

CONFERENCE CALL

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CORPORATE PARTICIPANTS

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Non-Executive Chairman

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Independent Director

Pravin Rao
Interim Managing Director & CEO

M. D. Ranganath
CFO

INVESTORS

Moshe Katri
Wedbush Securities

Kaio Motawara
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Joseph Foresi
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Rod Bourgeois
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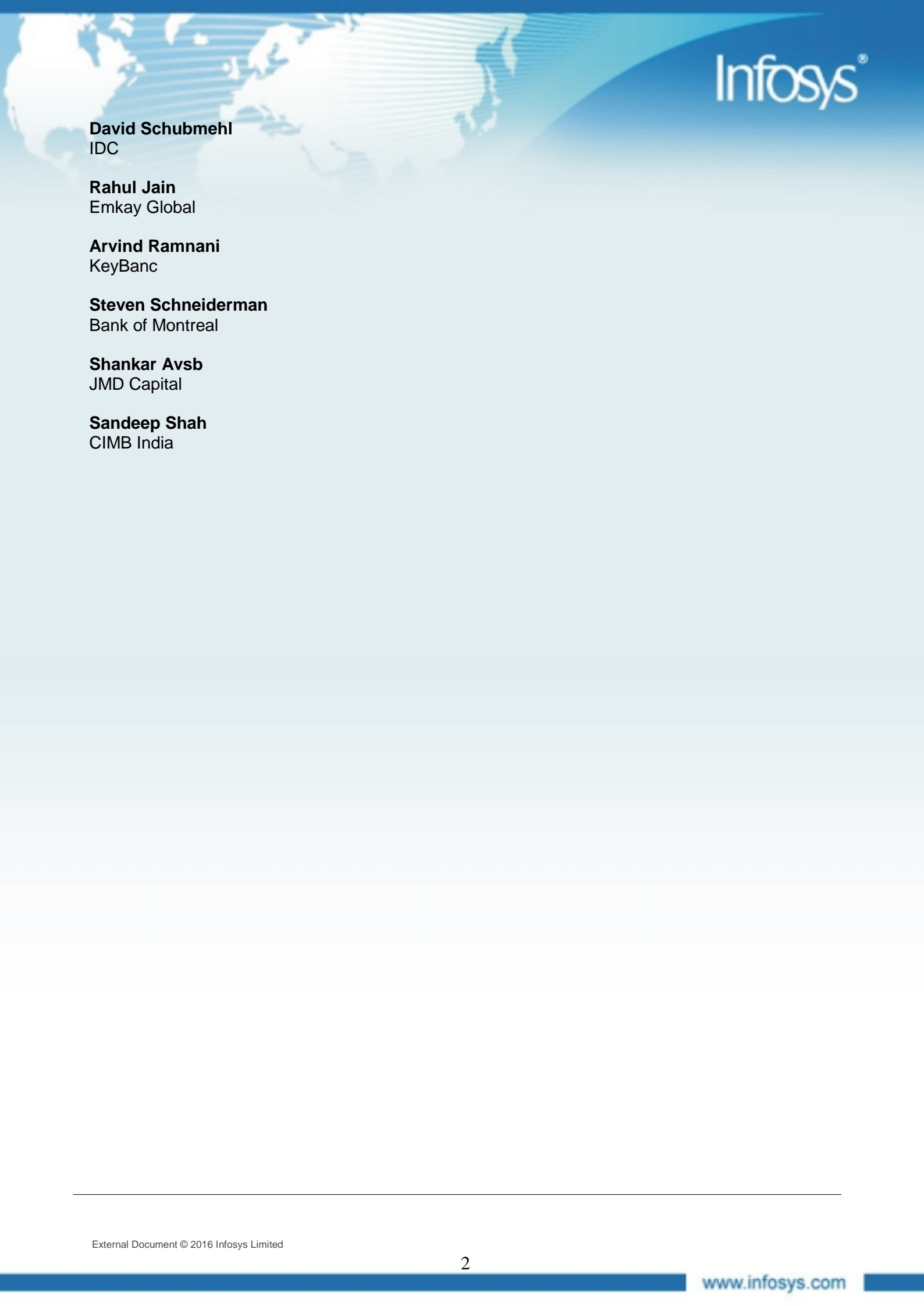
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David Schubmehl
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Rahul Jain
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Steven Schneiderman
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Shankar Avsb
JMD Capital

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Moderator

Ladies and gentlemen, good day and welcome to the conference call organized by Infosys. As a reminder, all participant lines will be in 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 phone. Please note this conference is being recorded. I now hand the conference over to Mr. Sandeep Mahindroo. Thank you and over to you, sir.

Sandeep Mahindroo

Thanks, Vikram. Hello everyone and welcome to this call to discuss the announcement made yesterday on 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 from Mr. Nilekani, subsequent to which we will open up the call for questions. Please note that anything which we say which refers to our outlook for the future is a forward-looking statement which must be read in conjunction with the risk 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. I would now like to pass it on to Mr. Nilekani.

Nandan Nilekani

Good evening and I would like to brief you on two sets of decisions. Yesterday, there was a Board Meeting and again today at 4 p.m., there was another Board Meeting of the new Board. So I thought I will update you on the developments of both these meetings. In yesterday's Board Meeting, I am appointed as Non-Executive Chairman of the company with immediate effect and Jeff and John as Board members and Independent Directors have also said that this was the right time given Infosys is embarking on a new phase of its journey. Also, Mr. Ravi Venkatesan who was Co-Chair continues to be on the Board, but he will no longer be the Co-Chairman. These were the decisions that took place. So the Board size was 11 people before this meeting and it is now 8 people. I am joining the Board as Non-Executive Chairman and therefore I will be responsible for Board oversight, governance and functioning and also take an important role in the selection of the new CEO.

This is what happened yesterday and then, we had a Board Meeting today and that press release also you may have. I do not know you have seen that or not. We talked about the Board and the relationship with Mr. Narayana Murthy and we also have mentioned the approach that we are going to take on the investigations on the various cases. We have also announced that we will indulge in engaging further broad-based shareholder consultation in the next few weeks with all our key shareholders as well as retail shareholders to make sure the company take to ensure that it continues to adhere to high governance standards. The Board has also approved the appointment of Egon Zehnder to work with the Nominations and Remuneration Committee to review and identify the right candidate to be the company's next CEO and MD and we are looking for both internal and external candidates with the CEO search. We are looking for someone who will demonstrate expertise in managing a large corporation, accelerate the execution of a strategy, have strong appreciation of the cultural transformation, have strong technology prowess and be able to build and strengthen relationships with all stakeholders.

We have also asked the Nominations and Remuneration Committee to come up with the long-term governance structure the Board and present its recommendations at the meeting of the Board in October. Finally, the Board is like to state that we would like to work with all our stakeholders, so all of them are harmoniously aligned. So basically yesterday's Board Meeting was about the transition of Board members and today's Board Meeting was to lay in place the action item for the future which

includes finding a CEO, coming up with the long-term governance structure, looking at the investigations and taking what is appropriate action and expressing about our relationship with our esteemed founder Mr. Narayana Murthy. So all these things have been done. So now we are on a part of getting back to what we have to do. We have also created a small group on strategy. This is comprised of two members of the committee of Directors to work with the CEO that is Mr. Ravi Venkatesan and Mr. Prahlad who will work with our CEO, Mr. Pravin Rao. This committee has been asked to come up with the strategic direction of what we need to do. This strategy will then be reviewed in the October Board Meeting. So that is where we are today and at this point we have taken action on the CEO search. We have taken action on what we are going to do about the investigations. We have talked about the relationship between the Board and Mr. Murthy. They are going to engage in further broad-based shareholder consultation. We have appointed executive firm for finding a new CEO and we are putting in place the structure for the long-term governance of the Board. So as you can see, we have essentially cleared the path for the next few weeks so that we can all get back to work. We will have a separate call obviously after the October results where we will go into issues of strategy, earnings, revenue guidance all that is all in the October Board Meeting. This is just to inform you of the change in the Chairman and that we have begun with bringing stability and taking this company forward. I will now throw it open for questions.

Moderator

Thank you very much, sir. Ladies and gentlemen, we will now begin the question-and-answer session. We have first question from the line of Moshe Katri from Wedbush Securities. Please go ahead.

Moshe Katri

Thanks for taking my question. Nandan, welcome back to Infosys. Couple of things, I guess from my perspective, from our perspective I guess beyond the immediate need for CEO search and obviously Board members, I think the most important thing for us to do now I guess is to make sure that we are focusing on client retention, top talent retention and obviously for the company not to deviate from the ongoing transformation away from legacy to digital? What are your plans in terms of kind of focusing on all these three-four things that need to get done ASAP?

Nandan Nilekani

Thank you very much. That is an excellent question. Yesterday after the first Board Meeting when I took charge as a Chairman, I had a series of meetings as well as a collective call with senior management. I have spoken to the people running various businesses, I have spoken to the head of delivery and so on. They are all going out with a clear upbeat message that the company now has stable leadership and that they will continue to provide the best possible services. So that has been done as far as customers retention goes. On the question of employees, as I said I met with all the Management yesterday and today I did a video broadcast to all our employees and talked about the future. I believe that our employees are also enthused that we are going forward in a right direction. On the issue of strategy, you have raised a very important thing. For the last several years, I have not been in Infosys, but I have been working on some very advanced digital infrastructure which the country uses like the Aadhar project where a billion people are enrolled, the IndiaStack which is a basis for transformation, the Unified Payment Interface which is the world's most sophisticated payment network, etc. So I have been closely involved with global trends in technology. So I come from that background. We have formed a small group which consists of two members of the Board, Mr. Ravi Venkatesan and Mr. Prahlad who are both from the committee of Directors who will work with the CEO, CFO and our business leaders and delivery leaders and anchored by our Strategy Officer, Mr. Deepak Padaki. I have mandated that over the next 3 to 4 weeks, I want them to take a complete stock of the various strategic initiatives in the company that were initiated in the last few months and align

them and come out with a coherent and comprehensive strategic plan. This strategic plan will be reviewed by the Board in October and then we will go out with it. So I think we are taking action on the people front, on the customer front and on the strategic front.

Participant

Thank you and good luck.

Moderator

Thank you very much sir. We have next question from Kaio Motawara from CACL. Please go ahead.

Kaio Motawara

My question is about your future relationship with Mr. Murthy. You mentioned that there was a discussion of what it is likely to be, but I am not sure if I heard exactly what the future relationships will be? So could you please elaborate?

Nandan Nilekani

Let me read out the paragraph in today's press release. In recent days, there has been considerable discussion of the relationship between the Board of Directors of Infosys Limited and Mr. Narayana Murthy who established the culture and ethos of Infosys especially its culture of adhering to high corporate governance standards. The Board believes it to be unfortunate that various differences of opinion have arisen between Mr. Murthy and the Board in the recent past. The Board wishes to express that it was not its intention to cause Mr. Murthy or any other affected person any personal distress or anguish while stating its point of view. This is from the press release. Now let me say that speaking personally as someone who has worked with Mr. Murthy for 40 years that he really a transformational leader, a great corporate leader, somebody who is a visionary and in every way is the pioneer of corporate governance in India. In the 90s when India was still liberalizing, Mr. Murthy led the country on most advanced corporate governance standards whether it was a quarterly reporting, investor calls, analyst meeting, SEC compliance, listing in an American exchange. There is a whole gamut of achievements that he has and we value that very highly. I personally began my career with him. I joined in as a software engineer in 1979 after I graduated from IIT Bombay and therefore I owe my professional success to him. So we all greatly value him and his contribution. Going forward, it is our endeavor to establish a healthy relationship with Mr. Murthy and going forward, I want him to engage in a way that we have been fully respectful of his achievements. At the same time, the company is obviously a Board-managed company. I am the Chairman of the Board. We have an 8-member Board. We are a company listed in two markets. We are responsible for corporate governance standards. So let me assure you that in my capacity as Chairman of the Board, I will be representing the interest of 100% of the shareholders.

Kaio Motawara

Thanks for your response, but I just wanted to be clear about. So going forward, I understand he himself is going to have a chat with investors in a few days, but in your sense, in your opinion do you think that the acrimony that existed between the Board and Mr. Murthy for the moment would be put aside and will the focus be back on the business or is there likely to be any festering issues?

Nandan Nilekani

Let me speak for myself and for the company. As you know, I am sitting here as the new Non-Executive Chairman because a confluence of stakeholders all requested my return. The Board of

Infosys unanimously invited me to join the Board. So it was unanimous decision of the Board yesterday. Mr. Murthy and other founders have also requested me to take up this assignment and as you also know, a large group of institutional shareholders, I think 12 of the top domestic DIs and mutual funds in India also believe and has given a letter jointly signed by all of them recommending or suggesting that I should come. Plus within the company also, the employees and management have been talking about it. So I see myself as a person who is there because multiple stakeholders of this company came to the conclusion that I would be able to do this job. Perhaps part of the reason is that in my professional career, I have always been a consensus builder. So now at Infosys prior to joining the government, I was a consensus builder. In the government, I did the Aadhaar project which is one of the world's most sophisticated technology projects in a politically fraught environment and had to negotiate with a large number of people, politicians, bureaucrats, state governments, businesses, regulators, lawyers, judges, etc., to make it successful. So I believe or people think that I have this ability to make consensus happen. They are looking at me to play the role of creating consensus among various stakeholders, aligning them to the common purpose of putting Infosys in a stable environment and growing it and also burnishing its reputation further. As I said, Mr. Murthy is someone who I believe is one of the corporates giants of the last 100 years and I personally will ensure that he is given the respect he deserve.

Kaio Motawara

Thanks for your response.

Moderator

Thank you very much, sir. We have next question from the line of Joseph Foresi from Cantor Fitzgerald. Please go ahead.

Joseph Foresi

My first question is, will you be able to clear as to why the Board members resigned? Was it over governance performance or was it pressure from the outside?

Nandan Nilekani

I can say that I was invited to join the Board. I would recommend that you look at the press release that came out yesterday which clearly explains each person's reason for the actions they took.

Joseph Foresi

Listen I understand that, but you are also talking about looking it as governance practices. The company itself has had some erratic performance at times and clearly there is some pressure from the outside. So I guess I am asking you directly outside of the press release. What is your take on other side just outside the press release?

Nandan Nilekani

Well, I can only speak of the press release.

Joseph Foresi

So the industry is going through a lot of changes and it is being a lot different than the typical Infosys performance that I remember from the kind of early part of maybe last decade. Can you give us any thoughts on how you felt about the prior strategy and any early indications on where you take the

company going forward? Was there a disagreement with the prior strategy or whether they are on the right track? I know the new CEO will set a tone there and you got a team coming together, but I was wondering if you have any really thoughts on that

Nandan Nilekani

Well, you know it is less than 24 hours since I took charge and it is now 10 years since I step down as a CEO of Infosys and 8 years since I moved on from Infosys to perform a national task. So, it is premature for me to speak on the strategy. However, I have tasks, a Committee of Directors of Mr. Ravi Venkatesan and Mr. Prahlad to work with our CEO, Pravin Rao and other members of the management team, Mr. Ranganath and Deepak and others to take a thorough stock of everything that is going on and bring that into a cohesive and coherent strategy. As you know I have been at the forefront of driving major technological transformation. So I have a bit of experience in that. We are going to look at what our customers are demanding. We are going to look at the capabilities in the company. We are going to triangulate these things. We are going to do this in a very intensive process over the next 4 weeks and in the October Board Meeting, we will be in a better position to articulate for you where we are on strategy.

Joseph Foresi

Got it. And I understand that your managers are going out to customers, but can you give us some idea on how you plan on restoring confidence to the shareholders and the workers and the customers going forward. It has been a fairly broad dramatic change here and I just want to get some early thoughts on that. Thank you.

Nandan Nilekani

So it is a very good question. Yesterday I talked to the senior management which includes many of our customer facing officers and leaders and they are going out to our customers and explaining the change that has happened and the stability that has come and that the company is renewing and redoubling its efforts to address their concern. So I believe customers are being taken care of internally with the employees. Yesterday, I spoke to senior management and to a lot of other managers. Today, I recorded a message for all the employees. Over the next few weeks, our HR people are going to reach out to our employees and update them on these developments. We are confident that we will get a lot of support for all the actions that we are doing. On the investor front, we are taking the following actions:

First of all, we are updating our investors on developments. So this morning at 10 o'clock we had an investor call largely for our domestic investors and we are having this call for our global investors. So we had about 600 people on the call in the morning and we have 200 people on this call. So I think our message is being widely disseminated. We are also going to start a shareholder consultation process which was approved by the Board and over the next few weeks we are going to reach out to number of our shareholders and have intense discussions with them on the feedback from them. I think we are very conscious of what we need to do for making sure our investors are fully on board on what we are doing. I am just taking stock of everything to make sure everything is properly aligned. So we will bring that updated and aligned strategy to the market observers in October. We are systematically addressing all our stakeholders, our investors, our customers and employees and we are confident that we will be in good shape by the time we talk to you again.

Joseph Foresi

Thank you.

Moderator

Thank you very much sir. We have next question from the line of Rod Bourgeois from DeepDive Equity Research. Please go ahead.

Rod Bourgeois

I want to ask in your upcoming review on Infosys's governance practices, you are further evaluating whether any wrong doing might have occurred over the past couple of years or you are only taking a forward-looking view?

Nandan Nilekani

The company had previously authorized investigations into allegations made by various anonymous persons regarding the conduct of prior management and each of these investigations concluded there was no wrong doing. While the Board and company are focused on the future, consistent with the company's commitment to good governance, the new Chairman that is me, will get a full briefing on this investigation. I am going to approach this investigation and the briefing with a calm, unbiased and dispassionate mind and based on what I learn from the investigations, an appropriate course of action will be decided.

Rod Bourgeois

That is very clear, thank you. And question on Infosys's current stance on overall vision and strategy. I know you are going to do some work on this. Mr. Sikka put in place a vision to transform Infosys into a more product-oriented company with the heavy emphasis on automation. Is the new Board considering modifications to this vision that was established by Mr. Sikka or is it considering any changes to the Infosys over the past couple of years on products and automation? In other words, could there be a shift in sort of overall vision or emphasis on products and automation?

Nandan Nilekani

You know, Mr. Sikka was a very talented technocrat who understood what is happening in the world of technology very well. So I respect what he said. As I explained to you, the strategy committee which I just outlined under the leadership of Ravi and Prahlad and Pravin are going to take stock of all the various strategic initiatives that have been started. I am just trying to bring it all in one place. We are going to be very ecumenical about it. We are going to look at what is going to work, what is not going to work, what can be scaled up, how much integration is required into the mainstream, just do old fashion business analysis and then I think by October we will be able to give you a much more coherent answer.

Rod Bourgeois

Got it, welcome back, thank you very much.

Moderator

Thank you very much sir. We have next question from the line of Abhiram Eleswarapu from BNP Paribas. Please go ahead.

Abhiram Eleswarapu

Thank you for taking my question. Nandan, firstly welcome back and wish you the very best in a new role. I am following upon the previous question on why the Board resigned and to us it appears that it was led by allegations of corporate governance lapses and not disclosing the full reports of the investigations etc. And it is also on the role of the promoters and few others who may not formally be with the company, but still have considerable influence on the decision making. So if you are further briefing and investigation show no wrong doing, then the recent disruptions may not have had a strong enough reason to start with. And on the other hand, even if you do even if you do find some wrong doing, it may sort of re-spheres few indivial will be more privy to more information than the others. Both of which are not very comfortable situations to be in. So I guess my question is how do you propose to put in a system for the long-term that will be in place even after you leave this present role? So such disruptions do not happen again.

Nandan Nilekani

No, I am not going to get into a speculative conversation about what is that I will discover and what is the rapid action after that. I think that is too much into the future. But certainly if one of my learning from all this is that there are some systemic things to be done we will make sure that they are full systemic things.

Abhiram Eleswarapu

Thank you, Nandan. All the best.

Moderator

Thank you very much, sir. We have next question from Christine Chow from Hermes Investment Management. Please go ahead.

Christine Chow

Thank you for taking my call. I think as industries and shareholders, we have seen a lot of news and discussion going back and forth over the last year or so. And now that essentially the outcomes have been abrupt. If you know what you know now, what you think could have been done during that very long period of media related discussion. How could it be better managed?

Nandan Nilekani

I have really come here to take stock and go forward.

Christine Chow

Second question is as you mentioned you are looking at the nomination of new CEO. What will be your three key messages you would give to the CEO to ensure that he or she will have the confidence to take on this role because three years ago looking for the new CEO for Infosys was already a challenge and I wonder what will be your insights at this point?

Nandan Nilekani

I think I am extremely confident that we will have a good list of internal and external candidates who would like to come in as to be CEO of Infosys. Just in the last 24 hours, the e-mails that some of us have received leads us to believe that there is a fair amount of excitement for people to take up this

role. Obviously, we need someone who has expertise in managing a large global corporation which has global multi-country activities. We want somebody who has technology prowess because this is a technologically intensive business and who understands the technological disruptions that are happening around us, who has the ability to both strategize and execute. We need both strategy, good strategy and good execution. So we look for someone who has a balance of both these capabilities. Somebody who is a consensus builder and a team creator, who will work with various stakeholders to align the company to a common purpose and somebody who has a deep appreciation of the cultural transformation that is required. These are some of the attributes that we will look for.

Christine Chow

Thank you very much.

Moderator

Thank you. We have next question from the line of Anil Doradla from William Blair. Please go ahead.

Anil Doradla

Yes, Nandan, welcome back. And one quick question. You talked about your relationship between the company and Mr. Murthy. You worked with him for long time, you described him as an iconic leader. So going forward given that he will continue to be an important voice, why not bring him in some advisory form where he is part of the decision making process in a more formal basis and that would potentially take away any uncertainty or concern about his commentary which plays a very significant role.

Nandan Nilekani

Mr. Murthy as I said is an iconic leader, a visionary, somebody who gave me my first break in life so I am very grateful to him. We have some feedback from him and we will be happy to take his inputs. However, I think we are now going to basically look at getting inputs from everyone. As I said I am the Chair of a company and I represent the interests of 100% of the shareholders. We will have a very healthy relationship with him.

Anil Doradla

So you do not see any formal relationship, it would be mostly informal?

Nandan Nilekani

If you look at the history of the world, companies where they have iconic founders, iconic founders have always had special attachment to the company irrespective of formality or informality. If you go back and look at Hewlett and Packard and role of David Packard and William Hewlett, if you look at IBM and the role of Tom Watson Senior and Junior, if you look at Microsoft and the role of Mr. Bill Gates, and I can go on and on about said companies and the role of founding iconic entrepreneurs. So Mr. Murthy is very much in that league, and therefore, I will be most respectful of him. I will seek his advice, I will seek his inputs. At the same time I have an obligation, my fiduciary and legal obligation to look at this company from all the complex stakeholder angles and finally the board and I would decide what is to be done. You will find that we will operate in this delicately aligned way.

Moderator

Thank you very much, Sir. We have the next question from the line of Prashant Kothari from Pictet. Please go ahead.

Prashant Kothari

This is a question about the board relationships with Mr. Murthy, about a week back the board released a statement blaming Mr. Murthy for all the events which kind of happened, I just wanted to understand does the board now retract that statement and should we believe that the remaining set of board members, now do they have a change of heart about the role that Mr. Murthy has played so far?

Nandan Nilekani

I would bring your attention to the second paragraph of today's press release, which encompasses the position of the current board on the matter. It says, recent days there has been a considerable discussion of the relationship between the Board of Infosys and Mr. Narayana Murthy, who established a culture and ethos of Infosys especially its culture of adhering to high corporate governance standards. The board believes it to be unfortunate that various difference of opinions have arisen between Mr. Murthy and the board in the recent past. The board wishes to express that it was not its intention to cause Mr. Murthy or any other affected person any personal distress or anguish while stating its point of view. I am a huge admirer of Mr. Murthy and he is a corporate giant and I am very respectful of him and his contribution to this company. I look forward to working with him where he provides his advice or counsel, at the same time the board will take decision based on looking at all the various factors.

I want to clarify that I am here as the Chairman of the board representing 100% of the shareholders, I am here at the unanimous request of the previous board, I am here at the request of the founders, I am here at the request of the employees, I am here at the request of the 12 largest mutual funds. So I see myself as a person who will try to balance all these complex stakeholders and take this company on a successful path.

Moderator

Thank you, Sir. We have the next question from the line of Frances Karamouzis from Gartner. Please go ahead.

Frances Karamouzis

I had some questions similar to the earlier ones on strategy and you address them. My core question would be there was kind of a matter that was put forth by Dr. Vishal where he really talked about the direction of the industry and the direction that he wanted Infosys to take which was this concept of people plus software and the implications of that guided some of the investments that he made both internally, operationally in things like design thinking and other things that employees were trained on, but also in the Nia product, but it also has implications on your profit margin. So, just curious, and I realize you have not been on the day-to-day front of Infosys for over a decade, but I also consider you just sort of passive kind of follower of industry, I think that you have been immersed in the industry in many ways over the last decade, so just curious for that concept of people plus software, which changes the concept of Infosys when you are leading it, which was primarily about services and this is a very different structure, curious as to your ideas that concept and what you think of it and how you think it based on the industry?

Nandan Nilekani

Francis, I am not sure whether you have been fully updated about what I have been doing for the last 10 years. I joined the government and I have built one of the world's most sophisticated technology platforms of identity, which has more than a billion people and it is now the basis for the complete economic transformation of India with paperless, cashless, and presence-less transaction. I have been working on what is called the world's most advanced payment system which is the Unified Payment Interface, I have been working on projects which involve data mining and AI. I think I have been reasonably up-to-date on what is happening out there and let me assure you that I will combine that knowledge with the specific development at Infosys to make sure that we have the right strategy.

Frances Karamouzis

I was just curious what you thought of how this impacts the industry?

Nandan Nilekani

This is a larger question and I appreciate your question. I just like to say that why do not we pass the strategy question in October, because today is really to articulate the change at the Chairman level and couple of board changes that, we have initiated CEO search, we are looking at stability, etc. So really today is less than 24 hours since I took over and I do not want to get into strategy discussions right now. Will be more than happy to have a separate strategy conversation in October. We will take your questions and I am asking Deepak Padaki to record your questions to make sure we have answered that when we meet again.

Moderator

Thank you. We have the next question from the line of Apurva Prasad from HDFC Securities. Please go ahead.

Apurva Prasad

Welcome back Nandan and it is great to see this swift resolution. My first question is largely if you can provide a sense on the timeline for CEO search?

Nandan Nilekani

Well, as I explained to you I came on board yesterday evening at some 8 o'clock or something and within less than 24 hours, we are convened a board meeting. The nominations committee has appointed Egon Zehnder as the search consultant. Already, we have spread the word about the CEO. My mailbox is already full of potential CEO applicants. We are off to the races I would say. We have hit the ground running and I have tasked Kiran Mazumdar-Shaw, the iconic entrepreneur of Biocon to lead this effort as the chairman of the Nominations and Remuneration Committee. She is going to go through all the applicants as well as reach out to people and we are going to create master funnel of internal and external candidates. Then we are going to bring it down to a shortlist. Then I will get involved and we will take a look at it. On one of my previous questions, I had answered the kind of attributes. We are going to take a very systematic way. I believe the choice of the next CEO of Infosys is a very, very important and strategic choice which I would like to do calmly, dispassionately, by looking at all the candidates and making sure that the person not only has the competence, but also the cultural fit that we need. So I think on these kind of things, it cannot be a deadline. Obviously, we would like to close it as soon as possible. It is not about the deadline but is more about finding the right person and in the meantime, I am extremely confident that my long-term colleague, Mr. Pravin Rao,

who is currently the interim CEO will be able to run the company effectively and is ably supported on that by two members of the board, Ravi Venkatesan and Prahalad who are spending an enormous amount of time to help him in guiding the company forward.

Moderator

Thank you, Sir. We have the next question from the line of David Schubmehl from IDC. Please go ahead.

David Schubmehl

Given your background and given what other people have been saying, what other organizations have been saying about the importance of Artificial Intelligence and automation, two enterprises going forward and given the work that Infosys has been doing with Nia, I would like to get your personal view and how you see Artificial Intelligence affecting the overall organization and where you see Artificial Intelligence playing in the future of Infosys?

Nandan Nilekani

Obviously, I have been closely tracking the developments in AI, the rise of deep learning and neural network, the impact of that on image recognition, voice recognition, the development of specialized chips like Tensor Flow chip, TPU. I am closely been observing the rise of open source languages like Julia and so on. So I am closely been observing that. I think this is a strategic question and I do not want to give an answer of the cuff. I am obviously aware of the implications of AI and machine learning on a wide variety of activities including automated programming and so on. So I would request your indulgence that I will come back with a coherent answer in October.

Moderator

Thank you, Sir. We have the next question from the line of Rahul Jain from Emkay Global. Please go ahead.

Rahul Jain

Sir, we know that Infosys is definitely a benchmark on multiple fronts, but do you think it has somewhere lagged on building leaders internally to take up the baton of being CEO and thus we need to have to learn some of the recent history, thus we need to groom an internal candidate rather than looking him around the world because this may also build stability in non-CXO leadership as we have lost several of these good leaders to competition as they could not see that roadmap internally?

Nandan Nilekani

I think Infosys has had a great leadership pipeline, I have no doubt about that and definitely internal candidates will be very strong contenders in this journey. So I have an open mind on that.

Rahul Jain

What I am trying to say is more like all great companies should ideally generate great leaders out of it, so the cultural aspect is always taken care of and the competence is obviously built, the way the company has been nurtured. So those things are largely taken care of if it is an internal candidate

Nandan Nilekani

I think there is no such hard and fast rule, there is no rule. If you look at the history of IBM, they brought in Lou Gerstner from outside because they felt the need for an external candidate, on the other hand when Microsoft was looking for a leader after Steve Ballmer, they went for Satya Nadella, who was an internal candidate. I do not think there are some hard and fast rules as to whether he should be internal or external. It very much depends on the context, it very much depends on the environment, it very much depends on the strategic challenge. I think I would have an open mind and look at who is best suited for the job.

Rahul Jain

I am more coming from like a GE kind of mindset where you have so many leaders that are equally a product of GE as GE's product are the CEO?

Nandan Nilekani

As I explained to you, if I start giving the history of GE, HP, 3M, Microsoft, IBM, Oracle, I can give you different examples, in some cases the leadership has been from inside, in some cases the leadership is from outside. We have many, many examples in the business world. So I hesitate to have a predetermined bias about this. Certainly, if there is a good internal candidate, it is very welcome because he already knows the company culture, at the same time in certain situations, external candidate is the right choice. So I do not think we need to be ideological about it.

Moderator

Thank you very much, Sir. We have the next question from the line of Arvind Ramnani from KeyBanc. Please go ahead.

Arvind Ramnani

Nandan, welcome back. I had a quick question regarding your board members. Looking at your board members, what is the criteria for your board members, what kind of background and expertise are you looking to bring to the board, particularly are you looking to bring back folks who have a client perspective or folks who come from digitally native companies? Just to get a sense of that, that will be really helpful?

Nandan Nilekani

If you go through our press release, one of our goals is to come out with a long-term governance structure of the board and the composition of the board both in terms of size, composition, balance of various skills, geographic background, gender balance etc. So we are going to put together long-term governance structure for the board, which again I have tasked that to Kiran Mazumdar-Shaw, the chairman of the NRC, nominations committee. So I think I will be able to better answer this questions when we meet in October. But yes, obviously I think there is a massive amount of digital disruption happening today at a very accelerated pace and the people who understand that, that would be helpful. But at the same time governance is not just about technology. It is about balance, it is about judgment, it is about corporate governance, it is about ethics, it is about selecting the right people. So you know these are all discussions and judgments of human being.

Arvind Ramnani

I know you just started yesterday, but if you look a year from now, what are some of the top three priorities you have besides hiring CEO, what is top of the mind over the next year?

Nandan Nilekani

Let me just explain, one is obviously the CEO search which has already been initiated today. Second is strategy of a balanced board which has also been initiated today. Third is complete technology strategy review to have it ready by October, which has been initiated today. As I have explained, people have asked me for how long have you taken this assignment and there is no time limit on my assignment as a Chairman. I have said I will be here as long as necessary and I will not be here if no longer necessary. It is not that I am looking for a sinecure or a job or something. I was a very successful person outside the company for eight years doing a lot of national and international things of global importance. I will actually be sacrificing some of that to take up this role. I would like to go back to doing that but at the same time I have a moral obligation to all the people who asked for me to be here, to be here as long as necessary. So creating that stable organization, creating a stable board, creating a CEO who is aligned with the strategy as well as culturally compatible with the company, all these considerations and I will be focusing on in next one year.

Moderator

Thank you very much, Sir. We have the next question from the line of Steven Schneiderman from Bank of Montreal. Please go ahead.

Steven Schneiderman

I can really appreciate the fact that you want to take some time to come up with a more refined strategy after meeting with the leaders of the company, but my question is, you come in and meet with the board in October and come up with a refined strategy. At that point, do you think that coming up with an updated strategy might pigeonhole you in terms of your ability to recruit external candidates, you may be forced to fit and manage that new strategy?

Nandan Nilekani

It is a very good point. Obviously as I said, I do not have a deadline on the CEO because I do not think it is good idea to have a deadline on CEO, because if you make the wrong decision, it has major strategic consequences. So it will take a few months and while I want that process to be done in an urgent and accelerated fashion, I certainly do not want it to lead to the wrong decisions. At the same time, given that I do not know how long that will take, we cannot sit by and say okay, we will do nothing and wait for the new CEO and then he will do a strategy because if you add up time to find a new CEO, hire him, and then he works on it, that could take even more months. So the right thing would be to take stock of where we are and as I explained, Mr. Sikka was a technological visionary and he did many things on AI and so on, which we will all take a good look at and everything that is valuable there, we will make sure that it continues. So the way to think about it is, we take a stock of what we have and come out with somewhat of a strategy 1.0, which is the version that will be required immediately. Then once the new CEO comes, he is welcome to take that strategy and fine tune it further and come out with his version. It is not that strategy is something cast in stone or something. It evolves with the times, so we will have sufficient flexibility in the version of October such that when the new person comes, he can take it forward even further.

Steven Schneiderman

The board prior to yesterday had a structure where you had the Chairman, a Co-Chairman, and about a week ago an Executive Vice-Chairman, I understand partly the responsibility is to come up with the composition of the board, but your initial thought whether you would have a more simplified structure for the board moving forward?

Nandan Nilekani

Well, right now we have a very simplified structure, we have eight members with one Chairman.

Moderator

Thank you, Sir. We have the next question from the line of Shankar Avsb from JMD Capital. Please go ahead.

Shankar Avsb

I have one question which is just coming from your previous answer about you are going to be here as long as it is necessary and not longer than that and my question is this, since we are in the process of re-forming the board and one of the focus is to ensure that Infosys culture gets the due focus along with governance standards, why not use this opportunity to get NRN on the board as a board member?

Nandan Nilekani

First of all there is a age limit on the board, as you know the board has a age limit of 70 and he is 71. Apart from that I see myself here not as a co-founder reclaiming the company kind of thing, I feel myself here as someone who was a co-founder and who is proud of it, but also someone who went on 10 years back to build an international capability and so on. I am really here to stick to our original vision of having a completely professional board, non-founders board as well as a CEO. So I see my role as working with the board to get the right CEO in, making sure that board has heft and the balance that we want, and ultimately transitioning the role of chairman to one of those eminent board members.

Moderator

Thank you, Sir. We have the next question from the line of Sandeep Shah from CIMB India. Please go ahead.

Sandeep Shah

Nandan, if you look at what has happened, I think the event is a bit similar to 2013 where Mr. Murthy has been brought in back as a founder and thereafter there was a selection of first external CEO for the company and some changes in the board. But today we have come into a similar situation, so what are the learning here on that we again do not fall into that situation in terms of construction of the board or in terms of any other strategic initiatives?

Nandan Nilekani

I have explained what we are going to do, I have explained the 5 or 6 things we are going to do, and I think we should just keep an eye on all those things.

Moderator

Thank you, Sir. Ladies and Gentlemen, that was the last question. I now hand the conference over to Mr. Sandeep Mahindroo for closing comments. Over to you, Sir.

Sandeep Mahindroo

Thank you and we would like to thank everyone for joining us on this call and we look forward to talking to you again. Thanks and have a good evening ahead.

Moderator

Thank you very much, Sir. Ladies and Gentlemen, on behalf of Infosys, that concludes this conference call. Thank you for joining us and you may now disconnect your lines.
