower Policy, Code of conduct for senior officers and executives and also Section 404 of the Act, relating to certification by the CFO and CEO of the appropriateness of internal controls relating to the financial reporting. Your company has complied with all norms of corporate governance applicable to unlisted Public Company as envisaged under the Companies Act, 1956. Though not mandatorily applicable/ notified, your company also complies with all the applicable recommendations of Naresh Chandra committee, N R Narayanamurthy committee as well as the secretarial standards on Board and general meetings issued by the Institute of Company Secretaries of India.

A. Board of Directors

Composition of the Board

The Board is at present headed by Mr. V Balakrishnan, non-executive Chairman and consists of five directors including Managing Director and Chief Executive Officer (CEO) and two independent Directors.

Composition of the Board, and External Directorships held during 2011-12

Directorship held as on March 31, 2012

Name of the Director	Position	Relationship with other Directors	Indian listed companies	All companies around world*
V. Balakrishnan	Chairman	None	1	3
D. Swaminathan	MD and CEO	None	-	5
Prof. Jayanth R. Varma	Director	None	-	2
Sridar A. Iyengar	Director	None	4	15
Chandrashekar Kakal	Director	None	-	3

Note:

*Directorships in companies around the world including Infosys BPO Limited and its subsidiaries.

Board membership Criteria

The Board members are expected to possess the expertise, skills and experience required to manage and guide a high growth, hi-tech, ITES company deriving revenue globally. Expertise in strategy, technology, finance, quality and human resources is essential. Generally, they will be between 40 and 60 years of age. They will not be relatives of a director including executive director. They are generally not expected to serve in any executive or independent position in any company in direct competition with your company. The Board members are expected to rigorously prepare for, attend and participate in all Board and applicable committee meetings. Each Board Member is expected to ensure that their other current and planned future commitments do not materially interfere with the member's responsibility as a director of your company.

Board membership term

The Board constantly evaluates the contribution of its members and recommends to shareholders their appointment. The current law in India mandates the retirement of one-third of the Board Members every year and qualifies the retiring members for re-appointment. The executive directors are appointed by the shareholders for a maximum period of 5 years at one time, but are eligible for re-appointment upon completion of their term. The Non-executive Directors do not have a specified term and are liable to retire by rotation, unless resigned/removed from the office of Director.

Board compensation review

The compensation committee determines and recommends to the Board, the compensation payable to the Executive director. The compensation of the Executive director consists of a fixed component and a performance incentive. The shareholders determine the compensation of the Executive director for the entire period of the term. The Compensation payable to each of the Independent directors is limited to a fixed amount per year as determined and approved by the Board, which is within the limit of 1% as approved by the shareholders and calculated as per the provisions of the Companies Act, 1956.The performance of Independent directors is reviewed by the Board of Directors on an annual basis. The Compensation payable to independent directors and the method of calculation are disclosed in the financial statements.

Memberships of other Boards

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

Board Meetings

Scheduling and selection of agenda items for Board meetings

Normally, Board meetings are scheduled at least a month in advance. The meetings are held at the company's registered office at Electronics City, Bangalore, India. The Chairman of the Board and the Company Secretary draft the agenda for each meeting, along with explanatory notes and distribute it in advance to the Board Members. Every Board Member is free to suggest the inclusion of items on the agenda. Independent directors are normally expected to attend at least four Board meetings in a year. A committee of the Board meets as and when required for transacting business of a routine nature.

Number of Board Meetings and the attendance of directors during FY 2011-2012

Name of the Director	Number of meetings held	Number of meetings attended
T V Mohandas Pai [1]	6	2
V Balakrishnan[2]	6	4
S D Shibulal[3]	6	3
Eric S Paternoster[4]	6	2
B G Srinivas[5]	6	3
D Swaminathan	6	6
Prof. Jayanth R Varma	6	4
Sridar A Iyengar	6	4
Chandrashekar Kakal[6]	6	3

Note-

(1) Mr. T. V. Mohandas Pai, resigned as Chairman and Member of the Board with effect from June 11, 2011
(2) Mr. V. Balakrishnan, was appointed as additional Director with effect from June 11, 2011
(3)Mr. S. D. Shibulal, resigned as the Member of the Board with effect from September 30, 2011
(4) Mr. Eric S. Paternoster, resigned as the Member of the Board with effect from September 30, 2011
(5) Mr. B. G. Srinivas, resigned as the Member of the Board with effect from September 30, 2011
(6) Mr. ChandraShekar Kakal, was appointed as additional Director with effect from October 7, 2011

Availability of information to the members of the Board

The Board has unfettered and complete access to any information within the company and to any employee of the company. The Board is usually presented with the following information

- Review of annual operating plans of business, capital budgets, updates.
- Quarterly results of the company and that of its business segments.
- Minutes of its previous meeting and also minutes of all other committees of the Board.
- Information on recruitment, remunerations and other changes in the senior management.
- Materially important show cause, demand, prosecution and penalty notices.
- Fatal or serious accident or dangerous occurrences.
- Any materially significant effluent or pollution problems.
- Any materially relevant default in financial obligations to and by the company.
- Any issue which involves possible public or product liability or claims of substantial nature.
- Details of any joint venture or collaboration agreement.
- Transactions that involve substantial payment towards goodwill, brand equity or intellectual property.
- Significant labour problems and their proposed solutions.
- Sale of investments which are material in nature, subsidiaries, assets which are not in the normal course of business.
- Quarterly details of foreign exchange exposure and the steps taken by the management to limit the risks of adverse exchange rate movement.
- Non-compliance of any regulatory or statutory provisions.

Further the above matters are routinely presented with all information under the above heads whenever applicable and materially significant. These are submitted either as part of the agenda papers well in advance of the Board meetings or are tabled in the course of the Board meetings. Further, it welcomes the presence of managers who can provide additional insights into the items being discussed.

Materially significant related party transactions

There are no materially relevant related party transactions, pecuniary transactions or relationships between your company and its directors for the year ended March 31, 2012 that may have a potential conflict with the interest of the company at large. Non-material related party transactions in the normal course of business and conducted at arms length are duly recorded in the register of contracts maintained by the company pursuant to section 301 of the Companies Act, 1956.

Remuneration paid or payable to the Directors:

Non-executive directors

in ₹

Name of the Director	Relationship with other Directors	Salary	Perquisites (1)	Commission (2)	Sitting fees	Total
V Balakrishnan	None	-	-	-	-	-
Prof. J R Varma	None	-	-	12,00,000	60,000	12,60,000
Sridar Iyengar	None	-	-	12,00,000	60,000	12,60,000
Chandrashekara Kakal	None	-	-	-	-	-

Executive director

Mr. D Swaminathan, Managing Director and CEO from the year ended March 31, 2012

The Board of Directors in their meeting held on January 7, 2010 appointed, subject to the approval of the shareholder in a General Meeting, Mr. D Swaminathan as the Managing Director and CEO for a initial term of five (5) years with effect from January 16, 2010 or attaining the age of superannuation whichever is earlier.

The details of remuneration paid to Mr. D Swaminathan for the year ending March 31, 2012 is as follows

In ₹

Particulars	March 31, 2012	March 31, 2011
Salary, allowances including contributions to Provident Fund, Gratuity, Superannuation allowance and Performance incentive	2,58,45,613	1,24,74,014

Board Committees

The committees of the Board

Currently, the Board has four committees – the Audit committee, the Compensation committee, the Share allotment/ transfer committee and the Investment committee. The Audit and Compensation committees comprise of non-executive and independent director as Chairman and constitutes majority of independent directors. The Board is responsible for the constituting, assigning, co-opting and fixing the terms of service for committee members to various committees.

Frequency and duration of committee meetings and agenda

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

Quorum for the meetings

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

Audit committee

Section 292 A of the Companies Act, 1956 requires every public company having a paid-up capital of more than ₹ 5 Crore to constitute an Audit committee consisting of at least three directors, of which two-third of the total number of directors shall be directors, other than managing director or whole time director.

Terms of reference

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

Composition

As on March 31, 2012, the committee consists of the following members

- Prof. Jayanth R Varma, Chairman
- Mr. Sridar Iyengar.
- Mr. V Balakrishnan.

Audit committee charter

Primary objectives of the Audit Committee

The primary objectives of the Audit Committee (the "Committee") are to monitor and provide effective supervision of the management's financial reporting process with a view to ensure accurate, timely and proper disclosures and the transparency, integrity and quality of financial reporting.

The Committee oversees the work carried out in the financial reporting process – by the management, including the internal auditors and the independent auditor – and notes the processes and safeguards employed by each.

Scope of the Audit Committee

- Provide an open avenue of communication between the independent auditor, internal auditor and the Board of Directors ("BoD").
- Meet four times every year or more frequently as circumstances require. The Audit Committee may ask members of management or others to attend meetings and provide pertinent information.
- Confirm and assure the independence of the external auditor and objectivity of the internal auditor.
- Review with the independent auditor the co-ordination of audit efforts to assure completeness of coverage, reduction of redundant efforts and the effective use of all audit resources.
- Consider and review with the independent auditor:

  (a) The adequacy of internal controls including computerised information system controls and security; and

  (b) Related findings and recommendations of the independent auditor and internal auditor together with management's responses.
- Consider and review with management, internal audit and the independent auditor

  (a) Significant findings during the year, including the status of previous audit recommendations;

  (b) Any difficulties encountered in the course of audit work including any restrictions on the scope of activities or access to required information; and

  (c) Any changes required in the planned scope of the internal audit plan.
- Report periodically to the BoD on significant results of the foregoing activities.

Composition of the Audit Committee

- The Committee shall consist of a minimum of three directors, each of whom is `financially literate' or shall become `financially literate' within a reasonable period of time after his or her appointment. They should be diligent, knowledgeable, dedicated, interested in the job and willing to devote a substantial amount of time and energy to the responsibilities of the Committee, in addition to BoD responsibilities. At least one of the members shall have accounting or related `financial management expertise'. The members of the Committee shall be elected by the BoD and shall continue until their successors are duly elected. The duties and responsibilities of a member are in addition to those applicable to a member of the BoD. In recognition of the time burden associated with the service and, with a view to bring in fresh insight, the Committee may consider limiting the term of audit committee service, by automatic rotation or by other means. One of the members shall be elected as the Chairman either by the full BoD or by the members themselves, by majority vote.

- The BoD may, under exceptional and limited circumstances, waive this requirement if it is of the view that the concerned member is required in the Committee, in the best interests of the Company and its shareholders.

Relationship with independent and internal auditors

The BoD and the Committee have the ultimate authority and responsibility to select, evaluate, and, where appropriate, replace the independent auditors in accordance with law. All possible measures must be taken by the Committee to ensure the objectivity and independence of the independent auditors. These include:

- obtaining from the independent auditors formal written statements delineating all relationships between the auditors and the Company, consistent with applicable regulatory requirements;
- actively engaging in dialogues with the auditors with respect to any disclosed relationships or services that may impact their objectivity and independence and take, or recommend that the full BoD take appropriate action to ensure their independence;
- require and encourage the independent auditors to open and frank discussions on their judgements about the quality, not just the acceptability of the Company's accounting principles as applied in its financial reporting, including such issues as the clarity of the Company's financial disclosures and degree of aggressiveness or conservatism of the Company's accounting principles and underlying estimates and other significant decisions made by the management in preparing the financial disclosure and audited by them.
- The internal auditors of the Company are in the best position to evaluate and report on the adequacy and effectiveness of the internal controls. Keeping in view the need for the internal auditors' independence from management in order to remain objective, a formal mechanism should be created to facilitate confidential exchanges between the internal auditors and the Committee, regardless of irregularities or problems. The work carried out by each of these auditors needs to be assessed and reviewed with the independent auditors and appropriate recommendations made to the BoD.

Disclosure requirements

- The Committee Charter should be published in the annual report once every three years and also whenever any significant amendment is made to the Charter.
- The Committee shall disclose in the Company's Annual Report whether or not, with respect to the concerned fiscal year:
  - (a) management has reviewed the audited financial statements with the Committee, including a discussion of the quality of the accounting principles as applied and significant judgments' affecting the Company's financial statements;
  - (b) the independent auditors have discussed with the Committee their judgments' of the quality of those principles as applied and judgments' referred to above under the circumstances;
  - (c) the members of the Committee have discussed among themselves, without management or the independent auditors present, the information disclosed to the Committee as described above;
  - (d) the Committee, in reliance on the review and discussions conducted with management and the independent auditors pursuant to the requirements above, believes that the Company's financial statements are fairly presented in conformity with Generally Accepted Accounting Principles ("GAAP") in all material respects; and
  - (e) the Committee has satisfied its responsibilities in compliance with its Charter.

Definitions

Financial literacy

\`Financial literacy' means the ability to read and understand fundamental financial statements. \`Financial management expertise' means past employment experience in finance or accounting, requisite professional certification in accounting, or any other comparable experience or background which results in the member's financial sophistication, including being or having been a Chief Executive Officer or other senior officer with responsibilities to oversee financial issues.

Meetings and attendance during the year

Name of the Director	Number of meetings held	Number of meetings attended
Prof. Jayanth R. Varma	4	4
Sridar A. Iyengar	4	4
S.D. Shibulal(1)	4	2
V. Balakrishnan (2)	4	2

Note-

(1) Mr. S.D. Shibulal, resigned as Member of the Committee with effect from September 30, 2011

(2) Mr. V. Balakrishnan, was appointed as Member of the Committee with effect from October 1, 2011

Number of meetings held, and the dates on which they were held

During the year, meetings were held on April 11, 2011, July 8, 2011, October 7, 2011 and January 6, 2012

Report for the year ended March 31, 2012

1. The Audit Committee ("the committee") consists of the following directors:

- Prof. Jayanth R. Varma, Chairman.
- Mr. Sridar A. Iyengar, Member.
- Mr. V. Balakrishnan, Member.

2. Each member of the committee is an independent director, according to the definition laid down in the audit committee charter; The Management is responsible for the Company's internal controls and the financial reporting process.

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

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

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

6. The committee also reviewed the financial policies of the Company and expressed its satisfaction with the same.

7. Based on the committee's discussion with the Management and the auditors and the committee's review of the representations of the Management and the report of the auditors to the committee, the committee has recommended the following to the Board of Directors:

- The audited financial statements prepared as per Indian GAAP of Infosys BPO Limited for the year ended March 31, 2012, be accepted by the Board as a true and fair statement of the financial status of the Company.
- The audited consolidated financial statements prepared as per Indian GAAP of Infosys BPO Limited and its subsidiaries for the year ended March 31, 2012, be accepted by the Board as a true and fair statement of the financial status of the group, and
- The financial statements prepared as per IFRS as issued by International Accounting Standards Board (IASB) for the year ended March 31, 2012, be accepted by the Board as a true and fair statement of the financial status of the group.

8. The committee has recommended to the Board the re-appointment of M/s. B S R & Co., Chartered Accountants, as the statutory auditors of the Company for the fiscal year ending March 31, 2013, and that the necessary resolutions for appointing them as auditors be placed before the shareholders.

9. The committee recommended the appointment of M/s. K P Rao, Chartered Accountants as the internal auditors of the Company for the fiscal ending March 31, 2013, to review various operations of the Company, and determined and approved the fees payable to them.

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

Bangalore

April 6, 2012

Prof Jayanth R Varma

Chairman – Audit Committee

Compensation Committee

Terms of reference

The committee has the mandate to review and recommend compensation payable to the executive directors and senior management of the company. It also administers the company's stock option plan including the review and grant of stock options to the eligible employees of the company in accordance with the company's stock option plan.

Composition

As on March 31, 2012, the compensation committee consists of the following members:

- Prof. Jayanth R. Varma, Chairman
- Mr. Sridar A. Iyengar
- Mr. V. Balakrishnan

During the year, the compensation committee met four times.

Meetings and attendance during the year

Name of the Director	Number of meetings held	Number of meetings attended
Prof. Jayanth R Varma	4	4
Sridar Iyengar	4	4
T.V. Mohandas Pai(1)	4	1
V Balakrishnan (2)	4	3

(1) Mr. T V Mohandas Pai, resigned as Member of the Committee with effect from June 11, 2011
(2) Mr. V Balakrishnan, was appointed as Member of the Committee with effect from June 11, 2011

Number of compensation committee meetings held, and the dates on which they were held

During the year, meetings were held on April 11, 2011, July 8, 2011, October 7, 2011 and January 6, 2012

Report for the year ended March 31, 2012

1. The Compensation Committee ("the committee") consists of the following directors:

- Prof. Jayanth R Varma, Chairman.
- Mr. Sridar A Iyengar, Member.
- Mr. V Balakrishnan, Member.

2. The committee reviewed the performance of the executive director on a quarterly basis and approved the payment of individual performance incentive to him. The committee believes that the compensation and benefits are adequate to motivate and retain the senior officers of the Company. Apart from the said disclosures, none of the directors had a material beneficial interest in any contract of significance to which the Company or any of its subsidiary undertakings was a party, during the financial year.

Bangalore

April 6, 2012

Prof Jayanth R Varma

Chairman – Compensation Committee

Investment committee

Terms of reference

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

Composition of the committee

The investment committee consists of the following members:

- Mr. V. Balakrishnan, Chairman
- Mr. D. Swaminathan
- Mr. Abraham Mathews

Report for the year ended March 31, 2012

The Committee has the mandate to approve investments in various corporate bodies within the statutory limits and powers delegated by the Board.

Bangalore **s/d**

April 6, 2012 **V. Balakrishnan, Chairman**

Share Allotment / Transfer Committee

Terms of reference

To approve and register transfer and/ or transmission of all classes of shares and to sub-divide, consolidate and issue share certificates on behalf of the company.

Composition of the committee

The share allotment/ transfer committee consists of

- Mr. V. Balakrishnan, Chairman
- Mr. D. Swaminathan
- Mr. Chandrashekar Kakal

Report for the year ended March 31, 2012

During the year the committee has allotted Nil equity shares consequent to the exercise of stock options by certain eligible employees.

Bangalore **s/d**

April 6, 2012 **V. Balakrishnan, Chairman**

Management review and responsibility

Formal evaluation of officers

The compensation committee of the Board approves the compensation and benefits for the executive Board member as well as members of the management council. Another committee headed by the CEO reviews, evaluates and decides the annual compensation for the officers of the company from the level of associate vice-president but excluding members of the management council. The compensation committee administers the 2002 Employee Stock Option Plan.

Board interaction with clients, employees, investors, the government agencies and the press

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

Risk management

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

Management discussion and analysis

The Director's report includes details of Management discussion and Analysis (Consolidated) which are given as separate chapters in this annual report, according to IFRS.

Shareholders

Disclosures regarding appointment or re-appointment of directors

According to the Articles of Association, one-third of the directors retires by rotation and if eligible, offers themselves for re-election at the Annual General Meeting. In accordance with Article 122 of the Article of Association, Prof Jayanth R Varma will retire in the ensuing Annual General Meeting. The Board has recommended the re-election of the retiring director. The detailed resume of the above director is provided in the notice to the annual general meeting.

Details of non-compliance

There has been no non-compliance of any legal requirements by the company nor there has been any strictures imposed by any authorities.

General body meetings

Details of the last annual general meeting

Financial year	Date	Time	Venue
March 31, 2011	June 11, 2011	10.00 A.M.	Plot No. 26/3, 26/4 and26/6 Electronics City, Hosur Road Bangalore 561229
Financial year	**Date**	**Time**	**Venue**
March 31, 2010	June 10, 2010	10.00 A.M.	Plot No. 26/3, 26/4 and26/6

		Electronics City, Hosur Road Bangalore 561229

Details of the last extraordinary general meeting

Date	Time	Venue
August 25, 2006	10.00 A.M	Plot No. 26/3, 26/4 and26/6 Electronics City, Hosur Road Bangalore 561229

Independent Auditor's Report

TO THE MEMBERS OF INFOSYS BPO LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of Infosys BPO Limited ('the Company') which comprise the Balance Sheet as at 31 March 2012, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

(i) in the case of the Balance Sheet, of the state of affairs of the Company as at 31 March 2012;

(ii) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and

(iii) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.

2. As required by section 227(3) of the Act, we report that:

a. we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
b. in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
c. the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this report are in agreement with the books of account;
d. in our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956; and
e. on the basis of written representations received from the directors as on 31 March 2012, and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2012, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

for **B S R & Co.**

Chartered Accountants

Firm's registration number: 101248W

Natrajh Ramakrishna

Partner

Membership number: 32815

Bangalore

April 6, 2012

ANNEXURE TO THE AUDITOR'S REPORT

The Annexure referred to in our report to the members of Infosys BPO Limited ('the Company') for the year ended 31 March 2012. We report that:

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) The Company has a regular programme of physical verification of its fixed assets by which all fixed assets are verified during the year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.

(c) Fixed assets disposed off during the year were not substantial, and therefore, do not affect the going concern assumption.

(ii) The Company is a service company, primarily rendering business process management services. Accordingly, it does not hold any physical inventories. Thus, paragraph 4(ii) of the Order is not applicable.

(iii) (a) The Company has granted a loan to a body corporate covered in the register maintained under section 301 of the Companies Act, 1956 ('the Act'). The maximum amount outstanding during the year was ₹ 11,44,71,888 crores and the year-end balance of such loan amounted to Rs Nil. Other than the above, the Company has not granted any loans, secured or unsecured, to companies, firms or parties covered in the register maintained under section 301 of the Act.

(b) In our opinion, the rate of interest and other terms and conditions on which the loan has been granted to the body corporate listed in the register maintained under section 301 of the Act are not, prima facie, prejudicial to the interest of the Company.

(c) In the case of the loan granted to the body corporate listed in the register maintained under section 301 of the Act, the borrower has been regular in the payment of the interest as stipulated. The terms of arrangement do not stipulate any repayment schedule and the loan is repayable on demand. Accordingly, paragraph 4(iii)(c) of the Order is not applicable to the Company in respect of repayment of the principal amount.

(d) There are no overdue amounts of more than rupees one lakh in respect of the loan granted to a body corporate listed in the register maintained under section 301 of the Act.

(e) The Company has not taken any loans, secured or unsecured from companies, firms or parties covered in the register maintained under section 301 of the Act. Accordingly, paragraphs 4(iii)(e) to 4(iii)(g) of the Order are not applicable.

(iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchase of fixed assets and sale of services. The activities of the Company do not involve purchase of inventory and the sale of goods. We have not observed any major weakness in the internal control system during the course of the audit.

(v) (a) In our opinion and according to the information and explanations given to us, the particulars of contracts or arrangements referred to in section 301 of the Act have been entered in the register required to be maintained under that section.

(b) In our opinion, and according to the information and explanations given to us, the transactions made in pursuance of contracts and arrangements referred to in (v)(a) above and exceeding the value of Rs 5 lakh with any party during the year have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.

(vi) The Company has not accepted any deposits from the public.

(vii) In our opinion, the Company has an internal audit system commensurate with the size and the nature of its business.

(viii) The Central Government of India has not prescribed the maintenance of cost records under Section 209(1)(d) of the Act for any of the services rendered by the Company.

(ix) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including Provident Fund, Income-tax, Sales-tax, Wealth tax, Service tax and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities. As explained to us, the Company did not have any dues on account of Employees' State Insurance, Investor Education and Protection Fund, Customs duty and Excise duty.

According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Income-tax, Sales-tax, Wealth tax, Service tax and other material statutory dues were in arrears as at 31 March 2012 for a period of more than six months from the date they became payable.

According to the information and explanations given to us, there are no dues of Sales-Tax, Service Tax and Cess which have not been deposited with the appropriate authorities on account of any dispute. However, according to information and explanations given to us, the following dues of Income tax have not been deposited by the Company on account of disputes:

Name of the statute	**Nature of dues demanded**	**Amount demanded**	**Period to which the amount relates**	**Forum where dispute is pending**
Income Tax Act, 1961	Interest/ Tax Demands	5,32,28,478*	AY 2006-07	Commissioner Income Tax(Appeals), Bangalore
Income Tax Act, 1961	Interest/ Tax Demands	58,00,403	AY 2009-10	Commissioner Income Tax(Appeals), Bangalore

*net of amounts paid Rs 1,90,63,250.

(x) The Company does not have any accumulated losses at the end of the financial year and has not incurred cash losses in the financial year and in the immediately preceding financial year.

(xi) The Company did not have any outstanding dues to any financial institution, banks or debenture holders during the year.

(xii) The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.

(xiii) In our opinion and according to the information and explanations given to us, the Company is not a chit fund/ nidhi/ mutual benefit fund/ society.

(xiv) According to the information and explanations given to us, the Company is not dealing or trading in shares, securities, debentures and other investments.

(xv) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.

(xvi) The Company did not have any term loans outstanding during the year.

(xvii) The Company has not raised any funds on short-term basis.

(xviii) The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Act.

(xix) The Company did not have any outstanding debentures during the year.

(xx) The Company has not raised any money by public issues during the year.

(xxi) According to the information and explanations given to us, no material fraud on or by the Company has been noticed or reported during the course of our audit.

for **B S R & Co.**

Chartered Accountants

Firm's registration number: 101248W

Natrajh Ramakrishna

Partner

Membership number: 32815

Bangalore

April 6, 2012

Balance Sheet

in ₹

Balance Sheet as at	Note	March 31, 2012	March 31, 2011
EQUITY AND LIABILITIES			
SHAREHOLDERS' FUNDS			
Share capital	2.1	33,82,77,510	33,82,77,510
Reserves and surplus	2.2	1411,38,90,684	1106,76,29,347
		1445,21,68,194	1140,59,06,857
NON-CURRENT LIABILITIES			
Other long-term liabilities	2.3	61,46,92,107	75,23,07,498
		61,46,92,107	75,23,07,498
CURRENT LIABILITIES			
Trade payables		6,36,60,114	2,86,32,227
Other current liabilities	2.4	367,89,01,847	338,53,37,284
Short-term provisions	2.5	40,53,60,897	31,93,29,011
		414,79,22,858	373,32,98,522
		1921,47,83,159	**1589,15,12,877**
ASSETS			
NON-CURRENT ASSETS			
Fixed assets			
Tangible assets	2.6	233,01,10,804	160,90,67,020
Intangible assets	2.6	19,03,70,324	19,03,70,324
Capital work-in-progress		1,99,41,000	15,39,33,179
		254,04,22,128	195,33,70,523
Non-current investments	2.7	562,77,50,869	320,26,24,119
Deferred tax assets, net	2.8	24,87,62,742	23,64,94,783
Long-term loans and advances	2.9	80,42,82,241	101,13,60,239
Other non-current assets	2.10	31,57,66,640	24,50,65,608
		699,65,62,492	469,55,44,749
CURRENT ASSETS			
Current investments	2.7	20,05,06,473	20,59,34,759
Trade receivables	2.11	264,08,67,908	210,67,05,724
Cash and cash equivalents	2.12	555,82,36,951	533,53,36,646
Short-term loans and advances	2.13	117,81,87,207	109,46,20,476
Other current assets	2.14	10,00,00,000	50,00,00,000
		967,77,98,539	924,25,97,605
		1921,47,83,159	**1589,15,12,877**
SIGNIFICANT ACCOUNTING POLICIES	**1**		
NOTES ON ACCOUNTS	**2**		

As per our report attached
for B S R & Co.
Chartered Accountants
Firm Registration No:101248W

Natrajh Ramakrishna *Partner* *Membership No. 32815*	V. Balakrishnan *Chairman and Director*	D.Swaminathan *Managing Director and Chief Executive Officer*	Prof. Jayanth R.Varma *Director*
	Sridar A. Iyengar *Director*	Chandrashekar Kakal *Director*	Abraham Mathews *Chief Financial Officer*
Bangalore April 6, 2012	N.R.Ravikrishnan Company Secretary		

Statement of Profit and Loss Account

in ₹

Statement of Profit and Loss for the	Note	Year ended March 31, 2012	2011
INCOME			
Revenues from business process management services		1312,41,06,485	1129,11,47,909
Other income	2.15	47,22,33,990	44,45,93,206
		1359,63,40,475	**1173,57,41,115**
EXPENSES			
Employee benefit expenses	2.16	636,35,86,740	628,79,49,074
Cost of technical sub-contractors	2.16	7,53,19,667	22,37,60,773
Travel expenses	2.16	56,58,96,154	48,29,88,392
Cost of software packages	2.16	20,17,20,986	24,97,00,999
Communication expenses	2.16	26,30,08,209	32,20,68,274
Professional charges	2.16	42,36,17,234	35,96,48,952
Office expenses	2.16	33,89,45,942	29,54,01,252
Power and fuel	2.16	19,75,17,680	17,64,29,955
Insurance charges	2.16	8,71,65,444	7,52,61,859
Rent	2.16	43,82,76,358	40,30,86,167
Depreciation and amortization expense	2.6	49,69,17,227	50,74,55,954
Other expenses	2.16	20,15,56,451	14,50,24,190
Provision for investment		-	6,21,66,191
Total expenses		**965,35,28,092**	**959,09,42,032**
PROFIT BEFORE TAX		**394,28,12,383**	**214,47,99,083**
Tax expense:	2.17		
Current tax		90,88,19,005	16,64,56,701
Deferred tax		(1,22,67,959)	(7,00,18,320)
		89,65,51,046	9,64,38,381
PROFIT FOR THE PERIOD		**304,62,61,337**	**204,83,60,702**
EARNINGS PER SHARE			
Equity shares of par value ₹10 each			
Basic		90.05	60.55
Diluted		90.05	60.55
Weighted average number of shares used in computing earnings per share:	2.28		
Basic		3,38,27,751	3,38,27,751
Diluted		3,38,27,751	3,38,27,751
SIGNIFICANT ACCOUNTING POLICIES	1		
NOTES ON ACCOUNTS	2		

As per our report attached
for B S R & Co.
Chartered Accountants
Firm Registration No:101248W

Natrajh Ramakrishna
Partner
Membership No. 32815

V. Balakrishnan
Chairman and Director

D. Swaminathan
Managing Director and
Chief Executive Officer

Prof. Jayanth R.Varma
Director

Sridar A. Iyengar
Director

Chandrashekar Kakal
Director

Abraham Mathews
Chief Financial Officer

Bangalore
April 6, 2012

N.R. Ravikrishnan
Company Secretary

Cash Flow Statement

in ₹

Cash Flow Statement		Year ended March 31, 2012	2011
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		394,28,12,383	214,47,99,083
Adjustments to reconcile profit before tax to cash provided by operating activities			
Depreciation		49,69,17,227	50,74,55,954
Interest income		(60,12,07,528)	(31,83,30,127)
Dividend income		(3,13,13,961)	(3,40,79,908)
Provision for investment		-	6,21,66,191
Profit on sale of fixed assets		(19,82,876)	(2,44,780)
Effect of exchange differences on translation of foreign currency cash and cash equivalents		69,92,505	24,75,177
Changes in assets and liabilities			
Trade receivables		(53,41,62,184)	(32,58,13,411)
Loans and advances	2.32.1	2,07,52,113	(10,40,09,016)
Other assets	2.32.2	(7,07,01,032)	(23,30,84,296)
Liabilities	2.32.3	11,70,87,001	34,21,08,662
Trade payables	2.32.4	3,50,27,887	(1,35,75,244)
Provisions	2.32.5	5,56,06,114	7,63,51,645
		343,58,27,649	210,62,19,930
Income tax paid during the year, net	2.32.6	(80,87,54,875)	(37,27,02,209)
NET CASH GENERATED BY OPERATING ACTIVITIES		**262,70,72,774**	**173,35,17,721**
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of fixed assets and change in capital work-in-progress/advances	2.32.7	(95,91,79,912)	(47,64,27,487)
Proceeds from sale of fixed assets		28,89,978	25,77,931
Interest received	2.32.8	54,74,94,473	26,59,04,970
Dividend received		3,13,13,961	3,40,79,908
Purchase of units in liquid mutual funds		(504,72,11,345)	(349,22,26,735)
Proceeds from sale of units in liquid mutual funds		505,26,39,631	529,44,69,763
Investment in subsidiary	2.32.9	(242,51,26,750)	-
Proceeds from repayment of investment in subsidiary	2.32.9	-	3,16,33,809
Loans given to subsidiaries	2.32.10	(22,92,713)	(11,20,08,880)
Loans repaid by subsidiaries	2.32.10	22,92,713	11,35,58,853
NET CASH GENERATED/(USED) IN INVESTING ACTIVITIES		**(279,71,79,964)**	**166,15,62,132**
CASH FLOWS FROM FINANCING ACTIVITIES		-	-
NET CASH FLOWS FROM FINANCING ACTIVITIES		**-**	**-**
Effect of exchange differences on translation of foreign currency cash and cash equivalents		(69,92,505)	(24,75,177)
NET CHANGE IN CASH AND CASH EQUIVALENTS		(17,70,99,695)	339,26,04,676
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD		583,53,36,646	244,27,31,970
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD*	2.32.11	**565,82,36,951**	**583,53,36,646**

* Cash and cash equivalents aggregating ₹565,82,36,951 (₹583,53,36,646 as at March 31, 2011) comprises cash on hand amounting to ₹90,589 (₹92,621 as at March 31, 2011), balances with banks amounting to ₹555,81,46,362 (₹533,52,44,025 as at March 31, 2011) and deposits with financial institution/body corporate amounting to ₹10,00,00,000 (₹50,00,00,000 as at March 31, 2011)

This is the Cash Flow Statement referred to in our report of even date.

As per our report attached
for B S R & Co.
Chartered Accountants
Firm Registration No:101248W

Natrajh Ramakrishna
Partner
Membership No. 32815

V. Balakrishnan
Chairman and Director

D. Swaminathan
Managing Director and
Chief Executive Officer

Prof. Jayanth R. Varma
Director

Sridar A. Iyengar
Director

Chandrashekar Kakal
Director

Abraham Mathews
Chief Financial Officer

Bangalore
April 6, 2012

N.R. Ravikrishnan
Company Secretary

SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS

Company overview

Infosys BPO Limited ("Infosys BPO" or "the company") was incorporated as Progeon Limited on April 3, 2002 to provide business process management services to organizations that outsource their business processes. Infosys BPO is a majority owned and controlled subsidiary of Infosys Limited ("Infosys", NASD NM: INFY). The Company helps clients improve their competitive positioning by managing their business processes in addition to providing increased value. The name of the Company was changed from Progeon Limited to Infosys BPO Limited with effect from August 29, 2006.

1 Significant accounting policies

1.1 Basis of Preparation of Financial statements

These financial statements are prepared under the historical cost convention, in accordance with Generally Accepted Accounting Principles in India ("GAAP") on an accrual basis except for certain financial instruments which are measured at fair values. GAAP comprises accounting standards as specified in rule 3 of the Companies (Accounting Standards) Rules 2006, and the relevant provisions of the Companies Act, 1956, to the extent applicable. Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

1.2 Use of estimates

The preparation of the financial statements in conformity with GAAP requires that the management of the company makes estimates and assumptions that affect the reported amounts of income and expenses of the period, reported balances of assets and liabilities and disclosures relating to contingent assets and liabilities as of the date of the financial statements. Examples of such estimates includes computation of percentage of completion which requires the company to estimate the efforts expended to date as a proportion of the total efforts to be expended, provision for doubtful debts, future obligations under employee retirement benefit plans, provision for income taxes, provision for SLA and the useful lives of fixed assets and intangible assets.

Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as the management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

1.3 Revenue recognition

The company derives its revenues primarily from business process management services, on time-and-material, fixed-price, fixed-time frame and unit-price basis. Revenue on time-and-material contracts is recognized as the related services are rendered and revenue from the end of the last billing to the balance sheet date is recognised as unbilled revenues. Revenue from fixed-price, fixed-time frame contracts, where there is no uncertainity as to measurement and collectibility of consideration, is recognized as per the percentage of completion method. When there is uncertainty as to measurement or ultimate collectability revenue recognition is postponed until such uncertainty is resolved. Revenues from unit-priced contracts are recognized as transactions are processed based on objective measures of output. Cost and earnings in excess of billings are classified as unbilled revenue while billing in excess of cost and earnings is classified as deferred revenue. Provision for estimated losses, if any, on uncompleted contracts are recorded in the period in which such losses become probable based on the current estimates. When the company receives advances for its services, such amounts are reflected as advance received from clients until all conditions for revenue recognition are met. The company presents revenues, net of service taxes, and value added taxes in its profit and loss account.

The company accounts for volume discounts and pricing incentives to customers as a reduction of revenue based on the ratable allocation of the discount/incentive amount to each of the underlying revenue transactions that result in progress by the customer towards earning the discount/incentive. Also when the level of discount varies with increase in levels of revenue transactions, the company recognizes the liability based on its estimate of the customer’s future purchases if it is probable that the criteria for the discount will not be met, or if the amount thereof cannot be estimated reliably. The company recognizes changes in the estimated amount of obligation for discount using a cumulative catch-up approach. The discounts are passed on the customer either as direct payments or as a reduction of payments due from customer.

Profit on sale of investment is recorded on the transfer of title from the company and is determined as the difference between the sale price and the carrying value of the investment. Interest on deployment of surplus funds is recognised using time proportion method, based on underlying interest rates. Dividend income is recognized when the company’s right to receive dividend is established.

1.4 Expenditure

The cost of software user licenses purchased for rendering business process management services is charged to revenue when put to use. Lease under which the company assumes substantially all the risks and rewards of ownership are classified as finance leases.

Such assets acquired are capitalized at fair value of the asset or present value of the minimum lease payments at the inception of the lease, whichever is lower. Lease payments under operating leases are recognised as an expense on a straight line basis in the profit and loss account over the lease term.

1.5 Fixed assets, intangible assets and capital work-in- progress

Fixed assets are stated at cost, after reducing accumulated depreciation and impairment upto the date of the balance sheet. Direct costs are capitalized until the assets are ready for use and include financing costs relating to any borrowing attributable to acquisition or construction of those fixed assets which necessarily take a substantial period of time to get ready for their intended use. Capital work-in-progress includes the cost of fixed assets that are not yet ready for their intended use. Intangible assets are recorded at the consideration paid for acquisition of such assets and are carried at cost less accumulated amortisation and impairment. Goodwill, recorded on amalgamation in the nature of purchase is tested periodically for impairment.

1.6 Depreciation

Depreciation on fixed assets is determined using the straight-line method based on useful lives of assets as estimated by the company. Depreciation on assets purchased/sold during the period is proportionately charged. Individual assets costing ₹5,000 or less are depreciated within a year of acquisition. Leasehold improvements are written off over the lower of the lease term or the useful life of the asset. Leasehold land is amortised over the lease period. Intangible assets are amortised over their useful life on a straight line basis commencing from the date the asset is available to the company for its use. Management estimates the useful life for the various fixed assets as follows:

Building	Fifteen years
Computer equipment	Two years
Plant and machinery	Five years
Furniture and fixtures	Five years
Office Equipment	Five years

1.7 Employee Benefits

1.7a Gratuity

In accordance with the Payment of Gratuity Act, 1972, Infosys BPO provides for gratuity, a defined benefit retirement plan (the "Gratuity Plan") covering all employees. The Gratuity Plan provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's eligible salary and the tenure of employment. Liabilities with regard to the Gratuity Plan are determined by an actuarial valuation, carried out at the period end by an independent actuary using the projected unit credit method, based upon which company contributes to the Infosys BPO employees Gratuity Fund Trust (the 'Trust'). The trustee administers contributions made to the Trust and invests the corpus with LIC of India.

The company recognizes the net obligation of the gratuity plan in the balance sheet as an asset or liability, respectively in accordance with Accounting Standard (AS) 15, "Employee Benefits". The discount rate is based on the Government securities yield. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the profit and loss account in the period in which they arise.

1.7b Superannuation

Certain employees of Infosys BPO are eligible for superannuation benefits. The company contributes ₹ 100 annually for the superannuation benefits of the employees. The company has no further obligations to the superannuation plan beyond the yearly contribution to the trust fund, the corpus of which is invested with the LIC of India.

1.7c Provident fund

Eligible employees receive benefits from a provident fund, which is a defined contribution plan. Both the employee and the company make monthly contributions to this provident fund plan equal to a specified percentage of the covered employee's salary. Amounts collected under the provident fund plan are deposited in a Government administered provident fund. The company has no further obligations under the provident fund plan beyond its monthly contributions.

1.7d Compensated absences

The employees of the Company are entitled to compensated absences which are both accumulating and non-accumulating in nature. The expected cost of accumulating compensated absences is determined by an actuarial valuation based on the additional amount expected to be paid as a result of the unused entitlement that has accumulated at the Balance Sheet date. Expense on non-accumulating compensated absences is recognised in the period in which the absences occur.

1.8 Foreign currency transactions

Revenue from overseas clients and collections deposited in bank accounts are recorded at the exchange rate as of the date of the respective transactions. Expenditure in foreign currency is accounted at the exchange rate prevalent when such expenditure is incurred. Disbursements made out of bank accounts are reported at a rate that approximates the actual monthly rate. Exchange differences are recorded when the amount actually received on sales or actually paid when expenditure is incurred is converted into Indian rupees. The exchange differences arising on foreign currency transactions are recognized as income or expense in the period in which they arise. Monetary assets and monetary liabilities denominated in foreign currency are translated at the exchange rate prevalent at the date of the balance sheet. The resulting difference is also recorded in the profit and loss account. Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of transaction.

1.9 Forward contracts and option contracts in foreign currencies

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

Effective April 1,2008, the Company adopted Accounting Standard AS 30 " Financial Instruments: Recognition and Measurement", to the extent that the adoption does not conflict with existing mandatory accounting standards and other authoritative pronouncements, Company law and other regulatory requirements.

Forward and options contracts are fair valued at each reporting date. The company records the mark to market gain or loss on effective hedges in the foreign currency fluctuation reserve until the transactions are complete. On completion, the gain or loss is transferred to the profit and loss account of that period. To designate a forward contract or option contracts as an effective hedge, management objectively evaluates and evidences with appropriate supporting documents at the inception of each contract whether the contract is effective in achieving offsetting cash flows attributable to the hedged risk. In the absence of a designation as an effective hedge, a gain or loss is recognized in the profit and loss account. Currently the hedges undertaken by the company are all ineffective in nature and the resultant gain or loss consequent to fair valuation is recognised in the profit and loss account at each reporting date.

1.10 Income tax

Income taxes are computed using the tax effect accounting method, where taxes are accrued in the same period the related revenue and expenses arise. A provision is made for income tax for the period based on the tax liability computed, after considering tax allowances and exemptions. Provisions are recorded when it is estimated that a liability due to disallowances or other matters is probable. Minimum Alternative Tax (MAT) paid in accordance with the tax laws, which gives rise to future economic benefits in the form of adjustment of future income tax liability, is considered as an asset if there is convincing evidence that the company will pay normal tax after the tax holiday period and the resultant asset can be measured reliably. Accordingly, it is recognized as an asset in the balance sheet when it is probable that the future economic benefit associated with it will flow to the company and the asset can be measured reliably. The company offsets, on a year on year basis, the current tax assets and liabilities, where it has a legally enforceable right and where it intends to settle such assets and liabilities on a net basis.

The differences that result between the profit considered for income taxes and the profit as per the financial statements are identified, and thereafter a deferred tax asset or deferred tax liability is recorded for timing differences, namely the differences that originate in one accounting period and reverse in another, based on the tax effect of the aggregate amount being considered. The tax effect is calculated on the accumulated timing differences at the end of an accounting period based on prevailing enacted or substantively enacted regulations. Deferred tax assets in situation of unabsorbed depreciation and carry forward business losses exist, are recognised only to the extent that there is virtual certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. Deferred tax assets, other than in situation of unabsorbed depreciation and carry forward business losses are recognized only if there is reasonable certainty that they will be realized. Deferred tax assets are reviewed for the appropriateness of their respective carrying values at each balance sheet date. The income tax provision for the interim period is made based on the best estimate of the annual average tax rate expected to be applicable for the full fiscal year.

1.11 Provisions and contingent liability

The company recognises a provision when there is a present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a present obligation that cannot be estimated reliably or a possible or present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation that the likelihood of outflow of resources is remote, no provision or disclosure is made. Provisions are made for all known losses and liabilities and future unforeseeable factors that may affect the profit on fixed-price business process management contracts.

Provisions for onerous contracts, i.e. contracts where the expected unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it, are recognised when it is probable that an outflow of resources embodying economic benefits will be required to settle a present obligation as a result of an obligating event based on a reliable estimate of such obligation.

1.12 Impairment of assets

Management periodically assesses using, external and internal sources, whether there is an indication that an asset (including goodwill) may be impaired. An impairment loss is recognised wherever the carrying value of an asset exceeds its recoverable amount. The recoverable amount is higher of the asset's net selling price and value in use i.e. the present value of future cash flows expected to arise from the continuing use of the asset and its eventual disposal. An impairment loss for an asset is reversed if there has been a change in the estimates used to determine the recoverable amount since the last impairment loss was recognized. The carrying amount of an asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortization or depreciation) had no impairment loss been recognized for the asset in prior years.

1.13 Earnings per share

In determining earnings per share, the company considers the net profit after tax. The number of shares used in computing basic earnings per share is the weighted average number of shares outstanding during the year. Diluted earnings per share are computed using the weighted average number of basic and dilutive common equivalent shares outstanding during the year, except where the result would be anti-dilutive. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless they have been issued at a later date.

1.14 Investments

Trade investments are investments made to enhance the company's business interests. Investments are either classified as current or long-term based on the management's intention at the time of purchase. Current investments are carried at the lower of cost and fair value, determined on an individual investment basis. Cost for overseas investments comprises the Indian Rupee value of the consideration paid for the investment. Long-term investments are carried at cost and provisions recorded to recognize any diminution, other than temporary, in the carrying value of each investment.

1.15 Cash and Cash Equivalents

Cash and cash equivalents comprise cash and cash on deposit with banks and corporations. The company considers all highly liquid investments with a remaining maturity at the date of purchase of three months or less and that are readily convertible to known amounts of cash to be cash equivalents.

1.16 Cash Flow Statement

Cash flows are reported using the Indirect method, whereby profit before tax is adjusted for the effects of transactions of a non - cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, financing and investing activities of the company are segregated. Cash flows in foreign currency are accounted at average monthly exchange rates that approximate the actual rates of exchange prevailing at the date of the transaction.

1.17 Employee Stock Options

The company applies the intrinsic value-based method of accounting prescribed by Accounting Research Committee of the Institute of Chartered Accountants of India, Accounting for employee share based payments, to account for its fixed plan stock options. Under this method, compensation expense is recorded on the date of grant only if the current market price of the underlying stock exceeds the exercise price. The options vest on a graded basis; however there is no compensation expense since the grants are made at exercise prices equal to or greater than fair market value, as of the date of the grant.

2. NOTES ON ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2012

2.1 SHARE CAPITAL

in ₹

Particulars	**As at** March 31, 2012	March 31, 2011
AUTHORISED		
Equity shares, ₹10 (₹10) par value	123,37,50,000	123,37,50,000
12,33,75,000 (12,33,75,000) equity shares		
	123,37,50,000	123,37,50,000
ISSUED, SUBSCRIBED AND PAID UP		
Equity shares, ₹10 (₹10) par value		
3,38,27,751 (3,38,27,751) equity shares fully paid up	33,82,77,510	33,82,77,510
[Of the above, 3,38,22,319 (3,38,22,319) equity shares are held by the holding company, Infosys Limited]		
	33,82,77,510	**33,82,77,510**

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

In the event of liquidation of the Company, the holders of shares shall be entitled to receive any of the remaining assets of the Company, after distribution of all preferential amounts. However, no such preferential amounts exist currently. The amount distributed will be in proportion to the number of equity shares held by the shareholders.

Reconciliation of the number of shares outstanding

Particulars	As at	
	March 31, 2012	March 31, 2011
Number of share outstanding at the beginning of the year	3,38,27,751	3,38,27,751
Add: Shares issued during the year	-	-
Number of shares outstanding at the end of the year	3,38,27,751	3,38,27,751

Shares held by shareholders holding more than 5% shares

Name of the shareholder	Number of shares as at	
	March 31, 2012	March 31, 2011
Infosys Limited	3,38,22,319	3,38,22,319

Employee stock option plan

Guidance note on "Accounting for employee share based payments" (the guidance note) issued by Institute of Chartered Accountants of India establishes financial accounting and reporting principles for employee share based payment plans. The guidance note applies to employee share based payment plans,the grant date in respect of which falls on or after April 1, 2005.

The Company applies the intrinsic value-based method of accounting to account for its fixed plan stock options. Under this method, compensation expense is recorded on the date of grant only if the current market price of the underlying stock exceeded the exercise price on this date. The options vest on a graded basis; however there is no compensation expense since the grants are made at exercise prices equal to or greater than fair market value, as of the date of the grant.

Infosys BPO Employee Stock Option Plan 2002

The Company's 2002 Plan provides for the grant of stock options to employees of the Company and was approved by the Board of Directors and shareholders in June 2002. All options under the 2002 Plan are exercisable for equity shares. The 2002 Plan is administered by a Compensation Committee comprising three members, all of whom are directors of the Company. The 2002 Plan provides for the issue of 52,50,000 equity shares to employees, at an exercise price, which shall not be less than the Fair Market Value ("FMV") on the date of grant. Options may also be issued to employees at exercise prices that are less than the FMV only if specifically approved by the members of the company in general meeting. Options granted under the 2002 plan vests over 1-6 years.

On March 12, 2007, Infosys Limited purchased 12,19,532 unvested options held by the employees of Infosys BPO Limited for a cash consideration of ₹ 57.87 crore. As at March 31, 2012, 4,76,250 (March 31,2011: 6,79,250) options are held by Infosys Limited. Options held by Infosys Limited cannot be exercised due to legal restrictions and will expire in due course. Accordingly these options have not been considered while computing dilutive earnings per share of the Company from the date Infosys Limited owned these options.

Particulars	Year ended March 31 2012	
	Shares arising out of options	Weighted average exercise prices (in ₹)
Outstanding at the beginning of the year	6,79,250	397.44
Granted during the year	-	-
Forfeitures during the year	2,03,000	195.00
Exercised during the year	-	-
Outstanding at the end of the year	4,76,250	483.73
Exercisable at the end of the year	4,48,750	476.36

Particulars	Year ended March 31 2011	
	Shares arising out of options	Weighted average exercise prices in (₹)
Outstanding at the beginning of the year	13,36,331	333.55
Granted during the year	-	-
Forfeitures during the year	6,57,081	267.51
Exercised during the year	-	-
Outstanding at the end of the year	6,79,250	397.44
Exercisable at the end of the year	4,78,750	394.67

The following table summarizes information about stock options as of March 31, 2012 and March 31, 2011

Range of exercise prices (in ₹)	Stock options outstanding at the end of the year		Weighted average remaining contractual life	
	March 31, 2012	March 31, 2011	March 31, 2012	March 31, 2011
33.12-58.33	-	-	-	-
58.34-77.89	-	-	-	-
77.90-99.20	-	-	-	-
99.21-162.23	-	-	-	-
162.24-195.00	-	2,03,000	-	0.37
195.01-214.00	-	-	-	-
214.01-230.00	1,05,000	1,05,000	(0.58)	0.42
230.01-310.00	61,250	61,250	0.26	1.27
310.01-604.00	3,10,000	3,10,000	0.71	1.71
	4,76,250	**6,79,250**	**0.61**	**1.07**

Infosys 1999 Employee Stock Option Plan ('1999 Plan')

On March 12, 2007, Infosys Limited purchased 12,19,532 unvested options held by the employees of Infosys BPO Limited for a cash consideration of ₹ 57.87 crore and has swapped 5,18,360 unvested options with 1,51,932 unvested stock options of Infosys. In addition, certain employees were granted additional 4,86,828 Infosys stock options under the Infosys 1999 Employee Stock Option Plan. The Infosys 1999 Employees Stock Option Plan was approved by the Board of Directors and stockholders in June 1999. All options under the 1999 Plan are exercisable for equity shares. The options granted under the 1999 plan vests over 2-6 years.

Particulars	Year ended March 31 2012	
	Shares arising out of options	Weighted average exercise prices in (₹)
Outstanding at the beginning of the year	14,961	2,120.95
Granted during the year	-	-
Forfeitures during the year	-	2,120.95
Exercised during the year	3,277	2,120.95
Outstanding at the end of the year	11,684	2,120.95
Exercisable at the end of the year	7,429	2,120.95

Particulars	Year ended March 31 2011	
	Shares arising out of options	Weighted average exercise prices in (₹)
Outstanding at the beginning of the year	52,293	2,120.95
Granted during the year	-	-
Forfeitures during the year	31,448	2,120.95
Exercised during the year	5,884	2,120.95
Outstanding at the end of the year	14,961	2,120.95

Particulars	Year ended March 31 2011	
	Shares arising out of options	Weighted average exercise prices in (₹)
Exercisable at the end of the year	6,473	2,120.95

The following table summarizes information about stock options as of March 31, 2012 and March 31, 2011:

	Stock options outstanding at the end of the year		Weighted average remaining contractual life	
Range of exercise prices (in ₹)	**March 31, 2012**	**March 31, 2011**	**March 31, 2012**	**March 31, 2011**
0- 2120.95	11,684	14,961	0.30	0.86
	11,684	14,961	0.30	0.86

2.2. RESERVES AND SURPLUS

in ₹

Particulars	As at March 31, 2012	March 31, 2011
Securities premium reserve at the beginning and end of the year	25,48,97,789	25,48,97,789
Capital redemption reserve at the beginning and end of the year	1,13,94,690	1,13,94,690
General reserve - opening balance	1000,00,00,000	400,00,00,000
Add : Transfer from profit and loss account during the year	-	600,00,00,000
General reserve - closing balance	1000,00,00,000	1000,00,00,000
Balance in profit and loss account - opening	80,13,36,868	475,29,76,166
Add: Profit during the year	304,62,61,337	204,83,60,702
Less: Transferred to general reserve	-	600,00,00,000
Balance in profit and loss account - closing	384,75,98,205	80,13,36,868
	1411,38,90,684	**1106,76,29,347**

2.3 OTHER LONG-TERM LIABILITIES

in ₹

Particulars	As at March 31, 2012	March 31, 2011
Accrued salaries and benefits		
Bonus and incentives	3,49,02,225	3,86,70,125
Provision for expenses	-	10,16,92,500
Contingent consideration payable*	57,97,89,882	61,19,44,873
	61,46,92,107	**75,23,07,498**

*On December 4, 2009, Infosys BPO acquired 100% of the voting interests in McCamish Systems LLC (McCamish), a business process solutions provider based in Atlanta, Georgia, in the United States. The business acquisition was concluded by entering into Membership Interest Purchase Agreement for a cash consideration of ₹173 crores and a contingent consideration of ₹67 crores

2.4 OTHER CURRENT LIABILITIES

in ₹

Particulars	As at March 31, 2012	March 31, 2011
Accrued salaries and benefits		
Salaries	32,47,02,527	22,60,42,696
Bonus and incentives	85,45,65,084	110,86,33,956
Other liabilities		

Particulars	As at March 31, 2012	As at March 31, 2011
Provision for expenses	199,18,35,862	183,22,54,104
Retention money payable	8,08,16,534	4,29,78,153
EMD received	2,92,54,500	-
Withholding and other taxes	62,32,804	5,16,923
Others	1,24,41,973	1,65,29,655
Mark to market loss on forward contracts	15,14,86,359	-
Advances received from customers	1,52,14,893	3,24,33,733
Unearned revenue	4,98,01,993	8,71,78,937
Contingent consideration payable (refer to note 2.3)	16,25,49,318	3,87,69,127
	367,89,01,847	**338,53,37,284**

2.5 SHORT-TERM PROVISIONS

in ₹

Particulars	As at March 31, 2012	As at March 31, 2011
Provision for employee benefits		
Unavailed leave	29,60,26,987	24,92,77,108
Others		
Provision for		
Income taxes	5,00,91,064	1,96,65,292
SLA compliance	5,92,42,846	5,03,86,611
	40,53,60,897	**31,93,29,011**

Provision for SLA compliance

The provision for service level agreement compliance is based on estimates made by the management for on going contracts. In accordance with paragraphs 66 and 67 of the Accounting Standard 29 (Provisions, contingent liablities and contingent assets) the movement in provision for service level agreement is given below:

Particulars	As at	
	March 31, 2012	**March 31, 2011**
Balance at the beginning of the year	5,03,86,611	5,19,14,163
Additional provision made during the year	8,90,46,607	1,22,93,108
Provisions used during the year	2,20,96,984	12,61,838
Unused amount reversed during the year	5,80,93,388	1,25,58,822
Balance at the end of the year	**5,92,42,846**	**5,03,86,611**
Management believes that the aforesaid provision will be utilised within a year.		

2.6 FIXED ASSETS

in ₹

Particulars	Original cost				Depreciation and amortization				Net book value	
	Cost as at April 01, 2011	Additions during the year	Deletions during the year	Cost as at March 31, 2012	As at April 01, 2011	Charge for the year	Deletions during the year	As at March 31, 2012	As at March 31, 2012	As at March 31, 2011
Tangible assets :										
Land - Leasehold	11,55,00,000	-	-	11,55,00,000	28,81,449	11,93,790	-	40,75,239	11,14,24,761	11,26,18,551
Buildings	92,62,56,775	46,73,25,231	7,72,690	139,28,09,316	13,03,75,517	6,90,15,832	2,19,580	19,91,71,769	119,36,37,547	79,58,81,258
Leasehold improvements	34,54,21,796	12,59,94,339	-	47,14,16,135	27,26,45,035	4,68,20,111	-	31,94,65,146	15,19,50,989	7,27,76,761
Office equipement	100,18,69,387	15,79,58,342	39,04,751	115,59,22,978	58,88,69,312	17,50,65,377	35,50,759	76,03,83,930	39,55,39,048	41,30,00,075
Plant and machinery	-	17,95,57,403	-	17,95,57,403	-	94,50,126	-	94,50,126	17,01,07,277	-
Computer equipment	107,08,07,967	21,55,23,212	8,53,56,159	120,09,75,020	93,16,83,825	15,71,81,632	8,53,56,159	100,35,09,298	19,74,65,722	13,91,24,142
Furniture and fixtures	40,88,03,505	7,25,09,586	7,21,700	48,05,91,391	33,31,37,272	3,81,90,359	7,21,700	37,06,05,931	10,99,85,460	7,56,66,233
	386,86,59,430	121,88,68,113	9,07,55,300	499,67,72,243	225,95,92,410	49,69,17,227	8,98,48,198	266,66,61,439	233,01,10,804	160,90,67,020
Intangible assets :										
Goodwill	19,03,70,324	-	-	19,03,70,324	-	-	-	-	19,03,70,324	19,03,70,324
	19,03,70,324	-	-	19,03,70,324	-	-	-	-	19,03,70,324	19,03,70,324
Total	**405,90,29,754**	**121,88,68,113**	**9,07,55,300**	**518,71,42,567**	**225,95,92,410**	**49,69,17,227**	**8,98,48,198**	**266,66,61,439**	**252,04,81,128**	**179,94,37,344**
Previous year	389,73,66,154	22,05,80,136	5,89,16,536	405,90,29,754	180,87,19,841	50,74,55,954	5,65,83,385	225,95,92,410	179,94,37,344	

2.7 INVESTMENTS

in ₹

Particulars	As at	
	March 31, 2012	**March 31, 2011**
Non current investments – at cost		
Trade (unquoted)		
Investments in equity of subsidiaries		
Infosys BPO s.r.o, Czech Republic	3,49,78,993	3,49,78,993
Infosys BPO Poland Sp Z o o, 5,000 (5,000) equity shares of PLN each, fully paid	58,68,81,768	58,68,81,768
Portland Group Pty Limited, 17,45,00,000 (Nil) equity share of AUD 1 each, fully paid	211,05,81,750	-
McCamish Systems LLC	289,53,08,358	258,07,63,358
	562,77,50,869	**320,26,24,119**
Current investments – at the lower of cost and fair value		
Investment in mutual funds, non-trade (unquoted)		
Investment in mutual fund units	20,05,06,473	20,59,34,759
	20,05,06,473	**20,59,34,759**
Aggregate amount of unquoted investments	**582,82,57,342**	**340,85,58,878**

On January 4, 2012, Infosys BPO acquired 100% of the voting interests in Portland Group Pty Ltd a strategic sourcing and category management services provider based in Sydney, Australia. The business acquisition was conducted by entering into definitive share sale agreement for a cash consideration of ₹211 crores (AUD 36 million).

Details of investment in mutual funds as at March 31, 2012 and March 31, 2011 is as follows:

Particulars	No. of units as at		Amount (in ₹)	
	March 31, 2012	March 31, 2011	March 31, 2012	March 31, 2011
Birla Sun Life AMC Ltd -Liquid Plus	-	70,13,771	-	7,02,74,475
Kotak mutual fund-Liquid Plus	-	77,94,013	-	9,53,05,962
Reliance Mutual Fund - Liquid Plus	-	26,97,883	-	3,00,58,466
TATA Asset Management Ltd - Liquid Plus	-	9,238	-	1,02,95,856
Templeton Mutual Fund- Liquid Plus	2,00,372	-	20,05,06,473	-
	2,00,372	**1,75,14,905**	**20,05,06,473**	**20,59,34,759**

2.8 DEFERRED TAX ASSETS, NET

in ₹

Particulars	As at	
	March 31, 2012	March 31, 2011
Deferred tax assets		
Fixed assets	17,26,33,910	16,32,44,481
Unavailed leave	6,23,73,943	7,06,85,231
Trade receivables	54,45,683	22,61,028
Others	83,09,206	3,04,043
	24,87,62,742	**23,64,94,783**

2.9 LONG-TERM LOANS AND ADVANCES

in ₹

Particulars	As at	
	March 31, 2012	March 31, 2011
Unsecured considered good		
Capital advances	63,73,026	9,32,06,877
Other loans and advances		
Prepaid expenses	-	1,53,780
Rental deposits	17,87,69,981	21,83,15,056
Electricity and other deposits	72,99,220	88,55,553
MAT credit entitlement	38,78,61,534	48,25,37,742
Advance income taxes	22,39,78,480	20,82,91,231
	80,42,82,241	**101,13,60,239**

2.10 OTHER NON-CURRENT ASSETS

in ₹

Particulars	As at	
	March 31, 2012	March 31, 2011
Others		
Restricted deposits (refer note 2.29)	30,38,63,714	23,50,00,000
Advance to gratuity trust (refer note 2.25)	1,19,02,926	1,00,65,608
	31,57,66,640	**24,50,65,608**

2.11 TRADE RECEIVABLES

in ₹

Particulars	As at	
	March 31, 2012	March 31, 2011
Debt outstanding for a period exceeding six months		
Unsecured		
Considered doubtful	1,49,39,901	1,24,96,113
Other debts		
Unsecured		
Considered good*	264,08,67,908	210,67,05,724
Considered doubtful	67,84,522	49,14,442
	266,25,92,331	212,41,16,279
Less: Provision for doubtful debts	2,17,24,423	1,74,10,555
	264,08,67,908	**210,67,05,724**

* Of which dues from subsidiary companies (Also refer to note 2.23)	2,83,26,491	66,511
* Of which dues from other group companies (Also refer to note 2.23)	-	-

Provision for doubtful debts

Periodically, the Company evaluates all customer dues for collectability. The need for provisions is assessed based on various factors including collectability of specific dues, risk perceptions of the industry in which the customer operates, general economic factors, which could affect the customer's ability to settle. The Company normally provides for debtor dues outstanding for six months or longer as at the Balance Sheet date. The Company pursues the recovery of the dues, in part or full.

2.12 CASH AND CASH EQUIVALENTS

in ₹

Particulars	As at	
	March 31, 2012	March 31, 2011
Cash on hand	90,589	92,621
Balances with bank		
In current and deposit accounts	555,81,46,362	533,52,44,025
	555,82,36,951	**533,53,36,646**

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

The details of balances with banks as at March 31, 2012 and March 31, 2011 are as follows :

in ₹

Particulars	As at	
	March 31, 2012	March 31, 2011
In current accounts		
Citibank N.A	3,96,652	3,20,400
Deustche Bank - current account	1,33,01,562	72,15,811
Deustche Bank- EEFC account in Euro	36,26,701	16,34,655
Deustche Bank- EEFC account in United Kingdom Pound Sterling	20,40,654	19,59,860
Deustche Bank- EEFC account in US dollars	73,57,516	1,87,70,059
ICICI Bank - current account	1,90,77,185	9,77,80,843
ICICI Bank- EEFC account in Euro	35,35,092	7,95,75,167

Particulars	As at	
ICICI Bank- EEFC account in United Kingdom Pound Sterling	1,46,74,222	41,67,262
ICICI Bank- EEFC account in US dollars	17,64,39,122	77,80,267
State Bank of India	2,43,370	1,64,134
ICICI Bank, London	1,72,30,789	67,23,007
PNC Bank, New Jersey	2,54,400	2,23,000
Bank of America, California	5,89,35,213	7,26,58,909
Deutsche Bank, Philippines	3,03,81,792	1,66,57,487
Royal Bank of Canada, Ontario	44,52,200	45,90,164
Bank of America, California- Trust account	2,54,400	-
Deutsche Bank, London	59,22,492	-
	35,81,23,362	**32,02,21,025**
In deposit accounts		
Allahabad Bank	-	61,50,00,000
Axis Bank	60,00,00,000	60,00,00,000
Bank of Maharastra	-	18,00,00,000
Canara Bank	80,00,00,000	75,00,00,000
ICICI Bank	50,00,00,000	22,00,00,000
IDBI Bank	30,00,00,000	54,00,00,000
Indian Overseas Bank	-	18,00,00,000
Kotak Mahindra Bank	80,00,00,000	-
Oriental Bank of Commerce	14,00,00,000	75,00,00,000
Punjab National Bank	28,50,00,000	-
State Bank of Hyderabad	80,00,00,000	30,00,00,000
State Bank of India	23,000	23,000
Syndicate Bank	-	4,00,00,000
South Indian Bank	35,50,00,000	25,00,00,000
Vijaya Bank	-	49,00,00,000
Yes Bank	10,00,00,000	10,00,00,000
	520,00,23,000	**501,50,23,000**
	555,81,46,362	**533,52,44,025**

2.13 SHORT-TERM LOANS AND ADVANCES

in ₹

Particulars	As at	
	March 31, 2012	**March 31, 2011**
Unsecured, considered good		
Prepaid expenses	2,21,90,968	2,38,46,271
Advances for goods and services	14,51,70,401	9,71,68,052
Withholding and other taxes receivable	19,10,03,175	25,34,32,026
	35,83,64,544	37,44,46,349
Unbilled revenue	22,19,91,120	26,78,08,796

Particulars	As at	
Interest accrued but not due	11,30,73,697	5,93,60,642
Loans and advances to employees	14,95,97,145	11,35,09,870
Rental deposits	8,60,54,777	1,23,96,993
Electricity and other deposits	82,88,195	1,61,310
Mark to market gain on forward contracts	-	4,77,92,851
Customer recoverables	-	2,24,43,803
MAT credit entitlement	15,73,36,400	14,79,85,799
Loans and advances to group companies	8,34,81,329	4,87,14,063
	117,81,87,207	109,46,20,476
Unsecured, considered doubtful		
Loans and advances to employees	26,93,311	24,13,729
	118,08,80,518	109,70,34,205
Less: Provision for doubtful loans and advances	26,93,311	24,13,729
	117,81,87,207	**109,46,20,476**

2.14 OTHER CURRENT ASSETS

in ₹

Particulars	As at	
	March 31, 2012	**March 31, 2011**
Deposits with body corporate/ financial institutions	10,00,00,000	50,00,00,000
	10,00,00,000	**50,00,00,000**

The deposits maintained by the Company with body corporate/ financial institutions comprise of time deposits, which can be withdrawn by the Company at any point without prior notice or penalty on the principal portion.

2.15 OTHER INCOME

in ₹

Particulars	Year ended March 31,	
	2012	**2011**
Interest received on deposits with bank and others	60,12,07,528	31,83,30,127
Dividend received on investment in mutual fund units	3,13,13,961	3,40,79,908
Miscellaneous income, net	5,34,05,489	1,24,40,625
Profit on sale of fixed assets	19,82,876	2,44,780
Gains/(losses) on foreign currency, net	(21,56,75,864)	7,94,97,766
	47,22,33,990	**44,45,93,206**

2.16 EXPENSES

in ₹

Particulars	Year ended March 31, 2012	2011
Employee benefit expenses		
Salaries and bonus including overseas staff expenses	599,52,71,750	597,37,08,375
Staff welfare	5,84,63,241	6,06,39,520
Contribution to provident and other funds	30,98,51,749	25,36,01,179
	636,35,86,740	**628,79,49,074**
Cost of technical sub-contractors		

Particulars	Year ended March 31, 2012	2011
Consultancy charges	7,53,19,667	22,37,60,773
	7,53,19,667	**22,37,60,773**
Travel expenses		
Overseas travel expenses	41,63,34,570	34,22,01,172
Traveling expenses	14,95,61,584	14,07,87,220
	56,58,96,154	**48,29,88,392**
Cost of software packages		
Cost of software for own use	20,17,20,986	24,97,00,999
	20,17,20,986	**24,97,00,999**
Communication expenses		
Communication expenses	26,30,08,209	32,20,68,274
	26,30,08,209	**32,20,68,274**
Professional charges		
Legal and professional charges	29,70,77,335	22,47,09,642
Recruitment and training expenses	12,38,99,899	13,26,39,310
Auditor's remuneration		
audit fees	26,40,000	23,00,000
out-of-pocket expenses	-	-
	42,36,17,234	**35,96,48,952**
Office expenses		
Computer maintenance	1,88,98,184	1,76,16,383
Printing and stationery	2,13,79,187	1,75,11,526
Office maintenance	29,86,68,571	26,02,73,343
	33,89,45,942	**29,54,01,252**
Power and fuel		
Power and fuel	19,75,17,680	17,64,29,955
	19,75,17,680	**17,64,29,955**
Insurance charges		
Insurance charges	8,71,65,444	7,52,61,859
	8,71,65,444	**7,52,61,859**
Rent		
Rent	43,82,76,358	40,30,86,167
	43,82,76,358	**40,30,86,167**
Other expenses		
Consumables	1,25,34,406	2,41,36,193
Brand building and advertisement	5,53,81,916	2,02,56,326
Marketing expenses	1,54,10,703	3,97,90,028
Rates and taxes	7,02,40,845	2,17,97,669
Bank charges and commission	41,47,383	24,86,576
Postage and courier	46,24,914	45,27,131
Provision for doubtful debts	96,19,556	1,27,95,723
Provision for doubtful loans and advances	1,48,01,572	8,21,763
Professional membership and seminar participation fees	48,03,892	1,32,05,139
Other miscellaneous expenses	99,91,264	52,07,642

Particulars	Year ended March 31, 2012	2011
	20,15,56,451	14,50,24,190

2.17 TAX EXPENSE

in ₹

Particulars	Year ended March 31,	
	2012	2011
Current tax		
Income taxes	82,34,93,398	37,88,13,706
MAT credit entitlement	8,53,25,607	(21,23,57,005)
Deferred taxes	(1,22,67,959)	(7,00,18,320)
	89,65,51,046	9,64,38,381

Income taxes

The provision for taxation includes tax liabilities in India on the Company's global income as reduced by exempt incomes and any tax liabilities arising overseas on income sourced from those countries. Infosys BPO operations are conducted through Software Technology Parks ('STPs') and Special Economic Zones ('SEZs'). Incomes from STPs were tax exempt till March 31, 2011. Income from SEZs is fully tax exempt for the first 5 years, 50% exempt for the next 5 years and 50% exempt for another 5 years subject to fulfilling certain conditions. In the current year, the Company calculated its tax liability under normal provisions of the Income Tax Act and utilized the brought forward MAT Credit. During the year ended 31 March 2012, the Company has provided ₹ 1.38 crores as additional proivison for tax and ₹ 7.84 crores as additional MAT credit entitlement for earlier years.

2.18 LEASES

Obligations on long-term, non-cancellable operating leases

The lease rentals charged during the year and maximum obligations on long-term non-cancellable operating leases payable as per the rentals stated in the respective agreements are as follows:

in ₹

Particulars	Year ended March 31,	
	2012	2011
Lease rentals charged during the year	43,82,76,358	40,30,86,167

in ₹

	As at	
Lease obligations	**March 31, 2012**	**March 31, 2011**
Within one year of the balance sheet date	8,23,09,626	8,50,28,088
Due in a period between one year and five years	4,55,43,435	8,12,09,462
Later than five years	-	-

The Company has entered into non-cancellable operating lease arrangements for premises with Infosys Limited, DLF and TRIL Infopark Limited. The existing operating lease arrangements extend for periods between 36 months and 72 months from their respective dates of inception.

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

in ₹

Particulars	As at March 31, 2012	As at March 31, 2011
Contingent :		
Estimated amount of unexecuted capital contracts (net of advance and deposits)	19,85,89,590	65,38,84,579
Claims against the company not acknowledged as debts	5,32,28,478	1,79,74,765

Particulars	As at	
	March 31, 2012	March 31, 2011
Commitments:		
Forward contracts outstanding		
USD/INR	46,000,000	45,500,000
(Equivalent approximate in ₹)	(234,04,80,000)	(202,93,00,000)
GBP/USD	2,000,000	5,000,000
(Equivalent approximate in ₹)	(16,29,20,000)	(35,90,00,000)

As at the Balance Sheet date, the Company's net foreign currency exposure that is not hedged by a derivative instrument or otherwise is ₹Nil (₹Nil as at March 31, 2011).

The foreign exchange forward and option contracts mature between 1 to 12 months. The table below analyzes the derivate financial instruments into relevant maturity groupings based on the remaining period as of the balance sheet date**:**

in ₹

Particulars	As at	
	March 31, 2012	March 31, 2011
Not later than one month	25,44,65,000	15,23,00,000
Later than one month and not later than three months	82,42,95,000	50,09,50,000
Later than three months and not later than one year	142,46,40,000	173,50,50,000
	250,34,00,000	238,83,00,000

The company recognized a loss on derivate financial instruments of ₹ 59,43,40,711 and a gain on derivative financial instruments of ₹ 7,85,405 during the year ended March 31, 2012 and March 31, 2011, respectively, which is included in other income.

2.20 Quantitative details

The Company is primarily engaged in providing business process management services. The sale of such services cannot be expressed in any generic unit. Hence, it is not possible to give the quantitative details of sales and certain information as required under paragraphs 5(viii)(c) of general instructions for preparation of statement of profit and loss as per revised Schedule VI to the Companies Act, 1956.

2.21 Imports (valued on the cost, insurance and freight basis)

in ₹

Particulars	Year ended March 31,	
	March 31, 2012	March 31, 2011
Capital goods	18,95,53,557	6,62,02,041

2.22 Activity in foreign currency

in ₹

Particulars	Year ended March 31,	
	March 31, 2012	March 31, 2011
Earnings in foreign currency		
From business process management services	1198,56,13,027	1090,00,11,448
	1198,56,13,027	**1090,00,11,448**
Expenditure in foreign currency		
Salary, legal and professional charges	145,44,83,224	133,94,27,779
Overseas travel expenses	31,03,58,861	38,32,12,225
Bank charges, consultancy and others	84,05,47,478	70,08,41,363
Communication expenses	14,06,28,522	21,79,26,254
	274,60,18,085	**264,14,07,621**

2.23 Related party transactions

List of related parties:

Name of the related party		Holding as at	
		March 31, 2012	March 31, 2011
Infosys Limited	India	Holding Company	Holding Company
Infosys BPO s.r.o	Czech Republic	100%	100%
Infosys BPO Poland Sp.z.o.o	Poland	100%	100%
McCamish Systems LLC	United States	100%	100%
Portland Group Pty Ltd	Australia	100%	-
Infosys Consulting Inc*	United States		
Infosys Technologies (Australia) Pty Limited ("Infosys Australia")*	Australia		
Infosys Technologies S.de R.L.de C.V. ("Infosys Mexico")*	Mexico		
Infosys Technologies (China) Co. Limited ("Infosys China") *	China		
Infosys Technologia Do Brasil LTDA (" Infosys Brazil")*	Brazil		
Infosys Consulting India Limited#	India		

* Wholly owned subsidiaries of Infosys Limited i.e. fellow subsidiaries.

Wholly owned subsidiary of Infosys Consulting Inc

Effective January 2012, Infosys Consulting Inc., was merged with Infosys Limited.

On February 9, 2012, Infosys Consulting India Limited filed a petition in the High Court of Karnataka for its merger with Infosys Limited.

List of key management personnel

Name of the related party	Designation
V. Balakrishnan*	Chairman and Director
T. V. Mohandas Pai**	Chairman and Director
D. Swaminathan	Managing Director and Chief Executive Officer
S. D. Shibulal***	Director
Prof. Jayanth R. Varma	Director
Sridar A. Iyengar	Director
B. G. Srinivas***	Director
Eric S. Paternoster***	Director
Chandrashekar Kakal#	Director

*Appointed as Chairman and Director effective June 11, 2011

** Resigned as Chairman and Director effective June 11, 2011

*** Resigned as Director effective September 30, 2011

Appointed as Director effective October 7, 2011

The details of the related party transactions entered into by the Company, for the year ended March 31, 2012 and March 31, 2011 are as follows:

in ₹

Particulars	Year ended March 31,	
	2012	2011
Capital transactions:		
Financial transactions		
Loans		

Particulars	Year ended March 31,	
Infosys BPO Poland Sp.z.o.o	-	-
McCamish Systems LLC	11,20,78,361	(15,49,973)
Revenue transactions:		
Purchase of services		
Infosys Limited	38,53,749	-
Infosys BPO s.r.o	-	16,26,623
Infosys Mexico	50,72,204	2,02,96,180
Infosys Consulting Inc	43,18,928	1,76,45,583
McCamish Systems LLC	1,11,34,636	60,84,062
Infosys Poland	4,40,34,353	-
Purchase of shared services including facilities and personnel		
Infosys Limited	57,64,77,252	73,39,43,837
Infosys BPO s.r.o	1,90,760	4,02,543
Infosys BPO Poland Sp.z.o.o	3,21,407	44,695
Infosys BPO (Thailand) Limited	-	1,220
McCamish Systems LLC	73,50,067	1,22,20,764
Infosys Australia	27,55,982	2,67,61,644
Infosys Mexico	2,92,196	28,47,985
Infosys China	16,03,855	89,37,566
Infosys Brazil	11,97,138	13,57,877
Interest income		
Infosys BPO (Thailand) Limited	-	1,81,233
McCamish Systems LLC	22,46,888	8,92,617
Sale of services		
Infosys BPO s.r.o		52,44,663
McCamish Systems LLC	18,11,20,150	-
Sale of shared services including facilities and personnel		
Infosys Limited	129,85,23,662	110,75,66,483
Infosys BPO s.r.o	13,24,091	89,14,375
Infosys BPO Poland Sp.z.o.o	5,18,614	15,51,838
McCamish Systems LLC	7,89,038	3,32,33,566
Infosys Australia	66,01,442	3,44,19,371
Infosys Mexico	4,27,349	63,03,004
Infosys China	16,84,103	1,63,25,479
Infosys Consulting Inc	-	24,229
Infosys Brazil	19,36,548	1,49,36,410
Infosys Consulting India Limited	40,63,654	1,00,36,532

The Company has received certain managerial services from Mr. V. Balakrishnan, Mr. S. D. Shibulal, Mr. B.G. Srinivas and Mr. T. V. Mohandas Pai, directors of the company who are also directors of Infosys Limited, at no cost.

Infosys Limited, the parent company has issued performance guarantees to certain clients for the Company's executed contracts.

Infosys BPO Limited guarantees the performance of certain contracts entered into by its subsidiaries.

On September 1, 2011 the loan given to McCamish Systems LLC was converted into equity amounting to ₹ 11.52 crores.

Details of amounts due to or due from related parties as at March 31, 2012 and March 31, 2011:

in ₹

Particulars	As at,	
	March 31, 2012	March 31, 2011
Debtors		
Infosys BPO s.r.o	-	41,423
Infosys BPO Poland Sp.z.o.o	(318)	25,088
McCamish Systems LLC	2,83,26,809	-
Loans and Advances		
Infosys Limited	8,33,76,783	2,07,85,682
Infosys Australia	94,678	33,45,694
Infosys Consulting Inc	-	3,697
Infosys Mexico	-	6,46,607
Infosys China	-	2,29,89,664
Infosys Consulting India Limited	-	8,76,208
Creditors		
Infosys Limited	1,29,73,714	1,40,12,209
Infosys BPO Poland Sp.z.o.o	3,54,19,268	-
Infosys Consulting Inc	-	16,69,423
Infosys Australia	-	1,11,252
Infosys Mexico	-	25,02,248
Infosys China	-	96,35,279
Portland Group Pty Ltd	1,15,51,015	-
Deposit given for shared services		
Infosys Limited	6,89,00,000	6,89,00,000
Deposit received for shared services		
Infosys Limited	2,92,54,500	-

Particulars of remuneration and other benefits paid to Managing Director during the year March 31, 2012 and March 31, 2011, are given below:

in ₹

Particulars	Year ended March 31,	
	2012	2011
Salary, allowances and performance incentives	1,62,24,612	78,73,281
Contribution to provident and other funds	2,55,379	2,26,209
Performance incentives	93,65,622	43,74,524
	2,58,45,613	**1,24,74,014**

Managerial remuneration paid to non-whole time directors

Particulars of remuneration and other benefits paid to non-whole time directors during the year ended March 31, 2012 and 2011 are given below:

in ₹

	Year ended March 31,	
	2012	2011
Sitting fees	1,20,000	90,000
Commission	24,00,000	24,00,000
	25,20,000	**24,90,000**

Computation of net profit in accordance with Section 349 of the Companies Act, 1956 and calculation of commission payable to non whole time directors.

in ₹

	Year ended March 31, 2012	2011
Net profit after tax from ordinary activities	304,62,61,337	204,83,60,702
Add:		
1. Whole time director's remuneration	2,58,45,613	1,24,74,014
2. Director's sitting fee	1,20,000	90,000
3. Commission to non-whole time directors	24,00,000	24,00,000
4. Depreciation as per books of account	49,69,17,227	50,74,55,954
5. Provision for doubtful debts	96,19,556	1,27,95,723
6. Provision for doubtful loans and advances	1,48,01,572	8,21,763
5. Provision for taxation	89,65,51,046	9,64,38,381
	144,62,55,014	268,08,36,537
Less:		
1.Depreciation as envisaged under Section 350 of the Companies Act, 1956*	49,69,17,227	50,74,55,954
2.Net profit on which commission is payable	94,93,37,787	217,33,80,583
3.Commission payable to non whole time directors:	-	-
4.Maximum allowed as per the Companies Act, 1956 at 1%	94,93,378	2,17,33,806
Commission approved by the Board:	24,00,000	24,00,000

* The company depreciates fixed assets based on estimated useful lives that are lower than those implicit is Schedule XIV of the Companies Act, 1956. Accordingly, the rates of depreciation used by the company are higher than the minimum rates prescribed by the Schedule XIV of the Companies Act, 1956.

2.24 Segment reporting

The Company's operations primarily relate to providing business process management services to organizations that outsource their business processes. Accordingly, revenues represented along industry classes comprise the primary basis of segmental information set out in these financial statements. Secondary segmental reporting is performed on the basis of the geographical location of customers.

The accounting principles consistently used in the preparation of the financial statements are also consistently applied to record income in individual segments. These are set out in the note on significant accounting policies.

Industry segments at the company primarily comprise customers relating to financial services and insurance (FSI), manufacturing (MFG), enterprises in energy, utilities and telecommunication services (ECS) and retail, logistics, consumer product group, life sciences and health care enterprises (RCL). Income in relation to segments is categorized based on items that are individually identified to those segments while expenditure is categorized in relation to the associated turnover of the segment. Expenses which form a significant component of total expenses are not specifically allocable to specific segments as the underlying services are used interchangeably. These expenses are separately disclosed as "unallocated" and adjusted only against the total income of the company. The company believes that it is not practical to provide segment disclosures relating to these costs and expenses, and accordingly these expenses are separately disclosed as unallocated and directly charged against total income. Fixed assets or liabilities contracted have not been identified to any reportable segments, as these are used interchangeably between segments. Accordingly no disclosure relating to total segment assets and liabilities are made.

Geographical segments are segregated based on the location of the customers, or in relation to which the revenue is otherwise recognized.

All direct costs are identified to its respective verticals/geographies on the basis of revenues from the respective verticals/geographies while unallocable cost consists of depreciation only.

Industry segments

Year ended **March 31, 2012** and March 31, 2011

in ₹

Particulars	FSI	MFG	RCL	ECS	Total
Revenues from business process management services	**341,97,04,981**	**406,59,00,368**	**102,48,20,078**	**461,36,81,058**	**1312,41,06,485**
	291,17,65,411	372,12,19,084	72,15,44,892	393,66,18,522	1129,11,47,909
Identifiable operating expenses	**84,86,61,229**	**116,99,97,456**	**33,67,76,199**	**147,28,02,118**	**382,82,37,002**
	74,45,74,214	122,62,65,945	25,46,10,203	159,99,26,367	382,53,76,729
Allocated expenses	**138,33,02,522**	**165,39,71,856**	**41,62,82,756**	**187,48,16,730**	**532,83,73,863**
	133,98,96,737	171,04,00,725	33,34,66,134	181,21,79,562	519,59,43,158
Segmental operating profit	**118,77,41,230**	**124,19,31,056**	**27,17,61,123**	**126,60,62,210**	**396,74,95,620**
	82,72,94,460	78,45,52,414	13,34,68,555	52,45,12,593	226,98,28,022
Un allocable expenses					**49,69,17,227**
					56,96,22,145
Other income					**47,22,33,990**
					44,45,93,206
Profit before tax					**394,28,12,383**
					214,47,99,083
Tax expense					**89,65,51,046**
					9,64,38,381
Profit for the year					**304,62,61,337**
					204,83,60,702

Geographical segments

Year ended **March 31, 2012** and March 31, 2011

in ₹

Particulars	United States of America	Europe	Others	Total
Revenues from business process management services	**701,21,16,420**	**487,20,49,383**	**123,99,40,682**	**1312,41,06,485**
	655,60,57,517	382,15,29,931	91,35,60,461	1129,11,47,909
Identifiable operating expenses	**199,86,34,335**	**151,68,11,771**	**31,27,90,896**	**382,82,37,002**
	227,77,96,890	132,28,42,755	22,47,37,084	382,53,76,729
Allocated expenses	**284,30,19,304**	**198,10,49,507**	**50,43,05,053**	**532,83,73,863**
	301,45,64,845	176,07,54,470	42,06,23,843	519,59,43,158
Segmental operating profit	**217,04,62,781**	**137,41,88,105**	**42,28,44,733**	**396,74,95,620**
	126,36,95,782	73,79,32,706	26,81,99,534	226,98,28,022
Unallocable expenses				**49,69,17,227**
				56,96,22,145
Other income				**47,22,33,990**
				44,45,93,206
Profit before tax				**394,28,12,383**

Particulars	United States of America	Europe	Others	Total
				214,47,99,083
Tax expense				**89,65,51,046**
				9,64,38,381
Profit for the year				**304,62,61,337**
				204,83,60,702

2.25 Gratuity Plan

Gratuity is applicable to all permanent and full time employees of the company. Gratuity paid out is based on last drawn basic salary and dearness allowance at the time of termination or retirement. The scheme takes into account each completed year of service or part thereof in excess of six months. The normal age of retirement is 60 years and the entire contribution is borne by the Company.

The Company recognises actuarial gains and losses as and when these arise. The charge in respect of these gains/losses is taken to the profit and loss account.

Reconciliation of opening and closing balances of the present value of the defined benefit obligation:

in ₹

	As at				
	March 31,2012	**March 31,2011**	**March 31,2010**	**March 31, 2009**	**March 31,2008**
Obligations at the beginning of the year	18,76,90,700	14,25,35,851	10,83,54,625	5,97,96,919	3,65,75,416
Liability as on April 1, 2008 assumed on the amalgamation of PAN Financial Shared Services India Private Limited	-	-	-	1,31,80,050	-
Service cost	13,68,85,699	6,51,09,966	6,73,44,267	4,07,80,299	2,57,48,242
Interest cost	1,12,28,864	74,96,831	46,65,510	42,52,594	28,21,347
Benefits settled	(5,40,74,205)	(4,42,43,763)	(3,71,70,205)	(2,35,68,652)	(1,42,50,440)
Actuarial (gain)/loss	25,89,919	1,67,91,815	(6,58,346)	1,39,13,415	89,02,354
Obligations at the end of the year	28,43,20,977	18,76,90,700	14,25,35,851	10,83,54,625	5,97,96,919

Defined benefit obligation liability as at the balance sheet is wholly funded by the Company.

Change in plan assets:

in ₹

	As at				
	March 31,2012	**March 31,2011**	**March 31,2010**	**March 31, 2009**	**March 31, 2008**
Plan assets at beginning, at fair value	19,77,56,309	15,45,17,163	11,64,20,243	6,12,93,221	3,49,57,318
Assets as on April 1, 2008 assumed on the amalgamation of PAN Financial Shared Services India Private Limited	-	-	-	1,59,21,701	-
Expected return on plan assets	2,01,20,084	1,56,93,766	1,14,83,981	64,94,791	33,91,458
Actuarial gain/(loss)	13,85,922	(1,84,436)	3,04,464	18,39,632	3,84,157
Contributions	13,59,88,112	7,19,73,579	6,34,78,680	5,44,39,550	3,68,10,728
Benefits settled	(5,40,74,205)	(4,42,43,763)	(3,71,70,205)	(2,35,68,652)	(1,42,50,440)
Plan assets at end, at fair value	30,11,76,222	19,77,56,309	15,45,17,163	11,64,20,243	6,12,93,221

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Reconciliation of present value of the obligation and the fair value of the plan assets:

in ₹

	As at				
	March 31, 2012	March 31, 2011	March 31, 2010	March 31, 2009	March 31, 2008
Fair value of plan assets at the year end	29,62,23,903	19,77,56,309	15,45,17,163	11,64,20,243	6,12,93,221
Present value of the defined benefit obligations at the year end	28,43,20,977	18,76,90,700	14,25,35,851	10,83,54,625	5,97,96,919
Asset/(Liability) recognized in the balance sheet	1,19,02,926	1,00,65,608	1,19,81,312	80,65,618	14,96,302

Gratuity cost for the year:

in ₹

	Year ended March 31,	
	2012	2011
Service cost	13,68,85,699	6,51,09,966
Interest cost	1,12,28,864	74,96,831
Expected return on plan assets	(2,01,20,084)	(1,56,93,766)
Actuarial (gain)/loss	12,03,997	1,69,76,251
Net gratuity cost	12,91,98,476	7,38,89,283
Actual return on plan assets	2,15,06,006	1,55,09,330

100% of plan assets are maintained by Life Insurance Corporation of India.

Assumptions

	As at				
	March 31, 2012	March 31, 2011	March 31, 2010	March 31, 2009	March 31, 2008
Interest rate	8.57%	7.98%	7.82%	7.01%	7.92%
Discount rate	8.57%	7.98%	7.82%	7.01%	7.92%
Estimated rate of return on plan assets	9.45%	9.36%	9.00%	7.01%	7.92%
Retirement age	60	60	60	58	58
The estimates of future salary increases considered in actuarial valuation take account of inflation, seniority, promotion and other relevant factors such as supply and demand factors in the employment market.					

2.26 Provident Fund

The Company contributed ₹ 30,98,51,749 towards Provident Fund during the year ended March 31, 2012 (₹25,36,01,179 during the year ended March 31, 2011).

2.27 Superannuation

The Company contributed ₹ 8,40,793 to the Superannuation Trust during year ended March 31, 2012 (₹3,99,998 during the year ended March 31, 2011).

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

Particulars	Year ended March 31,	
	2012	2011
Number of shares considered as basic weighted average shares outstanding	3,38,27,751	3,38,27,751
Add: Effect of dilutive issues of shares/stock options	-	-
Number of shares considered as weighted average shares and potential shares outstanding	3,38,27,751	3,38,27,751

2.29 Restricted deposits

Other current assets as at March 31, 2012 includes ₹ 30,38,63,714 (₹ 23,50,00,000 as at March 31,2011, respectively) deposited with Life Insurance Corporation of India to settle employee-related obligations as and when they arise during the normal course of business. This amount is considered as restricted cash and is hence not considered as 'cash and cash equivalents'.

2.30 Dues to micro and small enterprises

The Company has no dues to micro and small enterprises during the year ended March 31, 2012 and during the year ended March 31, 2011.

2.31 FUNCTION WISE CLASSIFICATION OF STATEMENT OF PROFIT AND LOSS ACCOUNT

in ₹

Profit and Loss account for the	Year ended March 31,	
	2012	2011
Income from business process management services	1312,41,06,485	1129,11,47,909
Cost of revenue	682,49,16,637	667,74,86,031
GROSS PROFIT	629,91,89,848	461,36,61,878
Selling and marketing expenses	79,04,95,527	95,58,64,076
General and administration expenses	154,11,98,701	138,79,69,780
	233,16,94,228	234,38,33,856
OPERATING PROFIT BEFORE DEPRECIATION	396,74,95,620	226,98,28,022
Depreciation and amortisation expense	49,69,17,227	50,74,55,954
OPERATING PROFIT	347,05,78,393	176,23,72,068
Other income, net	47,22,33,990	44,45,93,206
Provision for investments	-	6,21,66,191
PROFIT BEFORE TAX	394,28,12,383	214,47,99,083
Tax expense:		
Current tax	90,88,19,005	16,64,56,701
Deferred tax	(1,22,67,959)	(7,00,18,320)
PROFIT FOR THE year	304,62,61,337	204,83,60,702

2.32 Schedule to the Cash Flow Statement

in ₹

Particulars		Year ended March 31, 2012	2011
2.32.1	Changes in loans and advances during the year		
	As per Balance Sheet	198,24,69,448	270,91,25,383
	MAT credit entitlement	(54,51,97,934)	(63,05,23,541)
	Tax deducted at source separately considered	(22,39,78,480)	(20,82,91,231)
	Interest accrued but not yet due	(11,30,73,697)	(5,93,60,642)
	Capital advance considered separately	(63,73,026)	24,71,40,056
		109,38,46,311	205,80,90,025
	Less: Opening balance considered	(111,45,98,424)	(195,40,81,009)
		(2,07,52,113)	10,40,09,016

2.32.2 Changes in other current assets during the year

Particulars	Year ended March 31, 2012	2011
As per Balance Sheet	41,57,66,640	74,50,65,608
Less: Deposit with Body corporate considered as cash	(10,00,00,000)	(50,00,00,000)
	31,57,66,640	24,50,65,608
Less: Opening balance considered	(24,50,65,608)	(1,19,81,312)
	7,07,01,032	23,30,84,296

2.32.3 Changes in liabilities during the year

Particulars	Year ended March 31, 2012	2011
As per Balance Sheet	429,35,93,954	413,76,44,782
Less: Sundry creditors considered separately	(10,23,790)	-
Less: Retention money considered separately	(8,08,16,534)	(4,29,78,153)
Less: Opening balance considered	(409,46,66,629)	(375,25,57,967)
	11,70,87,001	34,21,08,662

2.32.4 Changes in trade payables during the year

Particulars	Year ended March 31, 2012	2011
As per Balance Sheet	6,36,60,114	2,86,32,227
Less: Opening balance considered	(2,86,32,227)	(4,22,07,471)
	3,50,27,887	(1,35,75,244)

2.32.5 Changes in provisions during the year

Particulars	Year ended March 31, 2012	2011
As per Balance Sheet	40,53,60,897	31,93,29,011
Less : Provision for income taxes considered separately	(5,00,91,064)	(19,665,292)
Less: Opening balance considered	(29,96,63,719)	(22,33,12,074)
	5,56,06,114	7,63,51,645

2.32.6 Income tax paid during the year

Particulars	Year ended March 31, 2012	2011
Charges as per the Profit and Loss Account	82,34,93,398	37,88,13,706
Add: Tax deducted at source	(1,47,38,523)	(61,11,497)
	80,87,54,875	37,27,02,209

2.32.7 Purchase of fixed assets and changes in capital work in progress/advances

in ₹

Particulars	Year ended March 31, 2012	2011
Movement as per Balance Sheet	121,88,68,113	22,05,80,136
Less: Opening capital work-in-progress	(15,39,33,179)	(59,695)
Add: Closing capital work-in-progress	1,99,41,000	(15,39,33,179)
Less: Opening capital advances	(9,32,06,877)	(46,58,912)
Add: Closing capital advances	63,73,026	40,10,73,235

Particulars	Year ended March 31, 2012	2011
Less: Closing sundry creditors for capital goods	(10,23,790)	-
Add: Opening retention monies	4,29,78,153	5,64,04,055
Less: Closing retention monies	(8,08,16,534)	(4,29,78,153)
	95,91,79,912	47,64,27,487

2.32.8 Interest income received during the year

in ₹

Particulars	Year ended March 31, 2012	2011
As per statement of profit and loss	60,12,07,528	31,83,30,127
Add: Opening interest accrued but not yet due	5,93,60,642	69,35,485
Less: Closing interest accrued but not yet due	(11,30,73,697)	(5,93,60,642)
	54,74,94,473	26,59,04,970

2.32.9 Investments in subsidiary during the year

in ₹

Particulars	Year ended March 31, 2012	2011
As per Balance Sheet	562,77,50,869	320,26,24,119
Add: Amount due to liquidation	-	6,21,66,191
Less: Opening balance considered	(320,26,24,119)	(326,47,90,310)
	242,51,26,750	-

2.32.10 Loans to subsidiary during the year

in ₹

Particulars	Year ended March 31, 2012	2011
Add : transfer to investment account	-	-
Less: Opening balance considered	-	15,49,973
	-	15,49,973
Loans given to Subsidiary	22,92,713	11,20,08,880
Loans repaid by Subsidiary	22,92,713	11,35,58,853

2.32.11 Cash and cash equivalents at the end of the year

in ₹

Particulars	Year ended March 31, 2012	2011
As per Balance Sheet	555,82,36,951	533,53,36,646
Add: Deposits with Financial institutions and body corporate	10,00,00,000	50,00,00,000
	565,82,36,951	583,53,36,646

Statement pursuant to Section 212 of the Companies Act, 1956

in ₹

Subsidiary	Infosys BPO S.R.O	Infosys BPO (Poland) Sp.Z.O.O	McCamish Systems LLC	Portland Group PTY Ltd	Portland Procurement Services Pty Ltd
Financial period ended	March 31, 2012	March 31, 2012	March 31, 2012	March 31, 2012	March 31, 2012
Holding company interest	100%	100%	100%	100%	100%
Net aggregate profits/losses of the subsidiary for the current period so far as it concerns the members of the holding company[1]					
a. dealt with or provided for in the accounts of the holding company	-	-	-	-	-
b. not dealt with or provided for in the accounts of the holding company	(34,05,814)	41,71,16,194	(24,04,98,990)	(81,72,764)	-
Net aggregate profits/losses for previous financial years of the subsidiary so far as it concerns the members of the holding company[1]					-
a. dealt with or provided for in the accounts of the holding company	-	-	-	-	-
b. not dealt with or provided for in the accounts of the holding company	25,62,85,897	34,78,70,153	(37,35,54,751)	-	-

Notes: [1] Net aggregate profits/losses of the subsidiary so far as it concerns the members of the holding company

V. Balakrishnan
Chairman and Director

D. Swaminathan
Managing Director
Chief Executive Officer

Prof. Jayanth R. Varma
Director

Sridar A. Iyengar
Director

Chandrashekar Kakal
Director

Abraham Mathews
Chief Financial Officer

N.R. Ravikrishnan
Company Secretary

Bangalore
April 6, 2012

Statement pursuant to Section 212 of the Companies Act, 1956

in ₹

Subsidiary	Infosys BPO S.R.O[(1)]	Infosys BPO (Poland) Sp.Z.O.O [(2)]	McCamish Systems LLC[(2)]	Portland Group PTY Ltd[(2)(3)]	Portland Procurement Services PTY Ltd[(2)(3)]
Exchange Rate as at March 31, 2012	1 CZK = ₹ 2.77	1 PLN = ₹ 16.49	1 USD = ₹ 50.88	1 AUD = ₹ 52.91	1 AUD = ₹ 52.91
Issued and Subscribed Share Capital	3,49,78,993	3,93,50,000	147,52,47,854	17,86,70,669	16,73,74,718
Reserves	30,30,71,280	121,35,53,665	(147,52,80,161)	15,79,04,766	18,44,46,039
Loans	-	-	(2053,98,998)	-	-
Total assets	47,28,93,403	157,72,31,311	50,59,67,970	89,13,29,958	47,06,97,570
Total liabilities	47,28,93,403	157,72,31,311	50,59,67,970	89,13,29,958	47,06,97,570
Investments					
Long term	-	-	-	34,80,95,947	-
Current	-	-	-	-	-
Total	-	-	-	34,80,95,947	-
Turnover	57,25,83,219	191,67,36,026	187,12,66,530	33,19,41,962	11,20,79,161
Profit/(Loss) before taxation	59,50,263	50,20,05,535	(24,04,98,990)	27,99,693	69,17,802
Provision for taxation	93,56,077	8,48,89,341	-	1,54,58,338	24,31,921
Profit/(Loss) after Taxation	(34,05,814)	41,71,16,194	(24,04,98,990)	(1,26,58,645)	44,85,881
No of Employees	422	1,238	324	89	67

Notes: 1. the above details are as on March 31. 2012. Information on subsidiaries is provided in compliance with General Circular No 2/2011, issued by the Ministry of Corporate Affairs, Government of India.

2. Wholly-owned subsidiary of Infosys BPO Limited

3. On January 4, 2012, Infosys BPO Limited acquired 100% voting interest in Portland Group Pty. Limited.

V. Balakrishnan
Chairman and Director

D. Swaminathan
Managing Director
Chief Executive Officer

Prof. Jayanth R. Varma
Director

Sridar A. Iyengar
Director

Chandrashekar Kakal
Director

Abraham Mathews
Chief Financial Officer

N.R. Ravikrishnan
Company Secretary

Bangalore
April 6, 2012

Independent Auditor's Report

To the Board of Directors of Infosys BPO Limited

Report on the Financial Statements

We have audited the accompanying consolidated financial statements of Infosys BPO Limited (the Company) and subsidiaries (collectively referred to as the 'Group'), which comprise the Consolidated Balance Sheet as at March 31, 2012, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

(i) in the case of the Consolidated Balance Sheet, of the state of affairs of the Group as at March 31, 2012;

(ii) in the case of the Consolidated Statement of Profit and Loss, of the profit for the year ended on that date; and

(iii) in the case of the Consolidated Cash Flow Statement, of the cash flows for the year ended on that date.

for **B S R & Co.**
Chartered Accountants
Firm's Registration Number: 101248W

Natrajh Ramakrishna
Partner
Membership Number: 32815

Bangalore
April 6, 2012

Consolidated Balance Sheet

in ₹

Consolidated Balance Sheet as at	Note	March 31, 2012	March 31, 2011
EQUITY AND LIABILITIES			
SHAREHOLDERS' FUNDS			
Share capital	2.1	33,82,77,510	33,82,77,510
Reserves and surplus	2.2	1464,77,88,275	1147,72,80,215
		1498,60,65,785	1181,55,57,725
NON-CURRENT LIABILITIES			
Other long-term liabilities	2.3	70,11,84,119	75,23,07,498
		70,11,84,119	75,23,07,498
CURRENT LIABILITIES			
Trade payables		13,47,70,011	5,49,95,918
Other current liabilities	2.4	428,03,02,744	379,65,33,808
Short-term provisions	2.5	60,38,51,841	42,33,03,617
		501,89,24,596	427,48,33,343
		2070,61,74,500	**1684,26,98,566**
ASSETS			
NON-CURRENT ASSETS			
Fixed assets			
Tangible assets	2.6	247,83,02,994	170,86,75,908
Intangible assets	2.6	477,28,65,360	309,70,51,105
Capital work-in-progress		1,99,41,000	15,43,92,756
		727,11,09,354	496,01,19,769
Deferred tax assets, net	2.8	24,87,62,742	24,28,21,366
Long-term loans and advances	2.9	85,24,52,491	107,47,86,645
Other non-current assets	2.10	31,57,66,640	24,50,65,608
		141,69,81,873	156,26,73,619
CURRENT ASSETS			
Current investments	2.7	20,05,06,473	20,59,34,759
Trade receivables	2.11	396,68,19,144	271,28,10,079
Cash and cash equivalents	2.12	629,89,05,158	567,51,61,140
Short-term loans and advances	2.13	145,18,52,498	122,59,99,200
Other current assets	2.14	10,00,00,000	50,00,00,000
		1201,80,83,273	1031,99,05,178
		2070,61,74,500	**1684,26,98,566**
SIGNIFICANT ACCOUNTING POLICIES	1		
NOTES ON ACCOUNTS	2		

As per our report attached
for B S R & Co.
Chartered Accountants
Firm Registration No: 101248W

Natrajh Ramakrishna
Partner

Membership No. 32815

V. Balakrishnan
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Director

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Director

Abraham Mathews
Chief Financial Officer

Bangalore
April 6, 2012

N. R. Ravikrishnan
Company Secretary

Infosys®

Consolidated Statement of Profit and Loss

in ₹

Consolidated Statement of Profit and Loss for the	Note	Year ended March 31,	
		2012	2011
Revenues from business process management services		1768,71,18,506	1471,63,21,924
Other income	2.15	52,76,25,217	44,90,70,925
		1821,47,43,723	**1516,53,92,849**
Expenses			
Employee benefit expenses	2.16	916,50,97,759	842,01,24,751
Cost of Technical sub-contractors	2.16	60,30,96,338	75,87,23,948
Travel expenses	2.16	73,08,20,050	66,57,92,838
Cost of software packages	2.16	25,30,80,867	28,21,41,332
Communication expenses	2.16	32,47,25,263	41,11,45,997
Professional charges	2.16	54,47,95,285	28,13,69,987
Office expenses	2.16	46,22,61,897	43,32,70,162
Power and fuel	2.16	22,80,58,704	19,04,60,743
Insurance charges	2.16	9,43,11,850	8,78,42,854
Rent	2.16	62,88,44,398	55,45,58,383
Depreciation expense	2.6	59,43,73,403	58,02,78,486
Other expenses	2.16	36,52,91,223	27,45,36,424
Total Expenses		**1399,47,57,037**	**1294,02,45,905**
PROFIT BEFORE TAX		**421,99,86,686**	**222,51,46,944**
Tax expense:	2.17		
Current tax		101,41,86,709	20,55,84,417
Deferred tax		(54,99,986)	(7,12,46,413)
		100,86,86,723	13,43,38,004
NET PROFIT AFTER TAX		**321,12,99,963**	**209,08,08,940**
Balance brought forward from the previous period		80,13,36,868	503,86,58,982
Transfer to general reserve		-	600,00,00,000
AMOUNT AVAILABLE FOR APPROPRIATION		**401,26,36,831**	**112,94,67,922**
EARNINGS PER SHARE			
Equity shares of par value ₹10 each			
Basic		94.93	61.81
Diluted		94.93	61.81
Weighted average number of shares used in computing earnings per share:	2.26		
Basic		3,38,27,751	3,38,27,751
Diluted		3,38,27,751	3,38,27,751
SIGNIFICANT ACCOUNTING POLICIES	1		
NOTES ON ACCOUNTS	2		

As per our report attached
for B S R & Co.
Chartered Accountants
Firm Registration No: 101248W

Natrajh Ramakrishna
Partner
Membership No. 32815

V. Balakrishnan
Chairman
and Director

D. Swaminathan
Managing Director and
Chief Executive Officer

Prof. Jayanth R.Varma
Director

Sridar A. Iyengar
Director

Chandrashekar Kakal
Director

Abraham Mathews
Chief Financial Officer

Bangalore
April 6, 2012

N. R. Ravikrishnan
Company Secretary

Consolidated Cash Flow Statement

in ₹

Consolidated Cash Flow Statement		Year ended March 31,	
		2012	2011
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		421,99,86,686	222,51,46,944
Adjustments to reconcile profit before tax to cash provided by operating activities			
Depreciation		59,43,73,403	58,02,78,486
Interest income		(60,57,84,185)	(32,06,88,394)
Dividend income		(3,13,13,961)	(3,40,79,908)
Profit on sale of fixed assets		(19,82,876)	(21,47,438)
Effect of exchange differences on translation of foreign currency cash and cash equivalents		1,10,49,663	93,03,555
Changes in assets and liabilities			
Trade receivables		(85,38,14,381)	(38,80,85,434)
Loans and advances	2.30.1	(3,51,62,188)	(97,84,16,351)
Other assets	2.30.2	(5,59,17,939)	59,65,63,760
Liabilities	2.30.3	27,62,16,062	27,53,84,520
Trade Payables	2.30.4	6,91,59,429	9,14,19,348
Provisions	2.30.5	1,02,67,522	7,59,35,243
		359,70,77,235	213,06,14,331
Income tax paid during the year, net	2.30.6	(88,08,72,216)	(37,61,39,079)
NET CASH GENERATED BY OPERATING ACTIVITIES		**271,62,05,019**	**175,44,75,252**
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of fixed assets and change in capital work-in-progress/advances	2.30.7	(110,17,26,586)	(55,90,82,796)
Proceeds from sale of fixed assets		2,59,08,216	1,20,47,179
Interest received	2.30.8	55,17,95,104	26,83,68,174
Dividend received		3,13,13,961	3,40,79,908
Purchase of units in liquid mutual funds		(504,72,11,345)	(349,22,26,735)
Proceeds from sale of units in liquid mutual funds		505,26,39,631	529,44,69,763
Consideration for acquisition of businesses, net of cash acquired		(195,28,97,026)	-
NET CASH GENERATED/(USED) IN INVESTING ACTIVITIES		**(244,01,78,045)**	**155,76,55,493**
CASH FLOWS FROM FINANCING ACTIVITIES		-	-
NET CASH FLOWS FROM FINANCING ACTIVITIES		**-**	**-**
Effect of exchange differences on translation of foreign currency cash and cash equivalents		(5,22,82,956)	2,20,14,944
NET CHANGE IN CASH AND CASH EQUIVALENTS		22,37,44,018	333,41,45,689
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD		617,51,61,140	284,10,15,451
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD*	2.30.9	**639,89,05,158**	**617,51,61,140**

* Cash and cash equivalents aggregating ₹ 639,89,05,158 (₹ 617,51,61,140 as at March 31, 2011) comprises cash on hand amounting to ₹ 19,55,829 (₹ 6,99,641 as at March 31, 2011), balances with banks amounting to ₹ 629,69,49,329 (₹ 567,44,61,499 as at March 31, 2011) and deposits with financial institution/body corporate amounting to ₹ 10,00,00,000 (₹ 50,00,00,000 as at March 31, 2011)

This is the Cash Flow Statement referred to in our report of even date.

for B S R & Co.
Chartered Accountants
Firm Registration No: 101248W

Natrajh Ramakrishna
Partner
Membership No. 32815

V. Balakrishnan
Chairman and Director

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Director

Chandrashekar Kakal
Director

Abraham Mathews
Chief Financial Officer

Bangalore
April 6, 2012

N. R. Ravikrishnan
Company Secretary

Schedules to the consolidated financial statements for the year ended March 31, 2012

Significant accounting policies and notes on accounts

Company overview

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

1 Significant accounting policies

1.1 Basis of preparation of financial statements

These consolidated financial statements are prepared under the historical cost convention, in accordance with Generally Accepted Accounting Principles in India ("GAAP") on accrual basis except for certain financial instruments which are measured at fair values. GAAP comprises accounting standards as specified in rule 3 of the Companies (Accounting Standards) Rules 2006, and the relevant provisions of the Companies Act, 1956 to the extent applicable. Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

The consolidated financial statements are prepared in accordance with the principles and procedures required for the preparation and presentation of consolidated financial statements as laid down under the Accounting Standard (AS) 21, “Consolidated Financial Statements”. The financial statements of Infosys BPO Limited - the parent Company, Infosys BPO s.r.o, Infosys BPO Poland s.p. z.o.o, McCamish Systems LLC and Portland Group Pty Ltd have been combined on a line-by-line basis by adding together book values of like items of assets, liabilities, income and expenses after eliminating intra-group balances and transactions and resulting unrealized gain/loss. The consolidated financial statements are prepared by applying uniform accounting policies in use at the Group.

1.2 Use of estimates

The preparation of the financial statements in conformity with GAAP requires that the management to make estimates and assumptions that affect the reported amounts of income and expenses of the period, reported balances of assets and liabilities and disclosures relating to contingent assets and liabilities as of the date of the financial statements. Examples of such estimates includes computation of percentage of completion which requires the company to estimate the efforts expended to date as a proportion of the total efforts to be expended, provision for doubtful debts, future obligations under employee retirement benefit plans, provision for income taxes, provision for SLA and the useful lives of fixed assets and intangible assets.

Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as the management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

1.3 Revenue recognition

The Group derives its revenues primarily from business process management services, on time-and-material, fixed-price, fixed-time frame and unit-price basis. Revenue on time-and-material contracts is recognized as the related services are rendered and revenue from the end of the last billing to the balance sheet date is recognized as unbilled revenue. Revenue from fixed-price, fixed-time frame contracts, where there is no uncertainty as to measurement and collectability of consideration, is recognized as per the percentage of completion method. When there is uncertainty as to measurement or ultimate collectability revenue recognition is postponed until such uncertainty is resolved. Revenues from unit-priced contracts are recognized as transactions are processed based on objective measures of output. Cost and earnings in excess of billings are classified as unbilled revenue while billing in excess of cost and earnings is classified as deferred revenue. Provision for estimated losses, if any, on uncompleted contracts are recorded in the period in which such losses become probable based on the current estimates. When the Group receives advances for its services, such amounts are reflected as advance received from clients until all conditions for revenue recognition are met. The Group presents revenues net of service taxes and value added taxes in its profit and loss account.

The Group accounts for volume discounts and pricing incentives to customers as a reduction of revenue based on the ratable allocation of the discount/incentive amount to each of the underlying revenue transactions that result in progress by the customer towards earning the discount/incentive. Also when the level of discount varies with increase in levels of revenue transactions, the Group recognizes the liability based on its estimate of the customer's future purchases if it is probable that the criteria for the discount will not be met, or if the amount thereof cannot be estimated reliably. The Group recognizes changes in the estimated amount of obligation for discount using cumulative catch-up approach. The discounts are passed on the customer either as direct payments or as a reduction of payments due from customer.

Profit on sale of investment is recorded on the transfer of title from the Group and is determined as the difference between the sale price and the carrying value of the investment. Interest on deployment of surplus funds is recognised using time proportion method, based on underlying interest rates. Dividend income is recognized when the Group's right to receive dividend is established.

1.4 Expenditure

The cost of software user licenses purchased for rendering business process management services is charged to revenue when put to use. Lease under which the Group assumes substantially all the risks and rewards of ownership are classified as finance leases. Such assets acquired are capitalized at fair value of the asset or present value of the minimum lease payments at the inception of the lease, whichever is lower. Lease payments under operating leases are recognised as an expense on a straight line basis in the profit and loss account over the lease term.

1.5Fixed assets, intangible assets and capital work-in-progress

Fixed assets are stated at cost, after reducing accumulated depreciation and impairment upto the date of the balance sheet. Direct costs are capitalized until the assets are ready for use and include financing costs relating to any borrowing attributable to acquisition or construction of those fixed assets which necessarily take a substantial period of time to get ready for their intended use. Capital work-in-progress includes the cost of fixed assets that are not yet ready for their intended use. Intangible assets are recorded at the consideration paid for acquisition of such assets and are carried at cost less accumulated amortisation and impairment. Goodwill, recorded on amalgamation in the nature of purchase is tested periodically for impairment.

1.6 Depreciation

Depreciation on fixed assets is determined using the straight-line method based on useful lives of assets as estimated by the Management. Depreciation on assets purchased/sold during the period is proportionately charged. Individual assets costing ₹5,000 or less are depreciated within a year of acquisition. Leasehold improvements are written off over the lower of the lease term or the useful life of the asset. Leasehold land is amortised over the lease period. Intangible assets are amortised over their useful life on a straight line basis commencing from the date the asset is available to the Group for its use. Management estimates the useful life for the various fixed assets as follows:

Buildings	Fifteen years
Computer equipment	Two years
Plant and machinery	Five years
Furniture and fixtures	Five years
Office Equipment	Five years
Vehicles	Five years

1.7 Employee Benefits

1.7a Gratuity

In accordance with the Payment of Gratuity Act, 1972, Infosys BPO provides for gratuity, a defined benefit retirement plan (the "Gratuity Plan") covering all employees. The Gratuity Plan provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's eligible salary and the tenure of employment. Liabilities with regard to the Gratuity Plan are determined by an actuarial valuation, carried out at the period end by an independent actuary using the projected unit credit method, based upon which Group contributes to the Infosys BPO employees Gratuity Fund Trust (the 'Trust'). The trustee administers contributions made to the Trust and invests the corpus with LIC of India.

The company recognizes the net obligation of the gratuity plan in the balance sheet as an asset or liability, respectively in accordance with Accounting Standard (AS) 15, "Employee Benefits". The discount rate is based on the Government securities yield. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the profit and loss account in the period in which they arise.

1.7b Superannuation

Certain employees of Infosys BPO are eligible for superannuation benefits. The company contributes ₹ 100 /- annually for the superannuation benefits of the employees. The company has no further obligations to the superannuation plan beyond the yearly contribution to the trust fund, the corpus of which is invested with the LIC of India.

1.7c Provident fund

Eligible employees receive benefits from a provident fund, which is a defined contribution plan. Both the employee and the company make monthly contributions to this provident fund plan equal to a specified percentage of the covered employee's salary. Amounts collected under the provident fund plan are deposited in a Government administered provident fund. The company has no further obligations under the provident fund plan beyond its monthly contributions.

1.7d Compensated absences

The employees of the Group are entitled to compensated absences which are both accumulating and non-accumulating in nature. The expected cost of accumulating compensated absences is determined by an actuarial valuation based on the additional amount expected to be paid as a result of the unused entitlement that has accumulated at the Balance Sheet date. Expense on non-accumulating compensated absences is recognised in the period in which the absences occur.

1.8 Foreign currency transactions

Revenue from overseas clients and collections deposited in bank accounts are recorded at the exchange rate as of the date of the respective transactions. Expenditure in foreign currency is accounted at the exchange rate prevalent when such expenditure is incurred. Disbursements made out of bank accounts are reported at a rate that approximates the actual monthly rate. Exchange differences are recorded when the amount actually received on sales or actually paid when expenditure is incurred is converted into Indian rupees. The exchange differences arising on foreign currency transactions are recognized as income or expense in the period in which they arise. Monetary assets and monetary liabilities denominated in foreign currency are translated at the exchange rate prevalent at the date of the balance sheet. The resulting difference is also recorded in the profit and loss account. Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of transaction.

The translation of financial statements of the non-integral foreign subsidiaries from the local currency to the functional currency is performed for balance sheet accounts using the exchange rate in effect at the balance sheet date and for revenue, expense and cash-flow items using a monthly average exchange rate for the respective periods and the resulting difference is presented as foreign currency translation reserve included in "Reserves and Surplus". When a subsidiary is disposed off, in part or in full, the relevant amount is transferred to profit or loss.

1.9 Forward contracts and option contracts in foreign currencies

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

Effective April 1,2008 the Group adopted Accounting Standard AS 30 " Financial Instruments: Recognition and Measurement", to the extent that the adoption does not conflict with existing mandatory accounting standards and other authoritative pronouncements, Company law and other regulatory requirements.

Forward and options contracts are fair valued at each reporting date. The Group records the mark to market gain or loss on effective hedges in the foreign currency fluctuation reserve until the transactions are complete. On completion, the gain or loss is transferred to the profit and loss account of that period. To designate a forward contract or option contracts as an effective hedge, management objectively evaluates and evidences with appropriate supporting documents at the inception of each contract whether the contract is effective in achieving offsetting cash flows attributable to the hedged risk. In the absence of a designation as an effective hedge, a gain or loss is recognized in the profit and loss account. Currently the hedges undertaken by the Group are all ineffective in nature and the resultant gain or loss consequent to fair valuation is recognised in the profit and loss account at each reporting date.

1.10 Income tax

Income taxes are computed using the tax effect accounting method, where taxes are accrued in the same period the related revenue and expenses arise. A provision is made for income tax for the period based on the tax liability computed, after considering tax allowances and exemptions. Provisions are recorded when it is estimated that a liability due to disallowances or other matters is probable. Minimum Alternative Tax (MAT) paid in accordance with the tax laws, which gives rise to future economic benefits in the form of adjustment of future income tax liability, is considered as an asset if there is convincing evidence that the Group will pay normal tax after the tax holiday period and the resultant asset can be measured reliably. Accordingly, it is recognized as an asset in the balance sheet when it is probable that the future economic benefit associated with it will flow to the Group and the asset can be measured reliably. The Group offsets, on a year on year basis, the current tax assets and liabilities, where it has a legally enforceable right and where it intends to settle such assets and liabilities on a net basis.

The differences that result between the profit considered for income taxes and the profit as per the financial statements are identified, and thereafter a deferred tax asset or deferred tax liability is recorded for timing differences, namely the differences that originate in one accounting period and reverse in another, based on the tax effect of the aggregate amount being considered. The tax effect is calculated on the accumulated timing differences at the end of an accounting period based on prevailing enacted or substantively enacted regulations. Deferred tax assets in situation of unabsorbed depreciation and carry forward business losses exist, are recognised only to the extent that there is virtual certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. Deferred tax assets, other than in situation of unabsorbed depreciation and carry forward business losses are recognized only if there is reasonable certainty that they will be realized. Deferred tax assets are reviewed for the appropriateness of their respective carrying values at each balance sheet date. The income tax provision for the interim period is made based on the best estimate of the annual average tax rate expected to be applicable for the full fiscal year.

1.11 Provisions and contingent liability

The Group recognises a provision when there is a present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a present obligation that cannot be estimated reliably or a possible or present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation that the likelihood of outflow of resources is remote, no provision or disclosure is made. Provisions are made for all known losses and liabilities and future unforeseeable factors that may affect the profit on fixed-price business process management contracts.

Provisions for onerous contracts, i.e. contracts where the expected unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it, are recognised when it is probable that an outflow of resources embodying economic benefits will be required to settle a present obligation as a result of an obligating event based on a reliable estimate of such obligation.

1.12 Impairment of assets

Management periodically assesses using, external and internal sources, whether there is an indication that an asset (including goodwill) may be impaired. An impairment loss is recognised wherever the carrying value of an asset exceeds its recoverable amount. The recoverable amount is higher of the asset's net selling price and value in use i.e. the present value of future cash flows expected to arise from the continuing use of the asset and its eventual disposal. An impairment loss for an asset is reversed if there has been a change in the estimates used to determine the recoverable amount since the last impairment loss was recognized. The carrying amount of an asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortization or depreciation) had no impairment loss been recognized for the asset in prior years.

1.13 Earnings per share

In determining earnings per share, the Group considers the net profit after tax. The number of shares used in computing basic earnings per share is the weighted average number of shares outstanding during the year. Diluted earnings per share are computed using the weighted average number of basic and dilutive common equivalent shares outstanding during the year, except where the result would be anti-dilutive. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless they have been issued at a later date.

1.14 Investments

Trade investments are investments made to enhance the Group's business interests. Investments are either classified as current or long-term based on the management's intention at the time of purchase. Current investments are carried at the lower of cost and fair value, determined on an individual investment basis. Cost for overseas investments comprises the Indian Rupee value of the consideration paid for the investment. Long-term investments are carried at cost and provisions recorded to recognize any diminution, other than temporary, in the carrying value of each investment.

1.15 Cash and Cash Equivalents

Cash and cash equivalents comprise cash and cash on deposit with banks and corporations. The company considers all highly liquid investments with a remaining maturity at the date of purchase of three months or less and that are readily convertible to known amounts of cash to be cash equivalents.

1.16 Cash Flow Statement

Cash flows are reported using the Indirect method, whereby profit before tax is adjusted for the effects of transactions of a non - cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, financing and investing activities of the Group are segregated. Cash flows in foreign currency are accounted at average monthly exchange rates that approximate the actual rates of exchange prevailing at the date of the transaction.

1.17 Employee stock options

The Group applies the intrinsic value-based method of accounting prescribed by Accounting Research Committee of the Institute of Chartered Accountants of India, Accounting for employee share based payments, to account for its fixed plan stock options. Under this method, compensation expense is recorded on the date of grant only if the current market price of the underlying stock exceeds the exercise price. The options vest on a graded basis; however there is no compensation expense since the grants are made at exercise prices equal to or greater than fair market value, as of the date of the grant.

2. NOTES ON ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2012

2.1 SHARE CAPITAL

in ₹

Particulars	As at	
	March 31, 2012	March 31, 2011
AUTHORISED		
Equity shares, ₹10 (₹10) par value	123,37,50,000	123,37,50,000
12,33,75,000 (12,33,75,000) equity shares		
	123,37,50,000	123,37,50,000
ISSUED, SUBSCRIBED AND PAID UP Equity shares, ₹10 (₹10) par value 3,38,27,751 (3,38,27,751) equity shares fully paid up [Of the above, 3,38,22,319 (3,38,22,319) equity shares are held by the holding company, Infosys Limited]	33,82,77,510	33,82,77,510
	33,82,77,510	33,82,77,510

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

In the event of liquidation of the Company, the holders of shares shall be entitled to receive any of the remaining assets of the Company, after distribution of all preferential amounts. However, no such preferential amounts exist currently. The amount distributed will be in proportion to the number of equity shares held by the shareholders.

Reconciliation of the number of shares outstanding

Particulars	As at	
	March 31, 2012	March 31, 2011
Number of share outstanding at the beginning of the year	3,38,27,751	3,38,27,751
Add: Shares issued during the year	-	-
Number of shares outstanding at the end of the year	3,38,27,751	3,38,27,751

Shares held by shareholders holding more than 5% shares

Name of the shareholder	Number of shares as at	
	March 31, 2012	March 31, 2011
Infosys Limited	3,38,22,319	3,38,22,319

Employee stock option plan

Guidance note on "Accounting for employee share based payments" (the guidance note) issued by Institute of Chartered Accountants of India establishes financial accounting and reporting principles for employee share based payment plans. The guidance note applies to employee share based payment plans the grant date in respect of which falls on or after April 1, 2005.

The Company applies the intrinsic value-based method of accounting to account for its fixed plan stock options. Under this method, compensation expense is recorded on the date of grant only if the current market price of the underlying stock exceeded the exercise price on this date. The options vest on a graded basis; however there is no compensation expense since the grants are made at exercise prices equal to or greater than fair market value, as of the date of the grant.

Infosys BPO Employee Stock Option Plan 2002

The Company's 2002 Plan provides for the grant of stock options to employees of the company and was approved by the Board of Directors and shareholders in June 2002. All options under the 2002 Plan are exercisable for equity shares. The 2002 Plan is administered by a Compensation Committee comprising three members, all of whom are directors of the company. The 2002 Plan provides for the issue of 52,50,000 equity shares to employees, at an exercise price, which shall not be less than the Fair Market Value ("FMV") on the date of grant. Options may also be issued to employees at exercise prices that are less than the FMV only if specifically approved by the members of the company in general meeting. Options granted under the 2002 plan vests over 1-6 years.

On March 12, 2007, Infosys Limited purchased 12,19,532 unvested options held by the employees of Infosys BPO Limited for a cash consideration of ₹ 57.87 crore. As at March 31, 2012, 4,76,250 (March 31,2011:6,79,250) options are held by Infosys Limited. Options held by Infosys Limited cannot be exercised due to legal restrictions and will expire in due course. Accordingly these options have not been considered while computing dilutive earnings per share of the company from the date Infosys Limited owned these options.

Particulars	Year ended	
	March 31, 2012	
	Shares arising out of options	Weighted average exercise prices (in ₹)
Outstanding at the beginning of the year	6,79,250	397.44
Granted during the year	-	-
Forfeitures during the year	203,000	195.00
Exercised during the year	-	-
Outstanding at the end of the year	4,76,250	483.73
Exercisable at the end of the year	4,48,750	476.36

Particulars	Year ended	
	March 31, 2011	
	Shares arising out of options	Weighted average exercise prices (in ₹)
Outstanding at the beginning of the year	13,36,331	333.55
Granted during the year	-	-
Forfeitures during the year	6,57,081	267.51
Exercised during the year	-	-
Outstanding at the end of the year	6,79,250	397.44
Exercisable at the end of the year	4,78,750	394.67

The following table summarizes information about stock options as of March 31, 2012 and March 31, 2011

Range of exercise prices (in ₹)	Stock options outstanding at the end of the year		Weighted average remaining contractual life	
	March 31, 2012	March 31, 2011	March 31, 2012	March 31, 2011
33.12-58.33	-	-	-	-
58.34-77.89	-	-	-	-
77.90-99.20	-	-	-	-
99.21-162.23	-	-	-	-
162.24-195.00	-	2,03,000	-	0.37
195.01-214.00	-	-	-	-
214.01-230.00	1,05,000	1,05,000	(0.58)	0.42
230.01-310.00	61,250	61,250	0.26	1.27
310.01-604.00	3,10,000	3,10,000	0.71	1.71
	4,76,250	6,79,250	0.36	1.07

Infosys 1999 Employee Stock Option Plan ('1999 Plan')

On March 12, 2007, Infosys Limited purchased 12,19,532 unvested options held by the employees of Infosys BPO Limited for a cash consideration of ₹ 57.87 crore and has swapped 5,18,360 unvested options with 1,51,932 unvested stock options of Infosys. In addition, certain employees were granted additional 4,86,828 Infosys stock options under the Infosys 1999 Employee Stock Option Plan. The Infosys 1999 Employees Stock Option Plan was approved by the Board of Directors and stockholders in June 1999. All options under the 1999 Plan are exercisable for equity shares. The options granted under the 1999 plan vests over 2-6 years.

Particulars	Year ended	
	March 31, 2012	
	Shares arising out of options	Weighted average exercise prices (in ₹)
Outstanding at the beginning of the year	14,961	2,120.95
Granted during the year	-	-
Forfeitures during the year	-	2,120.95
Exercised during the year	3,277	2,120.95
Outstanding at the end of the year	11,684	2,120.95
Exercisable at the end of the year	7,429	2,120.95

	Year ended	
	March 31, 2011	
	Shares arising out of options	Weighted average exercise prices (in ₹)
Outstanding at the beginning of the year	52,293	2,120.95
Granted during the year	-	-
Forfeitures during the year	31,448	2,120.95
Exercised during the year	5,884	2,120.95
Outstanding at the end of the year	14,961	2,120.95
Exercisable at the end of the year	6,473	2,120.95

The following table summarizes information about stock options as of March 31, 2012 and March 31, 2011

	Stock options outstanding at the end of the year		Weighted average remaining contractual life	
Range of exercise prices (in ₹)	**March 31, 2012**	**March 31, 2011**	**March 31, 2012**	**March 31, 2011**
0- 2120.95	11,684	14,961	0.30	0.86
	11,684	14,961	0.72	0.86

2.2 RESERVES AND SURPLUS

in ₹

Particulars	**As at**	
	March 31, 2012	**March 31, 2011**
Securities premium reserve at the beginning and end of the year	25,48,97,789	25,48,97,789
Capital redemption reserve at the beginning and end of the year	1,13,94,690	1,13,94,690
Foreign exchange translation reserve	3,95,84,027	8,15,19,814
General reserve - opening balance	1000,00,00,000	400,00,00,000
Add : Transfer from profit and loss account during the year	-	600,00,00,000
General reserve - closing balance	1000,00,00,000	1000,00,00,000
Balance in profit and loss account - opening	113,06,11,806	503,86,58,982
Add: Profit during the year	321,12,99,963	209,08,08,940
Less: Transferred to general reserve	-	600,00,00,000
Balance in profit and loss account - closing	434,19,11,769	112,94,67,922
	1464,77,88,275	**1147,72,80,215**

2.3 OTHER LONG-TERM LIABILITIES

in ₹

Particulars	**As at**	
	March 31, 2012	**March 31, 2011**
Accrued salaries and benefits		
Bonus and incentives	7,56,02,237	3,86,70,125
Provision for expenses	4,57,92,000	10,16,92,500
Contingent consideration payable*	57,97,89,882	61,19,44,873
	70,11,84,119	**75,23,07,498**

*On December 4, 2009, Infosys BPO acquired 100% of the voting interests in McCamish Systems LLC (McCamish), a business process solutions provider based in Atlanta, Georgia, in the United States. The business acquisition was concluded by entering into Membership Interest Purchase Agreement for a cash consideration of ₹ 173 crores and a contingent consideration of ₹ 67 crores.

2.4 OTHER CURRENT LIABILITIES

in ₹

Particulars	**As at**	
	March 31, 2012	**March 31, 2011**
Accrued salaries and benefits		
Salaries	39,53,91,593	38,51,74,409
Bonus and incentives	104,18,30,674	108,07,86,367
Other liabilities		
Provision for expenses	218,39,32,257	196,72,54,965
Retention monies	8,08,16,534	4,29,78,153

Particulars	As at March 31, 2012	March 31, 2011
EMD received	2,92,54,500	-
Withholding and other taxes	5,64,07,642	6,59,38,601
Others	7,30,48,524	1,71,71,179
Mark to market loss on forward exchange contract	13,41,11,271	-
Advances received from customers	1,52,14,893	3,33,64,200
Unearned revenue	10,77,45,538	16,50,96,807
Contingent consideration payable (refer note 2.4)	16,25,49,318	3,87,69,127
	428,03,02,744	**379,65,33,808**

2.5 SHORT TERM PROVISIONS

in ₹

Particulars	As at	
	March 31, 2012	**March 31, 2011**
Provision for employee benefits		
Unavailed leave	39,04,28,312	29,83,96,239
Others		
Provision for		
Income taxes	12,51,16,813	4,83,38,966
SLA compliance	8,83,06,716	7,65,68,412
	60,38,51,841	**42,33,03,617**

Provision for SLA compliance

The provision for service level agreement compliance is based on estimates made by the management for ongoing contracts. In accordance with paragraphs 66 and 67 of the Accounting Standard 29 (Provisions, contingent liabilities and contingent assets) the movement in provision for service level agreement is given below:

In ₹

Particulars	As at	
	March 31, 2012	**March 31, 2011**
Balance at the beginning of the year	7,65,68,412	7,71,35,192
Additional provision made during the year	10,68,40,452	1,98,61,478
Provisions used during the year	2,20,96,984	12,61,838
Unused amount reversed during the year	7,30,05,163	1,91,66,420
Balance at the end of the year	**8,83,06,716**	**7,65,68,412**

Management believes that the aforesaid provision will be utilized within a year.

2.6 FIXED ASSETS

In ₹

Particulars	Original cost				Depreciation and amortization				Net book value	
	Cost as at April 01, 2011	Additions during the year	Deletions during the year	Cost as at March 31, 2012	As at April 01, 2011	Charge for the year	Deletions during the year	As at March 31, 2012	As at March 31, 2012	As at March 31, 2011
Tangible assets										
Land - Leasehold	11,55,00,000	-	-	11,55,00,000	28,81,449	11,93,790	-	40,75,239	11,14,24,761	11,26,18,551
Buildings	92,62,56,775	46,73,25,231	7,72,690	139,28,09,316	13,03,75,517	6,90,15,832	2,19,580	19,91,71,769	119,36,37,547	79,58,81,258
Leasehold improvements	37,07,32,835	12,81,11,265	-	49,88,44,100	28,72,22,595	5,33,85,738	(13,95,323)	34,20,03,656	15,68,40,444	8,35,10,240
Office equipment	105,19,81,814	17,30,70,295	42,64,048	122,07,88,061	61,97,17,772	18,59,32,920	15,07,012	80,41,43,680	41,66,44,381	43,22,64,042
Plant and Machinery	-	17,95,57,403	-	17,95,57,403	-	94,50,126	-	94,50,126	17,01,07,277	-
Computer equipment	128,11,09,659	33,87,86,841	8,92,17,477	153,06,79,023	108,89,70,222	22,58,93,653	7,29,29,768	124,19,34,107	28,87,44,916	19,21,39,437
Furniture and fixtures	46,13,49,734	10,10,25,577	7,21,700	56,16,53,611	36,90,87,354	4,95,01,344	(21,61,245)	42,07,49,943	14,09,03,668	9,22,62,380
Vehicles	10,62,555	49,217	7,62,498	3,49,274	10,62,555	-	7,13,281	3,49,274	-	-
	420,79,93,372	138,79,25,829	9,57,38,413	550,01,80,788	249,93,17,464	59,43,73,403	7,18,13,073	302,18,77,794	247,83,02,994	170,86,75,908
Intangible assets :										
Goodwill	309,70,51,105	167,58,14,255	-	477,28,65,360	-	-	-	-	477,28,65,360	309,70,51,105
	309,70,51,105	167,58,14,255	-	477,28,65,360	-	-	-	-	477,28,65,360	309,70,51,105
Total	**730,50,44,477**	**306,37,40,084**	**9,57,38,413**	**1027,30,46,148**	**249,93,17,464**	**59,43,73,403**	**7,18,13,073**	**302,18,77,794**	**725,11,68,354**	**480,57,27,013**
Previous year	706,81,20,022	30,27,75,868	6,58,51,413	730,50,44,477	197,49,90,650	58,02,78,486	5,59,51,672	249,93,17,464	480,57,27,013	

2.7 INVESTMENTS

in ₹

Particulars	As at	
	March 31, 2012	**March 31, 2011**
Current investments – at the lower of cost and fair value		
Investment in mutual funds, non-trade (unquoted)		
Investment in mutual fund units	20,05,06,473	20,59,34,759
	20,05,06,473	**20,59,34,759**
Aggregate amount of unquoted investments	**20,05,06,473**	**20,59,34,759**

On January 4, 2012, Infosys BPO acquired 100% of the voting interests in Portland Group Pty Ltd a strategic sourcing and category management services provider based in Sydney, Australia. The business acquisition was conducted by entering into definitive share sale agreement for a cash consideration of ₹ 211,05,71,750 (AUD 36 million). The acquisition was completed during the year and accounted as a business combination which resulted in goodwill of ₹ 167,58,14,255(AUD 24 million)

Details of investment in mutual funds as at March 31, 2012 and March 31, 2011 is as follows:

Particulars	No. of units as at		Amount (in ₹)	
	March 31, 2012	**March 31, 2011**	**March 31, 2012**	**March 31, 2011**
Birla Sun Life AMC Ltd - Liquid Plus	-	70,13,771	-	7,02,74,475
Kotak mutual fund-Liquid Plus	-	77,94,013	-	9,53,05,962
Reliance Mutual Fund - Liquid Plus	-	26,97,883	-	3,00,58,466
TATA Asset Management Ltd - Liquid Plus	-	9,238	-	1,02,95,856
Templeton Mutual Fund- Liquid Plus	2,00,372	-	20,05,06,473	-
	2,00,372	**1,75,14,905**	**20,05,06,473**	**20,59,34,759**

2.8 DEFERRED TAX ASSETS

in ₹

Particulars	As at	
	March 31, 2012	**March 31, 2011**
Deferred tax assets		
Fixed assets	17,26,33,910	16,32,44,481

Particulars	As at	
Unavailed leave	6,23,73,943	7,25,12,054
Trade receivables	54,45,683	22,61,028
Others	83,09,206	48,03,803
	24,87,62,742	**24,28,21,366**

2.9 LONG-TERM LOANS AND ADVANCES

in ₹

	As at	
	March 31, 2012	**March 31, 2011**
Unsecured considered good		
Capital advances	63,73,026	9,32,06,877
Other loans and advances		
Prepaid expenses	-	1,53,780
Rental deposits	19,09,96,936	25,47,52,031
Electricity and other deposits	72,99,220	1,30,03,401
MAT credit entitlement	38,78,61,534	48,25,37,742
Advance income tax	25,99,21,775	23,11,32,814
	85,24,52,491	**107,47,86,645**

2.10 OTHER NON-CURRENT ASSETS

in ₹

	As at	
	March 31, 2012	**March 31, 2011**
Others		
Restricted deposits (refer note 2.27)	30,38,63,714	23,50,00,000
Advance to gratuity trust (refer note 2.23)	1,19,02,926	1,00,65,608
	31,57,66,640	**24,50,65,608**

2.11 TRADE RECEIVABLES

in ₹

Particulars	As at	
	March 31, 2012	**March 31, 2011**
Debt outstanding for a period exceeding six months		
Unsecured		
Considered doubtful	1,55,94,572	1,29,52,547
Other debts		
Unsecured		
Considered good	396,68,19,144	276,19,00,097
Considered doubtful	1,05,29,003	49,21,336
	399,29,42,719	277,97,73,980
Less: Provision for doubtful debts	2,61,23,575	1,78,73,883
	396,68,19,144	**276,19,00,097**

Provision for doubtful debts

Periodically, the Group evaluates all customer dues to the Group for collectability. The need for provisions is assessed based on various factors including collectability of specific dues, risk perceptions of the industry in which the customer operates, general economic factors, which could affect the customer's ability to settle. The Group normally provides for debtor dues outstanding for six months or longer as at the Balance Sheet date. The Group pursues the recovery of the dues, in part or full.

2.12 CASH AND CASH EQUIVALENTS

in ₹

Particulars	As at	
	March 31, 2012	March 31, 2011
Cash on hand	19,55,829	6,99,641
Balances with bank		
In current and deposit account	629,69,49,329	567,44,61,499
	629,89,05,158	**567,51,61,140**

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

The details of balances with banks as at March 31, 2012 and March 31, 2011 are as follows:

in ₹

Particulars	As at	
	March 31, 2012	March 31, 2011
In current accounts		
Citibank N.A	3,96,652	3,20,400
Deustche Bank - current account	1,33,01,562	72,15,811
Deustche Bank- EEFC account in Euro	36,26,701	16,34,655
Deustche Bank- EEFC account in United Kingdom Pound Sterling	20,40,654	19,59,860
Deustche Bank- EEFC account in US dollars	73,57,516	1,87,70,059
ICICI Bank - current account	1,90,77,185	9,77,80,843
ICICI Bank- EEFC account in Euro	35,35,092	7,95,75,167
ICICI Bank- EEFC account in United Kingdom Pound Sterling	1,46,74,222	41,67,262
ICICI Bank- EEFC account in US dollars	17,64,39,122	77,80,267
State Bank of India	2,43,370	1,64,134
ICICI Bank, London	1,72,30,789	67,23,007
PNC Bank, New Jersey	2,54,400	2,23,000
Bank of America, California	5,89,35,213	7,26,58,909
Deutsche Bank, Philippines	3,03,81,792	1,66,57,487
Royal Bank of Canada, Ontario	44,52,200	45,90,164
Deutsche Bank, Czech Republic (U.S. dollar account)	2,06,17,440	4,41,843
Deutsche Bank, Czech Republic (Euro account)	1,19,93,011	1,86,826
Deutsche Bank, Czech Republic	1,09,47,575	77,37,353
Citibank N.A., Czech Republic (Subsidy account)	7,892	7,890
Citibank N.A., Czech Republic	91,32,286	1,16,21,236
Citibank N.A., Czech Republic (U.S. dollar account)	77,80,614	18,19,019
Citibank N.A., Czech Republic (Euro account)	4,17,61,711	30,83,226
Deutsche Bank, Poland	1,21,79,481	1,18,20,599
Deutsche Bank, Poland (Euro account)	61,06,379	1,64,24,962
Deutsche Bank, Poland (ES Fund)	11,99,054	3,40,542

Particulars	As at	
Bank of America, California	3,06,12,156	1,38,97,628
Bank of America-Trust Fund, California	5,08,800	2,23,000
DB-Transze (EU Sub)	15,27,370	-
Deutsche Bank, UK	59,22,492	-
Bank of New Zealand	12,46,75,113	-
Commonwealth Bank of Australia	3,58,37,530	-
	67,27,55,374	**38,78,25,149**
In deposit accounts Allahabad Bank	-	61,50,00,000
Axis Bank	60,00,00,000	60,00,00,000
Bank of Maharastra	-	18,00,00,000
Canara Bank	80,00,00,000	75,00,00,000
Central Bank of India	52,00,00,000	-
ICICI Bank	50,00,00,000	22,00,00,000
IDBI Bank	30,00,00,000	54,00,00,000
Indian Overseas Bank	-	18,00,00,000
Kotak Mahindra Bank	80,00,00,000	-
Oriental Bank of Commerce	14,00,00,000	75,00,00,000
Punjab National Bank	28,50,00,000	-
State Bank of Hyderabad	80,00,00,000	30,00,00,000
State Bank of India	23,000	23,000
Syndicate Bank	-	4,00,00,000
South Indian Bank	35,50,00,000	25,00,00,000
Vijaya Bank	-	49,00,00,000
Yes Bank	10,00,00,000	10,00,00,000
Citibank, Czech	-	6,15,92,753
Deutsche Bank, Poland	40,93,34,568	21,00,20,597
NAB	1,48,36,387	-
	562,41,93,955	**528,66,36,350**
	629,69,49,329	**567,44,61,499**

2.13 SHORT TERM LOANS AND ADVANCES:

in ₹

Particulars	As at	
	March 31, 2012	**March 31, 2011**
Unsecured, considered good		
Others		
Prepaid expenses	6,26,74,045	5,73,94,793
Advances for goods and services	15,02,36,370	10,37,20,056
Withholding and other taxes receivable	19,10,03,175	31,45,82,884
	40,39,13,590	47,56,97,733
Unbilled revenue	32,66,23,572	29,72,80,431
Interest accrued but not due	11,34,67,989	5,94,78,908
Loans and advances to employees	22,79,97,551	13,08,96,577
Rental deposits	11,25,31,731	1,26,53,140

Particulars	As at	
Electricity and other deposits	1,49,49,321	1,61,310
Mark to market gain on forward contract	-	3,02,87,132
Customer recoverables	-	2,24,68,152
MAT credit entitlement	15,73,36,400	14,79,85,799
Loans and advances to group companies	9,50,32,344	4,90,90,018
	145,18,52,498	122,59,99,200
Unsecured, considered doubtful		
Loans and advances to employees	26,93,311	24,13,729
	145,45,45,809	122,84,12,929
Less: Provision for doubtful loans and advances	26,93,311	24,13,729
	145,18,52,498	**122,59,99,200**

2.14 OTHER CURRENT ASSETS

in ₹

Particulars	As at	
	March 31, 2012	March 31, 2011
Deposits with body corporate/ financial institutions	10,00,00,000	50,00,00,000
	10,00,00,000	**50,00,00,000**

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

2.15 OTHER INCOME

in ₹

Particulars	Year ended March 31,	
	2012	2011
Interest received on deposits with bank and others	60,57,84,185	32,06,88,394
Dividend received on investment in mutual fund units	3,13,13,961	3,40,79,908
Miscellaneous income, net	7,54,94,638	2,79,88,490
Income from sale of investment	-	-
Gains/(losses) on foreign currency, net	(18,49,67,567)	6,63,14,133
	52,76,25,217	**44,90,70,925**

2.16 EXPENSES

in ₹

Particulars	Year ended March 31,	
	2012	2011
Employee benefit expenses		
Salaries and bonus including overseas staff expenses	852,34,86,600	798,38,52,648
Staff welfare	10,62,08,995	9,61,13,036
Contribution to provident and other funds	53,54,02,164	34,01,59,067
	916,50,97,759	**842,01,24,751**
Cost of technical sub-contractors		
Consultancy charges	60,30,96,338	75,87,23,948
	60,30,96,338	**75,87,23,948**
Travel expenses		
Overseas travel expenses	46,67,24,047	50,66,67,118

Particulars	Year ended March 31,	
Traveling expenses	26,40,96,003	15,91,25,720
	73,08,20,050	**66,57,92,838**
Cost of software packages		
Cost of software for own use	25,30,80,867	28,21,41,332
	25,30,80,867	**28,21,41,332**
Communication expenses		
Communication expenses	32,47,25,263	41,11,45,997
	32,47,25,263	**41,11,45,997**
Professional charges		
Legal and professional charges	33,45,18,351	9,12,58,388
Recruitment and training expenses	20,76,36,934	18,55,82,650
Auditor's remuneration		
audit fees	26,40,000	45,28,949
out-of-pocket expenses	-	-
	54,47,95,285	**28,13,69,987**
Office expenses		
Computer maintenance	9,59,56,650	10,88,19,043
Printing and stationery	2,27,10,103	6,38,49,468
Office maintenance	34,35,95,144	26,06,01,651
	46,22,61,897	**43,32,70,162**
Power and fuel		
Power and fuel	22,80,58,704	19,04,60,743
	22,80,58,704	**19,04,60,743**
Insurance charges		
Insurance charges	9,43,11,850	8,78,42,854
	9,43,11,850	**8,78,42,854**
Rent		
Rent	62,88,44,398	55,45,58,383
	62,88,44,398	**55,45,58,383**
Other expenses		
Consumables	2,49,57,785	4,21,98,802
Brand building and advertisement	6,73,61,555	2,26,21,581
Marketing expenses	2,00,64,026	4,60,21,233
Rates and taxes	10,54,77,009	3,77,20,196
Donations	8,05,642	11,61,987
Bank charges and commission	68,92,276	51,15,461
Postage and courier	3,41,06,689	3,12,98,190
Provision for doubtful debts	1,33,30,524	1,29,66,062
Provision for doubtful loans and advances	1,48,01,572	8,21,763
Professional membership and seminar participation fees	55,13,312	8,83,737
Other miscellaneous expenses	7,19,80,833	7,37,27,412
	36,52,91,223	**27,45,36,424**

2.17 TAX EXPENSE

in ₹

Particulars	Year ended March 31,	
	2012	2011
Current tax		
Income taxes	92,88,61,102	41,79,41,422
MAT credit entitlement	8,53,25,607	(21,23,57,005)
Deferred taxes	(54,99,986)	(7,12,46,413)
	100,86,86,723	**13,43,38,004**

Income taxes

The provision for taxation includes tax liabilities in India on the Company's global income as reduced by exempt incomes and any tax liabilities arising overseas on income sourced from those countries. Infosys BPO operations are conducted through Software Technology Parks ('STPs') and Special Economic Zones ('SEZs'). Income from STPs was tax exempt till March 31, 2011. Income from SEZs is fully tax exempt for the first 5years, 50% exempt for the next 5 years and 50% exempt for another 5 years subject to fulfilling certain conditions. In the current year the Company calculated its tax liability under normal provisions of the IncomeTaxAct and utilized the brought forward MAT Credit. During the year ended 31 March 2012, the Company has provide ₹ 1.70 crores as additional provision for tax and ₹ 7.84 crores as additional MAT credit entitlement for earlier years.

2.18 LEASES

Obligations on long-term non-cancellable operating leases

The lease rentals charged during the year and maximum obligations on long-term non-cancellable operating leases payable as per the rentals stated in the respective agreements are as follows:

in ₹

Particulars	Year ended March 31,	
	2012	2011
Lease rentals charged during the year	62,88,44,398	55,45,58,383
		(in ₹)
	As at March	As at March
Lease obligations	31, 2012	31, 2011
Within one year of the balance sheet date	14,15,50,663	8,50,28,088
Due in a period between one year and five years	4,55,43,435	8,12,09,462
Later than five years	-	-

The company has entered into non-cancellable operating lease arrangements for premises with Infosys Limited, DLF and TRIL Infopark Limited. The existing operating lease arrangements extend for periods between 36 months and 72 months from their respective dates of inception.

2.19 Contingent liablities and commitments (to the extent not provided for)

in ₹

	As at	
Particulars	**March 31, 2012**	**March 31, 2011**
Contingent: Estimated amount of unexecuted capital contracts (net of advance and deposits)	23,04,02,056	65,38,84,579
Claims against the company not acknowledged as debts	5,32,28,478	1,79,74,765
Commitments: Sell: Forward contracts outstanding		
USD/INR	46,000,000	45,500,000

	As at	
(Equivalent approximate in ₹)	(234,04,80,000)	(202,93,00,000)
GBP/USD	2,000,000	5,000,000
(Equivalent approximate in ₹)	(16,29,20,000)	(35,90,00,000)
EUR/PLN	18,000,000	8,000,000
(Equivalent approximate in ₹)	(122,16,60,000)	(50,70,40,000)
USD/PLN	1,000,000	-
(Equivalent approximate in ₹)	(508,80,000)	-
USD/CZK	4,000,000	-
(Equivalent approximate in ₹)	(20,35,20,000)	-
Buy: Forward Contracts outstanding		
USD/CZK	19,111,000	-
(Equivalent approximate in ₹)	(5,29,37,470)	-

As at the Balance Sheet date, the Company's net foreign currency exposure that is not hedged by a derivative instrument or otherwise is ₹Nil (₹Nil as at March 31, 2011).

The foreign exchange forward and option contracts mature between 1 to 12 months. The table below analyzes the derivate financial instruments into relevant maturity groupings based on the remaining period as of the balance sheet date:

in ₹

Particulars	As at	
	March 31, 2012	March 31, 2011
Not later than one month	44,10,85,000	21,56,80,000
Later than one month and not later than three months	135,22,32,470	59,60,20,000
Later than three months and not later than one year	223,90,80,000	208,36,40,000
	403,23,97,470	289,53,40,000

The company recognized a loss on derivate financial instruments of ₹ 76,26,93,515 and gain on derivate financial instruments of ₹ 111,80,90,570 during the year ended March 31, 2012 and March 31, 2011, respectively, which is included in other income.

The company recognized a loss on derivate financial instruments of ₹ 34,81,26,945 and gain on derivate financial instrument ₹ 3,09,37,640 during the year ended March 31, 2012 and March 31, 2011, respectively, which is included in other income.

2.20 Quantitative details

The Group is primarily engaged in providing business process management services. The sale of such services cannot be expressed in any generic unit. Hence, it is not possible to give the quantitative details of sales and certain information as required under paragraphs 5(viii)(c) of general instructions for preparation of statement of profit and loss as per revised Schedule VI to the Companies Act, 1956.

2.21Related party transactions

List of related parties:

Name of the related party		Holding as at	
		March 31, 2012	March 31, 2011
Infosys Limited	India	Holding Company	Holding Company
Infosys BPO s.r.o	Czech Republic	100%	100%
Infosys BPO Poland Sp.z.o.o	Poland	100%	100%
McCamish Systems LLC	United States	100%	100%
Portland Group Pty Ltd	Australia	100%	-
Infosys Consulting Inc*	United States		

Name of the related party		Holding as at	
Infosys Technologies (Australia) Pty Limited ("Infosys Australia")*	Australia		
Infosys Technologies S.de R.L.de C.V. ("Infosys Mexico")*	Mexico		
Infosys Technologies (China) Co. Limited ("Infosys China") *	China		
Infosys Technologia Do Brasil LTDA (" Infosys Brazil")*	Brazil		
Infosys Consulting India Limited#	India		

* Wholly owned subsidiaries of Infosys Limited i.e. fellow subsidaries.

Wholly owned subsidiary of Infosys Consulting Inc

Infosys Technologies (Australia) Pty Limited ("Infosys Australia") has been merged with Infosys Limited on March 31, 2012

Effective January 2012, Infosys Consulting Inc., was merged with Infosys Limited.

On February 9, 2012, Infosys Consulting India Limited filed a petition in the High Court of Karnataka for its merger with Infosys Limited.

List of key management personnel

Name of the related party	Designation
V. Balakrishnan*	Chairman and Director
T. V. Mohandas Pai**	Chairman and Director
D Swaminathan	Managing Director and Chief Executive Officer
S. D. Shibulal***	Director
Prof. Jayanth R. Varma	Director
Sridar A. Iyengar	Director
B. G. Srinivas***	Director
Eric S. Paternoster***	Director
Chandrashekar Kakal#	Director

*Appointed as Chairman and Director effective June 11, 2011

** Resigned as Chairman and Director effective June 11, 2011

*** Resigned as Director effective September 30, 2011

Appointed as Director effective October 7, 2011

The details of the related party transactions entered into by the Company, for the year ended March 31, 2012 and March 31, 2011 are as follows:

in ₹

Particulars	Year ended March 31,	
	2012	2011
Revenue transactions:		
Purchase of services		
Infosys Limited	33,92,62,839	207308,607)
Infosys Consulting Inc	4,74,71,866	9,64,02,607
Infosys Mexico	50,72,204	2,02,96,183
Purchase of shared services including facilities and personnel		
Infosys Limited	34,72,44,711	77,76,28,095
Infosys Consulting Inc	-	8,63,674
Infosys Australia	27,08,246	2,67,61,643
Infosys Mexico	2,92,196	28,47,984

Particulars	Year ended March 31,	
Infosys China	16,03,855	89,37,567
Infosys Brazil	11,97,138	13,57,877
Sale of services		
Infosys Limited	26,92,87,190	17,35,20,589
Infosys Brazil	-	(6,06,646)
Sale of shared services including facilities and personnel		
Infosys Limited	68,40,53,115	114,63,60,111
Infosys Consulting Inc	-	29,908
Infosys Australia	46,79,910	3,44,19,371
Infosys Mexico	4,27,349	63,03,003
Infosys China	16,22,360	1,63,25,479
Infosys Brazil	19,36,548	1,49,36,410
Infosys Consulting India Limited	37,82,590	1,00,36,532

The Company has received certain managerial services from Mr. V. Balakrishnan, Mr. S. D. Shibulal , Mr. B.G.Srinivas and Mr. T. V. Mohandas Pai, directors of the company who are also directors of Infosys Limited, at no cost.

Infosys Limited, the parent company has issued performance guarantees to certain clients for the Company's executed contracts.

Details of amounts due to or due from related parties as at March 31, 2012 and March 31, 2011.

in ₹

Particulars	As at,	
	March 31, 2012	**March 31, 2011**
Debtors		
Infosys Limited	2,37,63,020	1,05,67,453
Loans and Advances		
Infosys Limited	8,33,76,783	2,07,85,682
Infosys Australia	94,678	33,45,694
Infosys Consulting Inc	-	3,697
Infosys Mexico	-	6,46,607
Infosys China	-	2,29,89,664
Infosys Consulting India Limited	-	8,76,238
Creditors		
Infosys Limited	9,92,41,029	3,40,47,576
Infosys Consulting Inc	-	36,06,783
Infosys Australia	-	1,11,252
Infosys Mexico	-	25,02,248
Infosys China	-	96,35,286
Deposit given for shared services		
Infosys Limited	6,89,00,000	6,89,00,000
Deposit received for shared services		
Infosys Limited	2,92,54,500	-

Particulars of remuneration and other benefits paid to Managing Director during the year ended March 31, 2012 and March 31, 2011, are given below:

in ₹

Particulars	Year ended March 31,	
	2012	2011
Salary, allowances and performance incentives	1,62,24,612	78,73,281
Contribution to provident and other funds	2,55,379	2,26,209
Performance incentives	93,65,622	43,74,524
	2,58,45,613	1,24,74,014

Managerial remuneration paid to non-whole time directors

Particulars of remuneration and other benefits paid to non-whole time directors during the year ended March 31, 2012 and 2011 are given below:

in ₹

	Year ended March 31,	
	2012	2011
Sitting fees	1,20,000	90,000
Commission	24,00,000	24,00,000
	25,20,000	**24,90,000**

2.22 Segment reporting

The Group's operations primarily relate to providing business process management services to organizations that outsource their business processes. Accordingly, revenues represented along industry classes comprise the primary basis of segmental information set out in these financial statements. Secondary segmental reporting is performed on the basis of the geographical location of customers.

The accounting principles consistently used in the preparation of the financial statements are also consistently applied to record income in individual segments. These are set out in the note on significant accounting policies.

Industry segments at the Group primarily comprise customers relating to financial services and insurance (FSI), manufacturing (MFG), enterprises in energy, utlilites and telecommunication services (ECS) and retail, logistics, consumer product group, life sciences and health care enterprises (RCL). Income in relation to segments is categorized based on items that are individually identified to those segments while expenditure is categorized in relation to the associated turnover of the segment. Expenses which form a significant component of total expenses are not specifically allocable to specific segments as the underlying services are used interchangeably. These expenses are separately disclosed as "unallocated" and adjusted only against the total income of the company. The Group believes that it is not practical to provide segment disclosures relating to these costs and expenses, and accordingly these expenses are separately disclosed as unallocated and directly charged against total income. Fixed assets or liabilities contracted have not been identified to any reportable segments, as these are used interchangeably between segments. Accordingly no disclosure relating to total segment assets and liabilites are made.

Geographical segments are segregated based on the location of the customers, or in relation to which the revenue is otherwise recognized.

All direct costs are identified to its respective verticals/geographies on the basis of revenues from the respective verticals/geographies while unallocable cost consists of depreciation only.

Industry segments

Year ended **March 31, 2012** and March 31, 2011

in ₹

Particulars	FSI	MFG	RCL	ECS	Total
Revenues from business process management services	**528,36,58,652**	**613,27,25,565**	**148,34,85,137**	**478,72,49,152**	**1768,71,18,506**
	448,46,97,221	544,48,08,966	82,43,66,463	396,24,49,274	1471,63,21,924
Identifiable expenses	**161,29,09,938**	**202,15,77,269**	**60,48,51,189**	**154,65,19,204**	**578,58,57,600**
	139,09,18,018	205,28,45,954	29,01,46,375	156,88,66,683	530,27,77,030
Allocated expenses	**267,68,94,311**	**243,99,45,605**	**58,55,41,755**	**191,21,44,364**	**761,45,26,034**
	241,39,19,902	242,51,72,951	39,35,35,495	182,45,62,041	705,71,90,389
Segmental operating profit	**99,38,54,403**	**167,12,02,691**	**29,30,92,193**	**132,85,85,584**	**428,67,34,872**
	67,98,59,301	96,67,90,061	14,06,84,593	56,90,20,550	235,63,54,505
Unallocable expenses					**59,43,73,403**
					58,02,78,486
Other income					**52,76,25,217**
					44,90,70,925
Profit before tax					**421,99,86,686**
					222,51,46,944
Tax expense					**100,86,86,723**
					13,43,38,004
Profit for the year					**321,12,99,963**
					209,08,08,940

Geographical segments

Year ended **March 31, 2012** and March 31, 2011

in ₹

Particulars	United States of America	Europe	Others	Total
Revenues from business process management services	**886,89,45,257**	**696,50,89,898**	**185,30,83,351**	**1768,71,18,506**
	809,40,42,271	561,44,01,049	100,78,78,604	1471,63,21,924
Identifiable expenses	**264,27,78,255**	**241,72,61,236**	**72,58,18,109**	**578,58,57,600**
	289,61,59,073	218,08,18,162	22,57,99,795	530,27,77,030
Allocated expenses	**419,23,53,218**	**275,89,87,359**	**66,31,85,458**	**761,45,26,034**
	409,47,54,675	250,21,75,185	46,02,60,529	705,71,90,389
Segmental operating profit	**203,38,13,784**	**178,88,41,303**	**46,40,79,784**	**428,67,34,872**
	110,31,28,523	93,14,07,702	32,18,18,280	235,63,54,505
Unallocable expenses				**59,43,73,403**
				58,02,78,486
Other income				**52,76,25,217**
				44,90,70,925
Profit before tax				**421,99,86,686**
				222,51,46,944
Tax expense				**100,86,86,723**
				13,43,38,004
Profit for the year				**321,12,99,963**
				209,08,08,940

2.23 Gratuity Plan

Gratuity is applicable to all permanent and full time employees of the Company. Gratuity paid out is based on last drawn basic salary and dearness allowance at the time of termination or retirement. The scheme takes into account each completed year of service or part thereof in excess of six months. The normal age of retirement is 60 years and the entire contribution is borne by the Company.

The Company recognises actuarial gains and losses as and when these arise. The charge in respect of these gains/losses is taken to the profit and loss account.

Reconciliation of opening and closing balances of the present value of the defined benefit obligation:

in ₹

	As at				
	March 31, 2012	**March 31, 2011**	**March 31, 2010**	**March 31, 2009**	**March 31, 2008**
Obligations at the beginning	18,76,90,700	14,25,35,851	10,83,54,625	5,97,96,919	3,65,75,416
Liability as on April 1, 2008 assumed on the amalgamation of PAN Financial Shared Services India Private Limited	-	-	-	1,31,80,050	-
Service cost	13,68,85,699	6,51,09,966	6,73,44,267	4,07,80,299	2,57,48,242
Interest cost	1,12,28,864	74,96,831	46,65,510	42,52,594	28,21,347
Benefits settled	(5,40,74,205)	(4,42,43,763)	(3,71,70,205)	(2,35,68,652)	(1,42,50,440)
Actuarial (gain)/loss	25,89,919	1,67,91,815	(6,58,346)	1,39,13,415	89,02,354
Obligations at the end	28,43,20,977	18,76,90,700	14,25,35,851	10,83,54,625	5,97,96,919

Defined benefit obligation liability as at the balance sheet is wholly funded by the Company.

Change in plan assets:

in ₹

	As at				
	March 31, 2012	March 31, 2011	March 31, 2010	March 31, 2009	March 31, 2008
Plan assets at beginning, at fair value	19,77,56,309	15,45,17,163	11,64,20,243	6,12,93,221	3,49,57,318
Assets as on April 1, 2008 assumed on the amalgamation of PAN Financial Shared Services India Private Limited	-	-	-	1,59,21,701	-
Expected return on plan assets	2,01,20,084	1,56,93,766	1,14,83,981	64,94,791	33,91,458
Actuarial gain/(loss)	13,85,922	(1,84,436)	3,04,464	18,39,632	3,84,157
Contributions	13,59,88,112	7,19,73,579	6,34,78,680	5,44,39,550	3,68,10,728
Benefits settled	(5,40,74,205)	(4,42,43,763)	(3,71,70,205)	(2,35,68,652)	(1,42,50,440)
Plan assets at end, at fair value	29,62,23,903	19,77,56,309	15,45,17,163	11,64,20,243	6,12,93,221

Reconciliation of present value of the obligation and the fair value of the plan assets: **in ₹**

	As at				
	March 31, 2012	**March 31, 2011**	**March 31, 2010**	**March 31, 2009**	**March 31, 2008**
Fair value of plan assets at the period end	29,62,23,903	19,77,56,309	15,45,17,163	11,64,20,243	6,12,93,221
Present value of the defined benefit obligations at the period end	28,43,20,977	18,76,90,700	14,25,35,851	10,83,54,625	5,97,96,919
Asset/(Liablity) recognized in the balance sheet	1,19,02,926	1,00,65,608	1,19,81,312	80,65,618	14,96,302

Gratuity cost for the year.

in ₹

	Year ended March 31,	
	2012	**2011**
Service cost	13,68,85,699	6,51,09,966
Interest cost	1,12,28,864	74,96,831
Expected return on plan assets	(2,01,20,084)	(1,56,93,766)
Actuarial (gain)/loss	12,03,997	1,69,76,251
Net gratuity cost	12,91,98,476	7,38,89,283
Actual return on plan assets	2,15,06,006	1,55,09,330

100% of plan assets are maintained by Life Insurance Corporation of India.

Assumptions

	As at				
	March 31, 2012	March 31, 2011	March 31, 2010	March 31, 2009	March 31, 2008
Interest rate	8.57%	7.98%	7.82%	7.01%	7.92%
Discount rate	8.57%	7.98%	7.82%	7.01%	7.92%
Estimated rate of return on plan assets	9.45%	9.36%	9.00%	7.01%	7.92%
Retirement age	60	60	60	58	58

The estimates of future salary increases considered in actuarial valuation take account of inflation, seniority, promotion and other relevant factors such as supply and demand factors in the employment market.

2.24 Provident Fund

The Company contributed ₹ 7,28,48,654 and ₹ 30,98,51,749 towards Provident Fund during the year ended March 31, 2012(₹ 5,79,89,044 and ₹ 25,36,01,179 during the year ended March 31, 2011).

2.25 Superannuation

The Company contributed ₹ 1,85,989 and ₹ 8,40,793 to the Superannuation Trust during the year ended March 31, 2012.(₹ 1,95,386 and ₹ 3,99,998 during the year ended March 31, 2011).

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

Particulars	**Year ended,**	
	March 31, 2012	**March 31, 2011**
Number of shares considered as basic weighted average shares outstanding	3,38,27,751	3,38,27,751
Add: Effect of dilutive issues of shares/stock options	-	-
Number of shares considered as weighted average shares and potential shares outstanding	3,38,27,751	3,38,27,751

2.27 Restricted deposits

Deposits with financial institutions as at March 31, 2012 include ₹ 30,38,63,714(₹ 23,50,00,000 as at March 31,2011, respectively) deposited with Life Insurance Corporation of India to settle employee-related obligations as and when they arise during the normal course of business. This amount is considered as restricted cash and is hence not considered as cash and cash equivalents.

2.28 Dues to micro and small enterprises

The Company has no dues to micro and small enterprises during the year ended March 31, 2012 and March 31, 2011.

2.29 Function wise classification of statement Of Profit And Loss Account

in ₹

Profit and Loss account for the	Year ended March 31,	
	2012	2011
Income from business process management services	1768,71,18,506	1471,63,21,924
Cost of revenue	1049,38,12,766	948,25,35,604
GROSS PROFIT	719,33,05,740	523,37,86,320
Selling and marketing expenses	89,70,04,987	103,68,15,231
General and administration expenses	200,95,65,881	184,06,16,584
	290,65,70,868	287,74,31,815
OPERATING PROFIT BEFORE DEPRECIATION	428,67,34,872	235,63,54,505
Depreciation and amortisation expense	59,43,73,403	58,02,78,486
OPERATING PROFIT	369,23,61,469	177,60,76,019
Other income, net	52,76,25,217	44,90,70,925
Provision for investments	-	-
PROFIT BEFORE TAX	421,99,86,686	222,51,46,944
Tax expense:		
Current tax	101,41,86,709	20,55,84,417
Deferred tax	(54,99,986)	(7,12,46,413)
PROFIT FOR THE PERIOD	321,12,99,963	209,08,08,940

2.30 Schedules to the Cash Flow Statement

2.30.1 Changes in loans and advances during the year

in ₹

Particulars	Year ended March 31, 2012	2011
As per Balance Sheet	230,43,04,989	298,81,37,006
Less: MAT credit entitlement	(54,51,97,934)	(63,05,23,541)
Tax deducted at source separately considered	(25,99,21,775)	(23,11,32,814)
Capital advances considered separately	(63,73,026)	(9,32,06,877)
Interest accrued but not yet due	(11,34,67,989)	(5,94,78,908)
	137,93,44,265	197,37,94,866
Less: Opening balance considered	(128,64,43,705)	(99,53,78,515)
Less: Opening balance of Portland	(5,77,38,372)	-
	3,51,62,188	97,84,16,351

2.30.2 Changes in other current assets during the year

Particulars	Year ended March 31, 2012	2011
As per Balance Sheet	41,57,66,640	(8,45,82,448)
Less: Deposit with Body corporate considered as cash	(10,00,00,000)	(50,00,00,000)
	31,57,66,640	(58,45,82,448)
Less: Opening balance considered	(24,50,65,608)	(1,19,81,312)
Less: Opening balance of Portland	(1,47,83,093)	-
	5,59,17,939	(59,65,63,760)

2.30.3 Changes in current liabilities during the year

Particulars	Year ended March 31, 2012	2011
As per Balance Sheet	498,14,86,863	454,88,41,306
Less: Sundry creditors considered separately	(1,023,790)	-
Less: Amount payable towards contingent liability	-	(67,47,87,500)
Less: Retention money considered separately	(8,08,16,534)	(4,29,78,153)
Less: Opening balance considered	(450,58,63,153)	(347,24,93,802)
Less: Opening balance of Portland	(11,75,67,324)	-
	27,62,16,062	35,85,81,851

2.30.4 Changes in trade payables during the year

Particulars	Year ended March 31, 2012	2011
As per Balance Sheet	13,47,70,011	5,49,95,918
Less: Opening balance considered	(5,49,95,918)	(4,67,73,901)
Less: Opening balance of Portland	(1,06,14,664)	-
	6,91,59,429	82,22,017

2.30.5 Changes in provisions during the year

Particulars	Year ended March 31, 2012	2011
As per Balance Sheet	60,38,51,841	42,33,03,617
Less : Provisions considered separately	(12,51,16,813)	(4,83,38,966)
Less: Opening balance considered	(37,49,64,651)	(29,90,29,408)
Less: Opening balance of Portland	(9,35,02,855)	-
	1,02,67,522	7,59,35,243

2.30.6 Income Tax paid during the year

Particulars	Year ended March 31, 2012	2011
Charges as per the statement profit and loss account	92,88,61,102	41,79,41,422
Add: Tax deducted at source	(4,79,88,886)	(4,18,02,343)
	88,08,72,216	37,61,39,079

2.30.7 Purchase of Fixed assets and Changes in Capital Work in Progress/Advances

Particulars	Year ended March 31, 2012	2011
Movement as per Balance Sheet	306,37,40,084	30,27,75,868
Less: Opening capital work-In-progress	(15,43,92,756)	(59,695)
Add: Closing capital work-In-progress	1,99,41,000	15,43,92,756
Less: Opening capital advances	(9,32,06,877)	(46,58,912)
Add: Closing capital advances	63,73,026	9,32,06,877
Add: Opening Sundry creditors for Capital goods	-	-
Less: Closing Sundry creditors for Capital goods	(1,023,790)	-
Add: Opening retention monies	4,29,78,153	5,64,04,055
Less: Closing retention monies	(8,08,16,534)	(4,29,78,153)
Less: Opening balance of Portland	(170,18,65,720)	-
	110,17,26,586	55,90,82,796

2.30.8 Interest Income received during the year

Particulars	Year ended March 31, 2012	2011
As per Profit and Loss	60,57,84,185	32,06,88,394
Add: Opening interest accrued but not yet due	5,94,78,908	71,58,688
Less: Closing interest accrued but not yet due	(11,34,67,989)	(5,94,78,908)
	55,17,95,104	26,83,68,174

2.30.9 Cash and cash equivalents at the end of the year

Particulars	Year ended March 31, 2012	2011
As per Balance Sheet	629,89,05,158	567,51,61,140
Add: Deposits with Financial institutions and body corporate	10,00,00,000	50,00,00,000
	639,89,05,158	617,51,61,140

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Infosys BPO Limited

Electronics City, Hosur Road

Bangalore 560100, India

Tel.: 91-80-28522405

Fax: 91-80-28522411

April 6, 2012

Dear Member,

You are cordially invited to attend the Tenth Annual General Meeting of the members of the company on Friday, June 8, 2012 at 10.00 A.M. at the Registered Office of the company at Plot No 26/3, 26/4 and 26/6, Electronics City, Hosur Road, Bangalore 560100.

The notice for the meeting containing the proposed resolutions is enclosed herewith.

Very truly yours,

V. Balakrishnan

Chairman

Notice

NOTICE is hereby given that the Tenth Annual General Meeting of the Members of Infosys BPO Limited (the "Company") will be held on Friday, June 8, 2012 at 10.00 A.M. at the Registered Office of the company at Plot No. 26/3, 26/4, 26/6, Electronics City, Hosur Road, Bangalore 560100, to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Balance Sheet as at March 31, 2012 and the Profit and Loss Account for the year ended as on that date and reports of the directors and auditors thereon.
2. To appoint a director in place of Prof Jayanth R. Varma, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint auditors and to fix their remuneration for the ensuing year.

RESOLVED THAT B S R & Co., Chartered Accountants with Firm registration number: 101248W be and are hereby appointed as the auditors of the Company to hold office from the conclusion of this meeting until the conclusion of the next annual general meeting and the Board of Directors be and are hereby authorized to fix a suitable remuneration in consultation with the auditors which remuneration may be paid on a progressive billing basis as may be agreed between the auditors and the Board of Directors.

SPECIAL BUSINESS

5. To consider and, if thought fit, to pass with or without modifications, the following resolution as an **Ordinary Resolution:**

RESOLVED THAT Mr. V. Balakrishnan, who was co-opted as an additional director by the Board of Directors, and who holds office under Section 260 of the Companies Act, 1956 until the date of the ensuing annual general meeting and in respect of whom the Company has received a notice in writing proposing his candidature for the office of a director, be and is hereby appointed as a director of the Company, liable to retire by rotation.

6. To consider and, if thought fit, to pass with or without modifications, the following resolution as an **Ordinary Resolution:**

RESOLVED THAT Mr. Chandrashekar Kakal, who was co-opted as an additional director by the Board of Directors, and who holds office under Section 260 of the Companies Act, 1956 until the date of the ensuing annual general meeting and in respect of whom the Company has received a notice in writing proposing his candidature for the office of a director, be and is hereby appointed as a director of the Company, liable to retire by rotation.

7. To consider and, if thought fit, to pass, with or without modifications, the following resolution as an **Ordinary Resolution**

RESOLVED THAT M/s. Diaz Murillo Dalupan & Co, Chartered Accountants, Philippines be and hereby appointed as the Branch Auditors of the company for auditing the books of accounts maintained by the Manila Branch of the company situated in Philippines from the conclusion of this meeting until the conclusion of the next annual general meeting, pursuant to Section 228 (3) of the Companies Act, 1956, at a remuneration to be fixed by the Board of Directors of the Company after discussion with the aforesaid auditors.

By Order of the Board

Bangalore
April 6, 2012

N. R. Ravikrishnan
Company Secretary

Notes:

1. An explanatory statement pursuant to Section 173(2) of the Companies Act, 1956 is annexed hereto.

2. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND THE MEETING AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. UNDER THE COMPANIES ACT, 1956, VOTING IS BY A SHOW OF HANDS UNLESS A POLL IS DEMANDED BY A MEMBER OR MEMBERS PRESENT IN PERSON OR BY PROXY, HOLDING AT LEAST ONE-TENTH OF THE TOTAL SHARES ENTITLED TO VOTE ON THE RESOLUTION OR BY THOSE HOLDING PAID-UP CAPITAL OF ATLEAST Rs. 50,000. A PROXY SHALL NOT VOTE EXCEPT ON A POLL.**

3. The instrument appointing the proxy must be deposited at the registered office of the Company not less than 48 hours before the commencement of the meeting.

4. Members/ proxies should bring duly-filled attendance slips sent herewith to attend the meeting.

5. The Register of Director's shareholdings, maintained under Section 307 of the Companies Act, 1956, will be available for inspection by the members at the AGM.

6. The Register of Contracts, maintained under Section 301 of the Companies Act, 1956, will be available for inspection by the members at the registered office of the company.

EXPLANATORY STATEMENT UNDER SECTION 173(2) OF THE COMPANIES ACT, 1956

Item No.5

Mr. V. Balakrishnan was co-opted as an additional director of the Company with effect from June 11, 2011 pursuant to Section 260 of the Companies Act, 1956. Mr. V. Balakrishnan holds office of the additional director up to the date of the ensuing annual general meeting. The Company has received a notice in writing from a member along with a deposit of ₹ 500 (Rupees five hundred) proposing the candidature of Mr. V. Balakrishnan for the office of the director under the provisions of Section 257 of the Companies Act, 1956.

None of the directors other than Mr. V. Balakrishnan may be deemed to be interested or concerned in the proposed resolution as set out in Item No. 5 above.

The Directors recommend the resolution for your approval.

Item No.6

Mr. Chandrashekar Kakal was co-opted as an additional director of the Company with effect from October 7, 2011 pursuant to Section 260 of the Companies Act, 1956. Mr. Chandrashekar Kakal holds office of the additional director up to the date of the ensuing annual general meeting. The Company has received a notice in writing from a member along with a deposit of ₹ 500 (Rupees five hundred) proposing the candidature of Mr. Chandrashekar Kakal for the office of the director under the provisions of Section 257 of the Companies Act, 1956.

None of the directors other than Mr. Chandrashekar Kakal may be deemed to be interested or concerned in the proposed resolution as set out in Item No. 6 above.

The Directors recommend the resolution for your approval.

Item No.7

The Board of Directors in their meeting held on April 11, 2011 have appointed M/s. Diaz Murillo Dalupan & Co, Chartered Accountants, Philippines as the Branch Auditors of the company for auditing the books of accounts maintained by the Manila Branch of the company situated in Philippines from the conclusion of this meeting until the conclusion of the next annual general meeting In this context, it is highlighted to the approval of the shareholders is taken as matter of abundant caution as we have been advised that there is no requirement to have an statutory audit under the laws of Philippines but the audit is done only from tax perspective.

None of the directors may be deemed to be interested or concerned in the proposed resolution as set out in Item No. 7 above.

Additional information on directors seeking election at the annual general meeting

Brief profile of Prof Jayanth R Varma, Director

Prof. Jayanth R. Varma is a Professor at the Indian Institute of Management, Ahmadabad. He was also the chairman and member of various committees formed by the Securities Exchange Board of India and Department of Company Affairs. Prof. Jayanth R. Varma is the Chairman of the Audit Committee and Compensation Committee of the company and also an independent director of the company. He is also in the Boards of board of Gujarat International Finance Tec-City Co. Ltd, as an Independent Director

Brief profile of Mr. V Balakrishnan, Chairman and Director

With over 22 years of experience in leadership positions in the finance domain, Mr. V. Balakrishnan now plays the role of the Group Chief Financial Officer. His areas of responsibilities include Corporate Finance, International Taxation, Risk Management and Mergers & Acquisitions for the whole group. Mr. V Balakrishnan was appointed the Chief Financial Officer in April 2006. Prior to that, he served as Company Secretary and Senior Vice President – Finance. Mr. V. Balakrishnan joined Infosys in 1991 and has served in various capacities in the Finance Department.

Mr. V. Balakrishnan played a key role in Infosys' Indian IPO in 1993 as well as the company's first overseas listing in 1999. He closely supervised the three sponsored secondary offerings by Infosys including two Public Offer Without Listing in Japan. He also played a significant role in Infosys' first acquisition in Australia. His contribution was valuable in procuring VC funding for Infosys BPO and its ultimate sale.

Mr. V Balakrishnan was conferred the CNBC TV 18 Best performing CFO award for IT and ITES sector for 2008 and 2009. He was voted the Best CFO by Finance Asia in its Asia's Best Companies Poll for 2008, 2009 and 2011. He won the Best CFO (Information Technology, Media, Communication and Entertainment) award from the ICAI (The Institute of Chartered Accountants of India) for 2008.

He is an Associate Member of the Institute of Chartered Accountants of India, the Institute of Company Secretaries of India and the Institute of Cost & Works Accountants of India.

Prior to joining Infosys, Mr. V. Balakrishnan was a Senior Accounts Executive with Amco Batteries Limited.

Mr. V Balakrishnan holds a B.Sc. degree from the University of Madras. He also holds ACA, ACS and AICWA degrees.

Brief profile of Mr. Chandrashekar Kakal, Director

Mr. Chandrashekar Kakal is at present Senior Vice-President and Global Head of Business IT Services and Member of Executive Council, Infosys Limited. In his current leadership role, Mr. Chandrashekar Kakal is responsible for Infosys' application development, maintenance, testing, and infrastructure management services worldwide. Operating out of a global network of delivery centers, the organization comprises 60,000 employees serving Infosys' clients across the vertical industry spectrum.

Mr. Chandrashekar Kakal joined Infosys in 1999 as one of the leaders of the company's Enterprise Solutions (ES) service unit, playing an instrumental role in the company's entry into the package implementation and related services market. In the process, he established partnerships with SAP, Oracle, Sterling Commerce, TIBCO, and other enterprise solutions vendors.

In 2000, Mr. Chandrashekar Kakal took on the additional responsibility of starting the Hyderabad Development Center. During his four-year tenure as Head of the center, he established a foundation for an organization that today numbers more than 18,000 employees who serve several of Infosys' largest global clients. In 2004, Mr. Chandrashekar Kakal took on the role of Global Head of Enterprise Solutions. Under his leadership, the unit grew to account for more than 25% of Infosys' total service revenues and, in the process, recognized as an industry leader in the sector by top analyst firms. In 2010, Mr. Chandrashekar Kakal was recognized by Consulting Magazine as one of the Top 25 Consultants in the world for excellence in technology consulting.

Mr. Chandrashekar Kakal holds an MBA in International Business from the Asian Institute of Technology, Bangkok and a Mechanical Engineering degree from Bangalore University. He also holds a graduate diploma in Materials Management from Indian Institute of Materials Management.

Infosys BPO Limited

Registered office: Electronics City, Hosur Road, Bangalore 560100, INDIA

Proxy Form

Regd. Folio No. ☐☐☐☐☐☐☐☐☐☐☐☐

I/We…………………………………………………………………..of……………………………………………………in the district of being a member/members

of the Company hereby appoint…………………………………………………………of
in the district of………………. ……………………………or failing him/her
of…………………………………………………………………in the district of
as my/our proxy to vote for me/us on my/our behalf at the ANNUAL GENERAL MEETING of Infosys BPO Limited to be held at the Registered Office of the Company at Plot No. 26/3, 26/4 and 26/6, Electronics City, Hosur Road, Bangalore 560100 on Friday, June 8 2012 at 10.00 A.M. and at any adjournment(s) thereof.

Signed this………………………………………………………day of 2012

15 Paise
revenue
stamp

Signature…………….

Notes: This form, in order to be effective, should be completed, duly signed and stamped and must be deposited at the Registered Office of the Company, not less than 48 hours before the meeting.

Infosys BPO Limited ....

Registered office: Electronics City, Hosur Road, Bangalore 560100, INDIA

Attendance Slip

Regd. Folio No. No. of shares held ☐☐☐☐☐ ☐☐☐☐☐

I certify that I am a member / proxy for the member of the Company.

I hereby record my presence at the ANNUAL GENERAL MEETING of the Company held at Plot No.26/3,26/4 and 26/6, Electronics City, Hosur Road,, Bangalore 560100, India at 10.00 A.M on Friday, June 8, 2012.

…………………………………

Member's / Proxy's name in BLOCK letters

Signature of member / proxy

Notes: Please fill up this attendance slip and hand it over at the entrance of the meeting hall.