Infosys®

Annual Report 2012-13

Infosys BPO Limited

Board and Committees – Infosys BPO Limited

The Board of Directors

Mr. V. Balakrishnan
Chairman of the Board

*Mr D Swaminathan**
Managing Director and Chief Executive Officer

*Mr. Gautam Thakkar***
Managing Director and Chief Executive Officer

Prof. Jayanth R. Varma
Independent Director

Mr. Chandrashekar Kakal
Director

Dr. Omkar Goswami
Independent Director

Committees of the Board

Audit Committee

Prof. Jayanth R. Varma
Chairman

Mr. V. Balakrishnan,
Member

Dr. Omkar Goswami
Member

Compensation Committee

Prof. Jayanth R. Varma
Chairman

Mr. V. Balakrishnan
Member

Dr. Omkar Goswami
Member

Share Allotment Committee

Mr. V. Balakrishnan
Chairman

*Mr. D. Swaminathan**
Member

*Mr. Gautam Thakkar***
Member

Mr. Chandrashekar Kakal
Member

Investment Committee

Mr. V. Balakrishnan
Chairman

*Mr. D. Swaminathan**
Member

*Mr. Gautam Thakkar***
Member

Mr. Abraham Mathews
Member

The Board of Directors - Subsidiaries

Infosys BPO s.r.o

*Mr. D. Swaminathan**
Chairman of the Supervisory Board

*Mr. Gautam Thakkar***
Chairman of the Supervisory Board

*Mr. B. G. Srinivas****
Director

Mr. Abraham Mathews
Executive Director

*Mr. Rajesh K Murthy***
Director

Mr. Anantha Radhakrishnan
Director

Infosys BPO Poland Sp. Z o.o

*Mr. D. Swaminathan**
Director

*Mr. Gautam Thakkar***
Director

*Mr. B. G. Srinivas****
Director

Mr. Abraham Mathews
Director

Mr. Anantha Radhakrishnan
Director

*Mr. Rajesh K Murthy***
Director

McCamish Systems, LLC

*Mr. D. Swaminathan**
Chairman

*Mr. Gautam Thakkar***
Chairman

Mr. Abraham Mathews
Director

Mr. Gordon Beckham
Chief Executive Officer

Mr. Eric S. Paternoster
Director

Mr. Sam Thomas
Director

Mr. Kapil Jain
Director

*Mr. Rishi Kumar Jain***
Director

*Mr. Rich Magner***
Director

Portland Group Pty Ltd

*Mr. D. Swaminathan**
Chairman

Mr. Gavin Solsky
Managing Director and Chief Executive Officer

Mr. Dave Gardiner
Director

Mr. Abraham Mathews
Director

Ms. Jackie Korhonen
Director

Mr. Gautam Thakkar
Director

*Mr. Anantha Radhakrishnan***
Director

*Mr. Binny Mathews***
Director

Portland Procurement Services Pty Ltd

*Mr. D. Swaminathan**
Chairman

Mr. Gavin Solsky
Managing Director and Chief Executive Officer

Mr. Dave Gardiner
Director

Mr. Abraham Mathews
Director

Ms. Jackie Korhonen
Director

Mr. Gautam Thakkar
Director

*Mr. Anantha Radhakrishnan***
Director

*Mr. Binny Mathews***
Director

** Retired with effect from March 31, 2013.*

***Appointed with effect from April 1, 2013*

**** Resigned with effect from March 31, 2013*

Contents

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, 2013.

Results of our Operations

in ₹

Particulars	March 31, 2013	March 31, 2012
Income from Business Process Management Services	1831,33,77,884	1312,41,06,485
Cost of Revenue	1095,52,18,266	682,49,16,637
Gross Profit	735,81,59,618	629,91,89,848
Selling and Marketing Expenses	82,43,03,983	79,04,95,527
General and Administration expenses	173,42,93,255	154,11,98,701
Operating Profit Before Interest, Depreciation, Taxes and Amortization (PBIDTA)	479,95,62,380	396,74,95,620
Interest, Depreciation & Amortization	65,01,37,609	49,69,17,227
Operating Profit before tax	414,94,24,771	347,05,78,393
Other income, net	139,24,12,604	47,22,33,990
Net Profit before tax and exceptional item	554,18,37,375	394,28,12,383
Provision for taxation	126,44,25,662	89,65,51,046
Net profit after tax and before exceptional item	427,74,11,713	304,62,61,337
Net Profit after tax and after exceptional item	427,74,11,713	304,62,61,337
Profit and Loss account balance brought forward	384,75,98,205	80,13,36,868
Amount available for appropriation	812,50,09,918	384,75,98,205
Amount transferred to general reserve	-	-
Balance in Profit and Loss account	812,50,09,918	384,75,98,205
EPS before exceptional item		
Basic	126.45	90.05
Diluted	126.45	90.05
EPS after exceptional item		
Basic	126.45	90.05
Diluted	126.45	90.05

Business

Our business process management services revenues aggregated to ₹ 1,831.33 crore, up by 39.53 % from ₹ 1,312.41 crore in the previous year. Out of the total revenue, 52% came from United States of America, 31% from Europe, and 17% from the rest of the world.

Our gross profit amounted to ₹ 735.82 crore (40.18% of revenue) as against ₹ 629.91 crore (48% of revenue) in the previous year. The profit before interest, depreciation, taxes and amortization amounted to ₹ 479.95 crore (26.21% of revenue) as against ₹ 396.74 crore (30.23% of revenue) in the previous year.

Sales and marketing costs were 4.50% and 6.02% of our revenue for the years ended March 31, 2013 and March 31, 2012 respectively. General and administration expenses were 9.47% & 11.74% of our revenues during the current year and previous year respectively. The net profit after tax before exceptional item was ₹ 427.74 crore (23.36% of revenue) as against ₹ 304.63 crore (23.21% of revenue) in the previous year.

Company's Overview

Infosys BPO Limited ("Infosys BPO") 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. The 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, Canada, United Kingdom, The United States of America, Czech Republic, Poland, Philippines, Costa Rica, South Africa and Netherlands.

Share capital

During the year under review, the company has not issued any shares and hence the outstanding issued, subscribed and paid-up equity share capital stands at ₹ 33.83 Crore as on March 31, 2013 (₹ 33.83 Crore as on March 31, 2012). No Employee Stock Options were granted and vested during the year.

Performance Overview

The company earned revenue of ₹ 1,831.33 crores in financial year 2012-13 as compared to ₹ 1,312.41 crores in financial year 2011-12. The company ended year with net profit after tax of ₹ 427.74 crore when compared with the previous year of ₹ 304.62 crore. The company's profitability after tax for the year is 21.71%. The company continues to be amongst the most profitable BPO companies in India. The company added 12 (net) customers and now has 138 customers as on March 31, 2013. The company ended the year with 25,803 employees having added 4,383 (net) employees during the year.

Due to focus and strategic investments aligned to growth, differentiation and people in the Financial Year 2012-13, we were able to grow our revenue and strengthen our market position. Our focus was on enhancing the relationship with existing customers, which has yielded us a significant revenue growth. We enhanced our relationship with one of the largest electronic companies in the world operating in more than 60 countries with additional business across multiple geographies. Our wins have been strategically significant and add versatility to our portfolio. Some of the key clients won this year include a world's leading producer of movie, music and entertainment, a world's largest paper recycling and packaging company, a global consulting and engineering company, a Japanese multinational air conditioning company, a global pharmaceutical and biologics company with presence in more than 100 countries, a largest distributor of food and related products in US, Australia's largest telecommunications company, leading art and crafts material supplier in North America, and a fortune 500 financial services company.

We have good traction in the space of business process on cloud and social media. Over the past one year, we have been successful in delivering Cloud based services like E-Discovery to clients such as one of the largest oil and gas companies. In addition, we have been trying to create niche offering in the area of sustainability by performing services like HSE (i.e, Health, Safety and Environment) compliance to clients. Social Media capabilities have enhanced from our offering set last year to areas of end-to-end capabilities. Leverage of technology and operational capabilities both for our platforms and alliance is going to be our focus area in the next year. We have seen good traction with customers and are hopeful of marketing and support dollars moving to this emerging mix in the corporate spending.

The Legal Process Outsourcing Practice has continued to attract new projects in Contracts, eDiscovery and Document Review, with a healthy pipeline going into the next year. In the current year, we have had new business wins with a Leading Mortgage Services Company in the US, a large Food Retailer US retailer, an Australia based Global Mining Conglomerate, a Global Scientific and Professional Publishing Company, and a leading Global Telecom Provider based in the US. The investments in building competencies through the newly established Center of Excellence, and the establishment of scale in Document Review will positively influence business in the next year.

Rural BPO and India Business saw traction with winning some key government of India contracts along with a win from a big corporate house.

This year we expanded our presence in the Voluntary Group Life Insurance business space by acquiring Marsh BPO, in Des Moines, Iowa, USA with 87 employees, serving seven insurers and covering more than 600,000 insured lives. This has further enhanced Infosys BPO's positioning as a premier provider of end-to-end, enterprise-wide solutions for the insurance and financial services sector.

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.

Our investments in Technology solutions have also yielded business benefits. We have increased the breadth and depth of our technology solutions this year.

In the pursuit to improve HR practices and create the building blocks that provide 'careers for life', Infosys BPO has started a program called FUEL (Future emerging leaders). Under this program, top performing middle level managers are identified and going through a rigorous training and grooming process to take future challenges. Team of Geo Business ambassadors travelled to India and went through Business and strategy orientation sessions. 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 the 3rd ABSL conference (the largest outsourcing event in Poland, Annual National HRD Network conference (India), CFO Innovation Asia Forum 2012 (Singapore), Annual European Shared Services and Outsourcing Week 2012 (Amsterdam), Shared Services & Outsourcing Week conference (Australia), 64th Annual SHRM Conference (Atlanta, Georgia) among others. Infosys BPO Limited also established its thought leadership with 'Colloquium' – the annual user event in its 4th year in running. The Infosys BPO thought leadership journal is in its 7th 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 focus is on accelerate growth. Infosys BPO has aligned its strategy and investments towards the following key initiatives:

1. Work on improving productivity, focus on domain capability building, and leadership development
2. Up sell and cross sell service lines to our existing clients
3. Focus on right first time, differentiated and predictable delivery
4. Winning large multi tower deals with a focus on building tomorrow's enterprise
5. Focus on emerging economies, winning multi geo business unit deals

Subsidiaries

We have four subsidiaries: Infosys BPO s.r.o, Infosys BPO (Poland) Sp. Z.o.o, McCamish Systems LLC and Portland Group Pty Ltd.

A. Infosys BPO s.r.o

The financial year was a year of rapid development for the subsidiary. After moving into partnership with one of the clients at the end of previous financial year, it was necessary to ensure that the team in Prague gets fully integrated with Infosys structures. Due to very good operational performance of the team, there was an opportunity to significantly expand the cooperation with the client. Over the following months new lines of business were added and recruited over 160 new employees. The rapid ramp up at beginning of the financial year meant a big investment. This impacted the financial position for the following 3 quarters. In January 2013 an engagement was implemented, together with Infosys Limited.

During the year under review the company generated revenue of ₹ 89.54 crores as against a revenue of ₹ 58.92 crore for the year ended on March 31, 2012 with a loss of ₹ 2.67 crores against the loss of ₹ 34.05 lakhs for the year ended on March 31, 2012.

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

During the year under review, Infosys BPO (Poland) Sp.Z.o.o has generated a revenue of ₹ 272.17 Crore as against revenue of ₹ 196.11 Crore for the period ended March 31, 2012 with a net profit of ₹ 48.71 Crore as against a profit of ₹ 41.71 Crore for the period ended March 31, 2012.

The company continued growth based on the current clients and few other new clients, the focus of the company was to focus on high-end services such as (Tax, SOX Compliance, FP&A reporting and analysis, FP&A Consolidation of financial statements, BTS, onsite project work) etc. Further European language based services was also one of the main focus area which is part of Infosys global delivery model.

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, but with a newly acquired delivery center in Des Moines, Iowa, McCamish Systems, LLC, ("McCamish") is a platform based business process outsourcer (BPO) that provides end to end administrative services to the financial services industry in support of life insurance, long term care 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 other clients are growing outside United States. They 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 focusing 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 revenue of ₹ 261.18 crore as against a revenue of ₹ 186.52 Crore for the year ended on March 31, 2012 with a loss of ₹ 15.90 crore as against the loss of ₹ 24.05 Crore for the year ended On March 31, 2012.

D. Portland Group Pty Limited

Portland Group Pty Ltd, a leading provider of supply chain and procurement services was acquired by Infosys BPO Limited on 4th January 2012. Portland Group is headquartered in Sydney, has offices in Melbourne, Brisbane, and Perth and provides services throughout Australia and Asia.

Portland Group's expertise in strategic sourcing and category management services is expected to complement Infosys BPO sourcing & procurement capabilities to create a market offering that will positively impact clients' business efficiency and effectiveness.

Revenue for the year ending March 31, 2013 was ₹ 181.9 Crore. Market conditions are improving and Portland has made some major sales towards the end of the financial year.

A major focus in Financial Year 2012 has been closer integration of Portland and Infosys BPO, particularly business development and delivery capabilities. Portland has sold a large managed services deal that is being delivered by a combination of Portland onshore and Infosys BPO offshore resources and has been given notice of intent to award a significant multi-year global managed services deal that will require delivery by Portland, Infosys BPO and Infosys Limited. Headcount in Australia has remained stable as Portland Group has continued to invest in improving category expertise and practice areas focused on specific categories.

Portland Group now has 30 Infosys BPO resources in Pune dedicated to servicing Portland clients. This pool of Portland resources is expected to increase significantly over the next year. Portland Group Pty Limited holds 100% equity in its subsidiary Portland Procurement Services Pty Limited.

Infosys BPO Values

Infosys BPO is aligned with CLIFE. There is no doubt that our personal value systems continue to guide us correctly in most situations. However, the organization is the sum total of all of us and we would like to equip each employee so that he or she is the best ambassador of the organization's values and ethics. The Business Conduct provides guidelines and ethical standards. This is to ensure that employees are armed to take ethical decisions that uphold the values that we as a collective believe in and would like to foster.

What it translates to is:

- the behavior expected from each employee
- the foundation for all processes within the organization
- the practices of the organization within and with respect to society and other stakeholders

We believe we can foster a work environment that encourages ethical practices and is firmly rooted in the values we cherish. Together, we have the power to make this a reality.

At Infosys BPO, the values of the organization are encapsulated in C-LIFE - each letter of the word standing for one value.

C – Client Value, L – Leadership by Example, I – Integrity and Transparency, F – Fairness, E - Excellence

When an organization has a set of values, it makes a commitment to the way it will act in a given situation. The values act as principles for each person in the organization. This has helped us in building a culture that fosters professionalism, fairness, Leadership by example resulting in higher client value through service delivery. The value system is embedded in the Organization throughout employee and engagement life cycle. Involvement from Senior Leaders through various forums like Meet Your Leader, Town Hall, Guru COOL, Newsletter, Floor Walks and Email Campaigns are used to continuously reinforce value system in the company.

Core Competencies and Advantages

Core competencies:

- Infosys BPO differentiates in the market by delivering measurable business value through deep domain expertise and technology prowess.
- Our offerings go beyond traditional BPOSG&A offerings and address COGS part of our clients to deliver transformation.
- Infosys BPO has 19 delivery centers across the globe giving the clients the flexibility to take their operations to any market.
- Infosys BPO also provides predictable service delivery excellence in the market which has been consistently seen the customer satisfaction scores.

Due to these core competencies Infosys BPO has emerged as a trusted and valued collaboration partner through consistent focus on improving process and end business metrics. The competencies include working jointly with Infosys Limited on transformation programs that has a BPO component.

Strategic Advantages:

- For several years Infosys has been focusing on differentiated service offering with domain focus and technology led differentiation (TLD).

- In addition through strategic acquisitions Infosys BPO has established delivery centers across the globe, some by takeover of employees and integrating them with larger Infosys family. With industry focus for each business unit supported by practices that cover various functions of an organization Infosys BPO can participate in many transformational deals.

  The strategic advantages are being reviewed in the context of the market and revisions are made to keep ourselves agile in ever changing market place. With Infosys brand and technology support we are leveraging these strategic advantages in many wins.

The validation of core competencies, strategic challenges and advantages are determined through participation in various bids, customer feedback and analyst briefings. In addition through annual strategy session we look at these on a long term basis and arrive at revisions if any.

Key Strategic Objectives

The key strategic objectives include creating client value in our services being a trusted transformation partner. The strategic objective is to be relevant to the clients and make their customers satisfied. The goal that we achieve is to be profitable consistently and offer high quality of service to our clients across all locations and lines of business.

Process Management

Core Process Management

Infosys BPO has identified core key value creation processes based on (a) APQC framework (b) The knowledge and best practices addressed in industry standards like ISO 9001-2008, ISO 20000, ISO 27000, eSCM-SP, COPC-Base Standard (c) and the experience of executing client processes over the years and addressed under Quality Management system (QMS).

In addition to departmental, Operations &Transition processes, it provides guidelines to key value creation processes. Key value creation processes:

1. Client acquisition and solution design process
2. New service offering development process
3. Transition and Reverse Transition process
4. Infrastructure planning, deployment and management process
5. Talent planning, recruitment and deployment process
6. Competency building and engagement process
7. Service Delivery and client management process
8. Operations Excellence and Differentiation

Infosys BPO is the pioneer in driving innovation and differentiation in delivery of our services. This has been done through building out newer engagement models like - business platforms, business process on cloud, technology value add accelerators, value sales, alliances, leveraging Infosys Labs. To bring specific focus to processes in supporting the same, specific structures and departments have been created to drive the same and in suitably modifying and adapting the above 8 processes with agility.

Process owner identified for each process ensure periodic reviews, amendments and communication of changes. These procedures do not greatly vary for large deals, except resource deployment for process execution like dedicated resource for Transition, HR and Quality. Under Operational Excellence, self-assessment requirement covers all engagements since they go live into steady state.

iBPO HRD-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. One of the major focus areas of FY 12-13 as part of the STRAP (Annual Strategy) was to focus on creating an "Inspired Workplace". The Company is focusing on designing and deploying initiatives and practices that provide a career for life to its employees. Some of the key HR highlights for FY 13 are listed below.

Employee Growth

- **Internal Job Posting Program (WithInfy)**

  As part of the Talent Strategy of filling up to 70% requirements through internal resources, Internal Job Postings have had a huge role to play. IJPs enable employees to manage their careers, grow & expand their horizon & reach their professional goals. In FY 12-13 there was:

  ➢ ***472 employees promoted via IJP*** ➢ ***114 employees progressed via IJP*** ➢ ***73 lateral movements via IJP***

- **Role Movement Program**

Employee career growth is one of the most critical HR focus area and the organization has been single-minded toward in reinforcing it's 'careers for life' philosophy. While the aim is at filling 70% of the open positions through internal growth and movements, for the FY'13 – the achievement has been at a **75%** against planned manpower growth. This translates into a whopping **4,609** career movements comprising **1,843 promotions and 2,766 progressions**.

Employee Engagement

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.

- **Connect – As a part of building Employee connects, we focused on employee connect all around 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 an initiative where Leaders meet the employees in an organized forum and talk on important issues pertaining to Careers, company strategies and employee concerns. During the year***, we organized 43 MYL sessions touching 4396 employees worldwide.***
    - **Gurucool:** Gurucool is a very creative leadership connect program where mentors are assigned to new joinees (mentees). Mentors are the top management people from different functions. ***We had 713 Gurucool meetings between 5,193 mentees and 185 mentors. These meetings helped Infosys BPO in retain 179 mentees as they recalled their separation***.
    - **Banyan Tree:** Banyan Tree is an extended leadership connect program where we call leaders from outside the organization to address our folks. The initiative is very well taken by the employees as they get to hear and interact with leaders from other organization. It is an exposure to varied leadership styles of various Industries for our folks. ***We hosted 10 Banyan trees*** that featured leaders like **Ms.Nirmala Menon** (Founder and CEO of Interweave Consultancy), **Col. (retd.) Vijay Dalvi** (Writer and retired personnel), **Brigadier Rajiv Divekar**, **Mr.Pradeep Kumar** (Director Marketing – Organo), **Dr Bansari Nag** (Senior Research Officer - National Commission for Empowerment of Women**)**, **Mrs.Sudha Murthy** (Chairperson - Infosys Foundation) etc. to name a few of the eminent speakers from the fine list of 13. Banyan tree touched more than 1500 folks from Infosys BPO.
    - **Center Stage:** Center Stage is an event that takes place once a year where all the members of Executive Council participate and interact with our employees. Leaders talk on the current state and future strategies of company, they give their views on the growth and what can be expected from the company. ***Center Stage took place in Bangalore and it saw a participation of 1346 employees worldwide***.
    - **Floorwalk** - Floor walk is a leadership connects initiative where leaders visit floors of different engagement to touch base with the employees and share knowledge with them. ***Last year we had 407 Floor walks covering 37,712 employees***.
    - **Communicate –** In order to communicate various policy changes, current and future strategies of the company and to keep folks abreast about the Industry trends we have several initiative in place.
    - **Footprints** – The footprints are the monthly releases that talk about all the aspects of the featured DC. It talks about its performance, its facilities, its USPs and also about the city where it is located. This year we had 11 footprints featuring following DCs – ***Bangalore, Chennai, Brazil, China, Jaipur, Mysore, Kenya, Pune, Atlanta, Bangalore Towers and Gurgaon***.
    - **Team Huddle** - Company related updates are sent to the entire organization through the Team Huddle program wherein information is percolated down through team leaders. Last year we released as many as **44 team huddles** educating our folks about our policies.

- **Knowledge Nuggets** - This weekly communication keeps employees at managerial/supervisory level abreast of management trends across the globe. Last year the releases featured leadership learning from Indra Nooyi, N R Naryana Murthy, APJ Abdul Kalam and Ratan TATA. Apart from this leadership lessons inspired by popular articles of HBR were also published. ***Last year we published 53 Knowledge Nuggets with 93.6% of likes.***

- **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. This year was celebrated as "The Spirit 10" as Infosys BPO completed 10 years of its existence.

  My Infy Story also featured 4 Club 10 stories. ***Last year we published 22 My Infy Stories of which 1 was from International Location.***

- **Good to Join Great to Grow** - It is a fortnightly publication that publishes growth stories of our employees in the organization and thus showcasing opportunities available within the organization pertaining to career growth. ***Last year we had, 26 releases featuring employees from Lodz, Manila, Brazil, Bangalore, Jaipur, Bhubaneswar and Chennai.***

- **Team Matters Team Wins** - It is a fortnightly publication that publishes stories of the high performing teams in the organization. ***Last year, we had 27 releases with 6 teams featuring from International Locations (Brno, Lodz and China)***

- **Celebrate –** To keep up the good spirit of our employees we celebrate as well. It is an important aspect of employee engagement as fun is an integral part of our work life.

- ***Sambrahma:***

  Sambharma is the annual cultural fest that takes place every year in each location. It is a highly anticipated event of the year where we have celebrity guests performing for us, cultural event hosted by employees, leadership connecting with employees in an informal manner and celebration at every corner of the campus.

- ***Infosys Idol :***

  An event inspired by Indian Idol. It is a yearly event that takes place across all locations in the pursuit of finding the best voice of Infosys BPO. Final event takes place between final 5. Infosys Idol Finals is a gala event that also hosts DJ Night after the event. Celebrity musicians are called for the FINALS.

- ***Club 5 Felicitation:***
  Club 5 felicitation as the name suggest felicitates employees who have completed 5 years in Infosys BPO. **51 Club-5 felicitation took place covering 2098** Infoscions.

- ***Club 10 Felicitation:***
  This year marked the 10 years of Infosys BPO. When Infosys BPO turned 10, there were few vintage folks who turned 10 as well. This spirited lot was felicitated in a highly celebrated "The Spirit of 10" Celebration on 6th February 2013. **33 Club 10 folks** were felicitated who were accompanied by their family members on this mega event.

- ***Spirit of 10 Celebrations***:
  Last year Infosys BPO completed its decade of existence in the BPO industry. This marked the beginning of a yearlong celebration under the brand "Spirit of 10". Under this theme, the year saw :

- Spirit of 10 message from CEO
- Spirit of 10 Logo Competition
- Spirit of 10 – Center Stage

- ➢ Mega Banyan Tree – featuring Sudha Murthy
- ➢ My Infy Story of Club 10 Infoscions
- ➢ Sambhrama in Gurgaon, Jaipur and Chennai
- ➢ Infosys Idol – Season 2 (Across all locations)
- ➢ Spirit of Run – Mini Marathon
- ➢ Spirit of 10 Celebration – Club 10 Felicitation
- ➢ Mega Event – Sambhrama in Bangalore

- **iSTAR Incentive:** Along with the annual compensation revision cycle, a new incentive plan called "Infosys STAR Incentive Plan" was launched last year. This incentive is the first of its kind at Infosys BPO, and it has been created for recognizing and retaining critical talent at junior levels in Operations career stream. Under the scheme, the nominated employees received a special, one-time incentive payout, deferred over a period of nine months which was paid out in the current financial year. This year **1,850** employees have been covered through this program with special award money for employees who are receiving this award for the second year consecutively.

- **Employee Engagement Council (EEC) -** Employee Engagement Council (EEC) is formed to strengthen Employee Engagement across the organization through multiple interventions. EEC is an empowered body to bring in the required policy/process related changes to enhance retention and engagement levels across the company and guide the senior leaders within the units to achieve the same.

- **Policy Council:** A Policy council with representation across leadership and functions was established with the primary objective of ensuring that the policies within the organization balance employee needs with Organizational objectives and are complaint with statutory / Government legislations.

Employee Development

- **Leadership Development**
  - ➢ Total employees covered under various leadership programs this year till Mar 13 is **2949** under **208** training programs. This year new programs like Belbin's 'Building High performance Teams', Performance Management 4.0, 'Leader as a Coach', to introduce Coaching as a key leadership skill, and 'The Search for the Lost Dutchman's Gold Mine', a fun simulation-based learning program around Planning, Collaboration, Decision making and Team work were introduced.
  - ➢ International Centres like Atlanta, Mexico and Brazil got introduced to L&D program. This year **640** IC Employees were covered
  - ➢ Roll-out of leadership programs like Problem Solving Leadership & Differentiated Client Relationships for JL 6s and 7s in India. 51 folks covered across the 2 exclusive runs planned in Bangalore, India
- **Harvard ManageMentor**- Our partnership with Harvard Business Publishing saw a great boost to technology led learning and gave employees access to 25 world class management modules in the form of Harvard Manage Mentor.
  - ➢ Coverage as on Mar'13: India employees **3134 @ 10716** modules & ICs **364** employees @ **1178** modules
  - ➢ **31** folks felicitated in Oct'12 for completing 25 HMM modules; **60** IBPO employees have completed 25+ modules as on Mar'13
- **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. A set of 29 high performing talents representing all the seven international centers across the globe, was chosen. These set of high performing leaders are called "GeoAmbassadors". 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.

- **Club FuEL:** Club FuEL is an initiative to identify and nurture Future Emerging Leaders from a select group of employees who have successfully completed any specific programs like IIMA, Black Belt, Practice Ambassador or Domain Programs. Last year, Focused intervention for **91** employees across all DCs through career coaching sessions, career development plans, career seminars, mentoring and leadership connect programs were done.

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.

- **Spark :** An initiative that aims at raising the aspiration levels of students and help them assess their industry readiness and check and calibrate their aspiration meter. We reached out to more than **50,000** students in past 4 years including women and students with disability

- **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 **100,000 students and 3242 academicians across 1761 colleges in India and Bhutan**.
  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'.

Particulars	Financial year 2012	Financial year 2013
Number of colleges covered	138	1761
Number of lecturers trained	263	3242
Number of students trained	16,762	1,02,306

Industry Awards

- Infosys BPO was awarded in different Awards/Award Categories for its people practices in both domestic (India) and International forums. This includes the coveted Golden Peacock Award for HR excellence. List of awards are given below –

Sl. No	Award
1	Best Learning & Development Awards
2	Asia's Best Employer Brand Award 2012
3	NASSSCOM Exemplary Talent (NExT) Practices Award
4	Golden Peocock HR Excellence Award
5	Asia Pacific HRM Congress
6	Asian Leadership Awards - Dubai
7	2012 Workforce Optimas Award
8	Dream Companies to Work for Awards
9	2013 Bersin Whatworks Award

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, 2013, the committee had Prof. Jayanth R. Varma as the Chairman, Mr. V. Balakrishnan and Dr. Omkar Goswami as members. During the year ended March 31, 2013, the committee met four times. Mr. Sridar Iyengar retired as a member of the committee with effect from August 13, 2012 on account of attaining the age of superannuation. The committee placed its sincere appreciation on record for the services rendered by Mr. Sridar Iyengar.

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, 2013, the committee had Prof. Jayanth R. Varma as the Chairman, Mr. V. Balakrishnan and Dr. Omkar Goswami as members. During the year ended March 31, 2013, the committee met four times. Mr. Sridar Iyengar retired as a member of the committee with effect from August 13, 2012 on account of attaining the age of superannuation. The committee placed its sincere appreciation on record for the services rendered by Mr. Sridar Iyengar.

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 shareholders 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, 2013 are as follows- **in ₹**

Particulars	March 31, 2013	March 31, 2012
Salary, allowances including contributions to Provident Fund, Gratuity, Superannuation allowance and Performance incentive	1,62,50,838	2,58,45,613

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

Retirement of Mr. Sridar Iyengar as Director

Mr. Sridar Iyengar was retired as a Director with effect from August 13, 2012 from the Board on account of attaining the age of superannuation as laid down in the said policy. The Board placed on record their sincere appreciation for the services rendered by Mr. Sridar Iyengar as Director of the Company.

Appointment of Dr. Omkar Goswami as Additional Director

In accordance with Clause 114 of the Articles of Association of the company read with the Section 260 of the Companies Act, 1956, the Board of Directors has appointed Dr. Omkar Goswami as additional director by passing a resolution dated August 13, 2012. 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 Dr. Omkar Goswami has been incorporated in the notice of the ensuing annual general meeting.

Retirement of Mr. D. Swaminathan as Managing Director and Chief Executive Officer

Mr. D Swaminathan retired as Managing Director and Chief Executive officer with effect from the closing of business hours on March 31, 2013 from the Board on account of attaining the age of superannuation as laid down in the said policy.

The Board placed on record their sincere appreciation for the services rendered by Mr. D. Swaminathan as Managing Director and Chief Executive Officer of the Company.

Appointment of Mr. Gautam Thakkar as Additional Director and Managing Director and Chief Executive Officer

The Board of Directors have appointed Mr. Gautam Thakkar as Additional Director and Managing Director and Chief Executive Officer of the company with effect from April 1, 2013 by passing a resolution dated January 25, 2013. 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. Gautam Thakkar has been incorporated in the notice of the ensuing annual general meeting.

Directors retiring by Rotation

In accordance with Article 122 of the Articles of Association of the company Mr. V. Balakrishnan retire by rotation in the forthcoming Annual General Meeting. Mr. V. Balakrishnan being eligible offers himself for re-appointment. Mr. V. Balakrishnan appointment as director requires the approval of the members at the ensuing Annual General Meeting. The necessary resolution for obtaining the approval of members with regard to re-appointment of Mr. V. Balakrishnan as Director of the Company have been incorporated in the notice of the ensuing Annual General Meeting.

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 2012-13 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

We thank our customers, vendors, investors and bankers for their continued support during the year. We place on record our appreciation of the contribution made by employees at all levels. Our consistent growth was made possible by their hard work, solidarity, cooperation and support.

We thank the Governments of various countries where we have our operations. We also thank the Government of India, particularly the Ministry of Communication and Information Technology, the Ministry of Commerce, the Ministry of Finance, the Customs and Excise Departments, the Income Tax Department, the Reserve Bank of India, the state governments, the Software Technology Parks (STPs) – Bangalore, Chennai, Gurgaon, Jaipur, Pune and other government agencies for their support and look forward to their continued support in the future.

For and on behalf of the Board of Directors

-s/d

Bangalore **V .Balakrishnan**

April 8, 2013 **Chairman**

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, 2013

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 Canada, 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 ₹Cr

Particulars	March 31, 2013	March 31, 2012
Foreign exchange earnings	1,356.23	1,198.56
Foreign exchange outgo (including capital goods and imported software packages)	404.27	274.60

For and on behalf of the Board of Directors

-s/d

V. Balakrishnan

Chairman

Bangalore

April 8, 2013

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, and 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

V. Balakrishnan
Chairman

Bangalore

April 8, 2013

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 (S&P), Customer Service (CS), Finance & Accounting (F&A), Legal Process Outsourcing (LPO), Sales & Fulfilment (S&F), Analytics (AT), Business Platform(BP), Business Transformation Services (BTS), Human resources Outsourcing (HRO), Technology Solution Optimization (TSO), while Vertical (Industry) solutions include FSI (Financial Services & Insurance), MFG (Manufacturing), ECS (Energy, Utilities, Communication and Services) and RCL (Retail, Consumer packaged goods, Logistics and Life Sciences).

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

Infosys BPO provides business process management services to organizations that outsource their business processes. Infosys BPO is a wholly owned and controlled subsidiary of Infosys Ltd. Rich industry experience helps us understand the evolving needs of our clients better and provides us with the ability to offer appropriate solutions across different industry verticals and horizontals, quickly.

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 Generally Accepted Accounting Principles (GAAP) in India. 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, profits and cash flows for the year.

I. Industry structure and development

Changing economic and business conditions, evolving consumer preferences, rapid technological innovation and adoption, and globalization are driving corporations to transform the manner in which they operate. Companies are now more focused on their core business objectives, such as revenue growth, profitability and asset efficiency. There is an increasing need for highly skilled professionals in the market to help corporations transform their business processes, optimize operations and drive innovation by leveraging technology.

According to Nelson Hall, a leading analyst firm, the BPO market is going to grow by 6.4% year on year from 388 BUSD to 434 BUSD (FY2012 to FY 2016). Corporations are increasingly turning to global business process service providers for higher quality, cost competitive technology solutions.

1. Increasing trend toward offshore technology services

Outsourcing the business process management critical business processes has become increasingly important to companies. Due to the availability of a large qualified talent pool and the synergy with IT business, India plays an important strategic role in the offshoring strategy of our clients. The effective use of offshore services offers a variety of benefits to companies, including lower cost of ownership, lower labor costs, improved quality and innovation, faster delivery of solutions and more flexibility in scheduling. This has resulted in increased diversification in the range of services delivered offshore.

2. Global Delivery Model

Our Global Delivery Model (GDM) allows us to do work at the location where the best talent is available and to deliver where it makes the business sense with the least amount of acceptable risk.

Our GDM enables us to derive maximum benefit from:

- Access to our large pool of highly skilled professionals
- 24-hour execution capabilities across multiple time zones and languages
- Cost competitiveness across geographies
- Built in redundancy to ensure uninterrupted services
- A knowledge management system that enables us to re use solutions where appropriate.

We are running client's business process from 23 locations globally, of which 6 are in India and 18 situated globally. Our quality control processes and programs are designed to minimize the SLA misses and impact the business metrics of clients processes.

3. Ability to impact Business Outcomes

Clients are increasingly expecting service providers to impact the end business metrics and be more relevant in their business operations. The business benefits include increasing revenue visibility, reducing direct and indirect costs, working capital or increasing the cash flows by releasing trapped funds in the form of assets. To impact the business metrics requires benchmarking Value Levers, Business Levers and the corresponding Process levers across similar kind of engagements across verticals and horizontals. It also includes using the right set of change enablers including Process Standardization, delivery models, technology multipliers, operational optimizers and Decision accelerators.

4. Transform processes using platforms and technology tools

Due to volatility in economic environment the clients are dedicating their efforts to variablize their costs so that they have a robust model to withstand any economic volatility. Infosys BPO has dedicated focus to help our clients to move from CAPEX to OPEX model. Many industry specific and enterprise service processes are getting standardized where we have developed domain capabilities to run these processes effectively and efficiently.

II. Financial condition

Sources of Funds

1. Share Capital

At present, we have only one class of shares referred to as equity shares having a par value of ₹10 each. Our authorized share capital is ₹123.38 Crore,divided into 12.34 Crore equity share of ₹10/- each. The issued, subscribed and paid up capital stood at ₹33.83 crore as at March 31,2013 (same as the previous year).

2. Reserves and Surplus

- Securities premium reserve and Capital redemption reserve balance as at March 31,2013 are ₹ 25.49 and ₹ 1.14 crore, same as the previous year.
- General reserves balance as at March 31,2013 amounted to ₹ 1,000.00 crore, same as the previous year.
- Foreign exchange translation reserve balance as at March 31,2013 is ₹ 13.85 crore (₹ 12.09 crore in last year) i.e., an addition of ₹1.76 crore.
- The balance retained in the Profit and Loss account as at March 31,2013 is ₹ 892.68 crore (₹ 434.19 crore in last year) i.e., an addition of ₹458.49 crore transferred from statement of profit and loss.

In ₹ Cr

Year ended	March 31, 2013	March 31, 2012
Securities premium reserve	25.49	25.49
Capital redemption reserve	1.14	1.14

Year ended	March 31, 2013	March 31, 2012
Foreign exchange translation reserve	13.85	12.09
General reserve - balance	1,000.00	1,000.00
Balance in statement of profit and loss	892.68	434.19
Total	**1,933.16**	**1,472.91**

Application of funds

3. Fixed Assets

Capital Expenditure

We incurred a capital expenditure of ₹71.31 crore (₹125.67 crore in the previous year) comprising addition to gross block of ₹71.26 crore for the year ended March 31,2013. The entire capital expenditure was funded out of internal accruals.

Additions to gross block

During the year, we capitalized ₹77.49 crore of assets comprising ₹33.13 crore for investment in computer equipment and ₹44.36 crore in infrastrcture investments. The expenditure on buldings, plant and machinary, furniture & fixtures and office equipment were ₹7.07 crore, ₹4.02 crore, ₹6.81 crore and ₹6.16 crore, respectively for the year.

During the previous year, we capitalized ₹138.79 crore of assets comprising ₹33.88 crore in computer equipment and ₹104.91 crore on infrastrcture investments.

Deductions from gross block

During the year, we deducted ₹ 4.08 crore (net book value of ₹ Nil) from the gross block on retirement of assets and ₹0.93 crore on disposal of various assets. During the previous year, we retired/transferred various assets with a gross block of ₹ 9.57 crore (net value of ₹ Nil).

Capital expenditure commitments

We have a capital expenditure commitment of ₹13.53 crore, as at March 31,2013 as compared to ₹23.04 crore as at March 31,2012.

Fixed asset snapshot

In ₹ Cr

Year ended	March 31, 2013	March 31, 2012
Tangible assets		
Land - Leasehold	11.55	11.55
Buildings	145.53	139.28
Leasehold improvements	70.18	49.88
Office Equipment	128.16	122.08
Plant and Machinery	21.98	17.96
Computer equipment	182.26	153.07
Furniture and fixtures	62.79	56.17
Vehicles	0.04	0.03
Total	**622.49**	**550.02**
Less: accumulated depreciation	377.12	302.19
Net block	**245.37**	**247.83**
Add: capital work-in-progress	3.25	1.99
Net fixed assets	**248.62**	**249.82**
Depreciation as a % of total revenues	3.1%	3.4%
Accumulated depreciation as a % of gross block	60.6%	54.9%

4. Intangible Assets

In ₹ Cr

Quarter ended	March 31, 2013	March 31, 2012
Philips SSC acquisition	83.07	83.07
Mccamish acquisition	226.64	226.64
Portland Group acquisition	175.72	175.72
Marsh BPO asset purchase	9.76	-
Total	495.18	485.42

Details of location wise built up area and seats are as under

Year ended	Mar 31, 2013		Mar 31, 2012	
Location	**sq. ft.**	**seats**	**sq. ft.**	**seats**
Bangalore	576,908	7,625	588,159	7,829
Pune	659,966	7,093	659,966	6,965
Jaipur	333,618	2,749	333,618	2,767
Delhi	75,406	824	75,406	855
Chennai	94,176	1,493	94,176	1,034
Manila	107,318	1,769	91,636	1,741
San Jose, Costa Rica	10,921	145	-	-
Brno	46,109	497	39,809	454
Lodz	150,947	1,708	99,300	1,216
Australia	1,077	103	1,077	103
US (Atlanta, Des Moines)	70,934	627	55,987	401
USA & UK (for sales force)	1,511	28	2,151	37
Total	**2,128,891**	**24,661**	**2,041,285**	**23,402**

During the year, 1,259 seats have been added at Atlanta, Des Moines, Costa Rica, Chennai and Lodz

5. Investments

We made several strategic investments during the past years aimed at procuring business benefits and operational efficiency for us.

Wholly Owned Subsidiary

Infosys BPO s.r.o.

Infosys BPO s.r.o (earlier known as Progeon 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, 2013 the company had ₹ 3.50 Cr investment 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 March 31, 2013 Infosys BPO Ltd has ₹ 3.94 Cr investment in the form of share capital in Infosys BPO Sp.z.o.o.

McCamish Systems LLC

During fiscal 2010, 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 conducted by entering into a Membership Interest Purchase Agreement for a cash consideration of ₹ 173 crore and a contingent consideration of up to ₹67 crore. The fair values of the contingent consideration and its undiscounted value on the date of acquisition were ₹ 40 crore and ₹ 67 crore, respectively.

The payment of the contingent consideration is dependent upon the achievement of certain revenue targets and net margin targets by McCamish over a period of 4 years ending March 31, 2014. Further, in the event that McCamish signs a deal with a customer with total revenues of $100 million or more, the aforesaid period will be extended by 2 years. The total contingent consideration can range between ₹ 67 crore and ₹ 93 crore.

The fair value of the contingent consideration is determined by discounting the estimated amount payable to the previous owners of McCamish on achievement of certain financial targets. The key inputs used for the determination of fair value of contingent consideration are the discount rate of 13.9% and the probabilities of achievement of the net margin and the revenue targets ranging from 50% to 100%.

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 and accounted as a business combination which resulted in goodwill of ₹ 167,58,14,255(AUD 24 million)

Marsh BPO

During the quarter ended Sep. 30, 2012 McCamish Systems LLC acquired certain fixed assets, software platform, customer contracts and employment contracts for a cash consideration of ₹ 5,28,60,000 and deferred consideration of ₹ 5,28,60,000 from the BPO arm of Marsh, by entering into an Asset Purchase Agreement. The software and customer contracts acquired pursuant to the Agreement have been accounted for as an intangible as per IAS 38 and valued at ₹ 1,32,15,000 and ₹ 4,75,74,000 respectively as determined by an independent external expert. The employment contracts have not been assigned any value as they do not meet the criteria of an intangible asset as per IAS 38.

6. Deferred tax assets

Infosys BPO 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.

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, assets 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, 2013, the company has recognised a deferred tax asset of ₹ 34.57 Cr as compared to ₹24.88 Cr for the year ended March 31, 2012.

7. Trade Receivables

Trade Receivables amount to ₹ 548.26 Cr (includes ₹ 72.26 Cr dues from Group companies) as of March 31, 2013 as compared to ₹ 396.68 Cr as of March 31, 2012. Debtors are at 21.31% of revenues for the year ended March 31, 2013 and 22.43% of revenues for the year ended March 31,2012, representing a Day Sales Outstanding (DSO) of 82 days and 78 days for the respective years. The age profile of debtors is as follows:

In %

Period in days	March 31, 2013	March 31, 2012
0-30	51%	57%
31-60	42%	32%
61-90	4%	2%
More than 90 days	3%	9%

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 from the invoice date, as at the Balance Sheet date. The Group pursues the recovery of the dues, in part or full. For the year ended March 31, 2013 ₹ 1.67 Cr were provided towards the doubtful debts (decreased by 36.01% from previous year). Remaining all debtors are considered good and realisable. The movement in provision for doubt ful debts during the year is as follows:

In ₹ Cr

Period in days	**March 31, 2013**	**March 31, 2012**
Opening balance	2.61	1.79
Add:- Amount provided	(0.94)	1.82
Less:-Amount written-off	-	1.00
Closing balance	1.67	2.61

Provision for doubtful debt s as a percentage of revenue is 0.06% for the year ended March 31,2013, as against 0.15% for the year ended March 31,2012.

8. Cash and cash equivalents:

In ₹ Cr

As of	**March 31, 2013**	**March 31, 2012**
Cash balances	0.10	0.20
Bank balances in India		
Current accounts	14.79	24.07
Deposit accounts	740.32	562.42
Bank balances – overseas		
Current accounts	71.17	43.21
Total cash and bank balances	**826.37**	**629.89**
Add: Deposits with financial institutions / body corporate	80.0	10.0
Add: Investments in Mutual Funds	151.36	20.05
Total cash and cash equivalents	**1,057.73**	**659.94**
Balance in current accounts as % total Cash & Bank Balances	10%	11%
Cash and cash equivalents as a % of total assets	37%	32%
Cash and cash equivalents as a % of revenues	41%	37%

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.

9. Loans and Advances

In ₹ Cr

As of	**March 31, 2013**	**March 31, 2012**
Unsecured considered good		
Loans to subsidiary Company	-	-
Prepaid Expenses	9.80	6.27
Advances for goods and services	12.99	15.02
Withholding and other taxes receivables	34.50	19.10
Sub Total	**57.29**	**40.39**
Capital advances	0.12	0.64
Unbilled Revenue	35.77	32.66
Advance income taxes	44.45	25.99

As of	March 31, 2013	March 31, 2012
Interest Accrued but not due	6.51	11.35
Loans and advances to employees	29.80	23.07
Rental Deposits	50.47	30.35
Electricity and other deposits	4.76	2.22
Mark to market gain/loss on forward exchange contract	12.83	-
Due from service provider	116.98	-
MAT credit entitlement	37.44	54.52
Intercompany Receciables (Non Revenue)	9.84	9.50
Sub Total	**406.27**	**230.70**
Less: Provision for doubtful loans and advances	0.66	0.27
Total	**405.61**	**230.43**

Advance Income Taxes include Advance Tax paid in India and US, Tax Deducted At Source on Interest Income and on Consultancy.
Deposit with Government authorities primarily represents sales tax deposit.

Due from service provider represents premiums collected from policy holders and payable to insurance providers by a service provider maintaining the amounts in fiduciary capacity.

Other assets represent Interest Accrued but not due on deposits with banks and financial institutions, employee advances, communication deposits, down payment on domestic and overseas current assets, clients reimbursements and gain on forward exchange contracts. Employee and Other Advances comprise of salary and travel advances to employees both in India and abroad, which is recoverable within a year.

Rent deposits are towards buildings on lease by the company for its business process service operations.
The company's liability towards income tax is fully provided for. The details of advance income tax are given below:-

In ₹ Cr

As of	March 31, 2013	March 31, 2012
Advance Income Tax and MAT credit entitlement	81.89	80.51
Advance Income Tax	44.45	25.99
MAT credit entitlement	37.44	54.52

10. Unbilled revenue

Unbilled revenues comprise of revenue recognized in relation to efforts incurred on fixed-price, Transaction based and time & material contracts not billed as of the year-end. The unbilled revenues as of March 31, 2013 and March 31, 2012 amounted to ₹35.77 Cr, and ₹ 32.66 Crrespectively.

11. Liabilities

In ₹ Cr

As of	March 31, 2013	March 31, 2012
Trade payables	44.00	11.02
Accrued salaries and benefits	208.84	151.28
Other liabilities		
Provision for expenses	296.61	222.97
Retention monies	28.21	11.01
Withholding and other taxes	20.68	5.64
Other	21.31	9.76
Advances received from clients	3.04	1.52

As of	March 31, 2013	March 31, 2012
Unearned revenue	17.45	10.77
Liability for investment in subsidiary	23.07	74.23
Mark to market loss on forward exchange contract	-	13.41
Due to carrier/insurance provider	116.98	-
Total	**780.19**	**511.63**

- 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.

12. Unearned Revenue

Unearned revenue represents revenue not recognised due to non confirmity with revenue recognition principles. The deferred revenues amounted to ₹ 17.45 Cr as of March 31, 2013 and ₹ 10.77 Cr as of March 31, 2012.

13. Provisions

In ₹ Cr

Particulars	March 31, 2013	March 31, 2012
Income taxes	19.04	12.51
Unavailed leave	49.84	39.04
Service level agreement- risk	11.85	8.83
Total	**80.73**	**60.39**

Provision for unavailed leave is towards our liability for leave encashment valued on actuarial basis. 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 liabilities and contingent assets) the movement in provision for service level agreement is given below:

In ₹ Cr

Particulars	March 31, 2013	March 31, 2012
Balance at the beginning of the period	8.83	7.66
Additional provision made during the period	9.63	10.68
Provisions used during the period	0.27	2.21
Unused amount reversed during the period	6.34	7.30
Balance at the end of the period	**11.85**	**8.83**

III. Results of Operations

The function wise classification of statement of Profit and Loss account is as follows:

In ₹ Cr

Year ended	March 31, 2,013		March 31, 2,012	
	In ₹ Cr	%	In ₹ Cr	%
Revenues from business process management services	2,572.40	100.0%	1,768.71	100.0%
Cost of revenue	1,698.84	66.0%	1,049.38	59.3%
Gross profit	873.56	34.0%	719.33	40.7%
Selling and marketing expenses	97.64	3.8%	89.70	5.1%
General and administrative expenses	254.02	9.9%	200.96	11.4%
Operating profit before depreciation	521.89	20.3%	428.67	24.2%
Depreciation and amortization expense	78.59	3.1%	59.44	3.4%
Operating profit	443.31	17.2%	369.24	20.9%

Year ended	March 31, 2,013		March 31, 2,012	
Other income	148.98	5.8%	52.76	3.0%
Profit before tax	592.29	23.0%	422.00	23.9%
Tax expense	133.80	5.2%	100.87	5.7%
Profit after tax	458.49	17.8%	321.13	18.2%

- Consolidated Revenues for the year were ₹ 2,572.40 Cr as against ₹ 1,768.71 Cr for the previous year
- Gross Margin post depreciation for the year was ₹ 794.97 Cr compared to ₹ 659.89 Cr during the previous year
- Net Income for the current year was ₹ 458.49 Cr as compared to ₹ 321.13 Cr for the previous year.
- Gross Addition to headcount for the year ended March 31, 2013 was 12,152 compared to 9,956 at the end of the previous year.

1. Income

In ₹ Cr

Year ended	March 31, 2013	%	March 31, 2012	%	Growth
Overseas	2,554.67	99%	1,761.31	100%	45%
Domestic	17.73	1%	7.40	0%	140%
Total	**2,572.40**	**100%**	**1,768.71**	**100%**	**45%**

Revenues for the current year increased by 45.44% as compared to the immediately preceding year due to the Portland acquistion and growth in value of services rendered to clients.

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 or at our global development centres located in the same country where the client is based out of, while offshore services are those services which are performed at the company's operations centers located in the country other than where the client is based out of.

The details of revenues and products are as follows:

In ₹ Cr

Year Ended	March 31, 2013	%	March 31, 2012	%
Onsite	384.42	14.9%	178.74	10.1%
Offshore	2,187.97	85.1%	1,589.97	89.9%
Total	**2,572.40**	100.0%	**1,768.71**	**100.0%**

The details of the man months efforts are given below:

Efforts in person months:

Year Ended	March 31, 2013	March 31, 2012
Onsite	5,480.66	2,995.69
Offshore	1,56,081.23	1,31,860.93
Billed-total	1,61,561.90	1,34,856.62
Non-billable	63,995.67	51,641.60
Training	10,844.80	8,730.29
Total professionals	2,36,402.36	1,95,228.51
BEF,Sales & Long Leaves	12,946.67	12,172.63
Total	**2,49,349.03**	**2,07,401.04**

1.2 Revenues by Project Type

The company's revenues are generated principally on time and material basis, Transaction based 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 recognized as the related services are rendered.

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

Year Ended	March 31, 2013	March 31, 2012
Fixed price	8.5%	10.5%
Transaction Based Pricing	26.6%	27.4%
Time and material	64.9%	62.2%
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, 2013	March 31, 2012
Financial Services & Insurance (FSI)	28.1%	29.8%
Manufacturing Enterprises (MFG)	33.4%	34.7%
Energy, Utilities, Communication and Services (ECS)	26.4%	27.1%
Retail, Consumer packaged goods, Logistics and Life Sciences (RCL)	12.1%	8.4%
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, 2013	March 31, 2012
North America	47.0%	47.8%
Europe	33.1%	41.5%
India	6.1%	0.4%
Others	13.8%	10.3%
Total	**100.0%**	**100.0%**

1.5 Client Concentration and New Business Development

For the year ended March 31, 2013, the company has 138 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, 2013	March 31, 2012
Active Clients	138	126
Added during the year	28	36
Deleted during the year	16	6
Revenue – top client	11%	13%
Revenue – top 5 clients	32%	36%
Revenue – top 10 clients	46%	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, 2013, the voice and non voice proportion was at 13 : 87 whereas for the previous year, the voice and non-voice proportion was 18 : 82

2. Expenditure

In ₹ Cr

Year Ended	March 31, 2013					March 31, 2012					Growth %
	IBPO	McCamish	Portland	Total	%	IBPO	McCamish	Portland	Total	%	(YoY)
Revenues	2,129.55	261.40	181.44	2,572.40	100.0	1,537.18	187.13	44.40	1,768.71	100	45.4
Cost of Services	1,298.34	239.93	160.57	1,698.84	66.0	825.94	181.75	41.70	1,049.38	59.3	61.9
Gross Profit	831.21	21.47	20.87	873.56	34.0	711.25	5.38	2.71	719.33	40.7	21.4
Selling & Mktg	83.84	13.24	0.56	97.64	3.8	80.50	9.16	0.04	89.70	5.1	8.9
Gnrl and Admin	210.29	19.82	23.92	254.02	9.9	184.98	14.57	1.42	200.96	11.4	26.4
Total	294.13	33.05	24.48	351.67	13.7	265.47	23.73	1.46	290.66	16.4	21.0
Operating Profit	537.08	(11.58)	(3.61)	521.89	20.3	445.77	(18.35)	1.25	428.67	24.2	21.7
Depreciation	71.28	6.02	1.28	78.59	3.1	54.00	5.10	0.33	59.44	3.4	32.2
Operating profit after	465.80	(17.60)	(4.89)	443.31	17.2	391.77	(23.45)	0.92	369.24	20.9	20.1
Other income	148.71	(0.22)	0.49	148.98	5.8	53.31	(0.60)	0.06	52.76	3.0	182.4
Profit before tax	614.51	(17.82)	(4.40)	592.29	23.0	445.08	(24.05)	0.97	422.00	23.9	40.4
Provision for tax	138.81	-	(5.01)	133.80	5.2	99.08	-	1.79	100.87	5.7	32.6
Profit after tax	475.70	(17.82)	0.61	458.49	17.8	346.00	(24.05)	(0.82)	321.13	18.2	42.8

2.1 Cost of Services

In ₹ Cr

Year Ended	March 31, 2013					March 31, 2012					Growth %
	IBPO	McCamish	Portland	Total	%	IBPO	McCamish	Portland	Total	%	(YoY)
Employee costs	986.45	125.84	132.34	1,244.63	48.4	640.21	93.67	32.47	766.35	43.3	62.4
Travelling expenses	95.91	2.00	8.05	105.96	4.1	56.75	1.76	1.02	59.53	3.4	78.0
Consultancy	52.67	85.42	16.68	154.76	6.0	10.04	68.27	4.51	82.82	4.7	86.9
Cost of software	30.74	8.93	0.01	39.68	1.5	19.40	4.68	0.03	24.11	1.4	64.6
Communication expenses	33.59	1.95	0.44	35.98	1.4	24.49	2.12	0.20	26.81	1.5	34.2
Rent	68.27	4.69	1.78	74.73	2.9	52.53	2.98	0.85	56.36	3.2	32.6
Other expenses	30.72	11.12	1.26	43.10	1.7	22.52	8.27	2.62	33.40	1.9	29.0
Total	**1,298.34**	**239.93**	**160.57**	**1,698.84**	**66.0**	**825.94**	**181.75**	**41.70**	**1,049.38**	**59.3**	**61.9**
Revenues	2,129.55	261.40	181.44	2,572.40		1,537.18	187.13	44.40	1,768.71		

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

Year Ended	March 31, 2013	March 31, 2012
Billed Person Month	161,561.90	134,856.62
Non Billable and Trainee Person Month	74,840.47	60,371.89
Gross Addition of employees	12,152	9,956
Aggregate Employees	24,634	20,523

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, 2013	March 31, 2012
Including trainees	68.3%	69.1%
Excluding trainees	71.6%	73.5%

Travelling expenses, representing cost of travel abroad for transition and discovery, client visits, local conveyance etc constituted approximately 4.12% and 3.37% of total revenue for the year ended March 31, 2013 and March 31, 2012 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 1.40% and 1.52% of revenues for the years ended March 31, 2013 and March 31, 2012 respectively.

Other expenses represent office and computer maintenance, consumables and general expenses, which were 1.68% and 1.89% of the revenues for the year ended March 31, 2013 and March 31, 2012 respectively.

2.2 Selling and Marketing expenses

In ₹ Cr

Year Ended	March 31, 2013					March 31, 2012				
	IBPO	McCamish	Portland	Total	%	IBPO	McCamish	Portland	Total	%
Employee costs	53.32	10.53	-	63.84	2.5	57.64	3.84	-	61.49	3.5
Foreign travel	10.58	0.58	-	11.15	0.4	9.27	0.71	-	9.98	0.6
Brand building	6.93	0.40	0.33	7.66	0.3	6.40	0.33	-	6.74	0.4
Professional charges	0.54	(0.00)	-	0.54	0.0	1.07	0.01	-	1.08	0.1
Recruitment expenses	0.96	-	-	0.96	0.0	0.18	0.00	-	0.18	0.0
Rent	2.40	0.12	-	2.53	0.1	2.46	0.07	-	2.53	0.1
Other expenses	9.11	1.62	0.23	10.95	0.4	3.47	4.19	0.04	7.70	0.4
Total	**83.84**	**13.24**	**0.56**	**97.64**	**3.8**	**80.50**	**9.16**	**0.04**	**89.70**	**5.1**
Revenues	2,129.55	261.40	181.44	2,572.40		1,537.18	187.13	44.40	1,768.71	

- The company incurred Selling and Marketing expenses at 3.80% of its revenue during the current year as compared to 5.07% during the previous year.
- Employee costs consist of salaries paid to sales and marketing employees and include the bonus payments made to sales personnel.

- 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 138 clients as compared to 126 clients in the previous year.

2.3 General and Administration Expenses

In ₹ Cr

Year Ended	March 31, 2013					March 31, 2012					Growth %
	IBPO	McCamish	Portland	Total	%	IBPO	McCamish	Portland	Total	%	(YoY)
Employee costs	84.34	10.66	11.25	106.25	4.1%	78.65	10.02	-	88.67	5.0%	19.8%
Professional charges	12.95	1.30	0.92	15.17	0.6%	8.94	0.86	(0.03)	9.78	0.6%	55.2%
Rent	7.63	0.23	1.51	9.37	0.4%	3.74	0.25	-	4.00	0.2%	134.6%
Power and fuel	27.32	0.34	0.14	27.79	1.1%	22.60	0.19	0.02	22.81	1.3%	21.9%
Travel and conveyance	3.30	0.35	0.48	4.14	0.2%	3.36	0.20	-	3.57	0.2%	16.0%
Cost of software	2.62	-	-	2.62	0.1%	1.17	0.03	-	1.20	0.1%	118.4%
Office maintainance	40.14	0.47	0.87	41.48	1.6%	32.27	0.12	0.01	32.40	1.8%	28.0%
Insurance charges	9.09	0.74	0.55	10.38	0.4%	8.70	0.57	0.02	9.28	0.5%	11.8%
Other expenses	22.90	5.73	8.19	36.83	1.4%	25.55	2.32	1.39	29.26	1.7%	25.9%
Total	**210.29**	**19.82**	**23.92**	**254.02**	**9.9%**	**184.98**	**14.57**	**1.42**	**200.96**	**11.4%**	**26.4%**
Revenues	2,129.55	261.40	181.44	2,572.40		1,537.18	187.13	44.40	1,768.71		

The company incurred General and administration expenses amounting to 9.87% of its total revenue during the current year as compared to 11.36% 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, 2013, the company earned an operating profit (profit before tax and excluding other income) of ₹ 443.31 Crrepresenting 17.23% of revenues as compared to ₹ 369.24 Cr representing 20.88% 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 ₹ 78.59 Cr and ₹ 59.44 Cr towards depreciation for the years ended March 31, 2013 and March 31, 2012 respectively representing 3.05% and 3.36% of total revenues respectively. The depreciation and amortization as a percentage of average gross block is 7.30% and 6.76% for the years ended March 31, 2013 and March 31, 2012 respectively.

6. Other Income ,Net

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

In ₹ Cr

Year Ended	March 31, 2013	March 31, 2012
Interest Income	63.08	60.58
On deposits with financial institution/bodies corporate	5.83	4.32

Year Ended	March 31, 2013	March 31, 2012
On deposits with banks	57.25	56.26
On Loans to Subsidiary	-	-
Dividend income	6.79	3.13
Exchange differences	3.04	(18.50)
Rental Income from subsidiaries	12.02	1.76
Miscellaneous Income	63.95	5.60
Profit on sale of Investment	0.11	0.20
Total	**148.98**	**52.76**

Miscellaneous Income includes McCamish Contingent consideration written off ₹57.6 Cr in FY 13

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

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

The Group records the 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 options contract 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 an effective hedge, a gain or loss is recognized in the profit and loss account.

The composition of currency-wise revenue for the year ended March 31,2013 and March 31.2012 is as follows:

Currency	March 31, 2013	March 31, 2012
US Dollar(USD)	57.0%	60.3%
UK Pound (GBP)	12.9%	17.2%
Euro (EUR)	12.0%	12.0%
Australian Dollar (AUD)	10.9%	6.7%
Other	7.2%	3.7%
Total	100.0%	100.0%

7. Sensitivity to rupee movement

Every 1 % movement in the Indian rupee against U.S. dollar has an impact of approximately 32 basis points on the operating margins.

8. Provision for tax

The present Indian corporate tax rate is 32.45% (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 year ended March 31, 2011, whichever was earlier.

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.

Provisions for taxation represent estimated income tax liabilities, both in India and abroad. For the year ended March 31, 2013, provision for taxation amounts to ₹ 129.95 Cr. Deferred tax assets of ₹ (13.23) Cr. were recognised and MAT credit entitlement for ₹17.08 Cr was accounted for. Net impact of provision for taxation for different period is as follows.

In ₹ Cr

As of	March 31, 2013	March 31, 2012
Current taxes	129.95	92.89
Deferred taxes	(13.23)	(0.55)
Mat Credit Entitlement	17.08	8.53
Total	**133.80**	**100.87**

9. Net profit

The net profit of the company from ordinary activities amounted to ₹ 458.49 Cr and ₹ 321.13 Cr for the years ended March 31, 2013 and March 31, 2012 respectively. This represents 17.82% and 18.16% of total revenue for the respective years. Excluding other income of ₹ 148.98 Cr (5.79% of revenues) in the current year as compared to ₹ 52.76 Cr (2.98% of revenues) in the previous year, the net profit would have been ₹ 309.51 Cr and ₹ 268.37 Cr in the current and previous year respectively.

10. Segmental profitability

Our revenue represented along industry classes comprise the primary basis of segmental information set out in the financial statements. Secondary segmental reporting is performed on the basis of the geographical location of customers. The detail of Income & operating income by industry & Geographical segments are provided in this section.

Industry Segment

In ₹ Cr

	FSI(1)	MFG(2)	ECS(3)	RCL(4)	Total
Segmental revenues					
FY 2013	723.16	859.24	678.45	311.55	2,572.40
FY 2012	527.79	613.27	479.06	148.59	1,768.71
Growth%	37%	40%	42%	110%	45%
Segmental operating income					
FY 2013	130.24	220.97	126.06	44.63	521.89
FY 2012	99.35	167.22	132.65	29.45	428.67
Growth%	31%	32%	-5%	52%	22%
Segmental operating income					
FY 2013	18.0%	25.7%	18.6%	14.3%	20.3%
FY 2012	18.8%	27.3%	27.7%	19.8%	24.2%

(1) Financial Services & Insurance
(2) Manufacturing
(3) Energy, Utilities, Communication and Services
(4) Retail, Consumer packaged goods, Logistics and Life Sciences

Geographic Segment

In ₹ Cr

	North America	Europe	Other*	Total
Segmental revenues				
FY 2013	1,193.01	856.73	522.66	2,572.40
FY 2012	886.89	696.51	185.31	1,768.71
Growth%	35%	23%	182%	45%
Segmental operating income				

	North America	Europe	Other*	Total
FY 2013	279.71	209.75	32.44	521.89
FY 2012	203.38	178.88	46.41	428.67
Growth%	38%	17%	-30%	22%
Segmental operating income				
FY 2013	23.4%	24.5%	6.2%	20.3%
FY 2012	22.9%	25.7%	25.0%	24.2%

*India and Rest of the world

11. Liquidity

The growth of the company has been largely financed by cash generated from operations. As of March 31, 2013 the company had cash and cash equivalents of ₹ 1057.7 Cr including short term liquid investments in money market instruments amounting to ₹ 80 Cr and investment in Mutual fund amounting to ₹ 151.4 Cr The cash and cash equivalents increased by ₹ 397.8 Cr during the year.

Cash Flow Statement:

In ₹ Cr

	March 31, 2013	March 31, 2012
Cash Flows :		
Operating Activities	399.20	271.62
Investment Activities	(6.34)	(223.97)
Financing Activities	-	-
Effect of exchange differences on translation of foreign currency cash and cash equivalents	4.94	(5.23)
Net increase in cash and cash equivalents	397.79	42.43
Cash and cash equivalents at the end of the period	1,057.73	659.94

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.

Working Capital

In ₹ Cr

As on	Mar 31, 2013	Mar 31, 2012
Current assets	1,913.33	1,201.81
Current liabilities	791.91	498.97
Working capital	1,121.42	702.84
Current ratio	2.4 : 1	2.4 : 1

Working capital increased by ₹ 418.58 crore from the year end 2012 position. The Key changes are descriebed below:
Current assets increased by ₹711.52 crore due to increase in Cash & cash equevalent by ₹266.48 crore, Trade receivable by ₹151.58 crore, investment in mutual fund by ₹131.31 crore, increased in unbilled revenue ₹3.10 crore & increased in other unsecured debt by ₹159.04 crore (including ₹116.98 crore as Due from Carrier/insurance provider).
Current liabilities increased by ₹292.95 crore mainly due to increase in Unearned revenue by ₹6.68 crore, Due to carrier/insurance provider by ₹116.98 crore, Provision for unavailed leave by ₹10.80 crore and Provision for expenses by ₹78.22crore and Trade payable by ₹32.97crore.

Management uses a free cash flow measure to evaluate the company's operating results, evaluate strategic investment and assess the company's ability and need to incur and service debt. Free cash flow is not defined term under IGAAP and it should not be inferred that the entire free cash flow amount is available for discretionary expenditure. The company defines free cash flow as net cash from operating activities less net capital expenditure.

In ₹ Cr

For the year ended March31:	2013	2012	2011	2010
Net cash from operating activities per IGAAP	399.20	271.62	175.45	264.69
Less :- Capital expenditure, net	(75.77)	(107.58)	(54.70)	(44.95)
Free cash flow	323.43	164.04	120.74	219.74
Acquisition	(5.29)	(195.29)	-	(170.99)
Dividend/Interest received	74.71	58.31	30.24	23.36
Divestitures/(Investment)	(131.31)	0.54	180.22	(200.59)
Effect of exchange differences on translation	4.94	(5.23)	2.20	(0.20)
Change in cash, cash equivalent	266.48	22.37	333.41	(128.68)

12. Stock Option Plans

Employee Stock Option Plan (2002 plan)

As at March 31, 2013, the options held by Infosys Limited have expired. These options have not been considered while computing dilutive earnings per share of the company from the date Infosys Limited owned these options.

The following table summarizes information about stock options held by Infosys Limited as of March 31, 2013 and March 31, 2012

Range of exercise prices (in ₹)	Stock Options o/s at the year ended	
	March 31, 2013	March 31, 2012
33.12-58.33	-	-
58.34-77.89	-	-
77.90-99.20	-	-
99.21-162.23	-	-
162.24-195.00	-	-
195.01-214.00	-	-
214.01-230.00	-	105,000
230.01-310.00	-	61,250
310.01-604.00	-	310,000
Total	**-**	**476,250**

13. Capital Commitments and contingent liabilities

As at	March. 31, 2013		March. 31, 2012	
a. Forward Contracts Sell	In base currency (Mn)	In ₹Cr	In base currency (Mn)	In ₹Cr
USD/INR	32.00	173.73	46.0	234.05
GBP/USD	-	-	2.0	16.29
EUR/PLN	12.0	83.40	18.0	122.17
USD/PLN	1.67	9.06	1.0	5.09
USD/CZK	3.0	16.29	4.0	20.35
GBP/INR	10.25	84.29	-	-
EUR/USD	0.05	3.48		
b. Forward Contracts Buy				
USD/CZK	-	-	19.11	5.29
Total forward contracts o/s		370.24		403.24
b. Estimated Amount of unexecuted		13.53		23.04

As at	March. 31, 2013		March. 31, 2012	
capital contracts (net of advance and deposits)				
c. Claims against the company not acknowledged as debts		12.76		5.32
Aggregate capital commitments and Contingent liabilities		396.52		431.60

IV. Opportunities & threats:

1. Our strengths

Despite the volatility of the outsourcing industry over the past decade, we have consistently delivered excellent performance with healthy margins. We believe that our competitive strengths include — Leadership in providing innovative solutions that enable our clients to deliver improved business results in addition to optimizing the efficiency of their business; proven global delivery model; commitment to quality and process execution; strong brand and long standing client relationships; status as an employer of choice; ability to scale, innovation and leadership.

2. Our strategy

Infosys BPO addresses business challenges and unlocks business value by applying proven process methodologies, integrated IT and business process outsourcing solutions. The company applies business excellence frameworks to significantly reduce costs, enhance effectiveness and optimize business processes.

We seek to differentiate in the market by delivering measurable business value through deep domain expertise and technology prowess. We will invest in offerings that go beyond traditional BPO SG&A offerings and address the cost of goods sold of our clients to deliver transformation. Infosys BPO has 23 delivery centers across the globe and is focused in expanding the delivery capabilities to give its clients, the flexibility to take their operations to any market. Infosys BPO is focused in enhancing its brand value and providing careers for life to its employees.

Due to these focused strategies Infosys BPO has emerged as a trusted and valued collaboration partner through consistent focus on improving process and end business metrics.

3. Our competition

We operate in a highly competitive and rapidly changing market and compete with business process management firms such as Accenture Limited, Genpact Limited ,Tata Consultancy Services BPO ,Wipro BPO,WNS Global Services and IBM.

In the future, we expect an intensified competition from some of the firms above, and may also experience competition from new competitors. In particular, we expect increased competition from firms that strengthen their offshore presence in India or other low-cost locations and from firms in market segments that we have recently entered.

We understand that price alone cannot constitute a sustainable competitive advantage. We believe that the principal competitive factors in our business are the ability to; attract and retain high quality management, Professionals, and sales personnel; articulate and demonstrate long term value to potential client; effectively integrate onsite and offshore execution to deliver high quality, scalable and cost effective services; and highly ethical and corporate governance standards to ensure honest and professional business practices and protect the reputation of the company and its customers. We believe, we compare favorably with respect to these factors.

V. Outlook, Risk and Concerns:

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

The following lists our outlook, risks and concerns:

- Our revenues and expenses are difficult to predict and can vary significantly from period to period. We may not be able to sustain our previous profit margins or levels of profitability.

- The economic environment, pricing pressure and decreased employee utilization rates could negatively impact our revenues and operating results.

- Our revenues are highly dependent on clients primarily located in the U.S. and Europe, as well as on clients concentrated in certain industries. An economic slowdown or other factors that affect the economic health of the U.S., Europe or those industries, or any other impact on the growth of such industries, may affect our business.
- Our success depends largely upon our highly skilled professionals and our ability to attract, hire, train, motivate and retain them.

- Any inability to manage our growth could disrupt our business and reduce our profitability.

- We may face difficulties in providing end-to-end business solutions for our clients, which could lead to clients discontinuing their work with us, which in turn could harm our business.

- Intense competition in the market for technology services could affect our cost advantages, which could reduce our share of business from clients and decrease our revenues.

- Our revenues are highly dependent upon a small number of clients, and the loss of any one of our major clients could significantly impact our business.

- Legislation in certain countries in which we operate, including the U.S. and the U.K., may restrict companies in those countries from outsourcing work to us, or may. limit our ability to send our employees to certain client sites.

- Restrictions on immigration may affect our ability to compete for and provide services to client's in. the U.S., Europe and other jurisdictions, which could hamper our growth or cause our revenues to decline

- Our success depends in large part on our management team and key personnel and our ability to attract and retain then.

- Our failure to complete fixed-price, fixed-timeframe contract or transaction-based pricing contracts within budget and on time may negatively affect our profitability.

- Our client contracts can typically be terminated without cause and with little or no notice or penalty, which could negatively impact our revenues and profitability.

- Our engagements with customers are singular in nature and do not necessarily provide for subsequent engagements.

- Our client contracts are often conditioned on our performance which, if unsatisfactory could result in lesser revenues.

- Some of our long-term client contracts contain benchmarking provisions which, if triggered, could result in lower future revenues and profitability under the contract.

- Our increasing work with governmental agencies may expose us to additional risks.

- Our business will suffer if we fail to anticipate and develop new services and enhance existing services in order to keep pace with rapid changes in technology and in the industries on which we focus

- Compliance with new and changing corporate governance and public disclosure requirements adds uncertainty to our compliance policies and increases our costs of compliance.

- Disruptions in telecommunications, system failures, or virus attacks could harm our ability to execute our Global Delivery Model, which could result in client dissatisfaction and a reduction of our revenues.

- We may be liable to our clients for damage caused by disclosure of confidential information, system failures, errors or unsatisfactory performance of services.

- We are investing substantial cash assets in new facilities and physical infrastructure, and our profitability could be reduced if our business does not grow proportionately.

- We may be unable to recoup our investment costs to develop our technology products.

- We may engage in acquisitions, strategic investments, strategic partnerships or alliances or other ventures that may or may not be successful

- We may be the subject of litigation which, if adversely determined, could harm our business and operating results.

- The markets in which we operate are subject to the risk of earthquakes, floods, tsunamis and other natural and manmade disasters.

- Our net income would decrease if the Government of India reduces or withdraws tax benefits and other incentives it provides to us or when our tax holidays expire or terminate. In the event that the Government of India or the government of another country changes its tax policies in a manner that is adverse to us, our tax expense may materially increase, reducing our profitability.

- We operate in jurisdictions that impose transfer pricing and other tax-related regulations on us and any failure to comply could materially and adversely affect our profitability.

- Wage pressures in India and the hiring of employees outside India may prevent us from sustaining our competitive advantage and may reduce our profit margins

- Terrorist attacks or a war could adversely affect our business, results of operations and financial condition.

- Regional conflicts in South Asia could adversely affect the Indian economy, disrupt our operations and cause our business to suffer.

- Changes in the policies of the Government of India or political instability could delay the further liberalization of the Indian economy and adversely affect economic conditions in India generally, which could impact our business and prospects.

- Our international expansion plans subject us to risks inherent in doing business internationally.

- Our ability to acquire companies organized outside India depends on the approval of the Government of India and/or the Reserve Bank of India, and failure to obtain this approval could negatively impact our business.

VI. Internal control system and their adequacy:

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

VII. Material Development in Human Resources:

1. Human capital

We believe that the quality and level of service that our employees deliver are among the highest in global business services industry. We are committed to remaining among the industry's leading employers.
As of March 31, 2013, we employed 24,634 employees. During the fiscal 2013, we recorded approximately 4,111 new hires, net of attrition. Our culture and reputation as a leader in the business service industry enables us to recruit and retain some of the best available talent in the India. The key elements that define our culture include:

2.Recruitment

We have built our global talent pool by recruiting students from premier universities, colleges and institutes in India and through need based hiring of project leaders and middle managers. We rely on a rigorous selection process involving aptitude tests and interviews to identify the best applicants. This selection process is continually assessed and refined based on the performance tracking of past recruits.

Our reputation as a premier employer enables us to select from a large pool of qualified applicants. For example, during fiscal 2013 we received over 47,620 employment applications, interviewed about 22,241 applicants .
In fiscal 2013, we hired around 12,152 new employees.

3.Training and Development

At Infosys BPO we consider people as our assets who will deliver on differentiation, which is key to our growth. We enable and equip the workforce to be ahead of the curve. In our billion dollar journey as the employee works towards meeting his/her career aspirations, the organization believes in continuous enhancement in capabilities of people aligning their career objectives to the needs of the organization and of our clients.

To ensure there is a clear review mechanism and training and development program for the year is effective, the organization adopted two key initiatives via.,
(1) Creation of a Training Council (TC) which has representation from all the different stakeholders and
(2) Deployment of a training grid which is effectively linked to the growth (promotion and progression model) within the organization. During the year we have conducted total 211 training programs (mandatory 99 and recommended/other 112) in which 3257 employees are participated including international center 636 employees.

4. Compensation

Our Process specialist & Professional receives competitive salaries and benefits. We have performance -linked compensation program that links compensation to individual performer as well as company performance.

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
- Costa Rica

Europe

- Czech Republic
- Netherlands
- Poland
- South Africa

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, CFO along with the Head of Quality and Head Risk Management 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.

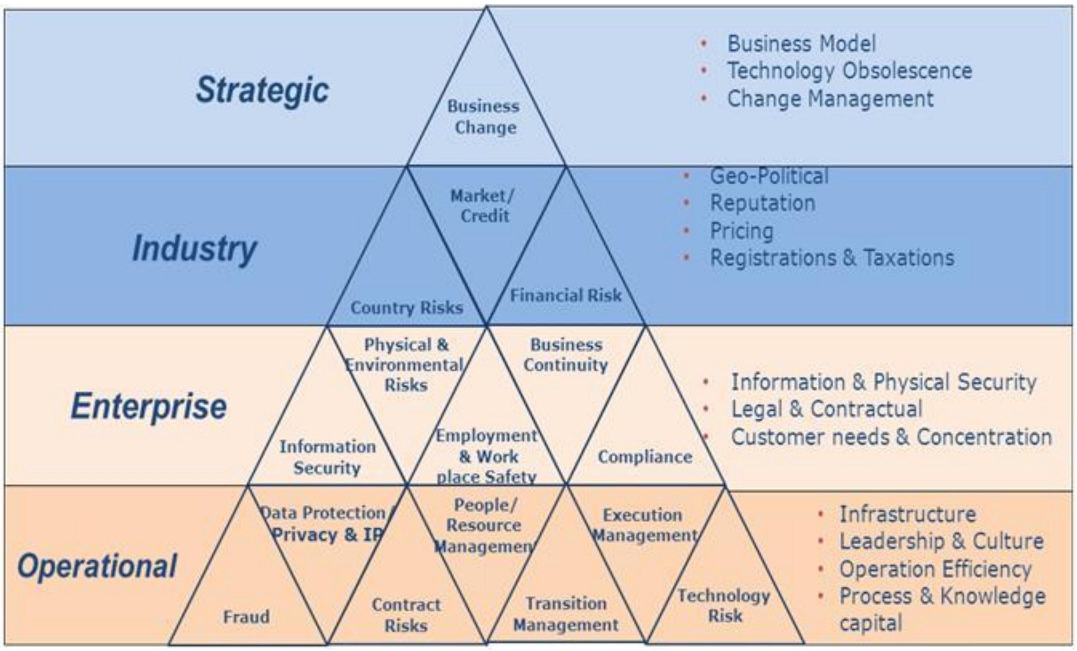
The Risk Management Core Group comprises of represented members from each of the Business Enabling Functions and center heads. This team recommends policies and standards formulation, implementation and communication. On a monthly basis this teams reviews all incidents, exceptions and suggests necessary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

Infosys BPO has covered all its locations under this audit- In FY12- Manila, Philippines; McCamish (Atlanta-USA); Bangalore, Chennai, Jaipur and Gurgaon, India; Lodz, Poland; and Brno, Czech Republic were certified Type II or SOC1 audit

Report on Health, Safety and Environment

Infosys is committed to high standards of environmental management, and to provisioning of a safe and healthy work place, to our employees, consultants and contractors. During the year we worked to enhance our Health, Safety and Environmental performance through better systems and processes and use of technology.

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

It is our endeavor to have and operate a Health, Safety and Environmental Management System at various locations that meet and exceed ISO 14001 standards and OHSAS 18001 specifications. The Ozone initiative helps us to comply fully with all legal requirements and meet or exceed these expectations wherever we operate in the world.

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

- Identification and management of hazards and risks related to Health & Safety
- Identification and management of activities causing environmental impacts
- Processes for operational controls
- Establishment of HSE objectives and targets which are achieved through Management programs
- Identification of HSE training needs and ensuring periodic training
- Establishment and operation of Occupational Health and Safety Committees

Our development centers at Bangalore, Pune and Jaipur were recertified compliant to ISO 140001: 2004 and OHSAS 18001: 2007 during December 2012.

The various initiatives undertaken in the year 2012-13 include:

Awareness: Various awareness campaigns were held across development centres to create awareness amongst employees, including contractual staff to ensure support and compliance. ECO groups also were involved in spreading awareness.

Energy: We are working with some of the best research institutes and adopt many best practices across the world to implement the latest technologies at our new and existing campuses. These include:

- 'Building energy management solutions': We have developed a very strong practice of creating smart-building solutions, which gives us a real-time control on our energy assets.
- 'Green buildings': Every new building at our campuses is constructed using integrated design methods for maximizing daylight and minimizing heat. Efficient building envelopes, with insulated walls and roofs and high-performance glass, are used to conserve energy.
- 'Adoption of Renewable energy': We increased our share of renewable energy by using both off- and on-site renewable sources. We have installed a 250 KW of solar plant at Jaipur.
- 'Energy-efficient IT infrastructure': We have undertaken significant measures to reduce our IT infrastructure's energy consumption through processes for desktop power management, Virtualization and consolidation, eco-friendly design of data centres and server rooms incorporating best practices of power and cooling, increase in facilities for video/audio conferencing.
- During the year the Jaipur facility won the "First Prize for Energy Conservation in the National Energy Conservation Award 2012 in the BPO Building Category" by the Government of India, Ministry of Power.

Water: We have been able to reduce our per capita fresh water consumption during the year through several initiatives and campaigns for optimal use of water across all our campuses. We have our own sewage treatment plants to recycle and reuse wastewater generated at our campuses every day. Recycled water is used for landscape maintenance and for flushing purposes at our campuses.

Paper: Paper consumption has been reduced significantly through various initiatives such as access password controlled printing, monitoring and control of printer utilization, building e-modules, and awareness campaigns like zero print weeks.

Carbon emissions: Several energy reduction programs have been initiated, such as campaigns promoting the use of mass transportation and car-pooling among employees. We encourage our employees to use teleconferencing and video conferencing facility to avoid long distance travel, thus minimizing the impact on the environment. We also source green power in a few locations and are working towards improving the percentage of harnessing green power to meet our power needs.

Waste management: We have adopted a focused approach towards waste management. Waste is segregated at source and disposed to recyclers. Hazardous waste is disposed to authorized recyclers and in adherence to applicable legislations. We are working on strengthening the process for effective e-waste disposal through initiatives like establishment of bio gas plants, organic waste converters etc.,

Campus design and infrastructure development: It is our endeavor to design and construct new buildings which follow green principles and optimized for energy efficiency and occupancy comfort. Thus, they are assured of a minimum gold rating as per IGBC LEED framework. The building in our Jaipur facility has a LEED Platinum rating

Health and Safety

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

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

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 & business continuity

The BCMS initiative at Infosys referred to as the Phoenix program which:

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

Infosys is the first "IT service and BPO organization" to get certified for "ISO 22301" (Business Continuity Management standards post UKAS accreditation by the auditing agency BSi).

Assessments and Reviews

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

CEO and CFO Certification

To
The Board of Directors
Infosys BPO Limited
Bangalore

We, Mr. Gautam Thakkar, Managing Director and Chief Executive Officer, and Mr. 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, Statement of Profit and Loss and Cash Flow Statement (standalone and consolidated), and all the notes on accounts and the Director's report.

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

3. 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 at, and for, the periods presented in this report, and are in compliance with the existing accounting standards and / or applicable laws and regulations.

4. 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 or caused such disclosure controls and procedures to be designed under our supervision to ensure that material information relating to the Company, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared.

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

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

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

6. We have disclosed based on our most recent evaluation of Company's internal control over financial reporting's, 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. We affirm that we have not denied any personnel, access to the audit committee of the Company (in respect of matters involving alleged misconduct) and we have provided protection to whistleblowers from unfair termination and other unfair or prejudicial employment practices.

8. We further declare that all Board members and senior managerial personnel have affirmed compliance with the code of conduct and ethics for the current year.

s/d	**s/d**
Gautam Thakkar **Managing Director and** **Chief Executive Officer**	**Abraham Mathews** **Chief Financial Officer**

Bangalore
April 8, 2013

IFRS Snapshot

Unaudited (Condensed) Consolidated Financial Statements prepared in compliance with International Financial Reporting Standards as issued by the International Accounting Standards Board (IFRS)
Infosys BPO Limited and subsidiaries

in ₹

Consolidated Balance Sheet as of	Notes	March 31, 2013	March 31, 2012
ASSETS			
Current Assets			
Cash and cash equivalents	2.1	906,37,47,219	639,89,05,158
Available-for-sale financial assets	2.2	151,36,00,973	20,05,06,473
Trade receivables		548,26,37,317	396,68,19,144
Unbilled revenue		35,76,52,511	32,66,23,572
Income tax assets		67,00,95,636	41,72,58,175
Derivative financial instruments	2.3	12,83,10,499	-
Prepayments and other assets	2.4	276,55,80,264	128,36,59,165
Total current assets		**1998,16,24,419**	**1259,37,71,687**
Non-current assets			
Property, plant and equipment	2.5	248,61,98,386	249,82,43,994
Goodwill	2.16	318,71,17,762	319,44,99,652
Intangible assets	2.6	79,71,82,769	85,84,79,581
Deferred income tax assets	2.7	38,14,39,174	51,64,22,676
Other non-current assets	2.4	36,49,53,083	20,46,69,178
Total non-current assets		**721,68,91,174**	**727,23,15,081**
Total assets		**2719,85,15,593**	**1986,60,86,768**
LIABILITIES AND EQUITY			
Current Liabilities			
Trade payables		43,99,92,474	13,47,70,011
Derivative financial instruments	2.3	-	13,41,11,271
Current income tax liabilities		19,03,69,076	12,51,16,813
Client deposits		3,03,54,517	1,52,14,900
Unearned revenue		17,45,17,105	10,77,45,538
Employee benefit obligations		49,84,12,467	39,04,28,312
Provisions	2.8	11,85,01,961	8,83,06,714
Other current liabilities	2.9	646,69,77,935	390,79,81,532
Total current liabilities		**791,91,25,535**	**490,36,75,091**
Non-current liabilities			
Other non-current liabilities	2.9	63,40,59,061	66,53,42,025
Total liabilities		**855,31,84,596**	**556,90,17,116**
Equity			
Share capital- ₹10 par value 12,33,75,000 equity shares authorized, issued and outstanding 3,38,27,751 and 3,38,27,751 as of March 31, 2013 and March 31, 2012 respectively		33,82,77,510	33,82,77,510
Share premium		123,68,87,496	123,68,87,496
Retained earnings		1694,18,47,276	1260,22,74,652
Other components of equity		12,83,18,715	11,96,29,994
Total equity attributable to equity holders of the company		**1864,53,30,997**	**1429,70,69,652**
Total liabilities and equity		**2719,85,15,593**	**1986,60,86,768**

Infosys BPO Limited and subsidiaries
Consolidated Statement of Comprehensive Income

in ₹

Particulars		Three months ended March 31,		Year ended March 31,	
	Notes	2013	2012	2013	2012
Revenues		678,55,98,217	521,82,00,328	2572,39,50,309	1768,71,18,550
Cost of sales	2.10.1	477,13,92,167	332,17,35,459	1792,45,01,435	1117,91,29,381
Gross Profit		**201,42,06,049**	**189,64,64,869**	**779,94,48,874**	**650,79,89,169**
Operating expenses:					
Selling and marketing expenses	2.10.1	19,51,98,848	21,92,73,254	97,64,21,228	89,70,04,989
Administrative expenses	2.10.1	64,68,46,370	50,81,58,835	254,02,34,802	200,97,25,357
Total operating expenses		**84,20,45,218**	**72,74,32,089**	**351,66,56,030**	**290,67,30,346**
Operating Profit		**117,21,60,831**	**116,90,32,780**	**428,27,92,844**	**360,12,58,823**
Other income, net	2.11	31,36,89,692	39,59,59,498	139,47,43,116	45,72,41,491
Profit before income taxes		**148,58,50,523**	**156,49,92,278**	**567,75,35,960**	**405,85,00,314**
Income tax expense	2.7	31,77,93,000	34,61,26,126	133,79,63,336	100,86,86,722
Net profit		**116,80,57,523**	**121,88,66,152**	**433,95,72,624**	**304,98,13,592**
Other comprehensive income					
Exchange differences on translating foreign operations		8,98,08,323	(1,10,63,754)	9,00,41,075	(4,37,73,528)
Total other comprehensive income		**8,98,08,323**	**(1,10,63,754)**	**9,00,41,075**	**(4,37,73,528)**
Total comprehensive income		**125,78,65,846**	**120,78,02,398**	**442,96,13,699**	**300,60,40,064**
Profit attributable to:					
Owners of the company		116,80,57,523	121,88,66,152	433,95,72,624	304,98,13,594
Non-controlling interest		-	-	-	-
		116,80,57,523	**121,88,66,152**	**433,95,72,624**	**304,98,13,594**
Total comprehensive income attributable to:					
Owners of the company		125,78,65,846	120,78,02,398	442,96,13,699	300,60,40,066
Non-controlling interest		-	-	-	-
		125,78,65,846	**120,78,02,398**	**442,96,13,699**	**300,60,40,066**
Earnings per equity share					
Basic (₹)		34.53	36.03	128.28	90.16
Diluted (₹)		34.53	36.03	128.28	90.16
Weighted average equity shares used in computing earnings per equity share	2.12				
Basic		3,38,27,751	3,38,27,751	3,38,27,751	3,38,27,751
Diluted		3,38,27,751	3,38,27,751	3,38,27,751	3,38,27,751

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 2013, 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 2013;

(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 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2013, 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: 032815

Bangalore

April 8, 2013

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 2013. 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) The Company has neither granted nor taken any loans, secured or unsecured, to or from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956.

(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, Employee's State Insurance, 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 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, Employee's State Insurance, Sales-tax, Wealth tax, Service tax and other material statutory dues were in arrears as at 31 March 2013 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, Wealth 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 and Service Tax have not been deposited by the Company on account of disputes:

Name of the statute	Nature of dues demanded	Amount demanded (Rs.)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Interest/ Tax Demands	4,502,275	AY 2006-07	Deputy Commissioner Income Tax, Bangalore
Income Tax Act, 1961	Interest/ Tax Demands	179,055*	AY 2010-11	Deputy Commissioner Income Tax, Bangalore
Income Tax Act, 1961	Tax deducted at source	11,912,344**	AY 2009-10	Commissioner of Income Tax(Appeals), Bangalore
Income Tax Act, 1961	Tax deducted at source	8,324,020	AY 2012-13	Assistant Commissioner of Income Tax(TDS), Bangalore
Income Tax Act, 1961	Tax deducted at source	194,910	AY 2011-12	Assistant Commissioner of Income Tax(TDS), Bangalore
Finance Act, 1994	Service Tax demands/Penalties	379,826,474	April 2007 to September 2010	Central Excise Service Tax Appellate Tribunal
Finance Act, 1994	Service Tax demands/Penalties	55,405,040	January 2005 to March 2007	Central Excise Service Tax Appellate Tribunal
Finance Act, 1994	Service Tax demands/Penalties	76,415,315	October 2010 to September 2011	Central Excise Service Tax Appellate Tribunal

*net of amounts paid Rs. 8,890,900

**net of amounts paid of Rs. 17,014,316

(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 8, 2013

Balance Sheet

(in ₹)

Balance Sheet as at	Note	March 31, 2013	March 31, 2012
EQUITY AND LIABILITIES			
SHAREHOLDERS' FUNDS			
Share capital	2.1	33,82,77,510	33,82,77,510
Reserves and surplus	2.2	1839,13,02,397	1411,38,90,684
		1872,95,79,907	1445,21,68,194
NON-CURRENT LIABILITIES			
Other long-term liabilities	2.3	47,22,66,649	64,39,46,607
		47,22,66,649	64,39,46,607
CURRENT LIABILITIES			
Trade payables		42,98,84,164	3,91,35,385
Other current liabilities	2.4	436,76,81,439	367,41,72,076
Short-term provisions	2.5	46,79,22,108	40,53,60,897
		526,54,87,711	411,86,68,358
		2446,73,34,267	**1921,47,83,159**
ASSETS			
NON-CURRENT ASSETS			
Fixed assets			
Tangible assets	2.6	218,19,87,860	233,01,10,804
Intangible assets	2.6	19,03,70,324	19,03,70,324
Capital work-in-progress		1,21,54,846	1,99,41,000
		238,45,13,030	254,04,22,128
Non-current investments	2.7	579,22,30,869	562,77,50,869
Deferred tax assets, net	2.8	31,59,74,636	24,87,62,742
Long-term loans and advances	2.9	87,24,06,365	80,42,82,241
Other non-current assets	2.10	37,93,76,836	31,57,66,640
		735,99,88,706	699,65,62,492
CURRENT ASSETS			
Current investments	2.7	151,36,00,973	20,05,06,473
Trade receivables	2.11	382,26,13,017	264,08,67,908
Cash and cash equivalents	2.12	788,16,36,077	565,82,36,951
Short-term loans and advances	2.13	150,49,82,464	117,81,87,207
		1472,28,32,531	967,77,98,539
		2446,73,34,267	**1921,47,83,159**
SIGNIFICANT ACCOUNTING POLICIES	1		
NOTES ON ACCOUNTS	2		

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

Natrajh Ramakrishna
Partner
Membership No. 32815

V. Balakrishnan
Chairman
and Director

Gautam Thakkar
Managing Director and
Chief Executive Officer

Prof. Jayanth R.Varma
Director

Chandrashekar Kakal
Director

Dr. Omkar Goswami
Director

Abraham Mathews
Chief Financial Officer

Bangalore
April 8 , 2013

A.G.S. Manikantha
Company Secretary

Statement of Profit and Loss Account

(in ₹)

Statement of Profit and Loss for the	Note	Year ended March 31, 2013	Year ended March 31,2012
INCOME			
Revenues from business process management services		1831,33,77,884	1312,41,06,485
Other income	2.14	139,24,12,604	47,22,33,990
		1970,57,90,488	**1359,63,40,475**
EXPENSES			
Employee benefit expenses	2.15	916,56,85,156	636,35,86,740
Cost of technical sub-contractors	2.15	84,24,08,481	7,53,19,667
Travel expenses	2.15	89,16,94,344	56,58,96,154
Cost of software packages	2.15	30,00,17,955	20,17,20,986
Communication expenses	2.15	33,31,63,910	26,30,08,209
Professional charges	2.15	50,74,04,534	42,36,17,234
Office expenses	2.15	40,74,63,326	33,89,45,942
Power and fuel	2.15	24,28,29,137	19,75,17,680
Insurance charges	2.15	8,58,39,729	8,71,65,444
Rent	2.15	57,11,89,312	43,82,76,358
Depreciation and amortisation expense	2.6	65,01,37,609	49,69,17,227
Other expenses	2.15	16,61,19,620	20,15,56,451
Total expenses		**1416,39,53,113**	**965,35,28,092**
PROFIT BEFORE TAX		**554,18,37,375**	**394,28,12,383**
Tax expense:	2.16		
Current tax		133,16,37,556	90,88,19,005
Deferred tax		(6,72,11,894)	(1,22,67,959)
		126,44,25,662	89,65,51,046
PROFIT FOR THE YEAR		**427,74,11,713**	**304,62,61,337**
EARNINGS PER SHARE			
Equity shares of par value ₹10 each			
Basic		126.45	90.05
Diluted		126.45	90.05
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*	Gautam Thakkar *Managing Director and Chief Executive Officer*	Prof. Jayanth R.Varma *Director*
	Chandrashekar Kakal *Director*	Dr. Omkar Goswami *Director*	Abraham Mathews *Chief Financial Officer*
Bangalore April 8, 2013	A.G.S. Manikantha *Company Secretary*		

Cash Flow Statement

(in ₹)

Cash Flow Statement		Year ended March 31, 2013	2012
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		554,18,37,375	394,28,12,383
Adjustments to reconcile profit before tax to cash provided by operating activities			
Depreciation		65,01,37,609	49,69,17,227
Interest income		(60,96,16,770)	(60,12,07,528)
Dividend income		(6,79,42,191)	(3,13,13,961)
Non cash item included in other income (refer note 2.3)		(57,57,31,200)	-
Profit on sale of fixed assets		(10,67,447)	(19,82,876)
Effect of exchange differences on translation of foreign currency cash and cash equivalents		1,48,522	69,92,505
Changes in assets and liabilities			
Trade receivables		(118,17,45,109)	(53,41,62,184)
Loans and advances	2.32.1	(49,79,29,013)	2,07,52,113
Other assets	2.32.2	(6,36,10,196)	(7,07,01,032)
Liabilities	2.32.3	110,55,80,366	14,26,35,520
Trade payables	2.32.4	38,84,09,550	94,79,368
Provisions	2.32.5	8,91,58,956	5,56,06,114
		477,76,30,452	343,58,27,649
Income tax paid during the year, net	2.32.6	(130,95,91,422)	(80,87,54,875)
NET CASH GENERATED BY OPERATING ACTIVITIES		**346,80,39,030**	**262,70,72,774**
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of fixed assets and change in capital work-in-progress/advances	2.32.7	(50,29,04,540)	(95,91,79,912)
Proceeds from sale of fixed assets		92,68,393	28,89,978
Interest received	2.32.8	65,87,77,074	54,74,94,473
Dividend received		6,79,42,191	3,13,13,961
Purchase of units in liquid mutual funds		(828,52,99,643)	(504,72,11,345)
Proceeds from sale of units in liquid mutual funds		697,22,05,143	505,26,39,631
Investment in subsidiary	2.32.9	(16,44,80,000)	(242,51,26,750)
Proceeds from repayment of investment in subsidiary	2.32.9	-	-
Loans given to subsidiaries	2.32.10	-	(22,92,713)
Loans repaid by subsidiaries	2.32.10	-	22,92,713
NET CASH GENERATED/(USED) IN INVESTING ACTIVITIES		**(124,44,91,382)**	**(279,71,79,964)**
CASH FLOWS FROM FINANCING ACTIVITIES		-	-
NET CASH FLOWS FROM FINANCING ACTIVITIES		**-**	**-**
Effect of exchange differences on translation of foreign currency cash and cash equivalents		(1,48,522)	(69,92,505)
NET CHANGE IN CASH AND CASH EQUIVALENTS		222,33,99,126	(17,70,99,695)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD		565,82,36,951	583,53,36,646
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD*	2.32.11	**788,16,36,077**	**565,82,36,951**

Cash and cash equivalents aggregating ₹ 788,16,36,077 (₹ 565,82,36,951 as at March 31, 2012) comprises cash on hand amounting to₹ 87,691 (₹ 90,589 as at March 31, 2012), balances with banks amounting to ₹ 708,15,48,386 (₹ 555,81,46,362 as at March 31, 2012) and deposits with financial institution/body corporate amounting to ₹ 80,00,00,000 (₹ 10,00,00,000 as at March 31, 2012).

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

V. Balakrishnan
Chairman
and Director

Gautam Thakkar
Managing Director and
Chief Executive Officer

Prof. Jayanth R.Varma
Director

Natrajh Ramakrishna
Partner
Membership No. 32815

Chandrashekar Kakal
Director

Dr. Omkar Goswami
Director

Abraham Mathews
Chief Financial Officer

Bangalore
April 8, 2013

A.G.S. Manikantha
Company Secretary

Schedules to the financial statements year ended March 31, 2013

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 service level agreement ("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 recognized as unbilled revenues. Revenue from fixed-price, fixed-time frame contracts, where there is no uncertainty 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 unearned 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 statement of profit and loss.

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 recognized 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 recognized 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 amortization 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 amortized over the lease period. Intangible assets are amortized 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:

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

1.7 Retirement benefits to employees

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 recognized 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 recognized 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 & non-monetary liabilities denominated in a foreign currency and measured at fair value are translated at the exchange rate prevalent at the date when the fair value was determined.

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 recognized in the Statement of profit and loss 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 recognized 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 realized. 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. Deferred tax assets and deferred tax liabilities have been offset wherever the Company has a legally enforceable right to set off current tax assets against current tax liabilities and where the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority.

1.11 Provisions and contingent liability

The Company recognizes 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 recognized 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. The provision is measured at the lower of the expected cost of terminating the contract & the expected cost of fulfilling the contract.

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 recognized 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, 2013

2.1 SHARE CAPITAL

in ₹

Particulars	As at March 31, 2013	As at March 31, 2012
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]		
TOTAL	**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, 2013	As at March 31, 2012
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		Percentage of total shares	
	March 31, 2013	March 31, 2012	March 31, 2013	March 31, 2012
Infosys Limited	3,38,22,319	3,38,22,319	99.98%	99.98%

There has been no buy – back of shares, issuance of bonus shares or shares issued for consideration other than cash during the last 5 years.

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, 2013, nil (March 31, 2012: 4,76,250) 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 period	4,76,250	483.73
Granted during the period	-	-
Forfeitures during the period	4,76,250	483.73
Exercised during the period	-	-
Outstanding at the end of the period	-	-
Exercisable at the end of the period	-	-

Particulars	**Year ended March 31 2012**	
	Shares arising out of options	**Weighted average exercise prices in (₹)**
Outstanding at the beginning of the period	6,79,250	397.44
Granted during the period	-	-
Forfeitures during the period	2,03,000	195.00
Exercised during the period	-	-
Outstanding at the end of the period	4,76,250	397.44
Exercisable at the end of the period	4,48,750	398.89

The following table summarizes information about stock options as of March 31, 2013 and March 31, 2012

Range of exercise prices (in ₹)	**Stock options outstanding at the end of the year**		**Weighted average remaining contractual life**	
	March 31, 2013	**March 31, 2012**	**March 31, 2013**	**March 31, 2012**
33.12-58.33	-	-	-	-
58.34-77.89	-	-	-	-
77.90-99.20	-	-	-	-
99.21-162.23	-	-	-	-
162.24-195.00	-	-	-	-
195.01-214.00	-	-	-	-
214.01-230.00	-	1,05,000	-	(0.58)
230.01-310.00	-	61,250	-	0.26
310.01-604.00	-	3,10,000	-	0.71
TOTAL	**-**	**4,76,250**	**-**	**0.36**

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 2013**	
	Shares arising out of options	**Weighted average exercise prices in (₹)**
Outstanding at the beginning of the period	11,684	2,120.95
Granted during the period	-	-
Forfeitures during the period	5,518	2,120.95
Exercised during the period	6,166	2,120.95
Outstanding at the end of the period	-	-
Exercisable at the end of the period	-	-

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

The following table summarizes information about stock options as of March 31, 2013 and March 31, 2012:

	Stock options outstanding at the end of the year		Weighted average remaining contractual life	
Range of exercise prices (in ₹)	**March 31, 2013**	**March 31, 2012**	**March 31, 2013**	**March 31, 2012**
0- 2120.95	-	11,684	-	0.30
	-	11,684	-	0.30

2.2. RESERVES AND SURPLUS

in ₹

Particulars	**As at**	
	March 31, 2013	**March 31, 2012**
Securities premium reserve at the beginning and end of the year	25,48,97,789	25,48,97,789
Add: Transferred from Surplus	-	-
Securities premium reserve – Closing balance	25,48,97,789	25,48,97,789
Capital redemption reserve – Opening balance	1,13,94,690	1,13,94,690
Add: Transferred from Surplus	-	-
Capital redemption reserve – Closing balance	1,13,94,690	1,13,94,690
General reserve - opening balance	1000,00,00,000	1000,00,00,000
Add : Transfer from profit and loss account during the year	-	-
General reserve - closing balance	1000,00,00,000	1000,00,00,000
Balance in profit and loss account – Opening Balance	384,75,98,205	80,13,36,868
Add: Net Profit after tax transferred from statement of profit and loss	427,74,11,713	304,62,61,337

Particulars	As at March 31, 2013	March 31, 2012
Less: Transferred to general reserve	-	-
Balance in profit and loss account – closing balance	812,50,09,918	384,75,98,205
TOTAL	**1839,13,02,397**	**1411,38,90,684**

2.3 OTHER LONG-TERM LIABILITIES

in ₹

Particulars	As at March 31, 2013	March 31, 2012
Accrued salaries and benefits		
Bonus and incentives	3,22,79,649	3,49,02,225
Earnest money deposit received**	20,92,54,500	2,92,54,500
Contingent consideration payable*	23,07,32,500	57,97,89,882
	47,22,66,649	**64,39,46,607**

*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.

The company has reassessed the contingent consideration payable during the current period, after receiving the revised revenue and net margin projections from McCamish. McCamish has not been able to meet the targets till date for this payment, and as per the revised projections received; it is still not expected to meet the critical future targets, inspite of their acquisition of a business process outsourcing division from the Marsh Inc. Group in the USA. Accordingly, the company has reduced the liability payable by ₹ 57,57,31,200 with a credit to other income, since it is not considered payable. The liability for contingent consideration payable as at the balance sheet date represents the expected payment to be made by the company only for the extended payout period.

** Includes dues to subsidiaries and other group companies (refer to note 2.22)

2.4 OTHER CURRENT LIABILITIES

in ₹

Particulars	As at March 31, 2013	March 31, 2012
Accrued salaries and benefits		
Salaries	47,07,27,190	32,47,02,527
Bonus and incentives	106,14,18,291	85,45,65,084
Other liabilities		
Provision for expenses*	247,14,12,009	199,18,35,862
Retention money payable	7,27,96,773	8,08,16,534
Withholding and other taxes	11,77,52,030	62,32,804
Others payables**	7,37,47,217	3,69,66,702
Mark to market loss on forward contracts	-	15,14,86,359
Advances received from customers	26,75,516	1,52,14,893
Unearned revenue	9,71,52,413	4,98,01,993
Contingent consideration payable	-	16,25,49,318
TOTAL	**436,76,81,439**	**367,41,72,076**

*Includes dues to subsidiaries and other group companies (refer to note 2.22)

2.5 SHORT-TERM PROVISIONS

in ₹

Particulars	As at March 31, 2013	As at March 31, 2012
Provision for employee benefits		
Unavailed leave	37,08,73,452	29,60,26,987
Others		
Provision for		
Income taxes	2,34,93,319	5,00,91,064
SLA compliance	7,35,55,337	5,92,42,846
TOTAL	**46,79,22,108**	**40,53,60,897**

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, 2013	March 31, 2012
Balance at the beginning of the year	5,92,42,846	5,03,86,611
Additional provision made during the year	6,24,16,550	8,90,46,607
Provisions used during the year	27,02,693	2,20,96,984
Unused amount reversed during the year	4,54,01,366	5,80,93,388
Balance at the end of the year	**7,35,55,337**	**5,92,42,846**
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, 2012	Additions during the year	Deletions during the year	Cost as at March 31, 2013	As at April 01, 2012	Charge for the year	Deletions during the year	As at March 31, 2013	As at March 31, 2013	As at March 31, 2012
Tangible assets :										
Land – Leasehold	11,55,00,000	-	-	11,55,00,000	40,75,239	11,93,790	-	52,69,029	11,02,30,971	11,14,24,761
Buildings	139,28,09,316	7,07,20,199	81,98,063	145,53,31,452	19,91,71,769	9,74,40,226	5,44,518	29,60,67,477	115,92,63,975	119,36,37,547
Leasehold improvements	47,14,16,135	7,85,31,054	39,936	54,99,07,253	31,94,65,146	6,36,83,842	39,936	38,31,09,052	16,67,98,201	15,19,50,989
Office equipment	115,59,22,978	5,41,93,594	7,63,335	120,93,53,237	76,03,83,930	17,47,30,753	2,67,825	93,48,46,858	27,45,06,379	39,55,39,048
Plant and machinery	17,95,57,403	4,02,46,677	-	21,98,04,080	94,50,126	4,96,26,662	-	5,90,76,788	16,07,27,292	17,01,07,277
Computer Equipment	120,09,75,020	22,46,19,000	3,93,84,248	138,62,09,772	100,35,09,298	20,32,92,350	3,93,60,225	116,74,41,423	21,87,68,349	19,74,65,722
Furniture and fixtures	48,05,91,391	4,19,05,087	17,94,444	52,07,02,034	37,06,05,931	6,01,69,986	17,66,576	42,90,09,341	9,16,92,693	10,99,85,460
Sub Total	499,67,72,243	51,02,15,611	5,01,80,026	545,68,07,828	266,66,61,439	65,01,37,609	4,19,79,080	327,48,19,968	218,19,87,860	233,01,10,804
Intangible assets :										
Goodwill	19,03,70,324	-	-	19,03,70,324	-	-	-	-	19,03,70,324	19,03,70,324
Sub Total	19,03,70,324	-	-	19,03,70,324	-	-	-	-	19,03,70,324	19,03,70,324
Total	**518,71,42,567**	**51,02,15,611**	**5,01,80,026**	**564,71,78,152**	**266,66,61,439**	**65,01,37,609**	**4,19,79,080**	**327,48,19,968**	**237,23,58,184**	**252,04,81,128**
Previous year	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	

2.7 INVESTMENTS

in ₹

Particulars	As at	
	March 31, 2013	March 31, 2012
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	211,05,81,750
McCamish Systems LLC	305,97,88,358	289,53,08,358
	579,22,30,869	**562,77,50,869**
Current investments – at the lower of cost and fair value		
Investment in mutual funds, non-trade (unquoted)		
Investment in mutual fund units	151,36,00,973	20,05,06,473
	151,36,00,973	**20,05,06,473**
Aggregate amount of unquoted investments	**730,58,31,842**	**582,82,57,342**

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, 2013 and March 31, 2012 is as follows:

Particulars	No. of units as at		Amount (in ₹)	
	March 31, 2013	March 31, 2012	March 31, 2013	March 31, 2012
Birla Sun Life AMC Ltd -Liquid Plus	2,27,946	-	2,28,59,227	-
ICICI prudential – P liquid plus	46,77,205	-	46,81,63,489	-
TATA Asset Management Ltd - Liquid Plus	1,83,682	-	20,47,16,827	-
Reliance Mutual Fund - Liquid Plus	3,34,060	-	33,42,30,589	-
Kotak mutual fund-Liquid Plus	1,88,131	-	23,00,49,035	-
Templeton Mutual Fund- Liquid Plus	-	2,00,372	-	20,05,06,473
Religare Mutual Fund – Liquid Plus	2,53,382	-	25,35,81,806	-
TOTAL	**58,64,406**	**2,00,372**	**151,36,00,973**	**20,05,06,473**

2.8 DEFERRED TAX ASSETS, NET

in ₹

Particulars	As at	
	March 31, 2013	March 31, 2012
Deferred tax assets		
Fixed assets	19,07,64,310	17,26,33,910
Unavailed leave	9,22,87,143	6,23,73,943
Trade receivables	52,55,483	54,45,683
Others	2,76,67,700	83,09,206
TOTAL	**31,59,74,636**	**24,87,62,742**

2.9 LONG-TERM LOANS AND ADVANCES

in ₹

Particulars	As at	
	March 31, 2013	March 31, 2012
Unsecured considered good		
Capital advances	11,67,577	63,73,026
Other loans and advances		
Prepaid expenses	1,80,80,648	-
Rental deposits*	33,49,54,465	17,87,69,981
Electricity and other deposits	2,32,58,810	72,99,220
MAT credit entitlement	14,88,40,547	38,78,61,534
Advance income taxes	34,61,04,318	22,39,78,480
	87,24,06,365	**80,42,82,241**

* Includes deposits from holding company (refer to note 2.22)

2.10 OTHER NON-CURRENT ASSETS

in ₹

Particulars	As at	
	March 31, 2013	March 31, 2012
Others		
Restricted deposits (refer note 2.29)	37,92,68,992	30,38,63,714
Advance to gratuity trust (refer note 2.24)	1,07,844	1,19,02,926
TOTAL	**37,93,76,836**	**31,57,66,640**

2.11 TRADE RECEIVABLES

in ₹

Particulars	As at	
	March 31, 2013	March 31, 2012
Debt outstanding for a period exceeding six months		
Unsecured		
Considered doubtful	1,48,29,653	1,49,39,901
Other debts		
Unsecured		
Considered good*	382,26,13,017	264,08,67,908
Considered doubtful	8,50,545	67,84,522
	383,82,93,215	266,25,92,331
Less: Provision for doubtful debts	1,56,80,198	2,17,24,423
TOTAL	**382,26,13,017**	**264,08,67,908**

*Includes dues from subsidiaries (refer to note 2.22)

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, 2013	March 31, 2012
Cash on hand	87,691	90,589
Balances with bank		
In current and deposit accounts	708,15,48,386	555,81,46,362
Others		
Deposit with body corporate / financial institutions	**80,00,00,000**	**10,00,00,000**
TOTAL	**788,16,36,077**	**565,82,36,951**

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, 2013 and March 31, 2012 are as follows:

in ₹

Particulars	As at	
	March 31, 2013	March 31, 2012
In current accounts		
Bank of America, California, USA	14,16,28,165	5,89,35,213
Bank of America, California –Trust account, USA	2,71,450	2,54,400
Citibank, India	5,26,484	3,96,652
Citi Bank, South Africa	19,29,644	-
Citi Bank, Costa Rica	1,18,73,754	-
Deutsche Bank, India	25,91,464	1,33,01,562
Deutsche Bank – EEFC (Euro account)	69,734	36,26,701
Deutsche Bank – EEFC (UK Pound Sterling account)	-	20,40,654
Deutsche Bank – EEFC (US Dollar account)	30,97,696	73,57,516
Deutsche Bank, Netherland	1,09,57,203	-
Deutsche Bank, London, UK	18,86,424	59,22,492
Deutsche Bank, Philippines	3,70,71,799	3,03,81,792
ICICI Bank, India	2,11,77,080	1,90,77,185
ICICI Bank – EEFC (Euro account)	1,86,17,005	35,35,092
ICICI Bank – EEFC (UK Pound Sterling account)	5,75,11,901	1,46,74,222
ICICI Bank (US Dollar account)	4,40,81,260	17,64,39,122
ICICI Bank, London, UK	-	1,72,30,789
PNC Bank, New Jersey, USA	2,71,450	2,54,400
Royal Bank of Canada, Ontario, Canada	27,96,567	44,52,200
State Bank of India, India	2,66,306	2,43,370
TOTAL	**35,66,25,386**	**35,81,23,362**
In deposit accounts		
Axis Bank	60,00,00,000	60,00,00,000
Canara Bank	80,00,00,000	80,00,00,000
Central Bank of India	-	52,00,00,000
Corporation bank	80,00,00,000	-
ICICI Bank	98,00,00,000	50,00,00,000
IDBI Bank	-	30,00,00,000

Particulars	As at	
Kotak Mahindra bank	80,00,00,000	80,00,00,000
Oriental Bank of Commerce	74,00,00,000	14,00,00,000
Punjab National Bank	-	28,50,00,000
State Bank of Hyderabad	-	80,00,00,000
State Bank of India	23,000	23,000
South Indian Bank	40,50,00,000	35,50,00,000
Union Bank	80,00,00,000	-
Vijaya Bank	79,99,00,000	-
Yes Bank	-	10,00,00,000
TOTAL	**672,49,23,000**	**520,00,23,000**
Other deposits with body corporate / financial institutions		
HDFC Limited	80,00,00,000	10,00,00,000
	80,00,00,000	10,00,00,000
TOTAL	**788,15,48,386**	**565,81,46,362**

2.13 SHORT-TERM LOANS AND ADVANCES

in ₹

Particulars	As at	
	March 31, 2013	**March 31, 2012**
Unsecured, considered good		
Prepaid expenses	4,90,37,926	2,21,90,968
Advances for goods and services	11,67,36,532	14,51,70,401
Withholding and other taxes receivable	26,39,10,445	19,10,03,175
	42,96,84,903	35,83,64,544
Unbilled revenue*	23,95,69,481	22,19,91,120
Interest accrued but not due	6,39,13,393	11,30,73,697
Loans and advances to employees	18,33,53,038	14,95,97,145
Rental deposits	13,11,53,719	8,60,54,777
Electricity and other deposits	83,34,885	82,88,195
Mark to market gain on forward contracts	12,49,52,225	-
MAT credit entitlement	22,55,87,670	15,73,36,400
Loans and advances to group companies	9,84,33,150	8,34,81,329
	150,49,82,464	117,81,87,207
Unsecured, considered doubtful		
Loans and advances to employees	65,98,881	26,93,311
	151,15,81,345	118,08,80,518
Less: Provision for doubtful loans and advances	65,98,881	26,93,311
TOTAL	**150,49,82,464**	**117,81,87,207**

2.14 OTHER INCOME

in ₹

Particulars	Year ended March 31,	
	2013	2012
Interest received on deposits with bank and others	60,96,16,770	60,12,07,528
Dividend received on investment in mutual fund units	6,79,42,191	3,13,13,961
Miscellaneous income, net	71,35,09,093	5,34,05,489
Profit on sale of fixed assets	10,67,447	19,82,876
Gains/(losses) on foreign currency, net	2,77,103	(21,56,75,864)
TOTAL	**139,24,12,604**	**47,22,33,990**

2.15 EXPENSES

in ₹

Particulars	Year ended March 31,	
	2013	2012
Employee benefit expenses		
Salaries and bonus including overseas staff expenses	866,80,87,084	599,52,71,750
Staff welfare	9,06,49,303	5,84,63,241
Contribution to provident and other funds	40,69,48,769	30,98,51,749
	916,56,85,156	**636,35,86,740**
Cost of technical sub-contractors		
Consultancy charges	84,24,08,481	7,53,19,667
	84,24,08,481	**7,53,19,667**
Travel expenses		
Overseas travel expenses	64,60,29,989	41,63,34,570
Traveling expenses	24,56,64,355	14,95,61,584
	89,16,94,344	**56,58,96,154**
Cost of software packages		
Cost of software for own use	30,00,17,955	20,17,20,986
	30,00,17,955	**20,17,20,986**
Communication expenses		
Communication expenses	33,31,63,910	26,30,08,209
	33,31,63,910	**26,30,08,209**
Professional charges		
Legal and professional charges	33,99,44,255	29,70,77,335
Recruitment and training expenses	16,43,10,279	12,38,99,899
Auditor's remuneration		
audit fees	31,50,000	26,40,000
	50,74,04,534	**42,36,17,234**
Office expenses		
Computer maintenance	2,20,16,672	1,88,98,184
Printing and stationery	1,93,57,986	2,13,79,187
Office maintenance	36,60,88,668	29,86,68,571
	40,74,63,326	**33,89,45,942**
Power and fuel		
Power and fuel	24,28,29,137	19,75,17,680
TOTAL	**24,28,29,137**	**19,75,17,680**
Insurance charges		
Insurance charges	8,58,39,729	8,71,65,444

Particulars	Year ended March 31, 2013	2012
	8,58,39,729	**8,71,65,444**
Rent		
Rent (Refer Note 2.17)	57,11,89,312	43,82,76,358
	57,11,89,312	**43,82,76,358**
Other expenses		
Consumables	1,86,57,355	1,25,34,406
Brand building and advertisement	6,54,31,573	5,63,01,672
Marketing expenses	2,20,51,585	1,54,10,703
Rates and taxes	2,61,86,813	7,02,40,845
Donations	1,65,280	-
Bank charges and commission	55,16,943	41,47,383
Postage and courier	49,38,842	46,24,914
Provision for doubtful debts	(58,68,559)	96,19,556
Provision for doubtful loans and advances	38,99,210	1,48,01,572
Professional membership and seminar participation fees	1,44,00,190	89,10,417
Other miscellaneous expenses	1,07,40,388	49,64,983
TOTAL	**16,61,19,620**	**20,15,56,451**

2.16 TAX EXPENSE

in ₹

Particulars	Year ended March 31,	
	2013	**2012**
Current tax		
Income taxes	116,08,67,839	82,34,93,398
MAT credit entitlement	17,07,69,717	8,53,25,607
Deferred taxes	(6,72,11,894)	(1,22,67,959)
TOTAL	**126,44,25,662**	**89,65,51,046**

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 2013, the Company has provided ₹ 0.52 crores as additional income tax provision and ₹ 4.45 crores as additional MAT credit entitlement for earlier years (during the year ended 31st March 2012, the company has provided ₹ 1.38 crores as additional provision for tax and ₹ 7.84 crores as additional MAT credit entitlement for earlier years).

2.17 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,	
	2013	**2012**
Lease rentals charged during the year	57,11,89,312	43,82,76,358

in ₹

	As at	
Lease obligations	**March 31, 2013**	**March 31, 2012**
Within one year of the balance sheet date	43,38,64,686	8,23,09,626
Due in a period between one year and five years	108,50,61,359	4,55,43,435
Later than five years	49,45,40,156	-

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.

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

in ₹

Particulars	As at March 31, 2013	As at March 31, 2012
Contingent :		
Estimated amount of unexecuted capital contracts (net of advance and deposits)	9,55,07,837	19,85,89,590
Claims against the company not acknowledged as debts	12,75,55,625	5,32,28,478
Commitments:		
Forward contracts outstanding		
USD/INR	32,000,000	46,000,000
(Equivalent approximate in ₹)	(173,72,80,000)	(234,04,80,000)
GBP/USD	-	2,000,000
(Equivalent approximate in ₹)	-	(16,29,20,000)
GBP/INR	10,250,000	-
(Equivalent approximate in ₹)	(84,28,57,500)	-

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, 2012).

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, 2013	As at March 31, 2012
Not later than one month	33,31,22,500	25,44,65,000
Later than one month and not later than three months	68,68,02,500	82,42,95,000
Later than three months and not later than one year	156,02,12,500	142,46,40,000
	258,01,37,500	250,34,00,000

The company recognized a loss on derivate financial instruments of ₹ 8,89,65,584 and a gain on derivative financial instruments of ₹ 35,40,42,473 during the year ended March 31, 2013 and March 31, 2012, respectively, which is included in other income.

2.19 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.

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

in ₹

Particulars	Year ended March 31, March 31, 2013	March 31, 2012
Capital goods	8,37,02,263	18,95,53,557

2.21 Earnings and Expenditures in foreign currency

in ₹

Particulars	Year ended March 31, March 31, 2013	March 31, 2012
Earnings in foreign currency		
From business process management services	1356,23,69,842	1198,56,13,027
	1356,23,69,842	**1198,56,13,027**
Expenditure in foreign currency		
Salary, legal and professional charges	245,09,82,239	145,44,83,224
Overseas travel expenses	54,89,98,163	31,03,58,861
Bank charges, consultancy and others	86,47,47,652	84,05,47,478
Communication expenses	17,79,91,031	14,06,28,522
	404,27,19,085	**274,60,18,085**

2.22 Related party transactions

List of related parties:

Name of the related party		Holding as at	
		March 31, 2013	**March 31, 2012**
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%	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 Public Services, Inc.*	U.S.A		
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

Name of the related party	Designation
D. Swaminathan###	Managing Director and Chief Executive Officer
Gautam Thakkar####	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
Omkar Goswami##	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 1, 2011

**** Retired as Director effective August 13, 2012

Appointed as Director effective August 13, 2012

Retired as Managing Director & Chief Executive Officer w.e.f March 31, 2013

Appointed as Managing Director & Chief Executive Officer w.e.f April 1, 2013

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, 2013	2012
Capital transactions:		
Financial transactions		
McCamish Systems LLC	16,44,80,000	-
Loans		
McCamish Systems LLC	-	11,20,78,361
	16,44,80,000	11,20,78,361
Revenue transactions:		
Purchase of services		
Infosys Limited	38,62,82,594	38,53,749
Portland Group PTY Limited	6,15,57,186	
Infosys Mexico	-	50,72,204
Infosys Consulting Inc	-	43,18,928
McCamish Systems LLC	18,05,052	1,11,34,636
Infosys Poland	5,77,04,278	4,40,34,353
	50,73,49,110	6,84,13,870
Purchase of shared services including facilities and personnel		
Infosys Limited	38,91,73,220	57,64,77,252
Infosys BPO s.r.o	-	1,90,760
Infosys BPO Poland Sp.z.o.o	-	3,21,407
Infosys BPO (Thailand) Limited	-	-

Particulars	Year ended March 31, 2013	2012
McCamish Systems LLC	5,48,883	73,50,067
Infosys Australia	-	27,55,982
Infosys Mexico	-	2,92,196
Infosys China	-	16,03,855
Infosys Brazil	-	11,97,138
Portland Group Pty Ltd	-	1,16,40,524
	38,97,22,103	60,18,29,181
Interest income		
McCamish Systems LLC	-	22,46,888
	-	22,46,888
Sale of services		
Infosys Limited	117,78,17,960	-
McCamish Systems LLC	36,11,74,991	18,11,20,150
Portland Group Pty Ltd	4,97,40,995	-
	158,87,33,946	18,11,20,150
Sale of shared services including facilities and personnel		
Infosys Limited	71,55,20,998	129,85,23,662
Infosys BPO s.r.o	-	13,24,091
Infosys BPO Poland Sp.z.o.o	-	5,18,614
McCamish Systems LLC	-	7,89,038
Infosys Australia	-	66,01,442
Infosys Mexico	-	4,27,349
Infosys China	-	16,84,103
Infosys Brazil	-	19,36,548
Infosys Consulting India Limited	-	40,63,654
	71,55,20,998	131,58,68,501

- 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.
- Effective April 1, 2012, pursuant to the changes in the Finance Act 2012 the arrangements with Infosys Limited have been amended, consequent to which current period numbers are not comparable to those of the previous period.
- Details of amounts due to or due from related parties as at March 31, 2013 and March 31, 2012:

in ₹

Particulars	As at March 31, 2013	March 31, 2012
Trade receivables		
Infosys Limited	68,61,45,520	-
Infosys BPO Poland Sp.z.o.o	-	(318)
McCamish Systems LLC	49,75,136	2,83,26,809

Particulars	As at March 31, 2013	March 31, 2012
Portland Group Pty Ltd	56,74,553	-
	69,67,95,209	2,83,26,491
Other receivables		
Infosys Limited	9,84,33,150	8,33,76,783
Infosys Australia	-	94,678
	9,84,33,150	8,34,71,461
Unbilled revenues		
Infosys Limited	43,40,660	-
Trade payables		
Infosys Limited	38,86,26,038	-
Infosys BPO Poland Sp.z.o.o	1,30,07,527	3,54,19,268
Portland Group Pty Ltd	1,72,26,846	-
	41,88,60,411	3,54,19,268
Other payables		
Infosys Limited	6,09,77,162	1,29,73,714
Portland Group Pty Ltd	-	1,15,51,015
	6,09,77,162	2,45,24,729
Deposit given for shared services		
Infosys Limited	26,89,00,000	6,89,00,000
Deposit received for shared services		
Infosys Limited	20,92,54,500	2,92,54,500

Particulars of remuneration and other benefits paid to Managing Director during the year March 31, 2013 and March 31, 2012, are given below:

in ₹

Particulars	Year ended March 31,	
	2013	**2012**
Salary, allowances and performance incentives	70,33,562	1,62,24,612
Contribution to provident and other funds	2,61,144	2,55,379
Performance incentives	89,56,132	93,65,622
	1,62,50,838	**2,58,45,613**

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, 2013 and 2012 are given below:

in ₹

Particulars	Year ended March 31,	
	2013	**2012**
Sitting fees	1,20,000	1,20,000
Commission	24,00,000	24,00,000
	25,20,000	**25,20,000**

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, 2013	2012
Net profit after tax from ordinary activities	427,74,11,713	304,62,61,337

Add:		
1. Whole time director's remuneration	1,62,50,838	2,58,45,613
2. Director's sitting fee	1,20,000	1,20,000
3. Commission to non-whole time directors	24,00,000	24,00,000
4. Depreciation as per books of account	65,01,37,609	49,69,17,227
5. Provision for doubtful debts	(58,68,559)	96,19,556
6. Provision for doubtful loans and advances	38,99,210	1,48,01,572
5. Provision for taxation	126,44,25,662	89,65,51,046
	620,87,76,473	**449,25,16,351**
Less:		
1.Depreciation as envisaged under Section 350 of the Companies Act, 1956*	65,01,37,609	49,69,17,227
2. Carried forward losses for previous years as computed under Section 349 of the Companies Act, 1956	-	-
3. Net profit on which commission is payable	555,86,38,364	399,55,99,124
4.Commission payable to non-whole time directors:	-	-
5.Maximum allowed as per the Companies Act, 1956 at 1%	5,55,86,389	3,99,55,991
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.

Certain expenses such as depreciation, which form a significant component of total expenses, are not specifically allocable to specific segments as the underlying assets are used interchangeably. Management believes that it is not practical to provide segment disclosures relating to those costs and expenses, and accordingly these expenses are separately disclosed as "unallocated" and adjusted against the total income of the Company.

Fixed assets used in the Company's business or liabilities contracted have not identified to any of the reportable segments, as the fixed assets and services are used interchangeably between segments. Accordingly, no disclosure relating to total segment assets and liabilities are made. Geographical information on revenue and industry revenue information is collated based on individual customers invoiced or in relation to which the revenue is otherwise recognized.

Industry segments

Year ended March 31, 2013 and March 31, 2012 **in ₹**

Particulars	**FSI**	**MFG**	**RCL**	**ECS**	**Total**
Revenues from business process management services	492,28,22,890	528,19,33,889	164,72,03,419	646,14,17,686	1831,33,77,884
	341,39,43,833	406,58,70,839	102,72,37,204	461,70,54,609	1312,41,06,485
Identifiable operating expenses	172,06,33,749	165,92,14,363	66,80,60,146	278,78,76,297	683,57,84,555
	84,54,12,358	116,89,32,633	33,68,92,270	147,69,99,741	382,82,37,002
Allocated expenses	181,58,50,712	193,49,02,246	59,38,22,597	233,34,55,394	667,80,30,949
	138,11,51,550	165,39,60,831	41,71,85,210	187,60,76,273	532,83,73,864
Segmental operating profit	138,63,38,429	168,78,17,280	38,53,20,676	134,00,85,995	479,95,62,380
	118,73,79,925	124,29,77,375	27,31,59,724	126,39,78,595	396,74,95,620
Unallocable expenses					65,01,37,609
					49,69,17,227
Other income					139,24,12,604
					47,22,33,990
Profit before tax					554,18,37,375
					394,28,12,383
Tax expense					126,44,25,662
					89,65,51,046
Profit for the year					427,74,11,713
					304,62,61,337

Geographical segments

Year ended **March 31, 2013** and March 31, 2012 **in ₹**

Particulars	**United States of America**	**Europe**	**Others**	**Total**
Revenues from business process management services	**951,62,38,116**	**569,60,37,805**	**310,11,01,963**	**1831,33,77,884**
	701,21,16,420	487,20,49,383	123,99,40,682	1312,41,06,485
Identifiable operating expenses	**320,29,97,819**	**193,37,27,126**	**169,90,59,610**	**683,57,84,555**
	199,86,34,335	151,68,11,771	31,27,90,896	382,82,37,002
Allocated expenses	**347,31,24,970**	**207,42,23,196**	**113,06,82,783**	**667,80,30,949**
	284,30,19,304	198,10,49,507	50,43,05,053	532,83,73,864
Segmental operating profit	**284,01,15,327**	**168,80,87,483**	**27,13,59,570**	**479,95,62,380**
	217,04,62,781	137,41,88,105	42,28,44,733	396,74,95,620
Unallocable expenses				**65,01,37,609**
				49,69,17,227
Other income				**139,24,12,604**
				47,22,33,990
Profit before tax				**554,18,37,375**
				394,28,12,383
Tax expense				**126,44,25,662**
				89,65,51,046
Profit for the year				**427,74,11,713**
				304,62,61,337

2.24 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 recognizes 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 ₹

Particulars	As at arch 31, 2013	March 31, 2012	March 31, 2011	March 31, 2010	March 31, 2009
Obligations at the beginning of the year	28,43,20,977	18,76,90,700	14,25,35,851	10,83,54,625	5,97,96,919
Liability as on April 1, 2008 assumed on the amalgamation of PAN Financial Shared Services India Private Limited	-	-	-	-	1,31,80,050
Service cost	17,67,45,274	13,68,85,699	6,51,09,966	6,73,44,267	4,07,80,299
Interest cost	1,31,69,226	1,12,28,864	74,96,831	46,65,510	42,52,594
Benefits settled	(8,61,25,526)	(5,40,74,205)	(4,42,43,763)	(3,71,70,205)	(2,35,68,652)
Curtailment*	(1,36,10,797)	-	-	-	-
Actuarial (gain)/loss	(20,56,917)	25,89,919	1,67,91,815	(6,58,346)	1,39,13,415
Obligations at the end of the year	37,24,42,237	28,43,20,977	18,76,90,700	14,25,35,851	10,83,54,625

Defined benefit obligation liability as at the balance sheet is wholly funded by the Company.
* Effective April 1, 2012 the Company reduced the benefits provided to employees under the Gratuity plan resulting in curtailment. The effect of curtailment amounted to ₹1.4 crore and was recognized in the statement of profit and loss for the year ended March 31, 2013.

Change in Plan Assets

in ₹

Particulars	As at March 31, 2013	March 31, 2012	March 31, 2011	March 31, 2010	March 31, 2009
Plan assets at beginning, at fair value	29,62,23,903	19,77,56,309	15,45,17,163	11,64,20,243	6,12,93,221
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	2,91,44,553	2,01,20,084	1,56,93,766	1,14,83,981	64,94,791
Actuarial gain/(loss)	12,45,400	13,85,922	(1,84,436)	3,04,464	18,39,632
Contributions	13,20,61,751	13,10,35,793	7,19,73,579	6,34,78,680	5,44,39,550
Benefits settled	(8,61,25,526)	(5,40,74,205)	(4,42,43,763)	(3,71,70,205)	(2,35,68,652)
Plan assets at end, at fair value	37,25,50,081	29,62,23,903	19,77,56,309	15,45,17,163	11,64,20,243

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

in ₹

Particulars	As at As at March 31, 2013	March 31, 2012	March 31, 2011	March 31, 2010	March 31, 2009
Fair value of plan assets at the year end	37,25,50,081	29,62,23,903	19,77,56,309	15,45,17,163	11,64,20,243
Present value of the defined benefit obligations at the year end	37,24,42,237	28,43,20,977	18,76,90,700	14,25,35,851	10,83,54,625
Asset/(Liability) recognized in the balance sheet	1,07,844	1,19,02,926	1,00,65,609	1,19,81,312	80,65,618

Gratuity cost for the year:

in ₹

Particulars	Year ended March 31, 2013	2012
Service cost	17,67,45,274	13,68,85,699
Interest cost	1,31,69,226	1,12,28,864
Expected return on plan assets	(2,91,44,553)	(2,01,20,084)
Actuarial (gain)/loss	(33,02,317)	12,03,997
Curtailment	(1,36,10,797)	-
Net gratuity cost	14,38,56,833	12,91,98,476
Actual return on plan assets	3,03,89,953	2,15,06,006

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

Assumptions

	As at				
	March 31, 2013	March 31, 2012	March 31, 2011	March 31, 2010	March 31, 2009
Interest rate	7.95%	8.57%	7.98%	7.82%	7.01%
Discount rate	7.95%	8.57%	7.98%	7.82%	7.01%
Estimated rate of return on plan assets	9.58%	9.45%	9.36%	9.00%	7.01%
Retirement age	60	60	60	60	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.

The company expects to contribute ₹ 14,00,00,000 to its defined benefit plan in 2013-14.

2.25 Provident Fund

The company contributed ₹28,08,33,717 towards Provident Fund during the year ended March 31, 2013 (₹ 30,98,51,749 during the year ended March 31, 2012)

2.26 Superannuation

The company contributed ₹ 8,72,914 to the Superannuation Trust during the year ended March 31, 2013 (₹ 8,40,793 during the year ended March 31, 2012)

2.27 Pension Fund

The company contributed ₹ 79,50,678 to pension funds during the year ended March 31, 2013 (₹ Nil during the year ended march 31, 2012).

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

Particulars	Year ended March 31, 2013	2012
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 non – current assets as at March 31, 2013 includes ₹ 37,92,68,992 (₹ 30,38,63,714 as at March 31, 2012, 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, 2013 and during the year ended March 31, 2012.

2.31 FUNCTION WISE CLASSIFICATION OF STATEMENT OF PROFIT AND LOSS ACCOUNT

in ₹

Profit and Loss account for the	Year ended March 31, 2013	2012
Income from business process management services	1831,33,77,884	1312,41,06,485
Cost of revenue	1095,52,18,266	682,49,16,637
GROSS PROFIT	735,81,59,618	629,91,89,848
Selling and marketing expenses	82,43,03,983	79,04,95,527
General and administration expenses	173,42,93,255	154,11,98,701
	255,85,97,238	233,16,94,228
OPERATING PROFIT BEFORE DEPRECIATION	479,95,62,380	396,74,95,620
Depreciation and amortization expense	65,01,37,609	49,69,17,227
OPERATING PROFIT	414,94,24,771	347,05,78,393
Other income, net	139,24,12,604	47,22,33,990
Provision for investments	-	-
PROFIT BEFORE TAX	554,18,37,375	394,28,12,383
Tax expense:		
Current tax	133,16,37,556	90,88,19,005
Deferred tax	(6,72,11,894)	(1,22,67,959)
PROFIT AFTER TAX	427,74,11,713	304,62,61,337

2.32 Schedule to the Cash Flow Statement

in ₹

Particulars		Year ended March 31, 2013	2012
2.32.1	Changes in loans and advances during the year		
	As per Balance Sheet	237,73,88,829	198,24,69,448
	Less: MAT credit entitlement	(37,44,28,217)	(54,51,97,934)
	Advance taxes separately considered	(34,61,04,318)	(22,39,78,480)
	Interest accrued but not yet due	(6,39,13,393)	(11,30,73,697)
	Capital advances	(11,67,577)	(63,73,026)
		159,17,75,324	109,38,46,311
	Less: Opening balance considered	(109,38,46,311)	(111,45,98,424)
		49,79,29,013	(2,07,52,113)
2.32.2	Changes in other assets during the year		
	As per Balance Sheet	37,93,76,836	31,57,66,640
	Less: Opening balance considered	(31,57,66,640)	(24,50,65,608)
		6,36,10,196	7,07,01,032
2.32.3	Changes in liabilities during the year		
	As per Balance Sheet	483,99,48,088	431,81,18,683
	Add: Reduction in contingent liability (refer note 2.3)	57,57,31,200	-
	Less: Retention money considered separately	(7,27,96,773)	(8,08,16,534)
	Less: Opening balance considered	(423,73,02,149)	(409,46,66,629)

Particulars		Year ended March 31, 2013	2012
		110,55,80,366	14,26,35,520
2.32.4	Changes in trade payables during the year		
	As per Balance Sheet	42,98,84,164	3,91,35,385
	Less: Trade payables capital considered separately	(33,63,019)	(10,23,790)
	Less: Opening balance considered	(3,81,11,595)	(2,86,32,227)
		38,84,09,550	94,79,368
2.32.5	Changes in provisions during the year		
	As per Balance Sheet	46,79,22,108	40,53,60,897
	Less : Provision for income taxes considered separately	(2,34,93,319)	(5,00,91,064)
	Less: Opening balance considered	(35,52,69,833)	(29,96,63,719)
		8,91,58,956	5,56,06,114
2.32.6	Current tax expenses		
	Movement in advance taxes	12,21,25,838	1,56,87,249
	Movement in provision for tax	118,74,65,584	79,30,67,626
		130,95,91,422	80,87,54,875
2.32.7	Purchase of fixed assets and changes in capital work in progress/advances		
	Additions as per Balance Sheet	51,02,15,611	121,88,68,113
	Less: Opening capital work-in-progress	(1,99,41,000)	(15,39,33,179)
	Add: Closing capital work-in-progress	1,21,54,846	1,99,41,000
	Less: Opening capital advances	(63,73,026)	(9,32,06,877)
	Add: Closing capital advances	11,67,577	63,73,026
	Add: Opening trade payables for Capital goods	10,23,790	-
	Less: Closing trade payables for capital goods	(33,63,019)	(10,23,790)
	Add: Opening retention monies	8,08,16,534	4,29,78,153
	Less: Closing retention monies	(7,27,96,773)	(8,08,16,534)
		50,29,04,540	95,91,79,912
2.32.8	Interest income received during the year		
	As per statement of profit and loss	60,96,16,770	60,12,07,528
	Add: Opening interest accrued but not yet due	11,30,73,697	5,93,60,642
	Less: Closing interest accrued but not yet due	(6,39,13,393)	(11,30,73,697)
		65,87,77,074	54,74,94,473
2.32.9	Investments in subsidiary during the year		
	As per Balance Sheet	579,22,30,869	562,77,50,869
	Less: Opening balance considered	(562,77,50,869)	(320,26,24,119)
		16,44,80,000	242,51,26,750
2.32.10	Loans to subsidiary during the year		
	As per Balance Sheet	-	-
	Less: Opening balance considered	-	-
	Loans given to Subsidiary	-	22,92,713
	Loans repaid by Subsidiary	-	22,92,713
2.32.11	Cash and cash equivalents at the end of the year		
	As per Balance Sheet		
	Cash on hand	87,691	90,589

Particulars		Year ended March 31, 2013	2012
	Balances with banks	708,15,48,386	555,81,46,362
	Deposit with financial institution/body corporate	80,00,00,000	10,00,00,000
		788,16,36,077	565,82,36,951

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

Natrajh Ramakrishna
Partner
Membership No. 32815

Bangalore
April 08, 2013

V. Balakrishnan
Chairman and Director

Gautam Thakkar
Managing Director and Chief Executive Officer

Prof. Jayanth R Varma
Director

Chandrashekar Kakal
Director

Dr. Omkar Goswami
Director

Abraham Mathews
Chief Financial Officer

A.G.S. Manikantha
Company Secretary

Infosys®

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
Financial period ended	March 31, 2013	March 31, 2013	March 31, 2013	March 31, 2013
Holding company interest	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				
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	(267,26,920)	48,71,03,239	(15,89,83,075)	(61,16,921)
Net aggregate profits/losses for previous financial years of the subsidiary so far as it concerns the members of the holding company				
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	25,28,80,083	76,50,21,657	(145,03,64,511)	16,20,51,703

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

Gautam Thakkar
Managing Director and Chief Executive Officer

Prof. Jayanth R.Varma
Director

Chandrashekar Kakal
Director

Dr. Omkar Goswami
Director

Abraham Mathews
Chief Financial Officer

A.G.S. Manikantha
Company Secretary

Bangalore
April 8, 2013

Statement pursuant to Section 212 of the Companies Act 1956

in ₹

Subsidiary	Infosys BPO S.R.O (2)	Infosys BPO (Poland) Sp.Z.O.O (2)	McCamish Systems LLC (2)	Portland Group PTY Ltd (2)	Portland Procurement Services PTY Ltd (2)
Exchange Rate as at March 31, 2013	1 CZK = ₹2.70	1 PLN = ₹16.64	1 USD = ₹54.29	1 AUD = ₹56.63	1 AUD = ₹56.63
Issued and Subscribed Share Capital	3,49,78,993	3,93,50,000	163,93,17,854	17,86,70,669	16,73,74,718
Reserves	26,74,06,176	170,14,35,291	(163,27,07,104)	12,20,87,412	25,06,03,554
Loans	-	-	22,19,13,415	-	-
Total assets	53,78,68,205	227,48,16,122	190,72,41,074	122,63,47,739	50,99,95,113
Total liabilities	53,78,68,205	227,48,16,122	190,72,41,074	122,63,47,739	50,99,95,113
Investments					
Long term	-	-	-	34,80,95,947	-
Current	-	-	-	-	-
Total	-	-	-	34,80,95,947	-
Turnover	87,44,59,115	264,79,66,368	261,40,37,396	171,86,94,184	9,56,94,918
Profit/(Loss) before taxation	(2,67,26,920)	61,07,70,449	(15,89,83,075)	(6,48,63,282)	2,08,50,667
Provision for taxation	-	12,36,67,210	-	(2,93,61,515)	(2,07,68,021)
Profit/(Loss) after Taxation	(2,67,26,920)	48,71,03,239	(15,89,83,075)	(3,55,01,767)	4,16,18,688
No of Employees	540	1,629	330	151	-

Notes:

1. The above details are as on March 31, 2013. 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

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

Gautam Thakkar
Managing Director and Chief Executive Officer

Prof. Jayanth R.Varma
Director

Chandrashekar Kakal
Director

Dr. Omkar Goswami
Director

Abraham Mathews
Chief Financial Officer

A.G.S. Manikantha
Company Secretary

Bangalore
April 8, 2013

Independent Auditor's Report

To the Board of Directors of Infosys BPO Limited

Report on the Consolidated 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, 2013, 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 Company in accordance with the Accounting Standards referred to in sub section (3C) of section 211 of the Companaies Act, 1956 ('the act"). 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, 2013;

(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: 032815

Bangalore
April 8, 2013

Consolidated Balance Sheet

in ₹

Consolidated Balance Sheet as at	Note	March 31, 2013	March 31, 2012
EQUITY AND LIABILITIES			
SHAREHOLDERS' FUNDS			
Share capital	2.1	33,82,77,510	33,82,77,510
Reserves and surplus	2.2	1933,16,72,767	1472,91,40,635
		1966,99,50,277	1506,74,18,145
NON-CURRENT LIABILITIES			
Other long-term liabilities	2.3	69,00,74,180	73,04,38,619
		69,00,74,180	73,04,38,619
CURRENT LIABILITIES			
Trade payables		43,99,92,474	11,02,45,282
Other current liabilities	2.4	667,18,49,557	427,55,72,973
Short-term provisions	2.5	80,72,83,503	60,38,51,841
		791,91,25,534	498,96,70,096
		2827,91,49,991	**2078,75,26,860**
ASSETS			
NON-CURRENT ASSETS			
Fixed assets			
Tangible assets	2.6	245,36,70,469	247,83,02,994
Intangible assets	2.6	495,18,18,424	485,42,17,720
Capital work-in-progress		3,25,27,917	1,99,41,000
		743,80,16,810	735,24,61,714
Deferred tax assets, net	2.8	34,57,15,127	24,87,62,742
Long-term loans and advances	2.9	98,27,27,983	85,24,52,491
Other non-current assets	2.10	37,93,76,836	31,57,66,640
		170,78,19,946	141,69,81,873
CURRENT ASSETS			
Current investments	2.7	151,36,00,973	20,05,06,473
Trade receivables	2.11	548,26,37,318	396,68,19,144
Cash and cash equivalents	2.12	906,37,47,219	639,89,05,158
Short-term loans and advances	2.13	307,33,27,725	145,18,52,498
		1913,33,13,235	1201,80,83,273
		2827,91,49,991	**2078,75,26,860**
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
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Director

Dr. Omkar Goswami
Director

Abraham Mathews
Chief Financial Officer

Bangalore
April 8, 2013

A.G.S. Manikantha
Company Secretary

Consolidated Statement of Profit and Loss

in ₹

Consolidated Statement of Profit and Loss for the	Note	Year ended March 31, 2013	2012
Revenues from business process management services		2572,39,50,309	1768,71,18,506
Other income	2.15	148,98,19,601	52,76,25,217
		2721,37,69,910	**1821,47,43,723**
Expenses			
Employee benefit expenses	2.16	1414,72,39,616	916,50,97,759
Cost of Technical sub-contractors	2.16	135,61,23,187	60,30,96,338
Travel expenses	2.16	121,24,50,870	73,08,20,050
Cost of software packages	2.16	42,40,25,584	25,30,80,867
Communication expenses	2.16	42,21,84,379	32,47,25,263
Professional charges	2.16	72,02,03,672	54,47,95,285
Office expenses	2.16	56,58,30,163	46,22,61,897
Power and fuel	2.16	27,79,37,262	22,80,58,704
Insurance charges	2.16	10,79,93,266	9,43,11,850
Rent	2.16	86,63,15,239	62,88,44,398
Depreciation expense	2.6	78,58,59,985	59,43,73,403
Other expenses	2.16	40,47,21,473	36,52,91,223
Total Expenses		**2129,08,84,696**	**1399,47,57,037**
PROFIT BEFORE TAX		**592,28,85,214**	**421,99,86,686**
Tax expense:	2.17		
Current tax		147,02,88,149	101,41,86,709
Deferred tax		(13,23,24,813)	(54,99,986)
		133,79,63,336	100,86,86,723
PROFIT FOR THE PERIOD		**458,49,21,878**	**321,12,99,963**
EARNINGS PER SHARE			
Equity shares of par value ₹10 each			
Basic		135.54	94.93
Diluted		135.54	94.93
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

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Director

Abraham Mathews
Chief Financial Officer

A.G.S. Manikantha
Company Secretary

Bangalore
April 8, 2013

Consolidated Cash Flow Statement

in ₹

Consolidated Cash Flow Statement	Note	Year ended March 31,	
		2013	2012
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		592,28,85,214	421,99,86,686
Adjustments to reconcile profit before tax to cash provided by operating activities			
Depreciation		78,58,59,985	59,43,73,403
Interest income		(63,07,88,809)	(60,57,84,185)
Dividend income		(6,79,42,191)	(3,13,13,961)
Non cash item included in other income (refer note 2.3)		(57,57,31,200)	-
Profit on sale of fixed assets		(10,67,447)	(19,82,876)
Effect of exchange differences on translation of foreign currency cash and cash equivalents		34,51,911	1,10,49,663
Changes in assets and liabilities			
Trade receivables		(151,58,18,174)	(85,38,14,381)
Loans and advances	2.30.1	(62,16,71,403)	(3,51,62,188)
Other assets	2.30.2	(6,36,10,196)	(5,59,17,939)
Liabilities	2.30.3	171,69,97,617	30,17,64,581
Trade Payables	2.30.4	32,01,05,383	4,36,10,910
Provisions	2.30.5	13,81,79,399	1,02,67,522
		541,08,50,089	359,70,77,235
Income tax paid during the year, net	2.30.6	(141,88,52,360)	(88,08,72,216)
NET CASH GENERATED BY OPERATING ACTIVITIES		**399,19,97,729**	**271,62,05,019**
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of fixed assets and change in capital work-in-progress/advances	2.30.7	(77,24,10,451)	(110,17,26,586)
Proceeds from sale of fixed assets		1,47,59,306	2,59,08,216
Interest received	2.30.8	67,91,25,987	55,17,95,104
Dividend received		6,79,42,191	3,13,13,961
Purchase of units in liquid mutual funds		(828,52,99,643)	(504,72,11,345)
Proceeds from sale of units in liquid mutual funds		697,22,05,143	505,26,39,631
Consideration for acquisition of businesses, net of cash acquired		(5,28,60,000)	(1,952,897,026)
NET CASH GENERATED/(USED) IN INVESTING ACTIVITIES		**(137,65,37,467)**	**(244,01,78,045)**
CASH FLOWS FROM FINANCING ACTIVITIES		-	-
NET CASH FLOWS FROM FINANCING ACTIVITIES		**-**	**-**
Effect of exchange differences on translation of foreign currency cash and cash equivalents		4,93,81,799	(5,22,82,956)
NET CHANGE IN CASH AND CASH EQUIVALENTS		266,48,42,061	22,37,44,018
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD		639,89,05,158	617,51,61,140
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD*	2.30.9	**906,37,47,219**	**639,89,05,158**

Cash and cash equivalents aggregating ₹ 906,37,47,219 (₹ 639,89,05,158 as at March 31, 2012) comprises cash on hand amounting to₹ 9,68,197 (₹ 19,55,829 as at March 31, 2012), balances with banks amounting to ₹ 826,27,79,022 (₹ 629,69,49,329 as at March 31, 2012) and deposits with financial institution/body corporate amounting to ₹ 80,00,00,000 (₹ 10,00,00,000 as at March 31, 2012).

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
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Chief Financial Officer

Bangalore
April 8, 2013

A.G.S. Manikantha
Company Secretary

Schedules to the Consolidated financial statements for the year ended March 31, 2013

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 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.

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 unearned 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 statement of profit and loss.

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 recognized 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 recognized as an expense on a straight line basis in the statement of profit and loss 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 up to 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 amortization 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 amortized over the lease period. Intangible assets are amortized 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
Vehicles	Five years

1.7 Retirement Benefits to employees

1.7 a. 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 recognized in the statement of profit and loss in the period in which they arise.

1.7 b 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.

1.8 c 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.

1.9 d 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 recognized in the period in which the absences occur.

1.10Foreign 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.

Non-monetary assets & non-monetary liabilities denominated in a foreign currency and measured at fair value are translated at the exchange rate prevalent at the date when the fair value was determined.

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.

1.11Forward 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 recognized in the profit and loss account at each reporting date.

1.12Income 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 recognized 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 realized. 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. Deferred tax assets and deferred tax liabilities have been offset wherever the company has a legally enforceable right to set off current tax assets against current tax liabilities and where the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority.

1.13Provisions and Contingent Liability

The Group recognizes 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 recognized 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. The provision is measured at the lower of the expected cost of terminating the contract & the expected cost of fulfilling the contract.

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 recognized 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.

2.1 SHARE CAPITAL

Particulars	As at	(in ₹)
	March 31, 2013	March 31, 2012
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, 2013	March 31, 2012
Number of share outstanding at the beginning of the period	3,38,27,751	3,38,27,751
Add: Shares issued during the period	-	-
Number of shares outstanding at the end of the period	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		Percentage of total shares as at	
	March 31, 2013	March 31, 2012	March 31, 2013	March 31, 2012
Infosys Limited	3,38,22,319	3,38,22,319	99.98%	99.98%

There has been no buy – back of shares, issuance of bonus shares or shares issued for consideration other than cash during the last 5 years.

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, 2013, nil (March 31, 2012: 4,76,250) 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, 2013	
	Shares arising out of options	Weighted average exercise prices (in ₹)
Outstanding at the beginning of the period	4,76,250	483.73
Granted during the period	-	-
Forfeitures during the period	4,76,250	483.73
Exercised during the period	-	-
Outstanding at the end of the period	-	-
Exercisable at the end of the period	-	-

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

The following table summarizes information about stock options as at March 31, 2013 and March 31, 2012

Range of exercise prices (in)	Stock options outstanding at the end of the period		Weighted average remaining contractual life	
	March 31, 2013	March 31, 2012	March 31, 2013	March 31, 2012
33.12-58.33	-	-	-	-
58.34-77.89	-	-	-	-
77.90-99.20	-	-	-	-
99.21-162.23	-	-	-	-
162.24-195.00	-	-	-	-
195.01-214.00	-	-	-	-
214.01-230.00	-	1,05,000	-	(0.58)
230.01-310.00	-	61,250	-	0.26
310.01-604.00	-	3,10,000	-	0.71
TOTAL	-	4,76,250	-	0.36

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, 2013	
	Shares arising out of options	Weighted average exercise prices (in ₹)
Outstanding at the beginning of the period	11,684	2,120.95
Granted during the period	-	-
Forfeitures during the period	5,518	2,120.95
Exercised during the period	6,166	2,120.95
Outstanding at the end of the period	-	-
Exercisable at the end of the period	-	-

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

The following table summarizes information about stock options as at March 31, 2013 and March 31, 2012

	Stock options outstanding at the end of the period		Weighted average remaining contractual life	
Range of exercise prices (in ₹)	March 31, 2013	March 31, 2012	March 31, 2013	March 31, 2012
0- 2120.95	-	11,684	-	0.30
TOTAL	-	11,684	-	0.30

2.2 RESERVES AND SURPLUS

in ₹

Particulars	As at	
	March 31, 2013	March 31, 2012
Securities premium reserve - Opening balance	25,48,97,789	25,48,97,789
Add: Transferred from Surplus	-	-
Securities premium reserve - Closing balance	25,48,97,789	25,48,97,789
Capital redemption reserve - Opening balance	1,13,94,690	1,13,94,690
Add: Transferred from Surplus	-	-
Capital redemption reserve - Closing balance	1,13,94,690	1,13,94,690
Foreign exchange translation reserve	13,85,46,641	12,09,36,387

Particulars	As at	
General reserve - Opening balance	1000,00,00,000	1000,00,00,000
Add: Transferred from Surplus	-	-
General reserve - closing balance	1000,00,00,000	1000,00,00,000
Balance in statement of profit and loss - Opening balance	434,19,11,769	113,06,11,806
Add: Net profit after tax transferred from statement of profit and loss	458,49,21,878	321,12,99,963
Less: Amount transferred to general reserve	-	-
Balance in statement of profit and loss - Closing balance	892,68,33,647	434,19,11,769
TOTAL	**1933,16,72,767**	**1472,91,40,635**

2.3 OTHER LONG TERM LIABILITIES

in ₹

Particulars	**As at**	
	March 31, 2013	**March 31, 2012**
Accrued salaries and benefits		
Bonus and incentives	25,00,87,180	7,56,02,237
Provision for expenses	-	4,57,92,000
Contingent consideration payable*	23,07,32,500	57,97,89,882
Earning money deposit received**	20,92,54,500	2,92,54,500
TOTAL	**69,00,74,180**	**73,04,38,619**

*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. The Company has reassessed the contingent consideration payable during the current period, after receiving the revised revenue and net margin projections from McCamish. McCamish has not been able to meet the targets till date for this payment, and as per the revised projections received, it is still not expected to meet the critical future targets, inspite of their acquisition of a business process outsourcing division from the Marsh Inc. Group in the USA. Accordingly, the Company has reduced the liability payable by ₹57,57,31,200 with a credit to other income, since it is not considered payable. The liability for contingent consideration payable as at the balance sheet date represents the expected payment to be made by the Company only for the extended payout period. **Includes dues to subsidiaries & other group companies (refer to note 2.20)

2.4 OTHER CURRENT LIABILITIES

in ₹

Particulars	As at	
	March 31, 2013	March 31, 2012
Accrued salaries and benefits		
Salaries	59,52,89,284	39,53,91,593
Bonus and incentives	124,30,72,322	104,18,30,674
Other liabilities		
Provision for expenses*	296,60,94,883	218,39,32,257
Retention monies	7,27,96,773	8,08,16,534
Withholding and other taxes	20,68,45,494	5,64,07,642
Other Payables*	15,87,83,690	9,75,73,253
Mark to market loss on forward exchange contract	-	13,41,11,271
Advances received from customers	3,03,54,517	1,52,14,893

Particulars	As at	
Unearned revenue*	17,45,17,105	10,77,45,538
Contingent consideration payable	-	16,25,49,318
Liability for deferred consideration**	5,42,90,000	-
Due to carrier/insurance provider***	116,98,05,489	-
TOTAL	667,18,49,557	427,55,72,973

*Includes dues to subsidiaries and other group companies (refer to note 2.20)

**On September 1, 2012, McCamish Systems LLC acquired assets from the BPO arm of Marsh USA Inc (Seabury and Smith Inc.), a business process solutions provider based in Urbandale, in Iowa, in the United States. The acquisition was concluded by entering into Asset Purchase Agreeement for a cash consideration of ₹ 5.29 crore (1 million USD) and a deferred consideration of ₹ 5.29 crore (1 million USD). The acquisition was completed during the quarter and accounted as a business combination which resulted in goodwill of ₹ 9.76 crore (1.80 million USD).

***These amounts represents premiums collected from policy holders and payable to insurance providers by a service provider maintaining the amounts in fiduciary capacity.

2.5 SHORT TERM PROVISIONS

in ₹

Particulars	As at	
	March 31, 2013	**March 31, 2012**
Provision for employee benefits		
Unavailed leave	49,84,12,467	39,04,28,312
Others		
Provision for		
Income taxes	19,03,69,076	12,51,16,813
SLA compliance	11,85,01,960	8,83,06,716
TOTAL	**80,72,83,503**	**60,38,51,841**

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 liabilities and contingent assets) the movement in provision for service level agreement is given below:

in ₹

Particulars	**As at**	
	March 31, 2013	**March 31, 2012**
Balance at the beginning of the period	8,83,06,716	7,65,68,412
Additional provision made during the period	9,63,35,038	10,68,40,452
Provisions used during the period	27,02,693	2,20,96,984
Unused amount reversed during the period	6,34,37,101	7,30,05,163
Balance at the end of the period	**11,85,01,960**	**8,83,06,716**

2.6 FIXED ASSETS

in ₹

Particulars	Original cost				Depreciation and amortization				Net book value	
	Cost as at April 01, 2012	Additions During the year	Deletions During the year	Cost as at March 31, 2013	As at April 01, 2012	Charge for the year	Deletions During the year	As at March 31, 2013	As at March 31, 2013	As at March 31, 2012
Tangible assets										
Land – Leasehold	11,55,00,000	-	-	11,55,00,000	40,75,239	11,93,790	-	52,69,029	11,02,30,971	11,14,24,761
Buildings	139,28,09,316	7,07,20,199	81,98,063	145,53,31,452	19,91,71,769	9,74,40,146	5,44,438	29,60,67,477	115,92,63,975	119,36,37,547
Leasehold improvements	49,88,44,100	20,30,43,914	39,936	70,18,48,078	34,20,03,656	7,19,84,478	4,41,768	41,35,46,366	28,83,01,712	15,68,40,444
Office equipment	122,07,88,061	6,15,53,584	7,63,335	128,15,78,310	80,41,43,680	18,24,96,740	1,27,693	98,65,12,727	29,50,65,583	41,66,44,381
Plant and Machinery	17,95,57,403	4,02,46,677	-	21,98,04,080	94,50,126	4,96,26,662	-	5,90,76,788	16,07,27,292	17,01,07,277
Computer Equipment	153,06,79,023	33,12,82,734	3,93,84,248	182,25,77,509	124,19,34,107	30,86,37,531	3,39,29,163	151,66,42,475	30,59,35,034	28,87,44,916
Furniture and Fixtures	56,16,53,611	6,80,69,033	17,94,444	62,79,28,200	42,07,49,943	7,44,74,033	14,41,678	49,37,82,298	13,41,45,902	14,09,03,668
Vehicles	3,49,274	3,178	-	3,52,452	3,49,274	6,605	3,427	3,52,452	-	-
	550,01,80,788	77,49,19,319	5,01,80,026	622,49,20,081	302,18,77,794	78,58,59,985	3,64,88,167	377,12,49,612	245,36,70,469	247,83,02,994
Intangible assets :										
Goodwill	485,42,17,720	9,76,00,704	-	495,18,18,424	-	-	-	-	495,18,18,424	485,42,17,720
	485,42,17,720	9,76,00,704	-	495,18,18,424	-	-	-	-	495,18,18,424	485,42,17,720
Total	**1035,43,98,508**	**87,25,20,023**	**5,01,80,026**	**1117,67,38,505**	**302,18,77,794**	**78,58,59,985**	**3,64,88,167**	**377,12,49,612**	**740,54,88,893**	**733,25,20,714**
Previous year	730,50,44,477	314,50,92,444	9,57,38,413	1035,43,98,508	249,93,17,464	59,43,73,403	7,18,13,073	302,18,77,794	733,25,20,714	

2.7 INVESTMENTS

in ₹

Particulars	As at	
	March 31, 2013	March 31, 2012
Current investments – at the lower of cost And fair value		
Investment in mutual funds, non-trade (unquoted)		
Investment in liquid mutual fund units	151,36,00,973	20,05,06,473
Total	**151,36,00,973**	**20,05,06,473**
Aggregate amount of unquoted investments	**151,36,00,973**	**20,05,06,473**

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 and accounted as a business combination which resulted in goodwill of ₹ 167,58,14,255(AUD 24 million)

Details of investment in liquid mutual funds as at March 31, 2013 and March 31, 2012 is as follows:

Particulars	No. of units as at		Amount (in ₹)	
	March 31, 2013	March 31, 2012	March 31, 2013	March 31, 2012
Birla Sun Life AMC Ltd – Liquid Plus	2,27,946	-	2,28,59,227	-
ICICI prudencial -P liquid plus	46,77,205	-	46,81,63,489	-
TATA Asset Management Ltd- Liquid Plus	1,83,682	-	20,47,16,827	-
Reliance Mutual Fund – Liquid Plus	3,34,060	-	33,42,30,589	-

Particulars	No. of units as at		Amount (in ₹)	
Kotak Mutual Fund- Liquid Plus	1,88,131	-	23,00,49,035	-
Religare Mutual Fund- Liquid Plus	2,53,382	-	25,35,81,806	-
Templeton Mutual Fund- Liquid Plus	-	2,00,372	-	20,05,06,473
TOTAL	**58,64,406**	**2,00,372**	**151,36,00,973**	**20,05,06,473**

2.8 DEFERRED TAX ASSETS

in ₹

Particulars	As at	
	March 31, 2013	**March 31, 2012**
Deferred tax assets		
Fixed assets	19,07,64,310	17,26,33,910
Unavailed leave	10,16,37,436	6,23,73,943
Trade receivables	52,55,483	54,45,683
Others	4,80,57,898	83,09,206
TOTAL	**34,57,15,127**	**24,87,62,742**

2.9 LONG TERM LOANS AND ADVANCES

in ₹

	As at	
	March 31, 2013	**March 31, 2012**
Unsecured considered good		
Capital advances	11,67,577	63,73,026
Other loans and advances		
Prepaid expenses	1,80,80,648	-
Rental deposits*	34,68,72,435	19,09,96,936
Electricity and other deposits	2,32,58,810	72,99,220
MAT credit entitlement	14,88,40,547	38,78,61,534
Advance income tax	44,45,07,966	25,99,21,775
TOTAL	**98,27,27,983**	**85,24,52,491**

*Includes deposits from holding company (refer to note 2.20)

2.10 OTHER NON CURRENT ASSETS

in ₹

	As at	
	March 31, 2013	**March 31, 2012**
Others		
Restricted deposits (refer note 2.27)	37,92,68,992	30,38,63,714
Advance to gratuity trust (refer note 2.22)	1,07,844	1,19,02,926
TOTAL	**37,93,76,836**	**31,57,66,640**

2.11 TRADE RECEIVABLES

in ₹

Particulars	As at March 31, 2013	March 31, 2012
Debt outstanding for a period exceeding six months		
Unsecured	-	-
Considered doubtful	1,15,59,527	1,55,94,572
Other debts	-	-
Unsecured	-	-
Considered good	548,26,37,318	396,68,19,144
Considered doubtful	51,56,654	1,05,29,003
	549,93,53,499	399,29,42,719
Less: Provision for doubtful debts	1,67,16,181	2,61,23,575
TOTAL	**548,26,37,318**	**396,68,19,144**

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 from the invoice date, 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, 2013	March 31, 2012
Cash on hand	9,68,197	19,55,829
Balances with bank		
In current and deposit account	826,27,79,022	629,69,49,329
Others Deposit with body corporate/financial institutions	80,00,00,000	10,00,00,000
TOTAL	906,37,47,219	639,89,05,158

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 balances with banks as at March 31, 2013 and March 31, 2012 are as follows:

in ₹

Particulars	As at	
	March 31, 2013	March 31, 2012
In current accounts		
Bank of America, California, USA	14,16,28,165	5,89,35,213
Bank of America, California, USA	12,31,82,761	3,06,12,156
Bank of America-Trust Fund, California, USA	5,42,900	5,08,800
Bank of New Zealand, NZ	54,705	12,46,75,113
Citi Bank, Costa Rica	1,18,73,754	-
Citi Bank, South Africa	19,29,644	-
Citibank N.A., Czech Republic	1,91,72,981	91,32,286
Citibank N.A., Czech Republic (Euro account)	6,44,992	4,17,61,711

Particulars	As at	
Citibank N.A., Czech Republic (Subsidy account)	7,673	7,892
Citibank N.A., Czech Republic (U.S. dollar account)	37,38,088	77,80,614
Citibank, Australia	10,06,34,625	-
Citibank, India	5,26,484	3,96,652
Commonwealth Bank of Australia, Australia	41,453	3,58,37,530
Deustche Bank- EEFC (Euro account)	69,734	36,26,701
Deustche Bank- EEFC (U.S. Dollar account)	30,97,696	73,57,516
Deustche Bank- EEFC (UK Pound Sterling account)	-	20,40,654
Deustche Bank, India	25,91,464	1,33,01,562
Deutsche Bank, Czech Republic	2,87,51,231	1,09,47,575
Deutsche Bank, Czech Republic (Euro account)	5,25,91,721	1,19,93,011
Deutsche Bank, Czech Republic (U.S. dollar account)	2,30,74,775	2,06,17,440
Deutsche Bank, Netherland	1,09,57,203	-
Deutsche Bank, Philippines	3,70,71,799	3,03,81,792
Deutsche Bank, Poland	12,34,45,754	1,21,79,481
Deutsche Bank, Poland (Euro account)	1,61,12,495	61,06,379
Deutsche Bank, Poland (ES Fund)	10,40,300	11,99,054
Deutsche Bank, UK	18,86,424	59,22,492
Deutsche Bank,Transze (EU Sub)	1,02,06,127	15,27,370
ICICI Bank- EEFC (Euro account)	1,86,17,005	35,35,092
ICICI Bank- EEFC (U.S. Dollar account)	4,40,81,260	17,64,39,122
ICICI Bank- EEFC (UK Pound Sterling account)	5,75,11,901	1,46,74,222
ICICI Bank, India	2,11,77,080	1,90,77,185
ICICI Bank, London, UK	-	1,72,30,789
PNC Bank, New Jersey, USA	2,71,450	2,54,400
Royal Bank of Canada, Ontario, Canada	27,96,567	44,52,200
State Bank of India, India	2,66,306	2,43,370
TOTAL	**85,95,96,517**	**67,27,55,374**
In deposit accounts Axis Bank	60,00,00,000	60,00,00,000
Australia and New Zealand Banking Group, Australia	5,66,30,000	-
Canara Bank	80,00,00,000	80,00,00,000
Central Bank of India	-	52,00,00,000
Corporation Bank	80,00,00,000	-
Deutsche Bank, Poland	54,91,20,000	40,93,34,568
ICICI Bank	98,00,00,000	50,00,00,000
IDBI Bank	-	30,00,00,000
Kotak Mahindra Bank	80,00,00,000	80,00,00,000
National Australia Bank, Australia	7,25,09,505	1,48,36,387
Oriental Bank of Commerce	74,00,00,000	14,00,00,000
Punjab National Bank	-	28,50,00,000
South Indian Bank	40,50,00,000	35,50,00,000
State Bank of Hyderabad	-	80,00,00,000
State Bank of India	23,000	23,000

Particulars	As at	
Union Bank	80,00,00,000	-
Vijaya Bank	79,99,00,000	-
Yes Bank	-	10,00,00,000
TOTAL	**740,31,82,505**	**562,41,93,955**
Other deposits with body corporates/financial institutions HDFC Limited	80,00,00,000	10,00,00,000
TOTAL	**906,27,79,022**	**639,69,49,329**

2.13 SHORT TERM LOANS AND ADVANCES

in ₹

Particulars	As at	
	March 31, 2013	**March 31, 2012**
Unsecured, considered good		
Others		
Prepaid expenses	7,98,94,762	6,26,74,045
Advances for goods and services	12,98,75,681	15,02,36,370
Withholding and other taxes receivable	34,50,28,711	19,10,03,175
	55,47,99,154	40,39,13,590
Unbilled revenue*	35,76,52,511	32,66,23,572
Interest accrued but not due	6,51,30,811	11,34,67,989
Loans and advances to employees	29,14,24,501	22,79,97,551
Rental deposits	15,78,71,519	11,25,31,731
Electricity and other deposits	2,43,12,441	1,49,49,321
Mark to market gain on forward contract	12,83,10,499	-
Due from service provider**	116,98,05,469	-
MAT credit entitlement	22,55,87,670	15,73,36,400
Loans and advances to group companies*	9,84,33,150	9,50,32,344
TOTAL	307,33,27,725	145,18,52,498
Unsecured, considered doubtful		
Loans and advances to employees	65,98,881	26,93,311
	307,99,26,606	145,45,45,809
Less: Provision for doubtful loans and advances	65,98,881	26,93,311
TOTAL	**307,33,27,725**	**145,18,52,498**

*Includes dues from subsidiaries & other group companies (refer to note 2.20)
**These amounts represents premiums collected from policy holders and payable to insurance providers by a service provider maintaining the amounts in fiduciary capacity

2.14 OTHER INCOME

in ₹

Particulars	Year ended March 31,	
	2013	2012
Interest received on deposits with bank and others	63,07,88,809	60,57,84,185
Dividend received on investment in mutual fund units	6,79,42,191	3,13,13,961
Miscellaneous income, net (refer note 2.3)	76,07,12,136	7,54,94,638
Gains/(losses) on foreign currency, net	3,03,76,465	(18,49,67,567)
TOTAL	148,98,19,601	52,76,25,217

2.15 EXPENSES

in ₹

Particulars	Year ended March 31,	
	2013	**2012**
Employee benefit expenses		
Salaries and bonus including overseas staff expenses	1320,68,87,866	852,34,86,600
Staff welfare	16,82,99,871	10,62,08,995
Contribution to provident and other funds	77,20,51,879	53,54,02,164
	1414,72,39,616	**916,50,97,759**
Cost of technical sub-contractors		
Consultancy charges	135,61,23,187	60,30,96,338
	135,61,23,187	**60,30,96,338**
	2013	**2012**
Travel expenses		
Overseas travel expenses	93,93,55,998	46,67,24,047
Traveling expenses	27,30,94,872	26,40,96,003
	121,24,50,870	**73,08,20,050**
Cost of software packages		
Cost of software for own use	42,40,25,584	25,30,80,867
	42,40,25,584	**25,30,80,867**
Communication expenses		
Communication expenses	42,21,84,379	32,47,25,263
	42,21,84,379	**32,47,25,263**
Professional charges		
Legal and professional	39,46,67,151	33,45,18,351
Recruitment and training	32,23,86,521	20,76,36,934
Auditor's remuneration		
Statutory audit fees	31,50,000	26,40,000
	72,02,03,672	**54,47,95,285**
Office expenses		
Computer maintenance	10,27,56,024	9,59,56,650
Printing and stationery	2,50,61,163	2,27,10,103
Office maintenance	43,80,12,976	34,35,95,144
	56,58,30,163	**46,22,61,897**
Power and fuel	27,79,37,262	22,80,58,704
	27,79,37,262	**22,80,58,704**
Insurance charges		
Insurance charges	10,79,93,266	9,43,11,850
	10,79,93,266	**9,43,11,850**
Rent		
Rent (refer note 2.17)	86,63,15,239	62,88,44,398
	86,63,15,239	**62,88,44,398**
Other expenses		
Consumables	6,59,55,065	2,49,57,785
Brand building and advertisement	7,66,29,199	6,73,61,555

Particulars	Year ended March 31,	
Marketing expenses	2,69,70,533	2,00,64,026
Rates and taxes	8,13,44,715	10,54,77,009
Donations	8,55,965	8,05,642
Bank charges and commission	97,32,647	68,92,276
Postage and courier	6,36,82,197	3,41,06,689
Provision for doubtful debts	(95,48,573)	1,33,30,524
Provision for doubtful loans and advances	44,26,541	1,48,01,572
Professional membership and seminar participation fees	1,02,40,467	55,13,312
`Other miscellaneous expenses	7,44,32,717	7,19,80,833
TOTAL	**40,47,21,473**	**36,52,91,223**

2.16 TAX EXPENSE

in ₹

Particulars	Year ended March 31,	
	2013	**2012**
Current tax		
Income taxes	129,95,18,432	92,88,61,102
MAT credit utilized	17,07,69,717	8,53,25,607
Deferred taxes	(13,23,24,813)	(54,99,986)
TOTAL	**133,79,63,336**	**100,86,86,723**

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 were 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 IncomeTax Act and utilized the brought forward MAT Credit. During the year ended 31 March 2013, the Company has provided ₹ 0.52crores as additional income tax provision and ₹ 4.45 crores as additional MAT credit entitlement for earlier years (during the year ended 31 March 2012, the Company has provided ₹ 1.38 crores as additional provision for tax and ₹ 7.84 crores as additional MAT credit entitlement for earlier years).

2.17 LEASES

Obligations on long term non cancellable operating leases

The lease rentals charged during the period 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, 2013	**March 31, 2012**
Lease rentals charged during the period	86,63,15,239	62,88,44,398
	As at March 31, 2013	**As at March 31, 2012**
Lease obligations		
Within one year of the balance sheet date	49,45,40,156	14,15,50,663
Due in a period between one year and five years	108,50,61,359	4,55,43,435
Later than five years	43,38,64,686	-

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.

2.18 Contingent Liabilities and Commitments (to the extent not provided for)

in ₹

	As at	
Particulars	**March 31, 2013**	**March 31, 2012**
Contingent: Estimated amount of unexecuted capital contracts (net of advance and deposits)	13,52,63,130	23,04,02,056
Claims against the Company not acknowledged as debts	12,75,55,625	5,32,28,478
Commitments: Sell: Forward contracts outstanding		
USD/INR	32,000,000	46,000,000
Equivalent approximate in ₹)	(173,72,80,000)	(234,04,80,000)
GBP/USD	-	2,000,000
(Equivalent approximate in ₹)	-	(16,29,20,000)
EUR/PLN	12,000,000	18,000,000
(Equivalent approximate in ₹)	(83,40,00,000)	(122,16,60,000)
USD/PLN	1,668,750	1,000,000
(Equivalent approximate in ₹)	(9,05,96,438)	(5,08,80,000)
USD/CZK	3,000,000	4,000,000
(Equivalent approximate in ₹)	(16,28,70,000)	(20,35,20,000)
GBP/INR	10,250,000	-
(Equivalent approximate in ₹)	(84,28,57,500)	-
EUR/USD	500,000	-
(Equivalent approximate in ₹)	(3,47,50,000)	-
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, 2012).

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, 2013	**March 31, 2012**
Not later than one month	43,80,42,139	44,10,85,000
Later than one month and not later than three months	87,88,14,299	135,22,32,470
Later than three months and not later than one year	238,54,97,500	223,90,80,000
	370,23,53,938	403,23,97,470

The Company recognized a gain on derivative financial instruments of ₹ 8,50,65,041 and loss on derivative financial instruments of ₹ 34,81,26,945 during the year ended March 31, 2013 and March 31, 2012, respectively, which is included in other income.

2.19 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.

2.20 Related Party Transactions

List of related parties:

Name of the related party		Holding as at	
		March 31, 2013	March 31, 2012
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%	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 Brasil")*	Brazil		
Infosys Public Services, Inc.*	U.S.A		
Infosys Consulting India Limited#	India		

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

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### Gautam Thakkar####	Managing Director and Chief Executive Officer 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# Dr. Omkar Goswami##	Director 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 1, 2011
**** Retired as Director effective August 13, 2012
Appointed as Director effective August 13, 2012
Retired as Managing Director and Chief Executive Officer effective March 31, 2013

Appointed as Managing Director and Chief Executive Officer effective April 1, 2013

The details of the related party transactions entered into by the Company, year ended March 31, 2013 and March 31, 2012 are as follows:

Particulars	Year ended March 31, 2013	2012
Revenue transactions:		
Purchase of services		
Infosys Limited	58,18,84,193	33,92,62,839
Infosys Consulting Inc	-	4,74,71,866
Infosys Mexico	-	50,72,204
	58,18,84,193	39,18,06,909
Purchase of shared services including facilities and personnel		
Infosys Limited	38,91,45,852	34,72,44,711
Infosys Australia	-	27,08,246
Infosys Mexico	-	2,92,196
Infosys China	-	16,03,855
Infosys Brasil	-	11,97,138
	38,91,45,852	35,30,46,146
Sale of services		
Infosys Limited	135,08,57,282	26,92,87,190
	135,08,57,282	26,92,87,190
Sale of shared services including facilities and personnel		
Infosys Limited	71,55,20,998	68,40,53,115
Infosys Australia	-	46,79,910
Infosys Mexico	-	4,27,349
Infosys China	-	16,22,360
Infosys Brasil	-	19,36,548
Infosys Consulting India Limited	-	37,82,590
TOTAL	**71,55,20,998**	**69,65,01,872**

- 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.
- Effective April 1, 2012, pursuant to the changes in the Finance Act 2012 the arrangements with Infosys Limited have been amended, consequent to which current period numbers are not comparable to those of the previous period.

Details of amounts due to or due from related parties as at March 31, 2013 and March 31, 2012. in ₹

Particulars	As at, March 31, 2013	March 31, 2012
Trade receivables		
Infosys Limited	72,26,20,758	2,37,63,020
Other receivables		
Infosys Limited	9,84,33,150	8,33,76,783

Infosys Australia	-	94,678
	9,84,33,150	8,34,71,461
Unbilled revenues		
Infosys Limited	1,25,49,253	-
Trade payables		
Infosys Limited	40,01,52,891	11,07,92,044
Other payables		
Infosys Limited	6,09,77,162	1,29,73,714
Deposit given for shared services		
Infosys Limited	26,89,00,000	6,89,00,000
Deposit received for shared services		
Infosys Limited	20,92,54,500	2,92,54,500

Particulars of remuneration and other benefits paid to Managing Director during the year ended March 31, 2013 and March 31, 2012, are given below: in ₹

Particulars	**Year ended March 31,**	
	2013	**2012**
Salary and other allowances	70,33,562	1,62,24,612
Contribution to provident and other funds	2,61,144	2,55,379
Performance incentives	89,56,132	93,65,622
TOTAL	1,62,50,838	2,58,45,613

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, 2013 and 2012 are given below in ₹

	Year ended March 31,	
	2013	**2012**
Sitting fees	1,20,000	1,20,000
Commission	24,00,000	24,00,000
TOTAL	25,20,000	25,20,000

2.21 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, 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 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 liabilities are made.

Geographical segments are segregated based on the location of the customers, or in relation to which the revenue is otherwiserecognized. 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.Certain expenses such as depreciation, which form a significant component of total expenses, are not specifically allocable to specific segments as the underlying assets are used interchangeably. Management believes that it is not practical to provide segment disclosures relating to those costs and expenses, and accordingly these expenses are separately disclosed as "unallocated" and adjusted against the total income of the Company.Fixed assets used in the Company's business or liabilities contracted have not identified to any of the reportable segments, as the fixed assets and services are used interchangeably between segments. Accordingly, no disclosure relating to total segment assets and liabilities are made. Geographical information on revenue and industry revenue information is collated based on individual customers invoiced or in relation to which the revenue is otherwise recognized.

Industry segments

Year ended March 31, 2013 and March 31, 2012

in ₹

Particulars	FSI	MFG	RCL	ECS	Total
Revenues from business process management services	**723,15,78,669**	**859,23,97,531**	**311,54,83,470**	**678,44,90,639**	**2572,39,50,309**
	527,78,97,504	613,26,96,036	148,59,02,263	479,06,22,703	1768,71,18,506
Identifiable expenses	**251,66,17,065**	**330,25,29,941**	**153,02,30,211**	**306,97,68,907**	**1041,91,46,124**
	160,96,61,067	202,05,12,446	60,49,67,260	155,07,16,827	578,58,57,600
Allocated expenses	**341,26,10,920**	**308,01,21,874**	**113,90,02,498**	**245,41,43,295**	**1008,58,78,587**
	267,47,43,339	243,99,34,580	58,64,44,209	191,34,03,907	761,45,26,034
Segmental operating profit	**130,23,50,684**	**220,97,45,716**	**44,62,50,761**	**126,05,78,437**	**521,89,25,598**
	99,34,93,098	167,22,49,010	29,44,90,794	132,65,01,969	428,67,34,872
Unallocable expenses					**78,58,59,985**
					59,43,73,403
Other income					**148,98,19,601**
					52,76,25,217
Profit before tax					**592,28,85,214**
					421,99,86,686
Tax expense					**133,79,63,336**
					100,86,86,723
Profit for the period					**458,49,21,878**
TOTAL					321,12,99,963

Geographical segments

Year ended March 31, 2013 and March 31, 2012

in ₹

Particulars	United States of America	Europe	Others	Total
Revenues from business process management services	**1193,00,78,514**	**856,72,84,816**	**522,65,86,979**	**2572,39,50,309**
	886,89,45,257	696,50,89,898	185,30,83,351	1768,71,18,506
Identifiable expenses	**404,53,59,488**	**341,79,94,417**	**295,57,92,219**	**1041,91,46,124**
	264,27,78,255	241,72,61,236	72,58,18,109	578,58,57,600
Allocated expenses	**508,76,58,257**	**305,17,88,599**	**194,64,31,731**	**1008,58,78,587**
	419,23,53,218	275,89,87,359	66,31,85,458	761,45,26,034
Segmental operating profit	**279,70,60,769**	**209,75,01,800**	**32,43,63,029**	**521,89,25,598**
	203,38,13,784	178,88,41,303	46,40,79,784	428,67,34,872
Unallocable expenses				**78,58,59,985**
				59,43,73,403
Other income				**148,98,19,601**
				52,76,25,217
Profit before tax				**592,28,85,214**

Particulars	United States of America	Europe	Others	Total
				421,99,86,686
Tax expense				**133,79,63,336**
				100,86,86,723
Profit for the period				**458,49,21,878**
TOTAL				321,12,99,963

2.22 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, 2013	**March 31, 2012**	**March 31, 2011**	**March 31, 2010**	**March 31, 2009**
Obligations at the beginning	28,43,20,977	18,76,90,700	14,25,35,851	10,83,54,625	5,97,96,919
Liability as on April 1, 2008 assumed on the amalgamation of PAN Financial Shared Services India Private Limited	-	-	-	-	1,31,80,050
Service cost	17,67,45,274	13,68,85,699	6,51,09,966	6,73,44,267	4,07,80,299
Interest cost	1,31,69,226	1,12,28,864	74,96,831	46,65,510	42,52,594
Benefits settled	(8,61,25,526)	(5,40,74,205)	(4,42,43,763)	(3,71,70,205)	(2,35,68,652)
Curtailment*	(1,36,10,797)	-	-	-	-
Actuarial (gain)/loss	(20,56,917)	25,89,919	1,67,91,815	(6,58,346)	1,39,13,415
Obligations at the end	37,24,42,237	28,43,20,977	18,76,90,700	14,25,35,851	10,83,54,625

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

* Effective April 1,2012 the Company reduced the benefits provided to employees under the Gratuity plan resulting in curtailment. The effect of curtailment amounted to ₹1.4 crore and was recognized in the statement of profit and loss account for the Year ended March 31, 2013.

Change in plan assets:

in ₹

	As at				
	March 31, 2013	**March 31, 2012**	**March 31, 2011**	**March 31, 2010**	**March 31, 2009**
Plan assets at beginning, at fair value	29,62,23,903	19,77,56,309	15,45,17,163	11,64,20,243	6,12,93,221
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	2,91,44,553	2,01,20,084	1,56,93,766	1,14,83,981	64,94,791
Actuarial gain/(loss)	1,245,400	13,85,922	(1,84,436)	3,04,464	18,39,632
Contributions	13,20,61,751	13,10,35,793	7,19,73,579	6,34,78,680	5,44,39,550
Benefits settled	(8,61,25,526)	(5,40,74,205)	(4,42,43,763)	(3,71,70,205)	(2,35,68,652)
Plan assets at end, at fair value	37,25,50,081	29,62,23,903	19,77,56,309	15,45,17,163	11,64,20,243

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

in ₹

	As at				
	March 31, 2013	March 31, 2012	March 31, 2011	March 31, 2010	March 31, 2009
Fair value of plan assets at the period end	37,25,50,081	29,62,23,903	19,77,56,309	15,45,17,163	11,64,20,243
Present value of the defined benefit obligations at the period end	37,24,42,237	28,43,20,977	18,76,90,700	14,25,35,851	10,83,54,625
Asset/(Liability) recognized in the balance sheet	1,07,844	1,19,02,926	1,00,65,609	1,19,81,312	80,65,618

Gratuity cost for the quarter:

in ₹

	Year ended March 31,	
	2013	2012
Service cost	17,67,45,274	13,68,85,699
Interest cost	1,31,69,226	1,12,28,864
Expected return on plan assets	(2,91,44,553)	(2,01,20,084)
Actuarial (gain)/loss	(33,02,317)	12,03,997
Curtailment	(1,36,10,797)	-
Net gratuity cost	14,38,56,833	12,91,98,476
Actual return on plan assets	3,03,89,953	2,15,06,006

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

Assumptions

	As at				
	March 31, 2013	March 31, 2012	March 31, 2011	March 31, 2010	March 31, 2009
Interest rate	7.95%	8.57%	7.98%	7.82%	7.01%
Discount rate	7.95%	8.57%	7.98%	7.82%	7.01%
Estimated rate of return on plan assets	9.58%	9.45%	9.36%	9.00%	7.01%
Retirement age	60	60	60	60	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.

23 Provident Fund

The company contributed ₹ 28,08,33,717 towards Provident Fund during the year ended March 31, 2013 (₹ 30,98,51,749 during the year ended March 31, 2012).

2.24 Superannuation

The Company contributed ₹ 8,72,914 to the Superannuation Trust during the year ended March 31, 2013 (₹ 8,40,793 during the year ended March 31, 2012).

2.25 Pension Fund

The company contributed ₹ 79,50,678 to pension funds during the year ended March 31, 2013 (₹ Nil during the year ended March 31, 2012).

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

in ₹

Particulars	Year ended	
	March 31, 2013	March 31, 2012
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

Other non current assets as at March 31, 2013 includes ₹ 37,92,68,992 (₹ 30,38,63,714 as at March 31, 2012, 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 quarter ended March 31, 2013 and as at March 31, 2012 and as at March 31, 2013 and as at March 31, 2012.

2.29 FUNCTION WISE CLASSIFICATION OF STATEMENT OF PROFIT AND LOSS

in ₹

Profit and Loss account for the	Year ended March 31,	
	2013	2012
Income from business process management services	2572,39,50,309	1768,71,18,506
Cost of revenue	1698,83,68,681	1049,38,12,766
GROSS PROFIT	873,55,81,628	719,33,05,740
Selling and marketing expenses	97,64,21,228	89,70,04,987
General and administration expenses	254,02,34,802	200,95,65,881
	351,66,56,030	290,65,70,868
OPERATING PROFIT BEFORE DEPRECIATION	521,89,25,598	428,67,34,872
Depreciation and amortization expense	78,58,59,985	59,43,73,403
OPERATING PROFIT	443,30,65,613	369,23,61,469
Other income, net	148,98,19,601	52,76,25,217
PROFIT BEFORE TAX	592,28,85,214	421,99,86,686
Tax expense:		
Current tax	147,02,88,149	101,41,86,709
Deferred tax	(13,23,24,813)	(54,99,986)
PROFIT AFTER TAX	458,49,21,878	321,12,99,963

2.30 SCHEDULE TO THE CASH FLOW STATEMENT

in ₹

	Particulars	Year ended March 31,	
		2013	2012
2.30.1	Changes in loans and advances during the period		
	As per Balance Sheet	405,60,55,708	230,43,04,989

	Particulars	Year ended March 31,	
	Less: Amount in Fiduciary Account Asset	(116,98,05,469)	-
	MAT credit entitlement	(37,44,28,217)	(54,51,97,934)
	Tax deducted at source separately considered	(44,45,07,966)	(25,99,21,775)
	Capital advances considered separately	(11,67,577)	(63,73,026)
	Interest accrued but not yet due	(6,51,30,811)	(11,34,67,989)
		200,10,15,668	137,93,44,265
	Less: Opening balance considered	(137,93,44,265)	(128,64,43,705)
	Less: Opening balance of Portland	-	(5,77,38,372)
		62,16,71,403	3,51,62,188
2.30.2	**Changes in other current assets during the period**		
	As per Balance Sheet	37,93,76,836	31,57,66,640
	Less: Opening balance considered	(31,57,66,640)	(24,50,65,608)
	Less: Opening balance of Portland	-	(1,47,83,093)
		6,36,10,196	5,59,17,939
2.30.3	**Changes in current liabilities during the period**		
	As per Balance Sheet	736,19,23,737	500,60,11,592
	Add: Amount payable towards contingent liability (refer note 2.3)	57,57,31,200	-
	Less: Amount in Fiduciary Account Liability	(116,98,05,489)	-
	Less: Retention money considered separately	(7,27,96,773)	(8,08,16,534)
	Less: Opening balance considered	(492,51,95,058)	(450,58,63,153)
	Less: Opening balance of Marsh BPO	(5,28,60,000)	-
	Less: Opening balance of Portland	-	(11,75,67,324)
		171,69,97,617	30,17,64,581
2.30.4	**Changes in trade payables during the period**		
	As per Balance Sheet	43,99,92,474	11,02,45,282
	Less: Opening balance considered	(1,06,65,599)	(10,23,790)
	Less: Opening balance considered	(10,92,21,492)	(5,49,95,918)
	Less: Opening balance of Portland	-	(1,06,14,664)
		32,01,05,383	(436,10,910)
2.30.5	**Changes in provisions during the period**		
	As per Balance Sheet	80,72,83,503	60,38,51,841
	Less : Provisions considered separately	(19,03,69,076)	(12,51,16,813)
	Less: Opening balance considered	(47,87,35,028)	(37,49,64,651)
	Less: Opening balance of Portland	-	(9,35,02,855)
		13,81,79,399	1,02,67,522
2.30.6	**Current tax expenses**		
	Movement in advance taxes	18,45,86,191	2,87,88,961
	Movement in provision for tax	123,42,66,169	85,20,83,255
	Movement in MAT credit entitlement	-	-
		141,88,52,360	88,08,72,216
2.30.7	**Purchase of Fixed assets and Changes in Capital Work in Progress/Advances**		
	Additions as per Balance Sheet	87,25,20,023	306,37,40,084
	Less: Opening capital work-In-progress	(1,99,41,000)	(15,43,92,756)
	Add: Closing capital work-In-progress	3,25,27,917	1,99,41,000
	Less: Opening capital advances	(63,73,026)	(9,32,06,877)
	Add: Closing capital advances	11,67,577	63,73,026
	Add: Opening Sundry creditors for Capital goods	10,23,790	-

	Particulars	Year ended March 31,	
	Less: Closing Sundry creditors for Capital goods	(106,65,599)	(10,23,790)
	Add: Opening retention monies	8,08,16,534	4,29,78,153
	Less: Closing retention monies	(7,27,96,773)	(8,08,16,534)
	Less: Opening balance of Marsh BPO	(10,58,68,992)	-
	Less: Opening balance of Portland	-	(170,18,65,720)
		77,24,10,451	110,17,26,586
2.30.8	**Interest Income received during the period**		
	As per Profit and Loss	63,07,88,809	60,57,84,185
	Add: Opening interest accrued but not yet due	11,34,67,989	5,94,78,908
	Less: Closing interest accrued but not yet due	(6,51,30,811)	(11,34,67,989)
		67,91,25,987	55,17,95,104
2.30.9	**Cash and cash equivalents at the end of the period**		
	As per Balance Sheet		
	Cash on hand	9,68,197	19,55,829
	Balances with banks	826,27,79,022	629,69,49,329
	Deposit with financial institution/body corporate	80,00,00,000	10,00,00,000
		906,37,47,219	639,89,05,158

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

Gautam Thakkar
Managing Director and
Chief Executive Officer

Prof. Jayanth R.Varma
Director

Chandrashekar Kakal
Director

Dr. Omkar Goswami
Director

Abraham Mathews
Chief Financial Officer

A.G.S. Manikantha
Company Secretary

Bangalore
April 8, 2013

Ratio Analysis

	2012-2013	2011-2012
Ratios- Financial Performance		
Overseas revenue/ total revenue (%)	99.3	99.6
Domestic revenue/total revenue (%)	0.7	0.4
Gross profit / total revenue (%)	34.0	40.7
COR / total revenue (%)	66.0	59.3
Selling & Marketing Expenses / total revenue (%)	3.8	5.1
General & administrative expenses / total revenue (%)	9.9	11.4
SG&A expenses / total revenue (%)	13.7	16.4
Aggregate employee costs / total revenue (%)	55.0	51.8
Operating profit (PBIDAT) / total revenue (%)	20.3	24.2
Depreciation / total revenue (%)	3.1	3.4
Operating profit after depreciation and interest / total revenue (%)	17.2	20.9
Other Income / total revenue (%)	5.8	3.0
Profit before tax / total revenue (%)	23.0	23.9
Tax / total revenue (%)	5.2	5.7
Effective tax rate - Tax / PBT (%)	22.6	23.9
Net Profit after Tax/ revenue(%)	17.8	18.2
Ratios - Balance Sheet		
Debt-equity ratio	-	-
Current Ratio	2.4	2.4
Days Sales Outstanding (DSO)	82.4	78.0
Cash and equivalents / total assets (%)	32.1	30.9
Cash and equivalents / total revenue (%)	35.2	36.2
Depreciation / average gross block (%)*	8.7	8.0
Capital Expenditure / total revenue (%)	3.2	13.5
Operating Cash Flows / total revenue (%)	15.5	15.4
Ratios- Return		
ROCE (PBIT / average capital employed) (%)*	34.1	31.5
Ratios- Growth		
Overseas revenue (%)	45.0	20.2
Total revenue (%)	45.4	20.2
Operating Profit (%)	20.1	107.9
Net Profit (%)	42.8	53.6
Earnings Per Share- Basic** (%)	42.8	53.6
Earnings Per Share- Diluted (%)	42.8	53.6

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

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

Size and 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 2012-13

				Directorships held as at March 31, 2013	
Name of the Director	**Age**	**Position**	**Relationship with other Directors**	**Indian listed companies**	**All companies around world***
Mr. V. Balakrishnan	48	Chairman	None	1	3
Mr. D. Swaminathan	60	MD and CEO	None	-	5
Prof. Jayanth R. Varma	53	Director	None	1	3
Mr. Chandrashekar Kakal	52	Director	None	-	3
Dr. Omkar Goswami	56	Director	None	8	13

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

Chief Executive Officer and Managing Director

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

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.

Retirement Policy

The age of retirement for all executive directors is 60 years. The nominations committee may, at its discretion, determine their continuation as members of the board upon superannuation / retirement. The age of retirement for non executive directors and independent directors appointed to the board prior to October 15, 2010 is 70 years and after October 15, 2010 is 65 years. An independent board chair is generally permitted to serve in the capacity until the age of 70 years.

Succession Planning

The nominations committee works with the board to plan for an orderly succession of leadership within the board and the company and to maintain contingency plans for succession in case of any exigencies.

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 except for group companies, unless the said entity is an industrial entity whose interests are germane to the business of the company or a government body that is of relevance to the business of the company or an entity whose objectives is the upliftment of the society. Independent directors are generally not expected to serve on the Boards of competing companies. 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 2012-2013

Name of the Director	Number of meetings held	Number of meetings attended
Mr. V Balakrishnan	4	4
Mr. D Swaminathan	4	4
Prof. Jayanth R Varma	4	4
Mr. Sridar A Iyengar(1)	4	2
Mr. Chandrashekar Kakal	4	4
Dr. Omkar Goswami(2)	4	2

Note-
(1) Mr. Sridar Iyengar retired as Director from the Board with effect from August 13, 2012
(2) Dr. Omkar Goswami was appointed as an Additional Director with effect from August 13, 2012

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.

Discussion with Independent Directors

The Board's policy is to regularly have separate meetings with independent directors to update them on all business related issues and new initiatives. In such meetings, the executive directors and other members of the senior management make presentations on relevant issues.

In addition, our independent directors meet periodically in an executive session that is without any of the executive directors, or the management.

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, 2013 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 are conducted at arm's 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	Commission	Sitting fees	Total
Mr. V Balakrishnan	None	-	-	-	-	-
Prof. J R Varma	None	-	-	12,00,000	60,000	12,60,000
Mr. Sridar Iyengar	None	-	-	4,43,836	30,000	4,73,836
Mr. Chandrashekar Kakal	None	-	-	-	-	-
Dr. Omkar Goswami	None	-	-	7,56,164	30,000	7,86,164

Executive director

Mr. D Swaminathan, Managing Director and CEO for the year ended March 31, 2013

The Board of Directors in their meeting held on January 7, 2010 appointed, subject to the approval of the shareholders in 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 attaining the age of superannuation whichever is earlier.

The details of remuneration paid to Mr. D Swaminathan for the year ending March 31, 2013 is as follows

In ₹

Particulars	March 31, 2013	March 31, 2012
Salary, allowances including contributions to Provident Fund, Gratuity, Superannuation allowance and Performance incentive	1,62,50,838	2,58,45,613

Note: Mr. D. Swaminathan was retired as Managing Director and Chief Executive Officer of the company on March 31, 2013.

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, 2013, the committee consists of the following members

- Prof. Jayanth R Varma, Chairman
- Mr. V Balakrishnan, Member
- Dr. Omkar Goswami, Member

Audit committee charter

Primary objectives of the Audit Committee

Transparency and disclosure have become the first hallmark of good corporate governance. 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 computerized 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 Board of Directors 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 Board of Directors 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 Board of Directors 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 Board of Directors.
- 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 Board of Directors or by the members themselves, by majority vote.

- The Board of Directors 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 Board of Directors 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 Board of Directors take appropriate action to ensure their independence;
- require and encourage the independent auditors to open and frank discussions on their judgments 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 Board of Directors.

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
Mr. V. Balakrishnan	4	4
Mr. Sridar Iyengar(1)	4	2
Dr. Omkar Goswami(2)	4	2

Note-

(1) Mr. Sridar Iyengar, retired as Member of the Committee with effect from August 13, 2012

(2) Dr. Omkar Goswami, was appointed as Member of the Committee with effect from August 13, 2012

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

During the year four meetings were held. The meetings were held on April 6, 2012, July 10, 2012, October 8, 2012 and January 8, 2013

Report for the year ended March 31, 2013

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

   - Prof. Jayanth R. Varma, Chairman.
   - Mr. V. Balakrishnan, Member
   - Dr. Omkar Goswami, 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, 2013, 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, 2013, 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, 2013, 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, 2014, 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, 2014, 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 **Prof. Jayanth R Varma**

April 8, 2013 **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, 2013, the compensation committee consists of the following members:

- Prof. Jayanth R. Varma, Chairman
- Mr. V. Balakrishnan, Member
- Dr. Omkar Goswami, Member

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
Mr. V Balakrishnan	4	4
Dr. Omkar Goswami	4	2
Mr. Sridar Iyengar	4	2

(1) Mr. Sridar Iyengar, retired as Member of the Committee with effect from August 13, 2012
(2) Dr. Omkar Goswami, was appointed as Member of the Committee with effect from August 13, 2012

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

During the year four meetings were held. The meetings were held on April 6, 2012, July 10, 2012, October 8, 2012 and January 8, 2013

Report for the year ended March 31, 2013

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

- Prof. Jayanth R Varma, Chairman.
- Mr. V Balakrishnan, Member
- Dr. Omkar Goswami, 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 8, 2013 **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, Member
- Mr. Abraham Mathews, Member

Report for the year ended March 31, 2013

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

s/d

V. Balakrishnan,

Chairman

Bangalore

April 8, 2013

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, Member
- Mr. Chandrashekar Kakal, Member

Report for the year ended March 31, 2013

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

s/d

V. Balakrishnan,

Chairman

Bangalore

April 8, 2013

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

Distribution of shareholding as at March 31, 2013

Sl no	Category (Shares)	No. of Holders	% To Holders	No. of Shares	% To Equity
1	1 - 500	16	76.19	2307	0.01
2	501 - 1,000	4	19.05	3125	0.01
3	1,001 & Above	1	4.76	3,38,22,319	99.98
	TOTAL	**21**	**100.00**	**3,38,27,751**	**100.00**

Secretarial Audit

As a measure of good corporate governance practice, the board of directors of the company appointed Hegde & Hegde, Company Secretaries to conduct Secretarial Audit of records and documents of the company. The Secretarial Audit Report confirms that the company has complied with all the applicable provisions of the Companies Act 1956. Further, the company voluntarily adheres to the various Secretarial Standards issued by the Institute of Company Secretaries of India.

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, Mr. V. Balakrishnan 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.

Compliance with Corporate Governance Voluntary Guidelines 2009

The Ministry of Corporate Affairs, Government of India published the Corporate Governance Voluntary Guidelines in 2009. These guidelines have been published keeping in view the objective of encouraging the use of better practices through voluntary adoption, which not only serve as a benchmark for the corporate sector but also help them in achieving the highest standard of corporate governance.

These guidelines provide corporate India a framework to govern themselves voluntarily as per the highest standards of ethical and responsible conduct of business. The Ministry hopes that adoption of these guidelines will also translate into a much higher level of stakeholder's confidence, which is crucial in ensuring the long term sustainability and value generation by businesses. The guidelines broadly focus on areas such as board of directors, responsibilities of the board, auditors, compliance with secretarial standards and a mechanism for whistleblower support. We substantially comply with the Corporate Governance Voluntary Guidelines.

General body meetings

Details of the last annual general meeting

Financial year	Date	Time	Venue
March 31, 2012	June 8, 2012	10.00 A.M.	Plot No. 26/3, 26/4, & 26/6 Electronics City, Hosur Road Bangalore 560 100

Financial year	Date	Time	Venue
March 31, 2011	June 10, 2011	10.00 A.M.	Plot No. 26/3, 26/4 & 26/6 Electronics City, Hosur Road Bangalore 560 100

Financial year	Date	Time	Venue
March 31, 2010	June 11, 2010	10.00 A.M.	Plot No. 26/3, 26/4 & 26/6 Electronics City, Hosur Road Bangalore 560 100

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 560 100

Global Presence

Registered Office
Plot No. 26/3, 26/4 and 26/6
Electronics City, Hosur Road
Bangalore 560100
Tel: 91 80 -28522405
Fax: 91 80 -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
27, Bannerghatta Road
J. P. Nagar, III Phase
Bangalore 560 078
Tel. : 91 80 5103 2000
Fax : 91 80 2658 8676

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 Ramanujan IT city SEZ,
Hardy towers, 3rd & 4th Floor,
TRIL infopark ltd, Taramani,
Rajivgandhi Salai (OMR)
Chennai – 600113
Tel: 044-66855111
Fax: 044-66855107

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, Haryana
Tel. : 91 124 4583700
Fax : 91 124 4583701

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. : 91 141 3956000
Fax : 91 141 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. 24/2
Rajiv Gandhi Infotech Park
Phase II, Village Maan
Taluka Mulshi,
Pune 411 057
Tel. : 91 20 2293 2800
Fax: 91 20 2293 4540

Plot No. 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,
Bonifacio Global City
Fort Bonifacio Taguig City Metro
Manila, Philippines
Tel. : 632 729 1111
Fax : 632 729 1111

5th, 6th, 7th and 12th Floor,
Site 3, Vector 2 Building,
Northgate Cyberzone,
Filinvest Corporate City,
Alabang, Muntinlupa City,
Philippines
Tel: +632 823 0000
Fax: +632 823 0000

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
3200 Windy Hill Rd, 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

Costa Rica – San Jose
Building N Piso 2,
Forum 2, Lindora,
Santa Ana San Jose, 10901
Costa Rica
Tel: (506) 2542-3701

Subsidiaries of Infosys BPO Limited

Infosys BPO s.r.o
Czech Republic
Holandka 9, 63900, Brno
Tel: 420 542 212406
Fax: 420 543 236349

Infosys BPO Poland Sp. Z.o.o
Pomorska 106A
91-402 Lodz
Tel: +48 42 278 15 00
Fax: +48 42 278 15 01

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

McCamish Systems LLC
6425 Powers Ferry Road
3rd Floor
Atlanta, GA 30339
Tel: 1 770 690 1500
Fax: 1 770 690 1800

500 SW 7th St Suite 200
Des Moines, IA 50309
Tel: 1 515 365 1236
Fax: 1 515 365 0236

Portland Group Pty Ltd

Sydney
Level 8, 68 Pitt St,
Sydney NSW 2000 Australia
Phone: +61 2 9210 4399
Fax: +61 2 9210 4398

Melbourne
Suite 602, 10 Yarra St,
South Yarra VIC 3141 Australia
Phone: +61 3 8825 3899
Fax: +61 3 8825 3898

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

Perth

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

Subsidiary of Portland Group Pty Ltd

Portland Procurement Services Pty Ltd

Sydney
Level 8, 68 Pitt St,
Sydney NSW 2000 Australia
Phone: +61 2 9210 4399
Fax: +61 2 9210 4398

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Infosys BPO Limited

Electronics City, Hosur Road

Bangalore 560100, India

Tel: 91-80-28522405

Fax: 91-80-28522411

April 8, 2013

Dear Member,

You are cordially invited to attend the Eleventh Annual General Meeting of the members of the company on Friday, June 7, 2013 at 10.00 AM IST 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 of the Board

NOTICE

NOTICE is hereby given that the Eleventh Annual General Meeting of the Members of Infosys BPO Limited (the "Company") will be held on Friday, June 7, 2013 at 10.00 AM IST 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, 2013 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 Mr. V. Balakrishnan, who retires by rotation and being eligible, seeks re-appointment.
3. To appoint auditors to hold office from the conclusion of this AGM until the conclusion of the next AGM and to fix their remuneration and to pass the following resolution thereof:

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, and the remuneration may be paid on a progressive billing basis as may be agreed between the auditors and the Board of Directors.

SPECIAL BUSINESS

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

RESOLVED THAT Dr. Omkar Goswami, who was co-opted as an additional director by the Board of Directors of the company and who in terms of Section 260 of the Companies Act, 1956, holds 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.

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

RESOLVED THAT Mr. Gautam Thakkar, who was co-opted as an additional director by the Board of Directors of the company and who in terms of Section 260 of the Companies Act, 1956, holds 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 pursuant to the provisions of Sections 198, 269,309 and other applicable provisions, if any, of the Companies Act, 1956 read with Schedule XIII to the Companies Act,1956 the approval of the Company be and is hereby accorded to the appointment of Mr. Gautam Thakkar as Managing Director and Chief Executive Officer of the company for a period of five (5) years with effect from April 1, 2013 or till attaining his age of superannuation, whichever is earlier, as per terms and conditions as stated in the explanatory statement and on the remuneration set out follows:

(i) Fixed Salary per annum – Rs. 70,00,000/- in the scale of Rs. 30,00,000 to Rs. 1,50,00,000/-

(ii) Company performance linked incentive – Mr. Gautam Thakkar shall be entitled to company performance linked incentive, payable quarterly or at such other intervals as may be decided by the Board.

(iii) Individual performance linked incentive – Mr. Gautam Thakkar shall be entitled to individual performance linked incentive, payable quarterly or at such other intervals as may be decided by the Board.

(iv) Long term Bonus – USD 60,000/- payable quarterly or at such intervals as may be decided by the Board.

Perquisites and allowances – Mr. Gautam Thakkar shall be entitled to the following perquisites and allowances:

- Housing: Furnished / unfurnished residential accommodation or house rent allowance upto 10% of salary in lieu thereof. The expenditure incurred by the company on gas, electricity, water and furnishings shall be valued as per Income Tax Rules 1962.
- Medical Reimbursement / allowance: Reimbursement of actual expenses for self and family and / or allowance will be paid as decided by the Board from time to time.
- Leave travel concession / allowance: For self and family once in a year, as decided by the Board from time to time.
- Club fees: Fees payable subject to a maximum of two clubs.
- Provision for driver / driver's salary allowance: As per the rules of the company.
- Personal accident insurance: As per the rules of the company.

Other benefit – Mr. Gautam Thakkar shall be entitled to the other benefits as follows:

(a) Earned / Privilege Leave: As per the rules of the company

(b) Company contribution to provident fund and superannuation fund: As per the rules of the company.

(c) Gratuity: As per the rules of the company.

(d) Encashment of Leave: As per the rules of the company.

(e) Company car and telephone: Use of the Company's car and telephone at residence for official purpose, as per the rules of the company.

RESOLVED FURTHER THAT notwithstanding anything hereinabove contained, wherein any financial year during the tenure of his appointment, the company has incurred loss or its profits are inadequate, the company shall pay to Mr. Gautam Thakkar, the remuneration by way of salary, perquisites, other allowances and other benefits as aforesaid as minimum remuneration, subject however to the limit specified under Section II of Part II of Schedule XIII to the Companies Act, 1956 (including any statutory modifications or re-enactments thereof, for the time being in force), or such other limits as may be prescribed by the government from time to time as minimum remuneration.

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorized to vary, alter or modify the different components of the above stated remuneration as may be agreed to by the Board of Directors and Mr. Gautam Thakkar.

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.

8. To consider and, if thought fit, to pass with or without modifications, the following resolution as a **Special Resolution:**

RESOLVED THAT pursuant to the provisions of Section 309 and other applicable provisions, if any, of the Companies Act 1956, a sum not exceeding 1% per annum of the net profits of the Company calculated in accordance with the provisions of Sections 198, 349 and 350 of the Companies Act 1956, be paid to and distributed amongst the Directors of the company or some or any of them (other than the Managing Director and the Executive Director) in such amounts or proportions and in such manner as may be directed by the Board of Directors, and such payments shall be made out of profits of the company for each corresponding year, for a period of five years commencing from April 1, 2014 to March 31, 2019.

By Order of the Board

For Infosys BPO Limited

s/d-

A G S Manikantha

Company Secretary

Bangalore

April 8, 2013

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.**
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.4

Dr. Omkar Goswami was co-opted as an additional director of the Company with effect from August 13, 2012 pursuant to Section 260 of the Companies Act, 1956 and Article 111 of the Article of Association of the Company. Dr. Omkar Goswami holds office of the additional director up to the date of the ensuing annual general meeting and is eligible for reappointment as a Director liable to retire by rotation. The Company has received a notice in writing from a member along with a deposit of Rs. 500/- (Rupees five hundred) proposing the candidature of Dr. Omkar Goswami for the office of the director under the provisions of Section 257 of the Companies Act, 1956

Further, brief resume of Dr. Omkar Goswami, his expertise in specific functional areas, other directorships/ committees memberships are furnished in the 'Additional Information on directors seeking election at the annual general meeting' forming part of this Notice.

The Board considers that his appointment as a Director will be beneficial to and in the interest of the company. The Directors recommend the resolution for your approval.
None of the directors other than Dr. Omkar Goswami may be deemed to be interested or concerned in the proposed resolution as set out in Item No. 4 above.

Item No.5

Mr. Gautam Thakkar was co-opted as an additional director of the Company with effect from April 1, 2013 pursuant to Section 260 of the Companies Act, 1956 and Article 111 of the Article of Association of the Company. Mr. Gautam Thakkar holds office of the additional director up to the date of the ensuing annual general meeting and is eligible for reappointment as a Director liable to retire by rotation. The Company has received a notice in writing from a member along with a deposit of Rs. 500/- (Rupees five hundred) proposing the candidature of Mr. Gautam Thakkar for the office of the director under the provisions of Section 257 of the Companies Act, 1956

Further, brief resume of Mr. Gautam Thakkar, his expertise in specific functional areas, other directorships/ committees memberships are furnished in the 'Additional Information on directors seeking election at the annual general meeting' forming part of this Notice.

The Board considers that his appointment as a Director will be beneficial to and in the interest of the company. The Directors recommend the resolution for your approval.

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

Item No.6

The Board of Directors of the company by passing a resolution dated January 25, 2013, have inducted Mr. Gautam Thakkar on the Board of the company and further appointed him as the Managing Director and Chief Executive Officer of the company for a period of five (5) years with effect from April 1, 2013 or attaining the age of his superannuation, whichever is earlier. Further, the company has entered into an employment agreement / contract with Mr. Gautam Thakkar. It may be noted that the abstract of the terms and conditions of appointment of Mr. Gautam Thakkar as Managing Director and Chief Executive Officer of the company and the memorandum signifying the concern or interest of the Directors therein, were circulated to the shareholders of the company vide letter dated April 1, 2013 as required under Section 302 of the Companies Act, 1956.

The appointment is subject to the approval of members. The terms and conditions of his appointment are as follows:-

(a) Date of appointment: April 1, 2013
(b) Tenure of appointment: Five (5) years with effect from April 1, 2013 or attaining his age of superannuation whichever is earlier.
(c) Details of remuneration: As provided in the statement made in the resolution.
(d) The agreement executed between the company and Mr. Gautam Thakkar, may be terminated by either party by giving six months' notice in writing.
(e) Mr. Gautam Thakkar shall perform such duties as shall from time to time be entrusted to him, subject to the superintendence, guidance and control of the board of directors and he shall perform such other duties as shall from time to time be entrusted to him by the board of directors and / or Chairman.

None of the directors other than Mr. Gautam Thakkar may be deemed to be interested or concerned in his appointment and remuneration payable to him as Managing Director and Chief Executive Officer of the company. The copies of relevant resolutions of the Board and agreement with respect to the appointment is available for inspection by the members at the registered office of the company during working hours on any working day till the date of this Annual General Meeting.

The Board accordingly recommends the resolution as set out in item No. 6 of the notice for the approval of the members.

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 date of inception till the date 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.

Item No.8

Section 309(4)(b) of the Companies Act 1956 provides that a director who is neither in the whole time employment of the company nor a Managing Director may be paid remuneration by way of commission, if the company by special resolution, authorizes such payment.

The proposed resolution would allow the Company to make payment by way of commission to the non-executive independent directors with effect from April 1, 2014 to March 31, 2019 in accordance with Section 309 of the Companies Act 1956.

All the non-executive independent directors other than the Managing Director of the Company may be deemed to be interested or concerned in the resolution to the extent of the commission payable to them in accordance with the proposed resolution.

The Directors recommend the resolution for your approval.

Additional information on directors seeking election at the annual general meeting

Brief profile of Mr. V Balakrishnan, Chairman and Director

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 Dr. Omkar Goswami, Director

Dr. Omkar Goswami is the Founder and Chairman of Corporate & Economic Research Group (CERG) Advisory Private Limited.

A professional economist, Omkar did his master's in Economics from the Delhi School of Economics in 1978 and his D. Phil (Ph.D) from Oxford in 1982. He taught and researched economics for 18 years at Oxford, Delhi School of Economics, Harvard, Tufts University, Jawaharlal Nehru University, Rutgers University and the Indian Statistical Institute, New Delhi.

In March 1997, Omkar became the editor of Business India. From August 1998 up to March 2004, he served as the Chief Economist of Confederation of Indian Industry.

Omkar has served on several government committees. He was the Chairman of the Committee on Industrial Sickness and Corporate Re-structuring in 1993, which recommended revamping India's bankruptcy laws and procedures; member of the Working Group on the Companies Act; the CII Committee on Corporate Governance; the Rakesh Mohan Committee on Railway Infrastructure Reform; the Vijay Kelkar Committee on Direct Tax Reforms; the Naresh Chandra Committee on Auditor-Company Relationship; the N.R. Narayana Murthy SEBI Committee on Corporate Governance Reforms, among others.

Omkar has been a consultant to the World Bank, the International Monetary Fund, the Asian Development Bank and the Organization for Economic Co-operation Development.

Omkar writes columns for newspapers and magazines. In addition, he has written three books and over 70 research papers on economic history, industrial economics, public sector, bankruptcy laws and procedures, economic policy, corporate finance, corporate governance, public finance, tax enforcement and legal reforms.

Brief profile of Mr. Gautam Thakkar, Managing Director & Chief Executive Officer

Gautam has over 18 years of global experience in outsourcing, operations and technology consulting and new business development across various industry verticals with experience in North America, Europe and Asia.

Gautam joined Infosys Technologies in 2000 as a senior principal in the consulting business. He is the founding employee of Infosys BPO (07-08 revenue : US$ 250 million, 16000+ employees) when it started up as a subsidiary in

2002 and is currently has P&L responsibility as the Head of F&A, which is one of the fastest growing horizontal business units in Infosys BPO and has over 2000 people (US$ 70 million). Prior to his current role, Gautam was the head of Europe based in London, UK and was primarily responsible for growing the business from $28 million to $116 million in 2 years.

During his tenure in Europe, Gautam was the lead for the acquisition of the 3 global shared service centers of Philips (Poland, Thailand, and India) which was the largest FAO deals of 2007 and was responsible for overseeing the integration of the centers with Infosys BPO. He has wide experience at Infosys BPO which includes business development, transition and running global operations. At Infosys BPO, Gautam has helped define business processes and transition methodologies for BPO services, built value propositions and drive transformation programs for Global clients.

Gautam is part of Infosys BPO Executive Council. As part of his executive responsibilities, Gautam is also responsible for driving International Centre Strategy for Infosys BPO which includes developing newer models for global delivery from International centers, driving International center specific initiatives and evaluation of potential new locations.

Prior to joining Infosys, Gautam has worked with Accenture in their strategic services practice and has advised several clients on business transformation, organizational and profit improvement strategies.

Gautam holds B.Sc degree in Industrial Engineering from Purdue University and is based in Plano, Texas.

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 7, 2013 at 10.00 A.M. and at any adjournment(s) thereof.

Signed this………………………………………………………day of 2013

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 on Friday, June 7, 2013 at 10.00 A.M.

…………………………………

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.