

Frequently Asked Questions (FAQs)

Strategic

1. Why is Buyback being done instead of dividend when dividend is more beneficial to the shareholders other than promoters?

- Buyback is being done in addition to dividend rather than in lieu of dividend. The Company, as stated in the corporate policy on capital allocation dated July 12, 2019, has decided to distribute identified free cash flows to its shareholders using a combination of dividends and/or share buyback and/or special dividends
- For FY20-21, Company has paid dividend of ₹ 27.0 per share and for FY21-22, Company has paid dividend of ₹ 31.0 per share, an increase of 14.8% over that of FY20-21.
- Also, Buyback is EPS accretive as compared to that of dividend.

2. What is the purpose of the Buyback?

- This Buyback has been done to return the identified free cash flows to the shareholders of the Company. This distribution is in line with the capital allocation policy announced by the Company in Jul 2019, wherein it was stated that effective from FY20, the Company expects to return approximately 85% of free cash flow cumulatively over a 5-year period through a combination of semi-annual dividends and/or share buybacks and/or special dividends.

3. Will Buyback be part of the Company in future as well? How does the Company intends to return 85% of free cash flow over the 5 year period?

- Company is committed to its stated capital allocation policy and will evaluate various factors in determining the appropriate mechanism to be used to distribute the identified free cash flows to the shareholders from time to time.
- We cannot be certain that whether or not buyback will be used to distribute the identified free cash flows to the shareholders going forward.

4. Why has Company again opted for open market rather than tender offer? Will open market route be Company's preferred mode going forward as well?

- For each financial year, Company will evaluate appropriate mechanism to be used to distribute identified free cash flows to the shareholders and consider various factors including but not limited to market conditions, stock price, quantum of funds to be distributed.
- Presently, the Company has opted to distribute part of the free cash flows to the shareholders through open market buyback route. Open market buyback route will require limited approvals and will be more efficient and faster to initiate the distribution of cash to the shareholders. Promoters of the Company will not be able to participate in the open

market buyback route and the 100% of the buyback size is available for distribution to the public shareholders of the Company.

- Going forward, Company will evaluate the above stated factors to decide the appropriate mechanism to be used to distribute cash to the shareholders and therefore the mechanism and quantum may vary from time to time.

5. Why the Company is going for a lower buyback (15% of equity) vs 25% in tender route considering that FY22 dividend payout was 57% of free cash flow (as against policy of 85%)?

- As per the stated capital allocation policy, the Company expects to return approximately upto 85% of free cash flow cumulatively over a 5-year period through a combination of semi-annual dividends and/or share buybacks and/or special dividends. The said number may vary on yearly basis but the Company expects to return approximately 85% on the cumulative basis.

6. Is open market being done to support price?

- Buyback is being undertaken to distribute cash to the shareholders and not to support price.
- Considering, various factors including but not limited to current market conditions, stock price, quantum of funds to be distributed, the Company felt that open market buyback route will be appropriate and effective mechanism for distributing cash to the shareholders.

7. Why are you not using this cash for M&A and capex?

- In accordance with the capital allocation policy, Company expects to return approximately upto 85% of free cash flow cumulatively over a 5-year period effective from financial year 2020.
- Company is distributing cash of upto ₹ 9,300 crores after taking into consideration the strategic and operational cash requirements of the Company.
- Post this distribution, Company will have enough reserves / liquid funds to undertake M&A activities and meet capex requirements.

8. What is the intention of promoters to participate in the Buyback?

- As per the Securities and Exchange Board of India (Buy-back of Securities) Regulations 2018 ("**Buyback Regulations**"), promoters cannot participate in open market route buybacks.

Methodology and process of Buyback

9. What is the process for the Buyback?

- The Company has adopted the stock exchange method for the Buyback.
- The Buyback is been implemented by the Company by way of open market purchases through the stock exchanges,

- The Company's Broker – Kotak Securities Limited will place "buy" orders on BSE limited ("BSE") and/or National Stock Exchange of India Limited ("NSE") on a regular basis (as it may deem fit) on the normal trading segment to Buyback the equity shares at such price, not exceeding the maximum Buyback price of ₹ 1,850/- per equity share, as it may deem fit, depending upon the prevailing market price of the equity shares on the stock exchanges.
- When the Company has placed an order for Buyback of equity shares, the identity of the Company as a purchaser would be available to the market participants of the stock exchanges.
- Members holding demat Shares who desire to sell their equity shares in the Buyback, would have to do so through their stock broker who is a registered member of either of the stock exchanges by indicating to their broker the details of the equity shares they intend to sell whenever the Company has placed a "buy" order for Buyback of the equity shares. The Company shall place a "buy" order for Buyback of Demat Shares, by indicating to the Company's Broker, the number of equity shares it intends to buy along with a price for the same. The trade would be executed at the price at which the order matches the price offered by the beneficial owners and that price would be the Buyback price for that beneficial owner. The execution of the order, issuance of contract note and delivery of the stock to the member and receipt of payment would be carried out by the Company's Broker in accordance with the requirements of the stock exchanges and the Securities and Exchange Board of India ("SEBI").
- It may be noted that a "sell" order placed by a shareholder may not be matched with the "buy" orders placed by the Company. In such cases, the trade takes place in due course outside of the buyback.
- It may be noted that a uniform price would not be paid to all the members/beneficial owners pursuant to the Buyback and that the same would depend on the price at which the trade with that member/beneficial owner was executed. Capital gains for the buyback on which the listed Company has already paid tax will be exempt in the hands of the shareholders. In order to implement this, stock exchanges will identify the shares accepted in the Buyback for each seller using unique code on a daily basis. The said information will be shared with the sellers by the stock exchanges on daily basis.

10. When will the Buyback offer period start and end?

- The Buyback commenced on December 7, 2022 and will end on Earlier of following:
 - a) June 6, 2023 (that is 6 months from the date of the opening of the Buyback);
 - b) when the Company completes the Buyback by deploying the amount equivalent to the Maximum Buyback Size; or
 - c) at such earlier date as may be determined by the Board (including a committee thereof, constituted by the Board or persons nominated by the Board / committee to exercise its powers, and / or the powers conferred by the Board resolution in relation to the Buyback), after giving notice of such earlier closure, subject to the Company having deployed an amount equivalent to the Minimum Buyback Size (even if the Maximum Buyback Size has not been reached or the Maximum Buyback Shares have not been bought back), however, that all payment obligations relating to the Buyback shall be completed before the last date for the Buyback

11. Can Company close the Buyback before the Buyback closure period?

- The Company has to close the Buyback before the Buyback closure period once the Company has utilized funds equivalent to the Maximum Buyback Size.
- The Company may decide to close the Buyback early if the Company has utilized at least 50% of the Maximum Buyback Size.

12. Will the Company purchase shares during 'No Trading Period'?

- Considering the various factors, the Company may or may not purchase shares during the 'No Trading Period' and if it decides to buyback its shares during this period then it will be done in compliance with the applicable regulations.
- Company expects to follow the similar process as that which was followed in the last two buybacks done in 2019 and 2021.

13. Has the board of directors and the members approved the Buyback?

- The Buyback is approved by the Board of Directors and Members.

14. Have the required regulatory approvals been received?

- Board of Directors of the Company has approved the buyback on October 13, 2022.
- Members of the Company has approved the buyback on December 2, 2022.

15. What if Company is not able to buy full amount?

- As per the Buyback Regulations, 50% of the buyback size is required to be bought back subject to market price not being more than the maximum buyback price of ₹ 1,850/- or certain other conditions such as adequate sell orders being put on the stock exchange platform.
- However, the Company expects to distribute 100% of the buyback size of ₹ 9,300 crores to the shareholders.
- If, due to market conditions (market price being more than the maximum buyback price of ₹ 1,850/-) or some other reasons, the Company is not able to distribute 100% of the buyback size to the shareholders, the Company will evaluate other mechanisms to distribute the cash to the shareholders.

Participation in Buyback

16. How do I participate in the Buyback?

- The member will need to contact his broker to initiate the sale of shares.
- In the event the member does not have a broker, he will need to open a trading account with one. The broker will have to do the KYC for the member and once the account is opened, the member will be able to initiate the selling of the shares.

- The members can either sell their shares online through their broker's platform or may approach their broker to sell their shares. The broker will input a sell order and on matching, the member would need to transfer the shares to be sold to the broker by providing a Delivery Instruction Slip which will contain the DP details of the broker, the settlement number, quantity, ISIN number and date of execution. Please get in touch with your broker for additional details.
- A "sell" order placed by a shareholder may not necessarily be matched with the "buy" orders placed by the Company. In such cases, the trade takes place in due course outside of the buyback.
- The Seller would receive the payment on completion of the transaction as per the settlement schedule set by the stock exchanges.
- The Buyback is implemented by the Company by way of open market purchases through the Indian Stock Exchanges, by the order matching mechanism except "all or none" order matching system, as provided under the Buyback Regulations.
- Members holding shares in physical form will not be entitled to participate in the Buyback unless they convert shares in demat form and then participate in the Buyback following the procedure outlined above. To know the procedure for conversion of shares from physical to demat form, members may reach out to the Registrar of the Company

17. Whether members have to go to brokers' office physically and sell?

- For dematerialized shares, brokers usually provide an online mechanism. Members need to confirm with respective brokers whether they can do it online or would need to go to the broker's office.

18. What happens to online accounts like ICICI Direct, HDFC Securities – How can they place a bid?

- The process of selling online varies from broker to broker. The member is advised to check with the broker.

19. Does the members' broker need to be only Kotak Securities i.e. the Buyer Broker?

- Any broker registered with BSE or NSE can enter a valid bid to sell for the member.

20. What fees are charged by the broker for accepting the shares for buyback?

- Details are broker specific, and members are requested to check with their respective brokers.

21. Some employees/members will not have a broking account, how will they sell the shares?

- All members who wish to sell will have to go through a broker. Such members who do not hold a brokerage account but hold shares need to open an account with a designated broker before they can sell their shares.

22. What is the procedure for the broker? Can any employee/member go to any broker?

- Once the shares are transferred to the broker, the broker then places a bid and will issue a contract note on successful transaction.
- Yes, the employee/ member can go to any broker of his/her choice.

23. If the broker is the existing banker, is it necessary to do KYC requirement with the broker?

- Details are broker/bank specific, and members are requested to check with their broker/bank for further details. Usual KYC documents include PAN Card and address proof. There might be additional documents that are required depending on the broker's requirement.

24. In case demat accounts are de-active, does one need to activate her/his account?

- Yes, one needs to activate the broking account and needs to check with their respective broker / Depository Participant ("DP") to activate the demat account.

25. Do employees/Members need DP Instruction slip? If they apply it would take them 15 days to get instructions slips.

- To transfer shares from the member's account into the broker's account, a Delivery Instruction Slip will need to be filled by the member and submitted to the DP. The DP will then transfer the stock to the broker. The time period to get DP slips would vary from DP to DP. The broker has no role to play in the delivery of new instruction slip. Please get in touch with your broker or DP for additional documents.

26. What documents are required to get the transfer?

- Only the delivery instruction slip is required to transfer the shares from the member's DP account to the broker's DP account. Please discuss with your broker for additional documents.

27. Can a member sell the shares anytime?

- As a member, one can sell the share anytime (before/during or after the Buyback) on the stock exchanges at the price prevailing on the exchanges at that particular point in time.

28. Can I buy shares today and participate in the Buyback?

- Any holder of equity shares can sell his/her shares on the stock exchanges and can participate in the Buyback.

29. How much can I sell in the Buyback?

- There is no limit for a particular individual in the Buyback. However, the indicative maximum number of equity shares at the Maximum Buyback Price and Maximum Buyback Size

bought back would be 50,270,270 equity shares, comprising approximately 1.19% of the total paid-up capital of the Company as of September 30, 2022 (on a standalone basis).

30. When will I receive the money for shares I sell and are accepted?

- Settlement of transactions on market will take place as per the settlement schedule set by the stock exchanges .

31. Can the equity shares under lock-in be bought back by the Company?

- No. In accordance with the Buyback Regulations, the Company shall not buy-back the locked-in / non-transferable shares till the pendency of the lock-in or till the equity shares become transferable.

32. I am a Non-Resident, am I required to submit any approval from RBI for participating in this Buyback offer?

- Please note that the buyback from the members who are residents outside India including foreign corporate bodies (including erstwhile overseas corporate bodies), foreign portfolio investors, non-resident Indians, members of foreign nationality, if any, shall be subject to the Foreign Exchange Management Act, 1999 and rules and regulations framed thereunder, if any, Income Tax Act, 1961 and rules and regulations framed thereunder, as applicable, and also subject to the receipt / provision by such members of such approvals, if and to the extent necessary or required from concerned authorities including, but not limited to, approvals from the Reserve Bank of India under the Foreign Exchange Management Act, 1999 and rules and regulations framed thereunder, if any.

Further, the Non-Resident Shareholders shall be responsible for reporting requirements for non-resident shareholders under the Foreign Exchange Management Act, 1999, as amended and any other rules, regulations, guidelines, for remittance of funds.

33. What is my entitlement? Am I a small investor or a large investor?

- The Buyback is being implemented through the stock exchange route and there is no separate reservation for small shareholder and entitlement in this route. Any member can sell on the stock exchanges.

34. When will Company place orders to Buyback?

- The Company will place “buy” orders during the Buyback period, by indicating to the Company’s Broker, the number of equity shares it intends to buy along with a price for the same.

35. On daily basis, how many shares will Company be buying back?

- The Company will place “buy” orders during the Buyback period. The Company will determine number of shares to be bought as it may deem fit, depending upon the prevailing market price of the equity shares on the stock exchanges.

36. How will we understand that Company is buying back?

- The Company has published Public announcement stating the opening date for the buyback
- Further, the Company is also providing daily disclosure on the quantity of shares being bought back.
- The “buy” orders for the Company for purchases in the Buyback are distinguished by the stock exchanges by an asterisk (*) mark against security name.

37. Is there a separate window wherein Buyback shares are bought?

- The Buyback will be implemented by the Company by way of open market purchases through the stock exchanges, through the order matching mechanism except “all or none” order matching system, as provided under the buyback regulations.
- If the sell order matches with the “buy” order by the Company, those shares are bought in the Buyback.

38. How many shares have been bought back till date in the current Buyback?

- The details of the shares bought pursuant to the Buyback is available on the Company’s website and on the stock exchanges website.

39. When is the Record Date?

- There is no record date concept in open market route of Buyback. Company will purchase shares on stock exchanges from the members selling on the stock exchanges.

40. Can ADR holders participate in the Buyback?

- Yes, ADR holders can participate in the Buyback. ADR holders will have to convert their ADR into equity shares, and, subsequently, opt to sell such equity shares on the stock exchanges during the Buyback period.

41. Who can a member talk to in case of questions in relation to the Buyback?

- Members can write to Sharebuyback@infosys.com or contact Secretarial team via telephone for any queries.

Market related

42. How was the maximum buyback price determined?

- In arriving at the maximum buyback price, the Company has considered various factors including but not limited to premiums paid in similar past transactions, average stock prices of the Company and the potential impact of the Buyback on the earnings per equity share and other relevant financial metrics and ratios.

43. What is the final Buyback price?

- The Board of Directors has approved the maximum price of Buyback in terms of the requirements under the buyback regulations and the Companies Act, 2013 at a price not exceeding ₹ 1,850/- (Rupees One Thousand Eight Hundred and Fifty only) per equity share. However, purchases will be made by the Broker at the prevailing market prices during the Buyback period subject to the maximum price. It may be noted that a uniform price would not be paid to all the members/beneficial owners pursuant to the Buyback and that the same would depend on the price at which the trade with that member/beneficial owner was executed.

44. Is there a floor price for Buyback?

- No, there is no floor price for the Buyback

45. I want to sell my shares at maximum buyback price, how can I achieve the same?

- The Company will place “buy” orders during the Buyback period, by indicating to the Company’s Broker, the number of equity shares it intends to buy along with a price for the same.
- The Company will determine the Buyback price, as it may deem fit, depending upon the prevailing market price of the equity shares on the stock exchanges.
- A “sell” order placed by a shareholder may not necessarily be matched with the “buy” orders placed by the Company. In such cases, the trade takes place in due course outside of the buyback.

46. How can I know the latest shareholding of the Company?

- The latest shareholding as on September 30, 2022 is available on the stock exchanges’ websites.
- In accordance with the requirements of Section 94 of the Companies Act, 2013, the Register of Members is available for inspection by the members/any other person at the Registered Office of the Company.
- You are requested to visit our Registered Office on any working day (Monday to Friday) between 11:00 a.m. to 1:00 p.m. with prior intimation, for inspection of the Register of Members and the desired copies, if any, will be provided on request.

Taxation

47. Will tax be deducted on the consideration amount?

- The sale on the stock exchanges is subject to Securities Transaction Tax (“**STT**”) and Capital Gains
- The broker may deduct the STT from the consideration amount to the members. However, the deduction of STT and brokerage differs from broker to broker. The member is advised to check with their broker regarding the same.
- In July 2019, Union Budget extended the buyback tax of 20% to the listed companies
 - In the same budget, capital gains for the buyback on which the listed Company has already paid tax will be exempt in the hands of the shareholders
 - In order to implement this, stock exchanges will identify the shares accepted in Buyback for each seller using unique code on a daily basis
The said information will be shared with the sellers by the stock exchanges on daily basis

48. How much buyback tax will be paid by the Company for this buyback?

- Tax will be paid by the Company at the rate of 23.3% (20% increased by 12% surcharge and 4% cess) on the amount arrived at by reducing the amount received by the Company (at the time of issuance of shares being bought back) from the buyback price.

Physical shares

49. What is the process in case of loss of share certificates?

- Members are requested to approach to the Registrar for process of issue of duplicate share certificates. The physical shares certificates will then need to be converted into demat form so as to participate in the offer (during the offer period).

50. Offer Process Physical Shares – How to apply?

- Members holding shares in physical form will not be entitled to participate in the Buyback unless they convert shares in demat form and then participate in the Buyback following the procedure outlined above. To know the procedure for conversion of shares from physical to demat form, members may reach out to the Registrar of the Company.