

## CONFERENCE CALL

August 25, 2017

### CORPORATE PARTICIPANTS

**Nandan Nilekani**

Non-Executive Chairman

**D.N. Prahlad**

Independent Director

**Pravin Rao**

Interim Managing Director & CEO

**M.D. Ranganath**

Chief Financial Officer

### ANALYSTS

**Anantha Narayan**

Credit Suisse

**Bhavin Shah**

Samiksha Capital

**Parag Gupta**

Morgan Stanley

**Ashwin Mehta**

Nomura

**Diviya Nagarajan**

UBS

**Dipen Sheth**

HDFC Securities

**Pankaj Kapoor**

JM Financials

**Harish Zaveri**

DSP Blackrock

**Ankur Rudra**

CLSA

**Yogesh Agarwal**

HSBC

**Sandeep Agarwal**  
HSBC

**Ritesh Rathod**  
UTI Mutual Fund

**Viju George**  
JP Morgan

**Sandeep Shah**  
CIMB

**Ankit Pande**  
Quant Capital

**Moderator**

Ladies and gentlemen, good day and welcome to the Conference Call organized by Infosys. As a reminder, all participant' lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing '\*' then '0' on your touchtone telephone. Please note that this conference is being recorded. I would now like hand the conference over to Sandeep Mahindroo. Thank you and over to you sir.

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**Sandeep Mahindroo**

Thanks, Inba. Hello, everyone and welcome to this call to discuss the announcement made yesterday on the changes in the board. This is Sandeep from the Investor Relations Team in Bangalore. Joining us today on this call is Non-Executive Chairman Mr. Nandan Nilekani; Independent Director Mr. D.N. Prahlad; Interim Managing Director and CEO Mr. Pravin Rao and CFO Mr. M.D. Ranganath.

We will start the call with some remarks by Mr. Nilekani, subsequent to which we will open up the call for questions. Please note that anything which we say that refers to our outlook for the future is a forward-looking statement which must be read in conjunction with the risks that the company faces. A full statement and explanation of these risks is available in our filings with the SEC which can be found on [www.sec.gov](http://www.sec.gov)

I now like to pass it on to Mr. Nilekani.

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**Nandan Nilekani**

Thank you, Sandeep and good morning everybody. I am sorry we had to organize this call at short notice and I apologize that we chose a holiday for this call. I really apologize for inconvenience caused to all of you.

Let me just give you the update of what has been happening. There was a board meeting yesterday where I was appointed as the Non-Executive Chairman of the company with immediate effect.

Mr. Seshasayee resigned as the chairman of the board, Vishal as executive vice chairman and Jeff and John as independent directors. Ravi Venkatesan stepped down as the co-chairman, but will continue on the board as an independent director.

Therefore, I have joined the company in a capacity as Non-Executive Chairman of the company, and as Non-Executive Chairman, I will be responsible for board oversight, governance and functioning. This invitation to have me joined the board in this capacity as Non-Executive Chairman was a unanimous decision of the board.

I am thankful and grateful to all the board members who resigned yesterday. Seshasayee, Vishal, Jeff and John, I thank them for their contribution and for inviting me to join the board.

As you know, my role is not an executive role, it is for oversight, governance, and functioning. One of my key tasks in the coming weeks will be to help and assist in the CEO search process. We are very confident that we will have large pool of internal and external candidates who will participate in our CEO search and already in the last few hours I have received many mails on this. We are looking for the right candidate who will be able to demonstrate expertise in managing a large global corporation, accelerate the execution of our strategy, has strong representation in the cultural transformation that

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Infosys is going through, has strong technology prowess and is able to build and strengthen relationship with all stakeholders.

This call is not about Infosys' guidance, revenues, margin, strategy, because they are all things that will be discussed in a later call. This call is purely to tell you about the change at the board and that I have come in to focus on the future of the company. I have come into take the company forward and deal with its challenges. I am looking forward to doing that along with the rest of the members of the board as well as the management team. This decision happened last night at about I guess 7:30-8 o'clock. Then I had an informal conversation with the new board and I also had conversation with senior management yesterday.

Today, I am doing this investor call with all of you. I am doing media interaction in the afternoon. I will then have the first board meeting of the new board to discuss some of the things that are required to be done in the coming weeks and then I will have a second investor call for international investors and other time zone.

So, we are moving quickly to put in place an architecture of what needs to be done going forward including getting the new CEO which is of primary importance to us, as well as looking at the board composition and what should be the strategy going forward.

I must say that I have been very pleasantly surprised to see that there was universal acceptance of my coming in. I have received support from all quarters. I was invited by the board unanimously. I do understand that some investors have also written in about this and also, I have the full support of the founders Mr. Narayana Murthy and my other co-founders.

I am confident that we are now entering a period where we will go forward in a very positive manner. Whatever are the issues that were there and raised, I will have a look at it. Obviously, I am a big believer in very high standards of corporate governance and I will make every effort to ensure that the whole thing is done well.

I am a big admirer and a fan of Narayana Murthy. He gave me my first job when I came out of IIT Bombay in 1979. I joined him as a software engineer in Patni Computer Systems where he was the software manager. Murthy is one of the iconic visionaries of this country in post independent India. I think we can think of him as really as the "Father of Corporate Governance in India" and many of the practices in today's world were all pioneered and invented in Infosys. Way back in the 90s long before people had thought about corporate governance, Infosys was at the cutting edge. Whether it was analyst calls, quarterly reporting, full transparency, becoming SEC-compliant, being the first Indian company to list in the American Stock Exchange, etc. You name it Infosys has been at the cutting edge. So, I greatly value Murthy and his contribution. One of my goals is to ensure that Infosys and Murthy and other founders have a very healthy relationship.

This company will be a board-managed company with me as a chairman and my board members. This board will practice the highest standards of corporate governance and fiduciary responsibilities. Also let me assure you that we will consult all stakeholders. We will interact and get feedback from all our investors. We will discuss with our customers, we will discuss with our employees, we will discuss with society and you can be rest assured that I see my role as a holistic role which interacts with all stakeholders to take this company forward.

As I said, we will be getting to a few quick decisions in the next few days. As far as issues related to business of the company, be it the strategy, the transformation plan, the earnings, the guidance, all these things will be discussed and talked to with investors in the investor call which will happen after the board meeting in October.

We are going to also make sure that we continue to remain an iconic company that has been held in high regard for its achievements and driven by a great team. My interactions with the team yesterday was excellent. I think we have very highly committed set of people who want to take this company forward.

I want to look at the future and make sure that we do all the right thing. Of course, people are asking how long I plan to be here. I plan to be there as long as necessary and I will not be here as soon as I am not necessary. So, I have a set of tasks to accomplish, CEO search has to be done, the board has to be reconstituted and new people have to be brought in, etc., the business has to be stabilized. I will be there as long as it takes and work as much as it takes to make this happen. But once things are in the right direction, then once we deem it that my presence is no longer necessary then I will no longer be there. I am not able to say what is the timeframe for that, I do hope it will happen as fast as possible. As you know 8-years since I left Infosys and I have been doing a lot of other things then and many of those things have had to be paused because I had to come back here. So, it is my endeavor to do all the right things and move on. At the same time, I will be here as long as necessary and work as hard as necessary to make sure that Infosys, the iconic company is on its path of full potential.

Once again, I am very-very happy with the incredible support that I am receiving from all quarters. The retiring board was unanimous and inviting me. The new board in my initial interaction with me has been an extremely supportive and progressive conversations. Mr. Murthy and my other co-founders have been extremely supportive. Investors have welcomed it. Customers also, as I have had a couple of interactions. Employees have welcomed it. So I do hope to take this reservoir of goodwill and put it to use to put the company on the right stable path. I will therefore request all of you to help me in this task and make sure that we move forward.

With these opening remarks, I will shortly open it up for questions. Once again, let me clarify, I am not discussing strategy, guidance, earning, and transformation, none of those things. It is too premature for me to comment on those things; however, I will be more than happy to answer questions about the transition and any doubts or clarifications that you want to seek about the change of events at Infosys.

Thank you. I now request Sandeep to open it up for questions and get me one question at a time.

### **Sandeep Mahindroo**

Inba, we can open up for Q&A.

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### **Moderator**

Sure sir, Thank you very much. Ladies and gentlemen, we will now begin the Question-and-Answer Session. Our first question is from the line of Anantha Narayan of Credit Suisse. Please go ahead.

### **Anantha Narayan**

Thank you. Welcome back, Nandan. It is good to have you at Infy once again. I had a couple of questions, the first is - Mr. Murthy obviously has some concerns on the composition of the board which I guess has been addressed to quite a large extent now. But he has also raised some fairly serious questions on governance around a couple of developments in the past. So should we investors and analysts expect more disclosures from the company on those issues in the near future?

### **Nandan Nilekani**

I have to take stock of all this. I am also committed to the higher standards of corporate governance. So, we will come out with a plan on how we will look at these things and we will get back to you. I will

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not be able to comment on that. Definitely any concerns of any shareholder need to be addressed and we will endeavor to do so.

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### Anantha Narayan

Secondly, when earlier announced that Vishal would continue until the new CEO was in place, at least gave some comfort on near-term continuity especially with key customers. So, what led to that change in that status? And then consequently now there is a concern that there could be some disruption in the near-term operations

### Nandan Nilekani

No, there will be absolutely no disruption whatsoever. The reason for continuity was to manage the process of the CEO transition, but since I have joined, that is an issue which will be taken care of. So, Vishal also felt and we agreed that this was the appropriate time for him to step down and the company signed all the clearance agreements with him yesterday. Let me assure you that we will take every effort to ensure that the company's business performance is on the same track that any client relationships are handled and so on. So, I see absolutely no issues and we will take this forward properly.

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### Moderator

Thank you. The next question is from the line of Bhavin Shah from Samiksha Capital. Please go ahead.

### Bhavin Shah

Hi, Nandan. Welcome onboard. I think you have been immersed in technology last many years with lot of action in the start-ups. So, knowing what is happening, there are a lot of disruptions that have taken place, what do you think is successful IT company needs to do in future. Would you be able to point to any examples of maybe some companies who have done few things or maybe even smaller level or smaller companies and what is going to be relevant in future?

### Nandan Nilekani

I think that is an excellent question, Bhavin. In terms of the actual strategy that Infosys will follow as I said we will be able to unveil more details in October because I will be requesting my colleagues to do a quick refresh on the strategy and so on. But I feel that there is a tremendous opportunity because what I see happening around the world is that software data and machine learning is becoming fundamentally transformational in every industry. Earlier we saw this in industries like advertising and media but now we are seeing it in entertainment with the rise of Netflix, we are seeing it in automobiles with the rise of Tesla and electric car, we are seeing it in business models, the combination of an electric car which is self-driving and with an Uberized or Ola's model is fundamentally changing industries. This is happening across every industry, whether it is retail, automobile, media, and entertainment, etc. So, I think my feeling is that there is tremendous opportunity here because many of the incumbent companies who are facing this challenge from these new aged challenges who are very tech-savvy and data-oriented, will need a lot of assistance, guidance, help in getting their counter strategies. So, I am quite confident that if we are able to work on this side, there is plenty of opportunity for firms like Infosys.

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**Moderator**

Thank you. Our next question is from the line of Parag Gupta from Morgan Stanley. Please go ahead.

**Parag Gupta**

Hi Nandan and thanks for doing this call with us. So Nandan, my first question is, we understand there have been some class action lawsuits that have been filed by a couple of US law firms. Could you help us understand about how much do you think are these issues or new developments likely to be an irritant going forward. Do you think that these kind of come to rest with what has happened? So could you guys just give us a sense on how much can these impact or create hiccups going forward?

**Nandan Nilekani**

Well, I think obviously you know our legal team, our CFO will look at these and look at what it is all about. But I really want to be focused on the future. As I said, the first point I want to make is that we want to bring complete stability in the organization and there are no discordant voices on the company and we are going to say that everybody is on the same page. I think getting that stability is the big step forward. Second, we are going to focus on people getting their attention and energy on the business. Third, we are going to focus on a very wide global search for the best CEO for Infosys today. Fourth, we are going to look at the Board and see what needs to be done in terms of additions to the Board and getting the right set of people for the future of this company. We are going to, in the near term look at the strategy things and we will have to take stock of all the various initiatives. I do know that Vishal had taken up lot of initiatives on AI and zero touch and many other things. I haven't really got into details but we are going to commission a team to take stock of all the initiatives and figure out how to grow them and how to integrate them into the mainstream. So when you are running a public company, you are going to have especially a public company of the iconic state of Infosys which has global customers, which is listed on two continents. There is always going to be things of that nature. So our focus is on the business. One thing I have learned, whether it is in my life at Infosys or my life at Aadhaar is that if you are able to deliver then everything else is insignificant.

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**Parag Gupta**

Sure. Thanks Nandan. And the second question is, when Vishal has taken over as CEO, there were generally some skeptical talk that is being located in the US, is not necessarily the right strategy. Do you have any views on for your new CEO, would you want someone to be based in India or are you okay with them being based out.

**Nandan Nilekani**

I think that is a premature question. I am only concerned about how to have the best CEO who has the qualities that I discussed with you are little earlier. Right now I am not focusing on any geographic location.

**Parag Gupta**

Great. Thanks Nandan and all the best.

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**Moderator**

Our next question is from the line of Ashwin Mehta from Nomura. Please go ahead.

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**Ashwin Mehta**

Thanks for the opportunity. Welcome back Nandan. Had one question, as per the press release there is a non-disparagement obligation which is being signed with the outgoing members of the Board. How does that play in terms of the request for releasing the Panaya investigations reports?

**Nandan Nilekani**

As I said I have just taken over Ashwin. I will look into all this. I am committed to a) highest standard of corporate governance, b) I am committed to all legal agreements that the company has made with anyone who is leaving with the company. I am committed to finding solutions in a holistic manner. These are all things that are the job of the Board and the governance of the Board. These are all the things which we deal with. What is important is that these things are dealt and more important is that we focus our attention on the future, on the business, on the transformation needs, on customer needs and show demonstrable progress. To me that is the primary thing. These other things we will take care of always.

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**Ashwin Mehta**

Okay. Secondly in terms of the concerns that clients might have because of the uncertainty that has been caused, what is the plan there? Would you be involved in terms of talking to all these clients along with management to assuage these concerns?

**Nandan Nilekani**

I mean first of all, I don't know what those concerns are because certain concerns are no longer there. We have now a very stable Board. I have taken charge as Non-Executive Chairman. I have the full support. I was unanimously invited by the Board. I have full support of Mr. Murthy and my other colleagues. So we have full stability with the Board as well as with promoters and a very large number of institutional investors who have publicly asked for me to come back. So I assume I have the full support. So I think it is fair to say that whatever stability is required is now in place. Now it is about going forward and certainly many of the customers are still customers whom I knew, who were there when I was there and many of the relationships are there. I don't expect Executive Management to make it clear that things are stable and future is bright. However, if there is any particular customer relationship that requires my involvement, of course I will do it.

**Ashwin Mehta**

Okay. Thanks a lot, and all the best.

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**Moderator**

Thank you. Our next question is from the line of Diviya Nagarajan from UBS. Please go ahead.

**Diviya Nagarajan**

Hi. Thanks for taking my question and welcome back Nandan. Two questions to you here, one is you have been out of the business for some time but you have clearly been an astute observer. How do you read the changes in the marketplace in the last 2-3 years and how does that corresponds with the intrinsic strengths that you think Infosys has. What are the gaps that you think that you would like the incoming CEO and the team to focus on?

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**Nandan Nilekani**

Diviya, I just explained that, it is probably little over 12 hours since I took charge. I would be discussing or whoever is on the call will be discussing strategy issues in October. I have fairly good idea of what is happening in the external world. I don't know whether you have been seeing my talks on the way of transformation including the latest one on data. So I am well abreast of technological changes happening and disruptions happening globally. I now need to look at what is happening in Infosys and align the external changes happening with what Infosys needs to do. That is not something I can do right now. I will do that in the October call. So please give me some time for that.

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**Diviya Nagarajan**

And my second and last question is, you spoke about your criteria for an external CEO if you are relooking at an external CEO. Is that the way that you think the company needs to go forward? Do you see the opportunity for asking some of your senior leaders internally to?

**Nandan Nilekani**

No, I never said that. I said internal and external candidates. I said very clearly, we will look at both internal and external candidates as part of our CEO search. I just defined what are the attributes that we want in the candidate. Absolutely we are going to look at internal and external candidates. Not only that, we are also going to look at what I would call as Infosys alumni which is Infosys leaders who have reached very high levels and for whatever reason had left the company and have got on to become successful elsewhere. We are very open and have a very open mind. It is going to be a global search. We will look at internal leaders, external leaders, alumni, in whatever geography. We just want the best person and I will spend a lot of my time in making sure that we are the right person in charge of the CEO. I will help that person in integrating into Infosys.

**Diviya Nagarajan**

Thanks. That is very helpful and wish you all the very best.

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**Moderator**

Thank you. Our next question is from the line of Dipen Sheth from HDFC Securities. Please go ahead.

**Dipen Sheth**

Hi. Good morning and thanks for taking my question. Nandan, a specific question for you here. From what we can figure out as external observers of the goings on for the last few months or indeed quarters, is that you have come in primarily to do damage control and that is very much appreciated. You have our support as well. But the bigger thing is, is your role going to be just about this damage control and finding a new CEO and moving on or do you see yourself staying back for some time after that as well?

**Nandan Nilekani**

I think I said earlier, I will stay as long as necessary and I will go one go once no longer necessary. I will not put a timeframe on this and my appointment to the Board is also not with a specified duration. Obviously one of my jobs is to get the new CEO but also to ensure that there is proper integration etc. I also need to ensure that the strategy is fully aligned with global developments. So I have a number of

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tasks on my plate. I will do them as long as it is necessary to do them, so that the company is on a sound footing looking into the future.

**Dipen Sheth**

Fair point. I think you have answered my question.

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**Moderator**

Thank you. We will take the next question from the line of Pankaj Kapoor from JM Financials. Please go ahead.

**Pankaj Kapoor**

Hi, Nandan welcome back to Infosys. I have just one question. As you go about reconstituting the Board, should we expect some more changes here and should we expect some more direct or indirect representation of the founders on the Board going forward? Thank you.

**Nandan Nilekani**

I like you to believe that I am here more than just as a founder. After resigning from Infosys 8 years back, I have done some fairly significant things in the world. I have been invited by all parties, I have been invited by the founders, I have been invited by the full Board, I have been invited by investors, so I assume people see me as a unifying and holistic person which I believe I am. This has nothing to do with that. This has to do with restoring the company on the right path with all alignment of all the people and all my life my job has been as consensus builder. If you know that the Aadhaar project was conceived by one government and it is taken forward strongly by another government. That shows the consensus building that I have done. So I think I will bring the same consensus building skills here. It is not about person A or person B. Let me assure you that I am committed to all shareholders, I am committed to a Board which is fully independent, fully professional and which is geared to do the right thing for the future.

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**Pankaj Kapoor**

Thanks. That is helpful. Just a follow up Nandan, one of the things which came out in the last few days post these events has been that while there was a conflict between one set of investors and the Board, the larger institutional investors feel that their voice was not being heard. What is your thought on that and do you think that there is some mechanism that you want to establish which can ensure that going forward there is a direct connectivity with them as well. Thank you.

**Nandan Nilekani**

Well, I don't want to comment about what has happened, but I can say I don't know whether you saw our press release yesterday but we talked about a process of Broad shareholder consultation. As I said when I am the Chairman of this Board I represent 100% of shareholders and we will be sensitive to everybody's points of view. Again you have to give me some time to think through the operating architecture of that engagement, but definitely this will be a very broad-based input taking process.

**Pankaj Kapoor**

Got it. Thank you and all the best.

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**Moderator**

Thank you. Our next question is from the line of Harish Zaveri from DSP BlackRock. Please go ahead.

**Harish Zaveri**

Nandan, this is a version of the questions that have been asked earlier and I am just rephrasing them and you are free absolutely not to answer it at this point in time, maybe you can address them in the October call, but I will just leave you with the question. One is that we have seen Infosys reinvent itself twice over. First case in the Y2K, then EDM, then IMS and now you see Vishal Sikka leading Infosys in a particular manner. It is not that you did not have products earlier, you had products earlier, Finacle was there and then you have these new products which came in. Just a perspective is we wanted from you as to as an observer we have been the best analyst, you could have been the best IT analyst.

**Nandan Nilekani**

Yeah, if I am looking for a job I will come to you. I just took some other job so a little busy, but after that I will come back.

**Harish Zaveri**

The only thing was that looking forward, as you take Infosys forward, one concern we had is as to what sort of Infosys are we looking at in the future, a product driven Infosys or services driven Infosys where 35% of the services are becoming obsolete in that sense. Vishal gave us one number two quarters ago. I am just repeating that number. 35% of employees give us 55% of revenues and their margins are substantially higher than the company margins. This number will keep moving forward as we go forward. Just your perspective on this one whole thing. The second perspective and again you are free not to answer at this point in time was, our theme was if the founders had concern over the Panaya acquisition. Our perspective what the \$200 mn for Panaya acquisition, Infosys is a very big company. Sure, there could be some issues, cultural differences, difference in viewing an acquisition. At the end of the day it was \$200 mn in a large balance sheet. How much attention will you give to that thing when the report is been made public. This was the version of the question that Ashwin asked you. I am not expecting an answer but just placing concerns before you as to \$200 mn, does it matter in this whole balance sheet part and how much of management bandwidth has to go here. Those are the two questions. Thank you sir.

**Nandan Nilekani**

Now, obviously if there are issues of corporate governance, we need to address them. So I need to say what is happening or not happening. I have to look into it with a dispartionate approach. So I will do that. But I certainly am very clear about one thing that I did not want this company's management team to be distracted from its primary purpose of satisfying customers, growing the business and managing the transformation in this disruptive era. So my biggest job as Chairman of the Board is to ensure alignment between the Board and all the shareholders, make sure that we bring down the noise in the system. Everybody goes back to work, to doing what they have to do, which is build a very strong Infosys. So that is exactly I see my role as, of course along with getting the new CEO and other things I have mentioned.

See, these days I find it difficult to distinguish between a product company and a service company. Is Uber or Google a product company or a service company? So I have a fairly good idea of the global transformation happening. I have given a number of talks on this topic which explain the trends and the mega trends and what they mean. Of course I did them in a general sense, but now I will look at the triangulation of the general trends, what is happening with the Infosys customers and what is

happening at Infosys and triangulate the three to come out with what we hope will be appropriate strategy. That will be done before the next Board meeting. You know we have a committee of Directors to assist the CEO with Ravi and Prahlad and also we have Pravin and we have Deepak Padaki who is the Head of Strategy. We have Ranga who is the CFO. We have Mohit who is in Europe and then we have Ravi Kumar, the Deputy COO. So I am already quickly having conversations with them and we will form a small group to quickly get this strategic alignment thing done and my assurance to you is that I will be able to answer your question more substantively enough. I or whoever is on the call will be able to answer the questions more substantively in October. You have to give me some time to figure this out.

**Harish Zaveri**

Thank you very much and all the very best to you.

**Nandan Nilekani**

Just one thing, Ranga, I think we need to note down his point about some statement that was made about revenue and percentage and all that and I need to know what it was all about.

**M.D. Ranganath**

Yes, Nandan. Noted.

**Harish Zaveri**

I will just repeat this, so 35% of employees give 55% of revenues with margins that are much higher than company margins. This was statement. Sir, correct me if I am wrong.

**Nandan Nilekani**

Ranga, I need to understand what it is all that about?

**M.D. Ranganath**

Sure.

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**Moderator**

Thank you. Our next question is from the line of Ankur Rudra from CLSA. Please go ahead.

**Ankur Rudra**

Thanks. Welcome back Nandan. Good to see stability return to the company so quickly sir. Clearly a positive surprise. I hate to do this but I want to go back to one question which perhaps you try to answer in several different ways. They have been several controversies about possible corporate governance lapses in the last one year. The question is will this be investigated to assess, if there was any wrong doing that puts the company at risk from a legal or reputation perspective?

**Nandan Nilekani**

See, I need to figure out and get into what is happening. I need to figure out what has happened, what are the lapses if any. So this is a parallel process that we will do. Absolutely we will do that because these are concerns raised by an important stakeholder. But I want to do that in parallel as we go along

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because I think businesses to succeed has to be focused on their future, on their customers, on their strategy on the huge disruptive shifts happening on the global business scenario. This world is really in a very, very dynamic situation. So, absolutely over the next few months we will look into all these issues and we will bring them to closure, to the satisfaction of all stakeholders and without violating corporate governance.

**Ankur Rudra**

And recently the previous Board announced a buyback. Given the reconstitution that happened just yesterday, does that mean any changes to that?

**Nandan Nilekani**

What has one got to do with the other?

**Ankur Rudra**

I was just wondering, because you might be rethinking everything, I was wondering if this would also be on the table for rethinking?

**Nandan Nilekani**

See, the Board took a decision to do a buyback, I think today is the last day of the buyback, right? Ranga, can you explain this please?

**M.D. Ranganath**

Yes, Nandan. Ankur, I think company approved the capital allocation policy which is comprehensive and predictable, after taking into account all the strategic and operational cash needs of the company way back in April. Of course, afterwards, since we are globally listed in multiple jurisdictions, we had to go through a process, after that the Board approved and we have rolled out the buyback and we have announced this up to Rs. 13,000 crores and we have announced the price. I think that there is no way that the company has indicated at any point of time it is going to rethink. The buyback program is on and the next process including the postal ballot, which we have to do to take the shareholder approval, will be rolled out very soon.

**Nandan Nilekani**

There are absolutely no changes in the capital allocation policy and we are proceeding with the next steps of the share buyback as was decided earlier.

**Ankur Rudra**

No, that is very helpful. Because there was some thought process, I think perception which was perhaps wrong.

**Nandan Nilekani**

No, I do not think there has been a single communication from the company to indicate any such thought process.

**Ankur Rudra**

That is very helpful. Just last question from my side, what will be the key guiding principle of your CEO search and the Board reconstitution from a long-term perspective?

**Nandan Nilekani**

I think as I explained on the CEO search we are going to cast a very wide net. We are looking at internal candidates, external candidates and Infosys alumni. Our goal is to find somebody who has the expertise in managing a large global corporation, who can accelerate the execution of our strategy, has strong appreciation of the cultural transformation that is required, has strong technology prowess and is able to build and strengthen relationships with all stakeholders. So, these are the attributes that we are looking for. I am quite convinced that with the stability that we have brought into the company and with the fact that we have a very clear plan, we expect a large number of candidates, internal and external to apply for this position. We will have a search committee, search firm, all that, to quickly come to somebody who is suitable for this very exciting job.

On the Board side also, we will take a look at the current Board. As you know, four Board members, including the Chairman stepped down, so I took over as the Chairman, and of course the COO who was an executive and later on became the Executive Vice Chairman, he stepped down, and two independent Board members stepped down. So, we will take a look at the current composition, the current composition has eight members which includes me, who is non-executive but I assume non-independent, because of my promoter status, and Pravin who is the CEO. And the remaining are independent directors. So, we will take stock of that, look at what should be the profile of this Board six months to a year from now and then do a systematic search for the appropriate Board members who bring the complementary strengths, skills and stature to the Board. That is also something which I expect our Nomination & Remunerations Committee will work on, and again I hope we will be able to quickly come out with a plan there.

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**Moderator**

Thank you. Our next question is from the line of Yogesh Agarwal from HSBC. Please go ahead.

**Yogesh Agarwal**

I just have one question, Nandan. If you look at past few years, Mr. Murthy came back few years back and it was kind of a minor crisis and it seems like a bigger crisis and you have come now. I am sure you will find a suitable candidate for the new CEO as well. But what is your thought process, why nobody has been able to fill in to your shoes since both of you guys left the executive position? And what kind of support is missing at the top or fundamentally there are any issues at the top that the company has not been driven as much as it used to be in your times?

**Nandan Nilekani**

This company is a very resilient company and I can see that. Even yesterday when I met with many other management team and I was very impressed with their capability, with their passion, and their execution skills. I know that they are focused on the business. I am confident that we will be able to do it right. And again I want to be clear, I have not come as the CEO, I have not come as the execution guy. I have come as somebody from public information who appears to have the confidence of all the stakeholders, be it founders, be it other institutional shareholders, general shareholders, be it the Board, be it employees and be it customers. So, since there seems to be this universal acceptance kind of thing I have come in. I am very confident that I will be able to address both the issue of getting a high-quality CEO as well as putting in place a mature and diversified Board of stature to assist that

CEO. I cannot predict how long that will take, nor do I want to make a commitment on that, I will do it as long and necessary. I can assure you that it will be a very strong company.

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**Moderator**

Thank you. Our next question is from the line of Sandeep Agarwal from Edelweiss. Please go ahead.

**Sandeep Agarwal**

Sir, a couple of questions, first question which is more on the damages which has happened in the last few days. I understand that this is the swiftest transition anyone can do and I am very happy about that. But there have been some 7-10 days of uncertainty or something. So, there would be some kind of concerns which will be there at the client end. So, what kind of process or something, you may wish not to answer that even, but what kind of priority or process you are thinking to address that concerns at least for our top clients?

And secondly, also if you see in last one year on and off there has been some other distraction. So, I understand what will you try to avoid this time when you look for a new CEO or when you are recomposing the Board so that again we do not undergo this kind of distraction? And probably will there be an algorithm or will there be a process to setup? What will be the priorities of the members who come-in in the new Board and the person who comes as a CEO?

**Nandan Nilekani**

You want me to give this job to a machine learning algorithm?

**Sandeep Agarwal**

No, I am not expecting a machine learning, but I am saying what will the kind of priorities that will be there.

**Nandan Nilekani**

No, I understand and I appreciate your question and your concern. I think on the CEO side I have explained the whole thing. You will have to give me some time to look at the whole Board composition. I am fairly confident that we will be able to do it the right way. Infosys is a very unusual company where we are trying to professionalize and hand the baton on to the new generation of leaders. So, I am committed to that task. I see myself as someone who I guess is acceptable to everyone and therefore I have taken on this big responsibility and I will discharge it to the best of my ability as long as I need to do it. But no further than that, because I do a lot of things today which are in the public space which I would like to go back to. So, everything is a learning experience and I now have a fairly good idea of what all I need to do to make it super stable, and I will do that. I cannot really get into the details of that but let me assure you that nothing would make me happier than putting things in a super stable high growth path.

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**Moderator**

Thank you. Our next question is from the line of Ritesh Rathod from UTI Mutual Fund. Please go ahead.

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**Ritesh Rathod**

Nandan, I do not know how material is this, but last Friday Infosys issued a press release against Mr. Murthy and that was a detailed press release. So, is there any thought of taking back that press release and asking apologies from Mr. Murthy? Given most of us have accessed to what was there in the whistleblower letter and it is more or less very sure that there was corporate governance lapses and what Mr. Murthy stood up and shouted for last whatever 6 months or 12 months?

**Nandan Nilekani**

As I said, I am looking at the entire gamut of issues. Over the next few weeks we will look at each of these things. I want to resolve it to the satisfaction of all parties and I certainly do not want any corporate governance lapses. At the same time, I want to spend a significant amount of my time looking forward.

**Ritesh Rathod**

But we are not taking back that press release?

**Nandan Nilekani**

No, I did not say that. Don't put words in my mouth. I am just saying that I am going to take stock of everything, I am not in a position to comment on anything right now.

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**Moderator**

Thank you. Our next question is from the line of Viju George from JP Morgan. Please go ahead.

**Viju George**

My question really relates to the constitution of the Board plus a search for the CEO. Do you think they run in parallel or would you like to merely augment the both with some eminent members whose inputs you would have to take while the CEO search is going on or do you think these are two independent events that will happen parallelly?

**Nandan Nilekani**

No, I did not understand it. Say that again?

**Viju George**

Okay. My question really was, do you think that the CEO selection process is anywhere dependent on the augmentation of the Board? In the sense that would you like the eminent members of the Board first add that kind of opinion for the CEO selection process or do you think they can be independent of each other running parallelly?

**Nandan Nilekani**

No, both are absolutely parallel. We have an excellent Nominations Committee headed by a very well-known and global entrepreneur like Kiran Mazumdar Shaw. Kiran and the Nominations Committee will drive the CEO selection. So, that is a parallel activity. And at the same time, the Nominations Committee will come out with a plan on the future Board composition and then we will start looking for

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specific individuals who fit the overall frame. And let me assure you both will be parallel because we have to do both at the same time.

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**Moderator**

Thank you. Our next question is from the line of Sandeep Shah from CIMB. Please go ahead.

**Sandeep Shah**

Nandan, just the first question, why as a non-executive, why not as an executive? Because the resignation is not normal, it looks like the extraordinary event in the history of Infosys. So, I think being an executive role don't you believe that in the phase one we have enough fuel to what you say like a super stable high growth? And in the phase two, once you select the CEO or the Board selects the CEO and you are more confident, in that scenario also when you step down to a non-executive role still we make sure there is enough fuel for a super normal high growth.

**Nandan Nilekani**

It is a good question but we have to get a CEO as soon as possible and that is my primary thing. I see my job really as ensuring that there is complete stability, that there is complete alignment of views between all shareholders, including institutional investors and the founders, the company and the Board and so on and internal management. I think just getting that alignment is really the need of the hour. I am quite comfortable that there is a strong execution capability in the company which has been doing things very well and they will continue to do that. Then parallelly we will work on getting the new CEO as well as enlarging the Board. I do not think it is about going back to me as an executive officer. That is not what we are looking at. We are looking at me more as someone who has trusted relationship with all stakeholders and is sort of using that trusted relationship to put the company on a new platform.

**Sandeep Shah**

Okay. And just the last question, you also made a remark that the initiatives created under the leadership of Vishal Sikka, you would like to grow them and integrate this. So, is it a right presumption that at a broader level we agree with those initiatives and there are unlikely big bang changes which would be made on those initiatives?

**Nandan Nilekani**

I have a very open mind. First I will request our strategy team to make a complete inventory of all the initiatives that are going on. We will put them through a filter of promise, market size growth, and all the typical filters that you have. And then as a group we will take a decision on how to grow them and integrate them. I have a completely open mind and I am sure there were many, very good initiatives that have been there. Think of it as how the new Government adopted Aadhar, think of it like that.

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**Moderator**

Thank you. Our next question is from the line of Ankit Pande from Quant Capital. Please go ahead.

**Ankit Pande**

My question, most of them have been asked but slightly thorny ones are remaining. The first one is regarding the buy back, have you indicated publicly what your participation will be and what the other

founders have decided? You addressed the promoter group as a thought that the company had moved on and not wanted to classify them as promoters, so how do you think of that?

**Nandan Nilekani**

No, come again, what?

**Ankit Pande**

Your participation in the buyback

**Nandan Nilekani**

I guess the participation in buyback is an individual decision and they will participate as they see fit. I do not know whether that is a matter of public disclosure, Ranga?

**M.D. Ranganath**

I will just add on to what Nandan said. As you know the participation of the promoters or their intention to participate needs to be disclosed as a part of the postal ballot. So, when the postal ballot will be circulated to the shareholders for approval this statement will be included as part of it. At this point in time company has no specific announcements to make.

**Nandan Nilekani**

There was another question about something else you were saying about promoter?

**Ankit Pande**

Yes. Do we want to address them as promoter group? I thought when Mr. NRN left he wanted to move on from that address.

**Nandan Nilekani**

Again, Ranga, can you clarify this SEBI business?

**M.D. Ranganath**

Yes. As per the prevailing SEBI criteria the promoters will come under the Promoter Group and category. As part of that the company is required to specifically disclose in the postal ballot their intention to participate in the buyback and we will be doing that.

**Ankit Pande**

And the second question is, Nandan, how do you take yesterday's decision by the Supreme Court, some say it as a big defeat for you?

**Nandan Nilekani**

Well, first of all, as I tweeted last night, I think it is a superb decision. While it has upheld privacy as a fundamental right, it also acknowledged that in the interest of a larger societal reasons you may have some constraints on them and so on. As you also know there is a very good group set up to look at the data protection policy under Justice Shri Krishna. Basically the Court has said properly that it is a fundamental right not an absolute right. And they have also defined a set of considerations under

which it can be done. And the actual Aadhar matter is going to go to a smaller bench which I am assuming they will constitute. I am very confident that Aadhar will come out with flying colors because I think it addresses all the design principles laid down by the Supreme Court.

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**Moderator**

Thank you. Ladies and gentlemen, that was the last question.

**Nandan Nilekani**

I want to make some closing remarks.

**Moderator**

Sure, sir. You may go ahead.

**Nandan Nilekani**

First of all, I want to thank you all again. I again apologize for yanking you out of what was probably a long weekend wherever you are. But since we took this decision yesterday we felt it was important that we reach out to our investors ASAP. And we will be doing another call in the evening with our global investors in other time zones. As I said, again, my focus is on the future, my focus is on stabilizing and getting a new CEO and getting new members to the Board. I am very grateful to Mr. Narayana Murthy. He is an iconic figure, a visionary who created this company and led the path on corporate governance. He is also very supportive of this move. I am very grateful to the Board which unanimously asked me to take up this job. I am very grateful to our management team and employees who responded enthusiastically when I met them yesterday. And of course I am very grateful to all investors, including investors who wrote in about this. So, I think I am overwhelmed by the support and I can assure all of you that I am single mindedly going to focus on all these goals that we have set for ourselves. And I look for your corporation and support as we go forward.

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**M.D. Ranganath**

Thank you, Nandan. Thanks to everyone for participating in today's call. We have had a record participation of close to 600 people on this call today. As Nandan said, we have scheduled another call at 6 pm India time today and you are free to participate in that call as well. Thank you very much.

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**Moderator**

Thank you. Ladies and gentlemen, on behalf of Infosys that concludes this conference. Thank you for joining us and you may now disconnect your lines.

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