

Management's discussion and analysis

Overview

Infosys is a leading provider of consulting, technology, outsourcing and next-generation digital services, enabling clients to create and execute strategies for their digital transformation and AI journey.

Our purpose is to amplify human potential and create the next opportunity for people, business and communities. We are guided by our value system which motivates our attitudes and actions. Our core values are Client value, Leadership by example, Integrity and transparency, Fairness, and Excellence (C-LIFE).

Our strategic objective is to build a sustainable organization that remains relevant to the agenda of our clients, while creating growth opportunities for our employees, generating profitable growth for our investors and contributing to the communities that we operate in. There are numerous risks and challenges affecting our business. These are discussed in the Risk management report section of the Integrated Annual Report.

I. Industry structure and developments

Fiscal 2025 saw uncertainties related to interest rates, geopolitical conditions and elections across major economies compounding the ongoing transformation within the Tech services industry. The year has been another year of major uncertainties in the economy, some geopolitical flux, and novel concerns around protectionism led disruption of global balances. The high inflation and interest rates are driving down discretionary spending. The year has been a year of subdued growth, pockets of economic green shoots that have kept technology-led growth active. AI, has unified perspectives of the industry as well as government across geographies and sectors alike.

Global GDP is estimated to have grown at 3.2% in CY 2024⁽¹⁾, down 10bps compared to the previous year. The IT services growth during the same period has remained flat at 4.7%⁽²⁾. We expect client spending and investments to continue to move towards AI in the near term. These investments are expected to be crucial during this period of economic uncertainty.

The dynamism in technologies continues and the industry is feeling the pressure to build AI strategies and stay ahead. We saw AI starting to reshape the industry in fiscal 2025. We continued to witness businesses attempting to reimagine their cost structures, increase business resilience and agility, personalize experiences for customers and employees, and launch new and disruptive products and services, aided by enterprise AI. With our leadership position in AI, we believe we are well-positioned to take advantage of these market opportunities.

For more information, refer to *Our business context* section of the Integrated Annual Report.

⁽¹⁾ NASSCOM Annual Strategic review, 2025

⁽²⁾ IDC – Technology Spend Forecast

II. Opportunities and threats

Our strategy

Our clients and prospective clients are faced with transformative business opportunities due to advances in software and computing technology. These organizations are dealing with

the challenge of having to reinvent their processes and systems rapidly in the AI era. This needs an understanding of new technologies and new ways of working, and also appreciation of AI landscapes, business processes and practices. Our strategy is to be a navigator for our clients as they ideate, plan and execute on their journey to an AI future by building strong data foundations with robust cloud capabilities. We are progressing well on our journey to leverage AI to deliver business value with safeguards around privacy, ethics, and controls.

Our strengths

We believe that we are well-positioned for the principal competitive factors in our business. With more than four decades of experience in managing the systems and workings of global enterprises, we believe we are uniquely positioned to help them steer through their AI transformation as we have built our own AI-first strategy and continue to invest in strengthening our AI capabilities.

Our competition

We see intense competition in traditional services, a rapidly changing marketplace and the emergence of new players in niche technology areas. We have invested in building proprietary intellectual property in software platforms and products. We have continued to invest in Infosys Cobalt – a set of services, solutions and platforms for enterprises to accelerate their cloud journey, Infosys Topaz – a set of AI-first services, solutions and platforms using generative AI technology and Infosys Aster – an AI-amplified Marketing Suite.

III. Financial condition

Refer to the *Standalone and Consolidated financial statements* in this Integrated Annual Report for detailed schedules and notes.

1. Equity share capital

We have one class of shares – equity shares of par value ₹5 each. During the year, the movement in share capital was on account of shares issued on exercise of stock options.

2. Other equity

The movement in retained earnings was on account of profit earned during the year and payment of dividends. The increase in securities premium is on account of the exercise of stock options. The Group has made an irrevocable election to present the subsequent changes in fair value of certain instruments in other comprehensive income.

The Special Economic Zone Re-investment Reserve has been created out of the profit of the eligible SEZ unit in terms of the provisions of Sec 10AA(1)(ii) of Income-tax Act, 1961. The reserve should be utilized by the Company for acquiring new plant and machinery for the purpose of its business in terms of the provisions of the Sec 10AA (2) of the Income-tax Act, 1961.

3. Property, plant and equipment

Additions to gross block were mainly on computer equipment and infrastructure.

4. Goodwill and other intangible assets

On a consolidated basis, the carrying value of goodwill as on March 31, 2025 is ₹10,106 crore. During the previous year, the carrying value of goodwill was ₹7,303 crore. During the year goodwill arising on acquisition of InSemi Technology Services Private Limited and in-tech Holding GmbH amounted to ₹2,593 crore.

On a consolidated basis, the carrying value of intangible assets as on March 31, 2025 is ₹2,766 crore, whereas on March 31, 2024, it was ₹1,397 crore. During the year ended March 31, 2025, gross intangibles amounting to ₹1,940 crore comprising mainly of customer-related intangibles were added on account of acquisitions. Refer to Note 2.4.2 of the *Consolidated financial statements* for further details.

5. Financial assets

A. Investments

On a standalone basis, during the year, we invested additionally in our subsidiaries, for the purpose of acquisition of entities, operations and expansions.

Refer to *Annexure 1 to the Board's report* for the statement pursuant to Section 129(3) of the Companies Act, 2013, for the summary of the financial performance of our subsidiaries. The audited financial statements and related information of subsidiaries will be available on our website, at www.infosys.com.

We invest in the startup ecosystem to gain access to innovations that, when combined with our services and solutions, can benefit our clients. These investments are typically minority equity positions in startup companies and / or venture capital funds.

Our investments comprise liquid mutual funds units, target maturity fund units, tax-free bonds, non-convertible debentures, certificates of deposit, commercial paper, government securities (G-secs) and quoted bonds and securities issued by government and quasi-government organizations. Certificates of deposit and commercial papers represent marketable securities of banks, NBFCs and eligible financial institutions for a specified time period with high credit rating by domestic credit rating agencies. G-secs are highly liquid and marketable instruments issued across tenure, backed by the Government of India and carrying a sovereign credit. Investments made in non-convertible debentures represent debt instruments issued by government-aided institutions and financial institutions with high credit rating. The majority of investments of the Company are fair valued based on Level 1 or Level 2 inputs. The Company invests after considering counterparty risks based on multiple criteria, including Tier-I capital, capital adequacy ratio, credit rating, profitability, Non-performing assets (NPA) levels and deposit base of banks and financial institutions. These risks are monitored regularly as part of our risk management program.

B. Trade receivables

Days Sales Outstanding (DSO) was 69 days for the year ended March 31, 2025, compared to 71 days in the previous year.

C. Cash and cash equivalents

Our cash and cash equivalents comprise deposits with banks with high credit ratings assigned by international and domestic

credit rating agencies which can be withdrawn at any point of time without prior notice or penalty on principal. Ratings are monitored periodically.

D. Loans

We provide loans to subsidiaries as per business requirement.

E. Other financial assets

Restricted deposits represent amounts deposited with financial institutions to settle employee-related obligations as and when they arise during the normal course of business. Unbilled revenues are classified as financial assets as right to consideration is unconditional and is due only after passage of time. Foreign currency forward and options contracts are entered into to mitigate the risk of changes in exchange rates on foreign currency exposures. The counterparty for these contracts is generally a bank.

6. Other assets

Unbilled revenues are classified as non-financial asset where the right to consideration is dependent on completion of contractual milestones. Withholding taxes and others represent credits that can be availed against local taxes payable in various countries. Deferred contract cost mainly comprises the cost of obtaining a contract and the cost of fulfilling a contract recorded in accordance with Ind AS 115, *Revenue from Contracts with Customers*.

7. Deferred tax assets / liabilities

Net deferred tax liability comprises of deferred tax liabilities less deferred tax assets. Deferred tax liability is primarily on account of temporary difference in the Special Economic Zone Re-investment Reserve, intangibles from business combination, interest receivable on income tax refund for orders received partially offset by deferred tax asset on property, plant and equipment, lease liabilities, allowances for trade receivables and compensated absences.

8. Income tax assets / liabilities

Our net profit earned from providing software development and other services outside India is subject to tax in the country where we perform the work. Most of our taxes paid in countries other than India can be claimed as credit against our tax liabilities in India.

9. Financial liabilities

Liabilities for accrued compensation to employees include the provision for bonus, accrued salaries, incentives and retention bonus payable to the staff. Financial liability under option arrangements represents redemption liability towards acquisitions to purchase the corresponding minority stake. Accrued expenses represent amounts accrued for other operational expenses. Compensated absences are both accumulating and non-accumulating in nature. The expected cost of accumulating compensated absences is determined by actuarial valuation. Other financial liability includes financing arrangements entered into by the Company with a third party towards deferred contract cost assets.

10. Other liabilities

Withholding and other taxes payable represent local taxes payable in various countries in which we operate. Invoicing in excess of revenues are classified as unearned revenues. We provide for provident fund to eligible employees of Infosys, which is a defined benefit plan as the Company has an obligation to make good the shortfall, if any, between the return from the investments of the trust and the notified interest rate. The Company operates the defined benefit pension plan in certain overseas jurisdictions, in accordance with local laws. These plans are managed by third-party fund managers. We provide for gratuity, a defined benefit retirement plan ("the Gratuity Plan"), covering eligible employees in India. 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 salary and the tenure of employment. The plans provide for periodic payouts after retirement and / or a lump-sum payment as set out in rules of each fund and includes death and disability benefits.

11. Provisions

Provision for post-sales client support is towards likely cost for providing client support to fixed-price and fixed-timeframe contracts. Other provisions include approximately ₹150 crore towards settlement of class action suits against McCamish.

12. Leases

Additions mainly comprise lease of computers and buildings taken on lease in certain locations outside India.

IV. Results of our operations

For details about results of our operations, refer to 'Results of our operations and state of affairs' section in the *Board's report*.

During fiscal 2025, the Company continued running Project Maximus, a comprehensive margin expansion program structured across five pillars – Value-Based Selling; Efficient Pyramid; Lean and Automation; Improving Critical Portfolios, and Reducing Indirect Costs. Value-Based Selling is a focused strategy to identify opportunities to align pricing to the value that clients received for the services. Lean and Automation is a strategic initiative to combine productivity and process improvement using automation technologies including generative AI to enhance efficiency.

1. Revenue

The growth in our revenues in fiscal 2025 from fiscal 2024 is as follows:

Particulars	Standalone			Consolidated			(In ₹ crore)
	2025	2024	% change	2025	2024	% change	
Revenue	1,36,592	1,28,933	5.9	1,62,990	1,53,670	6.1	

The increase in revenue was primarily attributable to an increase in realization on account of Value-Based Selling, productivity benefit from Lean and Automation, currency, acquisition and revenue mix partially offset by decline in volume.

Revenue growth in reported terms includes the impact of currency fluctuations. We, therefore, additionally report the revenue growth in constant currency terms, which represents the real growth in revenue, excluding the impact of currency fluctuations. We calculate constant currency growth by comparing current-period revenues in respective local currencies converted to USD using prior-period exchange rates and comparing the same to our prior-period reported revenues. Our revenues in reported currency terms for fiscal 2025 is ₹1,62,990 crore, a growth of 6.1%. Our revenues for fiscal 2025 in constant currency grew by 4.2%.

We added 365 new customers (gross) during fiscal 2025 as compared to 385 new customers (gross) during fiscal 2024.

On a consolidated basis, for the year ended March 31, 2025, approximately 96.9% were export revenues whereas 3.1% were domestic revenues, while for the year ended March 31, 2024, 97.5% were export revenues whereas 2.5% were domestic revenues. Refer to the 'Segmental profitability' section in this report for more details on the analysis of segment revenues.

2. Expenditure

Cost of sales

The cost of sales have decreased as a percentage of revenue by 0.2% on standalone basis and by 0.4% on consolidated basis in fiscal 2025 over fiscal 2024. The cost of efforts, comprising employee cost and cost of technical sub-contractors, has decreased as a percentage of revenue from 60.2% in fiscal 2024 to 58.8% in fiscal 2025 on a standalone basis, and from 56.4% in fiscal 2024 to 55.4% in fiscal 2025 on a consolidated basis. The cost of efforts as a percentage of revenue has decreased mainly on account of improved onsite mix, utilization and increase in third-party costs.

Third-party items bought for service delivery to clients include software and hardware, which are integral to our overall service delivery to clients.

Selling and marketing expenses

The selling and marketing expenses as a percentage of revenue on standalone basis and consolidated basis have increased by 0.2% in fiscal 2025 over fiscal 2024.

General and administration expenses

The general and administration expenses as a percentage of revenue on standalone and consolidated basis have decreased by 0.3% and 0.2% respectively in fiscal 2025 over fiscal 2024. Contribution towards Corporate Social Responsibility (CSR) on standalone basis is ₹540 crore and ₹492 crore for fiscal 2025 and 2024, respectively. On consolidated basis is ₹585 crore and ₹533 crore for fiscal 2025 and 2024, respectively.

3. Other income and finance cost

Other income primarily includes income from investments, gain / loss on investments, foreign exchange gain / loss on forward and options contracts, foreign exchange gain / loss on translation of other assets and liabilities and interest on income tax refund. Other income for fiscal 2025 includes interest (pre-tax) on income tax refund of ₹327 crore on account of orders received under Sections 250 of the Income-tax Act, 1961, from the income tax authorities in India for certain assessment years. Other income for fiscal 2024 includes interest (pre-tax) on income tax refund of ₹1,933 crore on account of orders received under Sections 250 and 254 of the Income-tax Act, 1961, from the income tax authorities in India for certain assessment years. In fiscal 2025, the Company received ₹1,522 crore of dividend from our subsidiaries, which is reflected in the *Standalone financial statement*.

Interest income in fiscal 2025 has increased as compared to fiscal 2024 primarily due to increase in investible base and increase in yield on investments. We use foreign exchange forward and options contracts to hedge our exposure against movements in foreign exchange rates. Finance cost is on account of leases. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases.

4. Provision for tax

We have provided for our tax liability both in India and overseas. The Taxation Laws (Amendment) Act, 2019 has introduced Section 115BAA wherein a domestic company can exercise option for a reduced rate of corporate tax without claim of certain deductions mentioned therein including deduction for SEZ units under Section 10AA of the Income-tax Act, 1961. For the fiscal 2025, the income tax expense of the Company has been recognized by applying the provision of Section 115BAA of the Income-tax Act without claim of deduction for SEZ units under Section 10AA of the Income-tax Act.

Particulars	Standalone		Consolidated	
	2025	2024	2025	2024
Income tax expense (in ₹ crore)	9,873	8,719	10,858	9,740
Effective tax rate (in %)	27.9	24.3	28.9	27.1

Our effective tax rate in fiscal 2024 was lower primarily on account of reversal of tax provision due to receipt of order giving effects in fiscal 2024 for prior assessment years. Effective tax rate is generally influenced by various factors including non-deductible expenses, exempt non-operating income, overseas taxes, tax reversals and provisions pertaining to prior periods, changes to tax regulations and other tax deductions. Tax reversals and provisions pertaining to prior periods are primarily on account of adjudication of certain disputed matters, upon filing of tax return and completion of assessments, across various jurisdictions.

During the year ended March 31, 2025, the Company received orders under Section 250 of the Income-tax Act, 1961, from the Income Tax Authorities in India for the assessment years, 2016-17 and 2019-20. These orders confirmed the Company's position with respect to tax treatment of certain contentious matters. As a result interest income (pre-tax) of ₹327 crore was recognised and provision for income tax aggregating ₹183 crore was reversed with a corresponding credit to the Statement of Profit and Loss. Also, upon resolution of the disputes, an amount aggregating to ₹1,068 crore has been reduced from contingent liabilities.

During the year ended March 31, 2024, the Company received orders under Sections 250 and 254 of the Income-tax Act, 1961, from the Income Tax Authorities in India for the assessment years, 2007-08 to 2015-16, 2017-18 and 2018-19. These orders confirmed the Company's position with respect to tax treatment of certain contentious matters. As a result interest income (pre-tax) of ₹1,933 crore was recognised and provision for income tax aggregating ₹525 crore was reversed with a corresponding credit to the Statement of Profit and Loss. Also, upon resolution of the disputes, an amount aggregating to ₹1,628 crore has been reduced from contingent liabilities.

5. Segmental profitability

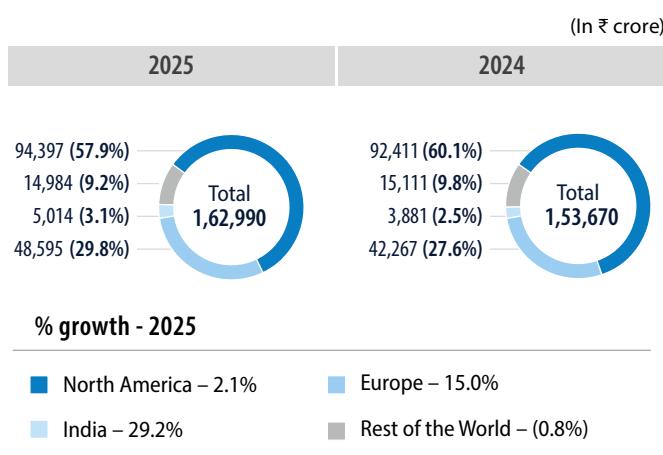
The Company's operations predominantly relate to providing end-to-end business solutions to enable clients to enhance performance of their business. Business segments of the Company are primarily enterprises in Financial Services and Insurance; Manufacturing; Retail, Consumer Packaged Goods and Logistics; Energy, Utilities, Resources and Services; Communication, Telecom OEM and Media; Hi-Tech; Life Sciences and Healthcare; and all other segments. All other segments represent the operating segments of businesses in India, Japan, China, Infosys Public Services and other enterprises in public services. This is discussed in detail in Note 2.26 to the *Consolidated financial statement* in this Integrated Annual Report.

Business segments – Consolidated

(In ₹ crore)

Particulars	Financial Services	Retail	Communication	Energy, Utilities, Resources and Services	Manufacturing	Hi-Tech	Life Sciences	All other segments	Total
Segmental revenues									
2025	45,175	22,059	19,108	21,710	25,207	13,090	11,831	4,810	1,62,990
2024	42,158	22,504	17,991	20,035	22,298	12,411	11,515	4,758	1,53,670
Growth (%)	7.2	(2.0)	6.2	8.4	13.0	5.5	2.7	1.1	6.1
Segmental operating income									
2025	11,099	7,133	3,341	6,097	4,856	3,220	2,663	827	39,236
2024	9,324	6,882	3,688	5,523	4,197	3,153	2,898	760	36,425
Growth (%)	19.0	3.6	(9.4)	10.4	15.7	2.1	(8.1)	8.8	7.7
Segmental operating margin (%)									
2025	24.6	32.3	17.5	28.1	19.3	24.6	22.5	17.2	24.1
2024	22.1	30.6	20.5	27.6	18.8	25.4	25.2	16.0	23.7

The following graph sets forth our revenue by geography:



Overall segment profitability has increased primarily on account of an increase in foreign currency translation benefits, benefit from Project Maximus arising from Value-Based Selling, and Lean and Automation, improved utilization, and an insurance claim receivable relating to a cyber event pertaining to fiscal 2024, partially offset by higher employee compensation, higher cost of third-party items bought for service delivery to clients and acquisition impact.

6. Liquidity

Our principal source of liquidity are cash and cash equivalents and cash flow that we generate from operations. We have no outstanding borrowings. We believe our working capital is sufficient for our requirements.

Our growth has been financed largely through cash generated from operations.

Our cash flows are robust. Our operating cash flows have increased in fiscal 2025 as compared to fiscal 2024 mainly on account of increase in net profit adjusted for non-cash items, better working capital management partially and by lower net income tax payments due to higher tax refunds.

Consolidated cash and investments of ₹47,549 crore comprise cash and cash equivalents, current and non-current investments excluding investments in equity and preference shares and others.

Capital Allocation Policy

Refer to the *Board's report* in this Integrated Annual Report for details on our Capital Allocation Policy, reviewed and approved on April 18, 2024.

7. Related party transactions

These have been discussed in detail in Note 2.24 to the *Standalone financial statements* in this Integrated Annual Report.

8. Events occurring after Balance Sheet date

There were no significant events that occurred after the Balance Sheet date apart from the ones mentioned in 'Material changes and commitments affecting financial position between the end of the fiscal and date of the report' in the *Board's report* in this Integrated Annual Report.

9. Key financial ratios

In accordance with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is required to give details of significant changes (change of 25% or more as compared to the immediately previous financial year) in key sector-specific financial ratios.

Management's discussion and analysis

The Company has identified the following ratios as key financial ratios:

Particulars	Standalone		Consolidated	
	2025	2024	2025	2024
Market capitalization to revenues (times)	NA	NA	4.0	4.0
Price / Earnings (times)	NA	NA	24.4	23.6
Days Sales Outstanding (DSO) ⁽¹⁾	–	–	69	71
Cash and investment ⁽²⁾ as a % of total assets	28.7	26.6	31.9	28.3
Revenue growth (%)	5.9	4.0	6.1	4.7
Operating margin (%)	22.6	22.3	21.1	20.7
Net profit margin (%)	18.7	21.1	16.4	17.1
Current ratio (times)	2.4	2.6	2.3	2.3
Debt equity ratio (times) ⁽³⁾	0.0	0.0	0.1	0.1
Debtors turnover (times)	5.3	5.6	5.3	5.5
Interest coverage ratio (times) ⁽⁴⁾	161.4	130.8	91.4	77.6
Basic EPS (₹) ⁽⁵⁾	61.58	65.62	64.50	63.39

(1) The Company does not track DSO at a standalone level.

(2) Includes cash and cash equivalents and investments, excluding investments in equity, preference shares and others

(3) Debt represents only lease liabilities.

(4) Primarily lease interest

(5) Includes a positive impact on the Basic and Diluted EPS is ₹1.03 on account of orders received under Sections 250 of the Income-tax Act, 1961, from the Income Tax authorities in India for certain assessment years on consolidated and standalone basis, respectively, for the year ended March 31, 2025

Includes a positive impact on the Basic and Diluted EPS is ₹4.76 and ₹4.75 on account of orders received under Sections 250 and 254 of the Income-tax Act, 1961, from the Income Tax Authorities in India for certain assessment years on consolidated and standalone basis, respectively, for the year ended March 31, 2024 (Refer to Note 2.17 of the *Standalone and Consolidated financial statements* included in this Integrated Annual Report for further details.)

Return on net worth

The details of return on net worth at standalone and consolidated levels are as follows:

Particulars	Standalone		Consolidated	
	2025	2024	2025	2024
Return on net worth (%)	30.3	36.6	29.0	32.1

Return on net worth is computed as net profit by average net worth. Net profit increased from ₹26,233 crore to ₹26,713 crore on a consolidated basis and decreased from ₹27,234 crore to ₹25,568 crore on a standalone basis. Average net worth has increased in line with the net profit increase adjusted for dividends and buyback.

Ratios where there has been a significant change from fiscal 2024 to fiscal 2025

Revenue growth for fiscal 2025 has gone up as compared to revenue growth for fiscal 2024 and segment-level details have been explained in the relevant section above.

V. Outlook, risks and concerns

We have adopted an integrated ERM framework that is implemented across the organization by the risk management office. Our ERM framework is developed by incorporating the best practices based on COSO and ISO 31000 and then tailored to suit our unique business requirements.

We have provided the details of Infosys ERM framework, key and emerging risks along with mitigation in the *Risk management report* of this Integrated Annual Report. The list of risk factors which we track for our business are covered in our 20-F filing available at <https://www.infosys.com/investors/reports-filings/annual-report/annual-reports.html>.

VI. Internal financial control systems and their adequacy

Infosys has aligned its current systems of internal financial control with the requirement of Companies Act, 2013, based on criteria established in Internal Control – Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). The Internal Control – Integrated Framework (the 2013 framework) is intended to increase transparency and accountability in an organization's process of designing and implementing a system of internal control. The framework requires a company to identify and analyze risks and manage appropriate responses.

Internal financial control systems include the design, implementation and maintenance of adequate internal financial controls that are operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, safeguarding of its assets, prevention and detection of frauds and errors, accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

In designing and evaluating our disclosure controls and procedures, the Management recognizes that any controls and procedures, no matter how well conceived and operated, can only provide reasonable assurance that the objectives of the disclosure controls and procedures are met. Based on their evaluation as of the end of the period covered by this Integrated Annual Report, our CEO and CFO have concluded that our disclosure controls and procedures were effective to provide reasonable assurance that the information required to be disclosed in filings and submissions, is recorded, processed, summarized, and reported within the time periods specified, and that material information related to us and our consolidated subsidiaries is accumulated and communicated to management, including the Chief Executive Officer and Chief Financial Officer, as appropriate to allow timely decisions about required disclosure.

Deloitte Haskins & Sells LLP, the statutory auditors of Infosys Limited, has audited the financial statements included in this Integrated Annual Report, and as part of their audit, has issued their report on the Company's internal financial controls (as defined in Section 143 of Companies Act, 2013), on the effectiveness of our internal financial controls over Standalone and Consolidated financial statements as at March 31, 2025.

Infosys Limited has appointed Ernst & Young LLP to oversee and carry out internal audit of its activities. The audit is based on an internal audit plan, which is reviewed each year in consultation with the statutory auditors and approved by the Audit Committee.

The CEO and CFO certification provided in the *CEO and CFO Certification* section of the Integrated Annual Report discusses the adequacy of our internal control systems and procedures.

VII. Material developments in human resources / industrial relations, including number of people employed

Our culture and reputation as a leader in consulting, technology, outsourcing and next-generation digital services enable us to attract and retain some of the best talent.

Human resources management

Infosys is a people company that understands the immense potential of technology and strives to create a world-class employee experience. The Company has implemented various initiatives to inspire and enable its employees to find purpose and make an indelible impact through meaningful work and passionate teams, ensure that they continuously learn and grow in their careers and shape the collective future, and create opportunities for every employee to navigate further, powered by the culture and values of Infosys.

This is true at each stage of career for our employees. A strong focus on leadership development has ensured that we have a robust leadership bench at all times, encouraging leaders from within the Company to move up and take on new challenges.

Adapting to the changing work environment, Infosys has adopted a hybrid model of work that balances employee flexibility and business requirement. Leveraging technology and automation, it has improved workforce efficiency, engagement, transformation, and innovation. Recognizing and rewarding its employees for their performance, excellence, and leadership, it has fostered a culture of diversity, equity, and inclusion, and ensured a safe and positive work environment for all its employees. Infosys has also received several awards and accolades for its best-in-class HR practices and processes.

Resolution hubs

Infosys is committed to providing a safe and positive work environment. In keeping with this philosophy, the organization envisages an open-door policy and encourages a culture of "speak up". Employees also have access to several forums where they can highlight matters or concerns faced at the workplace for effective remediation. This is achieved through a well-established and robust grievance resolution mechanism

comprising resolution hubs. Resolution hubs adhere to the principles of natural justice, confidentiality, sensitivity, non-retaliation and fairness, while addressing concerns. The concerns are handled objectively while ensuring timely action and closure. In matters that entail a detailed investigation, the process ensures fairness for all involved, with an opportunity to be heard, present facts and any material evidence before a neutral panel.

HEAR

Infosys has a robust grievance redressal forum called HEAR (Hearing Employees And Resolving) fostering healthy employee relations and a positive work environment by giving our employees a neutral platform 'to be heard' and building the culture of 'speak up'. Employees can raise a complaint on the HEAR webapp or InfyMe mobile application or write to HEAR@infosys.com. HEAR adopts a decentralized model and addresses employee concerns in a structured manner with appellate forums for workplace grievances that have not been duly heard at the preliminary level by the Managers (or) line HR.

ASHI

The Company's assurance to its employees of providing a harassment-free workplace is reflected in our key initiative, ASHI (Anti-Sexual Harassment Initiative). As per the Prevention of Sexual Harassment Act in India, the Company has constituted Internal Committees (IC) in all the development centers with the ambit of the regulatory jurisdiction, for redressal of sexual harassment matters reported by women employees. We also have a strong governance mechanism in the form of GRB (Grievance Redressal Body) to define, interpret and implement the Company's policy on prevention of sexual harassment at the workplace. GRB consists of external members, internal senior members, and the Investigative Council. Here, we follow a gender-neutral approach in redressal of all such complaints. Complaints are taken up for a formal redressal process in line with the POSH Act and the Company's policy on anti-harassment as applicable. The reports on ASHI grievances can be shared to GRB@infosys.com and employees can also report complaints on the ASHI webapp or InfyMe mobile application.

Extending the initiative to contract staff

Our commitment to a positive and safe working environment is not restricted only to our employees, but also third parties, who provide services in our campuses. We conduct refresher sessions for such third-party employees to reinforce the message. These sessions are covered in nine vernacular languages in India currently. Emergency / safety cards with important contact numbers are also handed over to all Infosys employees and employees of such third parties.

Whistleblower Policy

The Company has formulated the Whistleblower Policy in line with the mandated regulatory requirements – Sarbanes-Oxley Act (SOX), 2002 & Companies Act, 2013 – which mandates listed companies to establish a "vigil mechanism" for reporting genuine concerns.

The forum is predominantly for the receipt, retention and treatment of complaints regarding matters of probable discrepancies in accounting, internal accounting controls or

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auditing, and also enables anonymous reporting by employees. While the Whistleblower Policy and the forum is administered and managed by the Office of Integrity and Compliance, complaints (anonymous or otherwise) pertaining to deviations in workplace policies / processes involving employees are reviewed in tandem by the Employee Relations Department.

Human rights

Infosys is a signatory to the United Nations Global Compact (UNGC) and supports the protection and elevation of human rights. Our stand on human rights is contained in an important pillar of our Code of Conduct, viz., 'Respecting each other.' Refer to Infosys Code of Conduct: <https://www.infosys.com/investors/corporate-governance/documents/codeofconduct.pdf>.

Recruitment

As of March 31, 2025, the Group employed 3,23,578 employees, of which 3,06,599 were professionals involved in service delivery to clients, including trainees.

We continually seek and employ a diverse workforce across various IT fields. We have established strong connections with leading institutions worldwide and recruit students who consistently demonstrate exceptional performance. Our initiative, HackWithInfy, an online coding competition, has gained international recognition once more, allowing us to draw in top coding talent.

We remained steadfast in our commitment to the RestartWithInfy initiative to welcome back women who were forced to take a break from the IT industry into our workforce. We were able to hire 935 women into the Infosys ecosystem in fiscal 2025 through this successful endeavor.

During fiscal 2025, we received 44,57,748 employment applications, interviewed 430,080 applicants and extended offers of employment to 83,207 applicants. These statistics do not include our subsidiaries.

Education, training and assessment (ETA)

Infosys continues to invest in developing human potential for the organization, and the world at large. We are now experiencing the play of Human + AI in multiple fields, including learning. This technology wave gives us the ability to hyper-personalize learning, at scale, across all our learning offerings. These efforts have helped us garner external accolades from Brandon Hall and ATD Best.

The Foundation Training Program, anchored across India and multiple other countries enables newly onboarded entry-level hires to transform into corporate professionals. Comprising over 45+ technology streams, the curriculum has kept pace with the dynamic business requirements and the preferred pedagogical approach of the current generation of talent. Generative AI and prompt engineering courses have been introduced to ensure freshers are adept in the new skills.

Our Continuous Education Program is aimed at reskilling / upskilling our existing employees with the twin objectives of increasing fulfilment of skilled talents in client projects and enriching their expertise in next-generation digital technologies and methodologies, including gen AI technologies. We provide

online self-learning, instructor-led virtual training opportunities along with in-person classroom training opportunities to our employees. Bridge programs help employees with training and internship opportunities to switch to a new career field, while retaining them within the organization.

Lex, our in-house learning platform, offers over 36,000+ curated courses, which includes over 30,000 courses procured from vendor partners both for enterprise consumption and niche communities with specific knowledge requirements. Around 20,000 employees used Lex on weekdays and around 5,000 employees used it on weekends, with an average learning time of 40 minutes.

Infosys Wingspan, our configurable talent transformation platform for clients, is used by several global organizations for their talent transformation programs.

Infosys Springboard, led by a dedicated team of experts collaborating globally with curriculum partners, non-profits, and a global network of leading educational institutions. More than 20,000 courses are available and about 9.2 million learners across the world are actively consuming content on Infosys Springboard.

VIII. Other details

1. Quality

The Quality function at Infosys, in line with the organization's vision and strategy of 'Navigate the Next', has three strategic imperatives:

- Differentiate Infosys' services through superior performance and quality
- Optimize Infosys' client projects as well as internal functions for greater efficiency and agility
- De-risk Infosys' operations by ensuring delivery excellence, compliance and sustainability

With usage of AI becoming mainstream, it is imperative to standardize and scale responsible adoption of AI. To address this need, our Quality team is working on defining an adaptable AI-first software engineering framework, which re-imagines the end-to-end engineering lifecycle for the services that we provide for our clients. Starting with the requisite AI foundation, the framework aims to lay out AI-infused process workflows with integrated engineering, impact on team topologies and roles and value-based governance. In addition, the evolved Infosys digital operating model for an AI-first enterprise with product-based working, user experience design, data ecosystems, advanced engineering, and digital talent enablement provides the necessary foundation to help clients maximize value from investments in digital and AI technologies.

Our Quality team continues to scale and evolve our capabilities in new ways of working – Agile, DevSecOps, and Site Reliability Engineering, and navigate the shift from project to product and platform-led ways of working using our product-centric value delivery approach. In addition, Quality Consulting also helps clients to transform their ways of working and adopt engineering excellence, within their organizations.

Quality has been leading the way in driving lean and automation in the organization to enhance productivity and quality, which

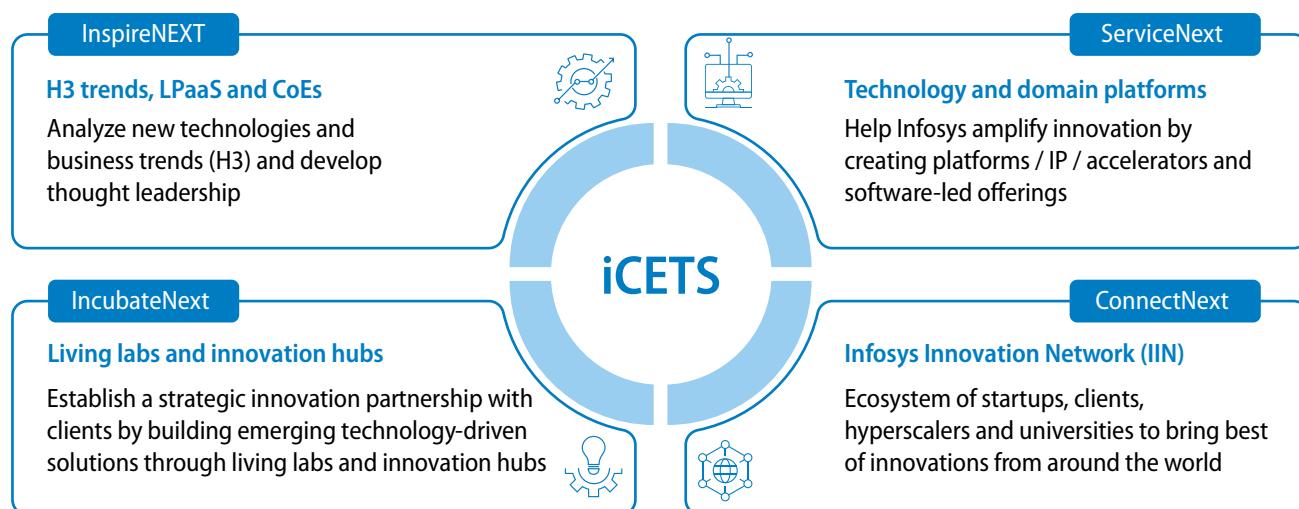
has resulted in large optimization in projects. It deployed robust frameworks, tools and platforms across service lines in a collaborative manner to drive hyper-productivity and engineering excellence. Our holistic automation maturity model is actively used to help projects increasing automation levels, from point tools towards cognitive and autonomous operations, leveraging AI and Gen AI.

Quality continues to drive best practices and sustenance through structured audits and assessment frameworks, focusing on de-risking the organization, with augmented coverage of services, centers and subsidiaries. We continue to comply with international management system standards and models, viz., ISO 9001, ISO 27001, ISO 14001, ISO 45001, ISO 50001, ISO 22301,

ISO 20000, ISO 27701, AS 9100 and ISO 13485. Infosys is certified to ISO 50001 (Energy management system) as a part of our continued commitment to ESG.

Infosys is among the first IT companies to comply with and get accredited certification for ISO 42001:2023 standard (AI management systems). The Company continued to comply with and get assessed at the enterprise level for SSAE 18 SOC 2 type II & ISAE 3402 / SSAE 18 SOC 1 type II including cloud platforms. Our RAI design assessment (Responsible AI Program) is considered as a "leading practice" and we have been certified as an early adopter.

2. Infosys Center for Emerging Technology Solutions (iCETS)



iCETS is the emerging technology solution incubation partner for Infosys' clients and units. It provides next-generation platforms and innovation-as-a-service to help future-proof enterprise businesses, leveraging 'New Emerging and eXploratory Technologies' (NEXT). There are four distinct dimensions across which iCETS delivers innovation.

InspireNEXT: A set of capabilities and offerings designed to help discover new possibilities of doing business. The Listening Post-as-a-Service (LPaaS) acts as signal catcher of new business and technology trends. We have helped over 65 clients to detect early signals of evolving phenomena from innovation centers across the world. The insights gathered from our LPaaS program and our clients help us to set up and develop Centers of Excellence (CoEs) for technologies such as AI and gen AI, quantum computing, cybersecurity, mixed reality, etc. These CoEs experiment with and develop possible and demonstrable solutions for our clients, e.g. an AI benchmarking platform, logistics optimization using quantum technologies, etc.

ServiceNext: Leverages newly-developed capabilities and IP to help differentiate our service offerings or create new offerings for our clients. For e.g., LEAP for AI-led maintenance projects, CyberNext for cybersecurity management for our clients, IQE for quality engineering services, iDSS and iEDPS for

data readiness for AI, etc. Each of these platforms gives Infosys an edge by providing efficient services and helping clients to reduce costs and risks while adopting new solutions. We have over 1,000 client deployments of our IP across our portfolio. Be The Navigator (BTN) is our flagship program for grassroot innovation. It is a structured and scalable program for our clients to leverage our innovation expertise and infrastructure to make improvements each day.

ConnectNext: Brings together innovations from an external ecosystem of hyperscalers, startups and universities. The Infosys Innovation Network (IIN) today nurtures over 370 startups across technologies. Its collaboration with hyperscalers and product players helps to differentiate Infosys' services and platforms, including in gen AI, data readiness, immersive experiences, space, semiconductor, etc. With these startup-led solutions, we have over 1,000 client impressions exploring the best of innovations from around the world.

IncubateNext: Provides our clients with rapid and agile innovation capabilities. Infosys internal experts, IP and external partnerships like startups bring significant scope for experimentation, scaling of ideas and increased velocity of innovation. Infosys Living Labs has helped 100+ clients in adopting new technologies like AI, gen AI, mixed reality,

Management's discussion and analysis

customer experience, etc. Most of our innovations are also made available for wider learnings via our Innovation Hubs. With over 190 different technology experiences, we get our clients from different industries to understand the potential and apply these innovations to their business opportunities.

We have also established the Applied Research Centers (ARC) that focus on technological and trends research across diverse domains such as Applied AI, New Interaction Models, Autonomous Machines, Advanced Cybersecurity and other emerging technology areas.

3. Branding

Brand Infosys is a key intangible asset for the Company, ranked amongst the world's Top 100 brands in 2025, and recognized as the fastest growing IT services brand globally, over a 5-year period. It is nurtured by over 3,20,000 purpose-driven Infoscions seeking to amplify human potential and create the next opportunity for people, businesses, and communities. The brand serves to position Infosys as the next-generation digital-first, enterprise AI partner of choice for businesses navigating their transformation. It is built around the premise that the experience we have gained, over four decades, in managing the systems and workings of global enterprises enables us uniquely to be navigators for our clients. We do it by enabling them with an AI-first foundation. We also empower the business with enterprise AI, cloud, and other digital technologies at scale to deliver unprecedented levels of performance and customer delight. Our always-on learning approach drives continuous improvement through building and transferring skills, expertise, and ideas from our innovation ecosystem. Our localization investments in talent and innovation centers help accelerate the business transformation agenda. For over four decades, we have been deeply committed to being a well-governed, environmentally sustainable partner for our clients, where diverse talent, in an inclusive workplace, helps them navigate their next.

Our marketing reach extends globally through digital-first multi-channel campaigns. As the digital innovation partner for the Australian Open, Roland-Garros, ATP and The International Tennis Hall of Fame, we help showcase how brand Infosys is reimagining the tennis ecosystem for a billion fans globally, leveraging data, insights, and digital experiences. We are the official digital innovation partner of Madison Square Garden (MSG) properties including the New York Knicks, New York Rangers and the MSG Arena. We are also official digital innovation partner for the ABB FIA Formula E World Championship. In addition, our strategic partnerships with Dow Jones, The Economist Group, Financial Times and Handelsblatt Media Group further accentuate this position. We participate in premier business and industry events around the world, while also organizing our own signature events and CXO roundtables. Confluence, our flagship client event series across the US, Europe and APAC, is rated highly by our clients and industry partners.

4. Client base

Our client-centric approach continues to bring us high levels of client satisfaction. We, along with our subsidiaries, added 365 new clients, including a substantial number of large global corporations. Our total client base at the end of the year stood

at 1,869. The client segmentation, based on the last 12 months' revenue for the current and previous years, on a consolidated basis, is as follows:

Clients	2025	2024
100 million dollar +	39	40
50 million dollar +	85	83
10 million dollar +	309	315
1 million dollar +	992	959

5. Infosys Leadership Institute

With AI playing a pivotal role in the next phase of transformation of organizations, the Infosys Leadership Institute (ILI) partnered with Kellogg to bring their highly acclaimed program on AI Applications of Growth to all its leaders. In fiscal 2025, more than 1,000 senior leaders of Infosys completed this certification program and most of them also participated in a live discussion with the author of this course, Prof. Mohanbir Sawhney. This includes about 250 women leaders, with many of them also working on AI-related projects and initiatives.

ILI strengthened the succession program by broadening its focus to key roles in business and enabling functions, in addition to creating highly personalized development programs for the incumbents and successors in organizational critical positions. The highly successful succession-enabling Constellation program was expanded to include more high potential emerging leaders. Together with a 10-month curated program with Oxford University, the Constellation leaders also commenced work in smaller cross-functional teams on strategic organizational projects, aimed to bolster their enterprise leadership thus preparing them for senior leadership positions.

Broader leadership development and engagement continued, with signature programs like the 10-month Enterprise Leadership program in partnership with multiple universities including Kellogg, Tuck, and NUS and the six-month-long Executive Presence and Presentation program in partnership with The Economist. More than 2,000 1x1 leadership advisory discussions were completed by ILI with leaders, focused on their leadership development plan. With more than 97% leaders completing a significant development intervention, Infosys leaders invested 10,500+ leadership learning days equivalent on their development.

Leadership diversity continues to be important for Infosys and the acclaimed ILI IamtheFuture program saw more than 200 women leaders completing a development program addressing critical and differentiating competencies needed for success and growth. About 100 women leaders completed a program with Stanford on Executive Communication, along with 1x1 coaching with an external communication firm. Career conversations were completed for critical and high-potential women leaders across segments and delivery, and 200 women+ leaders completed a development coaching conversation with internal leadership advisors.

Our relentless focus on leadership development and engagement continues to set us up well for the future.

6. Infosys Knowledge Institute

The Infosys Knowledge Institute (IKI) is the business research and thought leadership arm of Infosys. IKI harnesses the intellectual capital of Infosys experts and client collaborations to produce novel, distinctive content and insights on the business impact that technology can drive for enterprises. IKI also develops proprietary data and insights through primary research, including large-scale surveys and quantitative analysis. These are published through its flagship Radar maturity reports, the annual Tech Navigator report and ongoing Tech Compass tech trends series, and industry-focused market outlooks and executive journals. IKI has collaborated with 800 clients and created over 1,500 assets since inception. For more information, visit <https://infosys.com/iki>.

7. ESG vision and ambitions

In October 2020, we launched our ESG Vision 2030 to 'shape and share solutions that serve the development of businesses and communities.' Our vision continues to reflect how ESG is integral to Infosys' sustainable and responsible business performance. We continue to be carbon neutral across scope 1,2 and 3 emissions for the sixth consecutive year. We have expanded our skilling initiatives to include 13.3 million people. As a part of our Tech for Good initiatives we launched Sight Connect app in partnership with L.V. Prasad Eye Institute to make eye care more accessible to all. We remain steadfast in our commitment to nurture workplace inclusivity. An empowered, diverse, inclusive Board continues to sharpen stakeholder focus by bringing their interests to the fore. Our data privacy and information management efforts continue to shape policy and lead the way industry.

For more information about our ESG Vision and ambitions, read our ESG Vision 2030 document at <https://www.infosys.com/content/dam/infosys-web/en/about/corporate-responsibility/esg-vision-2030/index.html>.

For information on the progress of our ESG ambitions, read the ESG report at <https://www.infosys.com/sustainability/documents/infosys-esg-report-2024-25.pdf>.