TO ALL STOCK EXCHANGES

BSE LIMITED
NATIONAL STOCK EXCHANGE OF INDIA LIMITED
NEW YORK STOCK EXCHANGE

November 11, 2019

Dear Sir/ Madam,

Sub: Transcripts of the annual Analyst/Investor meeting held on November 6, 2019

In continuation to our letters dated November 5, 2019 and November 6, 2019 pertaining to the Company's annual analyst/investor meeting and presentations made during the meeting respectively, please find attached the transcripts of discussions of analyst/investor meeting.

This is also hosted on the Company's website, at www.infosys.com

Yours Sincerely,
For **Infosys Limited**

A.G.S. Manikantha
Company Secretary

Analyst Meet 2019

November 6, 2019

Chairman's address

CORPORATE PARTICIPANTS:

Nandan M. Nilekani
Chairman of the Board

Sandeep Mahindroo
Financial Controller and Head-Investor Relations

ANALYSTS / INVESTORS

Sandip Agarwal
Edelweiss

Diviya Nagarajan
UBS

Viju George
JP Morgan

Shyam Prabhu
Banyan Tree Advisors

Parag Gupta
Morgan Stanley

Vishal Purohit
Prabhudas Lilladher

Sandeep Shah
CGS-CIMB

Madhu Babu
Centrum

Ravi Menon
Motilal Oswal Asset Management

Pankaj Kapoor
JM Financial

Sudheer Guntupalli

NGN Puranik
Enam Securities

Rahul Jain
Dolat Capital

Girish Pai
Nirmal Bang

Sandeep Mahindroo

Good morning ladies and gentlemen. On behalf of Infosys, I would like to extend a warm welcome to all of you at our 2019 Analyst Meet. We thank you for taking your time out of the busy schedule and join us at this event. We would also like to extend a very warm welcome to all the people who are not in the room but accessing this event by the live audio webcast. Please note that this event is being recorded. The audio file of this event, various presentations and the transcripts will be put up on our investor relations website. At your desk, we have put the agenda, important information and the feedback form. The agenda contains the schedule for the day. We request you to adhere to the timings mentioned in the agenda which will enable to us to organise the event smoothly. Please also go through the important information sheet, which contains information on Wi-Fi, lunch, high tea, logistics and other relevant help that you might need during the course of the event. We have volunteers spread across the floor who will be glad to help you in case you need something.

We have a packed agenda for you starting with the session by our Chairman, Mr. Nandan Nilekani. As part of his session, Chairman will also talk about the recent whistleblower allegations, our response and take questions on those matters. Please note that any questions on the recent events will be taken only by him. After his session, management will not take question on those aspects during the rest of the day including in the open house Q&A. Since the Chairman will not be staying for the full event, we will have Q&A at the end of his session. For questions on other session, please wait for the open house Q&A or connect with the presenter separately. With that let me request our Chairman, Mr. Nandan Nilekani to kick-start the event.

Nandan M. Nilekani

Thank you Sandeep. It is wonderful to be here. Welcome to the Infosys Analyst Meet. It is my pleasure to host all of you here today and on behalf of the Infosys Board of Directors, I thank you for making the time to join us. We have always known, that we can count on you, both your deep insights and your unstinting support as we take on the various challenges of running our business over the years and as we continue to strive onward.

I would like to use this opportunity to briefly update you on the progress we have made as a Board and as an organization over the last 18 months, since we announced our new strategic direction. I would also like to address questions or concerns you may have about the recent whistleblower matter that has generated a fair amount of discussion over the past few weeks.

Let me begin by giving you a brief perspective about how digital disruption is fundamentally reshaping the boundaries and configuration of every industry. Navigating this disruption is rapidly becoming the single most important priority for every large global business, especially incumbent enterprises across sectors. FMCG players must equip themselves to pivot in a Direct to Consumer world. Auto manufacturers must rethink their future where electric cars, driverless vehicles and mobility aggregators will change the business dynamics irrevocably. With EV and renewables getting set to end the oil regime, energy and utilities players will have to power up in new ways. As the world moves away from cards and begins to count more on the smartphone, financial services companies must think of their own smart moves. Every business is looking to understand these shifts, adapt to thrive and respond confidently with technology as their aide.

We also see six technology imperatives impacting enterprises. These include the rise of cloud, the evolution of open source, the democratization of data and algorithms, the consumerization of user experience, the changing cybersecurity landscape, and the modernization and assurance of core

systems. Enterprises that are able to successfully address these imperatives will emerge as leaders in the new digital economy.

Over the last 38 years, we've managed the core operations of some of the largest global enterprises. Our 'Navigate Your Next' strategy and distinct approach to the five digital outcomes, this is what we call as 'Pentagon', these corporations seek, uniquely positions us to support our clients as they strive to overcome these digital challenges and capitalize upon the opportunities of our times.

Our revenue growth averages 11.4% constant currency over the last four quarters, with our CEO and MD, Salil Parekh playing a lead role in reinvigorating the organization and driving momentum. I would like to give a small applause to Mr. Salil Parekh. Recognition for our brand across various global platforms, including being awarded the number 3 ranking on the Forbes list of The World's Best Regarded Companies for 2019, is validation of the progress we are making as an organization.

As we help our clients navigate their transformation journey, we have also been diligently preparing ourselves for this new world. As a Board, we have been focused on a few important priorities – strengthening our corporate governance standards and processes in line with our heritage and our values, developing a robust capital allocation policy that delivers predictable returns for our shareholders and most importantly, building a resilient and stable executive management team to chart the way forward. We have periodically updated you on all these dimensions and I am delighted with the progress we have made as a team.

Another important area where the Board and the management are working in unison has been towards the objective of rewiring Infosys's operations to work with the energy and enthusiasm of a start-up. This meant overhauling the ways of working that were slowing us down, melting down the silos that separate us, replacing old systems and processes with new and agile ones, reimagining experience and learning for our 230000+ employees, growing our internal tribes of advocates and brand ambassadors, and all this towards making Infosys a Live Enterprise that can sense and respond in real time.

We are getting it all done, because we are relying on intelligent automation to create bandwidth for our people to focus on solving tougher problems for our clients, building more effective teams and learning more. We have been collaborating, networking seamlessly and globally, in our quest to bring the best of this renewed Infosys to every employee and every client.

Let me now take this opportunity to address the matter of the anonymous whistleblower complaint recently received by the company.

Infosys takes these complaints seriously and as we have said publicly, the audit committee has engaged an independent law firm to fully investigate the allegations. The investigation is ongoing and we will provide a summary of the investigation results after it is complete.

While I cannot address the substance of the ongoing investigation or the complaint's merit, I want to share the background on Infosys's overall approach to compliance and our handling of this matter.

As a company, Infosys is committed to defining, following and practicing the highest level of corporate governance across all our business functions. In the thirty-eight years since our founding, we have built a robust track record for complying with several stable processes that have stood us in good stead. This company has always been guided by a strong moral core and sense of larger purpose. We have reinforced these values by hiring people who are aligned to the

Company's values and have instituted structures and processes to ensure that these values remain at the heart of our identity. Integrity and transparency are at the foundation of our business and inform our culture, policies and relationships with all our stakeholders.

Our whistleblower policy, which is grounded in the values of our corporate governance practices, has been in place for over 15 years. This policy is intended to help ensure that the company maintains the work place that adheres to the highest ethical standards and facilitate reporting of potential violations of company policies and applicable laws.

The Audit Committee, which has expertise in these matters, serves as the custodian of the whistleblower process and it promptly and appropriately investigates complaints. Information disclosed during the course of the investigation is kept confidential, except as necessary to conduct the investigation and take any remedial action, in accordance with the law.

The investigation process allows the company to determine the validity of complaints. Should an investigation substantiate the allegations of a complaint, the company promptly undertakes remedial steps and makes disclosures if required.

Infosys's response to the recent whistleblower allegations adhered to the company policy and past practices, and complied with all applicable laws and regulations. Contrary to reports that assert otherwise, I can say with certainty that the company acted responsibly in response to the complaints. Let me repeat this paragraph again. Infosys's response to the recent whistleblower allegations adhered to the company policy and past practices, and complied with all applicable laws and regulations. Contrary to reports that assert otherwise, I can say with certainty that the company acted responsibly in response to the complaints.

Here are the facts.

We first became aware of the original complaints on September 30. Pursuant to our whistleblower policy, the complaints were placed before our Audit Committee on October 10 and before the non-executive Board members on October 11. The following week the Audit Committee consulted with Ernst & Young, the independent internal auditors and Deloitte, our statutory auditors, were updated as well.

On October 16, the company learned of a letter dated October 3, 2019, purportedly written to the Office of Whistleblower Protection Program in Washington, D.C. The October 3, 2019 letter received by the Company, however, did not include any of the referenced emails or voice recordings.

On October 18, two days before the complaints were made public, the chair of our Audit Committee decided to retain outside counsel to conduct an independent investigation of the matter. Accordingly, we retained Shardul Amarchand Mangaldas & Co. on October 21, just as the whistleblower complaints were leaked to the media. In the context of this media leak the company felt it would serve the interest of all stakeholders by issuing a press release.

The company's response to the anonymous complaints was reasonable and consistent with US and Indian law, both of which recognize the importance of investigating such claims before disclosing them. US courts recognize that companies have a reasonable amount of time to evaluate potentially negative information and to consider appropriate responses before a duty to disclose arises. Similarly, circulars issued by the Indian stock exchanges in 2018 also confirm this understanding and encourage companies to disseminate unpublished price sensitive information as soon as it becomes "credible and concrete."

We recognize and value the right of aggrieved or concerned individuals to bring critical issues to the company's attention. However, if a company does not have the opportunity to thoroughly investigate any complaint, this right could inappropriately shift from a corporate safeguard to becoming a conduit for abuse, allowing an individual to manipulate a company's operations or reputation without due process. Accordingly, prematurely disclosing complaints without proper due diligence to assess their veracity contradicts good corporate governance and would be a mistake.

As it always has, Infosys continues to hold itself to the highest standards of ethics and conduct, and we believe the actions the company took after the receipt of these complaints complied with our legal obligations, were responsible and in the best interests of our company, employees, and shareholders.

Again, while I will not comment on the merits of the issues which are under investigation, I want to reassure you that Infosys takes whistleblower complaints seriously. As part of the standard processes defined within our whistleblower policy, we are committed to ensuring that every aspect of the allegations is thoroughly investigated. After the investigation is complete, we will share a summary of the findings and will take corrective action if warranted.

For nearly four decades, Infosys has served as a model of strong corporate governance. We will always strive to live up to those standards.

All signs point towards us achieving that goal. Potential employees continue to flock to the company, our clients continue to engage with us on new and expanded programmes and our business continues to build momentum. Our company is prepared and excited for what is to come.

Today, our focus is to ensure that we build on the momentum that has been gained in the last 18 months. We are about midway on the three-year strategic journey that the leadership team outlined. The Board is fully supportive of the integrated management team that is driving the execution of this strategy. Together, we are prepared for the opportunities and challenges of the future.

Let me thank you once again for joining us today. If you have additional questions, I would be happy to answer them.

Now, before I go to the Q&A, I also want to issue a company statement that we have just issued to the stock exchanges.

Infosys strongly condemns the mischievous insinuations made by anonymous sources against the cofounders and former colleagues, suggesting their involvement in the recent whistleblower allegations.

According to Nandan Nilekani, Chairman, Infosys, "These speculations are appalling and seem to be aimed at tarnishing the image of some of the most accomplished and respected individuals. I have deep regard for the life-long contribution of all our cofounders. They have built this institution and have served this company selflessly and even today, remain committed to the long-term success of Infosys."

As we have previously stated, the Audit Committee has appointed an external law firm to conduct an independent investigation into the allegations made in the complaints. We will share the outcome of the investigation at the relevant time with all stakeholders.

So the company's statement about the anonymous sources against the co-founders has been put out. It has been sent to the Stock Exchange, it should be on our website and we are sharing that

with you now. Similarly, the statement that I just made on the Investor Day is also going to be released soon to the Stock Exchange and all the other parties.

With this, I have come to the end of my prepared remarks which is my statement on Infosys's future and the whistleblower issue. I have also read out to you the statement that we issued on the article. Now I will be happy to take questions from anyone on any topic, hopefully relevant to this.

Sandip Agarwal

Hi, this is Sandip from Edelweiss. Thanks for the opportunity. Just one question Nandan on this topic of whistleblower. Is there is any indicative timeline or you think there could be some tenure by when we can get clarity or some statement from you officially on this investigation?

Nandan M. Nilekani

Sorry, what you want apart from what I have said?

Sandip Agarwal

No I just wanted to know if there is any tentative timeline or some duration by when we can get some clarity on this issue?

Nandan M. Nilekani

As you will understand, our goal is to bring this investigation to an appropriate close in the best possible time. Having said that, it involves a number of statements that are there in the whistleblower complaint. We have a legal firm, we have three or four auditors. So, everybody has to work together and I cannot give you a timeline because I do not think it is fair to the investigating authorities. So, let them do their job. We have given them full and complete access to the whole company and they will do a good job and as soon as we get the thing, we will report back to you.

Diviya Nagarajan

This is Diviya Nagarajan from UBS. My question is, you talked about being supportive of the management team. This is indeed a trying time for the company. What steps are you and the management are taking to ensure that everyday business and employee morale is unaffected? Could you run us through the communication that you have had internally to ensure that that execution does not suffer?

Nandan M. Nilekani

I think everything is being done to run the business as usual. In fact, every day, every minute, our people are meeting with customers, with employees, closing big deals and I am very confident that we will not miss a beat in doing that and I am grateful to the management that in spite of this distraction, we are completely focused on the business.

Viju George

This is Viju George from JP Morgan. My question is, you termed it as a distraction. What can you do to ensure that these distractions do not come up in the future because there are always pressures of doing business, yet this has come about. So, what can we do internally to sort of ensure or tighten up, to make sure that these things do not come up in the future?

Nandan M. Nilekani

The whistleblower policy has been in existence for 15 years and we believe it is a good policy because it gives opportunities for people to raise issues that they would not otherwise raise. We respect that, and therefore I think that the policy will absolutely continue as it is. Having said that, we will have to see how it pans out but I am confident that we will be able to go forward very well. But I cannot make a statement that no company will ever get a whistleblower policy in its future, how can I make a statement like that.

Shyam Prabhu

Hi, Shyam Prabhu from Banyan Tree Advisors. I just wanted to figure out for a company the size of Infosys, in a typical financial year, let us say last year 2018-2019, how many whistleblower complaints would you have typically got?

Nandan Nilekani

We received several whistleblower complaints, I do not have the exact data with me right now. They come in different categories and we have a due process and we deal with them as part of the job.

Parag Gupta

This is Parag from Morgan Stanley. We understand from the media that some of the supporting evidence has been provided to the SEC. So, just wanted to understand, has there been any interaction with the SEC on this front and any views on that?

Nandan M. Nilekani

First of all, we have a letter addressed to the SEC's official whistleblower office program dated October 3, which we received on October 16. That purportedly has some attachments which have been presumably submitted to the SEC. However, we have not received any of those attachments. All we have received is the same letter which you have seen, which is just a text of the body. We said that in our statement that we issued to the stock exchanges a couple of days back that we have no evidence beyond these three documents.

Vishal Purohit

This is Vishal Purohit from Prabhudas Lilladher. While I respect Infosys, the legacy and epitome of governance in India, the fear which comes to the mind of investors by and large, especially after this whistleblower policy is, it should not become like the Panaya type issue. For Panaya, the Board gave kind of judgement that all is well, but over the next few quarters we saw write-offs. The report was never made public to the investors and just because the whistleblower has happened now, the information is available in the public domain. Can you assure all the investors that the report would be made public? And as a suggestion, just to get the fear out of the investors mind, why do not you also make the Panaya report public so at least the investor gets a clarity rather than having to see any write-off ahead even on this issue?

Nandan M. Nilekani

First of all, I think you are confusing two things. One is, the investigation into whether the Panaya's purchase was kosher or not, and second the write-offs. They are two different things. A lot of people take business decisions that subsequently may lead to write-offs and I can give you

chapter and verse of the world's biggest companies and write-offs they have done. So, let us not go there, do not confuse two things. Having said that, after I came back and then became the Chairman, we did a thorough analysis of the Panaya thing and I met with the auditors as well as the firm that we appointed – a very respected investigative agency in the US, Gibson Dunn and I was personally satisfied that there was nothing wrong with the Panaya deal as such. I am not talking about write-offs, that is a different business thing, do not confuse two things. That is what we said after I came. I also believe that the company is under no obligation to put out every investigative report because investigative report by nature involves confidential conversations. So, people have to do a good job on investigation, if we are willing to speak without fear or favour in the investigation; and I do not think that is a legitimate request. I think you have to leave it to the Board and the people in the Board who are of the highest integrity and who care about this company to decide whether they should release the report or not.

Sandeep Shah

This is Sandeep from CGS-CIMB. Just wanted to understand this event of whistleblower, which is now almost two weeks old. Is there any instance where the deals are under negotiations, clients are saying that let us wait for the investigation report and then finalize anything on the deal which is under negotiation?

Nandan M. Nilekani

On the contrary, our customers are extremely supportive. We have proactively reached out to our customers, talked about this whole thing and the kind of emails that I have received, I feel good that our customers have faith in Infosys. Maybe not others, but certainly our customers have faith in Infosys and in fact the deal flow also continue to be as good as ever. This morning I saw an email of a large deal Salil had forwarded to me. So, I think we are doing well with customers and we deeply appreciate this. The fact that we are acting proactively, that we are dealing with allegations seriously; and their experience is based on years of interaction with us where we have given them service of the highest quality with highest integrity and they judge based on that, not on anonymous whistleblower complaints.

Sandeep Shah

A follow-up, is there an instance in the past where such whistleblower allegations have happened but did not got leaked and the company managed this through investigations finding nothing material in those allegations and it has been resolved?

Nandan M. Nilekani

Absolutely.

Sandeep Shah

It has happened?

Nandan M. Nilekani

Yes, we get whistleblower complaints all the time. We resolve them and in some cases where there is some action to be taken, we take actions. In most cases, there is no action to be taken, therefore we close it. It does not go to the media.

Madhu Babu

Hi, this is Madhu from Centrum. So, the whistleblower letter was leaked to the media and they tried to create a mischief on the stock price and impact and all that. We had multiple whistleblower complaints earlier as well. Can we pursue legally on the guy who has done this because the investigation is under the process at the company level, so that in future, somebody does not do this kind of event again?

Nandan M. Nilekani

Please understand, both in India and particularly the US, there is a very strong protection of the rights of a whistleblower because they rightly believe that if a whistleblower has raised a genuine issue and he is dealing with the company, then he should be protected against the company. So, this is the understanding that is there. We are not right now in the business of finding out who did it, that would be inappropriate on our part to do that. We are trying to basically do an investigation by an independent group, led by a legal firm as well as two auditors and the first order of business is to come to evaluating whether there is any credibility or credence to these allegations. We cannot go into the business of investigating who has done it, that is not what whistleblower policy is about.

Ravi Menon

This is Ravi Menon from Motilal Oswal Asset Management. I had a question about the $50 mn reversal that is alleged. Given the stringent controls that you have in place do you think that the amount being fairly large, it seems difficult to believe that in a firm like this with such controls, such a large sum would escape notice. So, can we say that in all probability that at least this aspect of the whistleblower allegation really has no merit?

Nandan M. Nilekani

Well, I find it difficult to believe too. Having said that I will wait for the investigation report. I do not want to bias it in anyway. Infosys has very strong processes. Even God cannot change the numbers of this company. This company has very very strong processes. We have an outstanding finance team of people of the highest integrity and they are actually feeling insulted by these accusations and I am sure. But, I do not want to, again, bias the investigations, let the report come out.

Pankaj Kapoor

This is Pankaj from JM Financial. Among the allegations which have been made, one of the things pertain to the large deal signing process itself with some of the deals which you have signed at probably low profitability. Without getting into the merits of allegation, do you think that this is something, which requires a more rigorous review of such deals in all by the Board?

Nandan M. Nilekani

What makes you think the board is not doing that?

Pankaj Kapoor

My point is that does it mean that this may lead to any kind of delay in the future or our ability to participate in the market because of more stringent consideration of deals?

Nandan M. Nilekani

Do not speculate much. Large deals is an integral part of this firm. The large deals go through a process and whatever are the margins or other things go through a process. The large deals policy is reviewed by the audit committee. The audit committee meets twice a year, full day on a special audit committee. In fact, they have reviewed this just recently. So I can assure you that the Board and the audit committee are extremely cognizant of the implications of large deals and we believe the management is fully within its rights to select large deals and see it in the overall context of what needs to be achieved and I think we must let the management perform their job and this is not a matter of whistleblowing. Large deals is entirely the prerogative of the company to decide what margin they should take it at.

Pankaj Kapoor

I had a follow-up question. There is also a class action suit being talked about and I think a couple have been already filed, so how are we responding to that?

Nandan M. Nilekani

The class action suits are filed, we will respond to it in due course.

Diviya Nagarajan

Nandan, what does it really mean including this and even otherwise for your tenure at Infosys as Chairman? When you came back a few years ago in this role, you talked about wanting to set things in order and stepping back. What is the timeframe you are looking at now?

Nandan M. Nilekani

I said as long as it takes to make myself dispensable.

Diviya Nagarajan

Does this issue extend that timeframe now?

Nandan M. Nilekani

As I said as long as it takes for me to become dispensable.

Sudheer Guntupalli

This is Sudheer and my question is, if you look beyond the isolated incidents, Infosys is always the company that comes under intense media scrutiny over something or the other always and it has been the case for quite some time, and none of our peers – large companies come under such intense media scrutiny. Of course, I do understand and respect the fact that we do not have

control over what media decides to say about one company and not the other; is there a root cause analysis that we have done to understand why exactly is this happening only with Infosys? Let us say, as you said, whistleblower complaint is a common phenomenon may be in Infosys in the past and across other companies also, but had it happened with some other companies it would not have made headlines to that extent. So is there some due diligence – are we are trying to understand what is going wrong internally in terms of communications with the media and all the media leak?

Nandan M. Nilekani

I would hesitate to use "what is going wrong inside". I think for whatever reason, Infosys has had its share of whistleblower complaints. We will deal with them, and I do not want to get into a comparison with other companies. We have to do our job properly we will do that.

NGN Puranik

Nandan, let us get into the bread and butter business.

At the end of it, the distractions come and go. You are defined by how strong you are to manage these distractions. To keep away from distractions and focus on your business and you guys have built this business over three to four decades so you have your core strength. The challenge today is in the marketplace, how do you handle your delivery, sales and offerings. So, in that context I want to ask you about the evolving pyramid structure. How do you create a better pyramid, a relevant pyramid?

Nandan M. Nilekani

These are best questions left to management. Salil and his team are more than adequately capable of answering that. I can only say at the Board level, strategic level, I have never been more confident of Infosys's ability to perform in this market. There is a major transformation happening in the market and I talked that the whole world is changing. There is no sector of the economy which is not affected by technological transformation and disruption and companies are now seeing the specter of challenge coming from the new disruptors and they are really looking for trusted partners who can help them navigate their future. All the actions that Infosys has been doing under the leadership of Salil and his colleagues, it is positioned better for that. They have done a remarkable job and you can see that in the growth rate. The fact that company grew four quarters in double-digit and every day there is news that reinforces that. So I am supremely confident of a number of things. One, the market opportunity is large because this transformation means everybody has to rejig their systems, become more agile, become more into the consumer experience and I think my colleagues are going to talk about three big trends on what is happening with the cloud, with data and with consumer experience. So these all are big things, I have been in this business for 40 years and I have not seen this level of intensity in change in our clients that is point number one. Point number two, this game is not a rising tide that lifts all boats. It will go to those companies that get their strategy correct, that will get their execution correct, that will rebuild the skills of the people that build new services and transform the way they do things. It is about training our people to deal with these new things. It is about making sure that our sales guys can talk the new story and there also I can say with extreme confidence that in the last 18 months, there has been a remarkable progress in this company. It is all below the hood. It is not Twitter times. It is happening below the hood and this I believe is also part of the reason why you are seeing the increase in growth and relevance. I think relevance is a key thing. Salil and his team have done a great job in making sure that Infosys is relevant to our customers by actually offering contemporary services and skills, which they need for their transformation and therefore I am bullish about the future of this company.

Rahul Jain

This is Rahul Jain from Dolat Capital. Sir from a business perspective, do you think that the current level of profitability is a new normal given the market condition and competitive landscape? Historically we have been the best on the profitability number. We have been top of the charts and now we are a little off the mark. So, you think this is the new normal or this needs to go up?

Nandan M. Nilekani

Again, I think as far as the profitability is concerned, it is best that Salil and Nilanjan answer that question, but as a Board we are extremely comfortable with the strategy that is being executed. I think the first phase of the strategy was becoming more relevant and increasing growth, which has been done. Now the focus is on optimizing that, which is also being done. So the Board is entirely comfortable and unanimous on this.

Diviya Nagarajan

I think you talked about contract flows and large deals, so have customers come up to you on this issue because I think one of the things that do impact large customers is corporate governance and other issues, so have you had specific conversations with customers around this and the second part of this question is you spoke about large deals continuing. Given that large deals having such a big part of the recovery process for the last 18 months can we be assured that there is no slowing down or caution on the large deal pursuits as of now?

Nandan M. Nilekani

As I said as far as we are concerned it is business as usual. We continue to be remarkably and totally focused on our customers and closing all kinds of business including large deals. What will be the large deals of this quarter, you will know in January. So, I cannot comment on that. As far as the customers are concerned, we have reached out to the customers whenever required. They have been supportive and customers understand these things. and remember these are allegations. Anybody can make allegations. There is nothing concrete or credible that we have on these allegations so they all understand that this is part and parcel of our business and they have been supportive.

Vishal Purohit

This is Vishal Purohit again from Prabhudas Lilladher. Sir a question on the changing landscape when you have companies talking of Digitization, Automations and AI, how do you see the landscape changing for the Indian companies in terms of the hiring profile. Even for that matter from the legacy would you be sacrificing some margins to look for the growth ahead?

Nandan M. Nilekani

You are asking two separate questions. You talk about talent reskilling and you are talk about margins, right? Now as far as talent is concerned, we are making massive efforts in reskilling. Perhaps Pravin will talk about that in his presentation. We have made a huge commitment and we are doing it for the last one and a half to two years and the results are there. At the end of the day, you have to get your own people ready for the new world because there is nobody out there. It is not that the market is full of experts on full sack development. Therefore we will do what we always do, which is get the best learning infrastructure, which we have and we make sure that everybody goes through the learning, gets certified and so on. And that has been a great success because we have really made it easy for people to learn. While we will bring in people from outside, the bulk

of it will come from our own people because they are very talented, they have deep domain knowledge, they have deep customer experience and they are willing to invest that extra effort to learn new skills. So, I think the skilling part is okay. On the margin thing, I think it is again better you talk to Salil and Nilanjan. But whatever strategy that the management is pursing, it has the full support and endorsement of the entire Board.

Girish Pai

This is Girish Pai from Nirmal Bang. I had a question on leadership. We have had to step out in the last five years to look for a CEO from outside. Why is it that Infosys has not built a leadership bench internally and what are you doing to rectify that?

Nandan M. Nilekani

Well, I think Infosys has a very strong set of leaders. Of course, Salil is there, Nilanjan is there and many other great leaders here like Pravin, Ravi, Mohit, and Karmesh. There are a lot of leaders. In the course of the last two years, I have had interaction with all of them and I am impressed with the people. Even the next level of leaders in our finance team like Sunil and Deepak are all great guys. So I think we have leaders and we are definitely going to make sure that the leadership opportunities will be available to everybody within, before we go out.

Thank you.

Analyst Meet 2019

November 6, 2019

Intense Client Relevance

CORPORATE PARTICIPANTS:

Salil Parekh

Chief Executive Officer and Managing Director

Salil Parekh

Thank you Nandan. Good morning and welcome to our analyst day. Thank you all for taking the time to come and visit us at our campus. During the day, we will share with you our view of what large enterprises are looking for, confirm our strategic direction and execution focus and share our plans for going ahead.

Before I get into that, I would like to say a few things with respect to the anonymous whistleblower letters. First as the CEO, I have served with commitment and integrity to deliver a major business transformation in a large complex organization over the past two years. Those who have worked with me know that I operate with inclusiveness and have no tolerance or divisiveness of any form.

I am grateful and heartened for the personal messages I have received from my employees. I have recused myself from the ongoing process. I respect that the Audit Committee has started an independent investigation. As the process is ongoing, it will not be appropriate for me to comment on the matters in that area.

With that having been said, let me share a few points about the business. I am meeting with clients, I am driving deals, I am working with our teams and running the company. I would like to thank over 230,000 employees of Infosys for keeping their attention on the work we do for our clients. That work has always been the true hallmark of Infosys. I would like to say to our clients that Infosys and I remain fully committed to working with them.

My focus is to continue to transform Infosys and prepare it for the next decade. We have a well-articulated strategy that has been approved by the Board. I am committed to executing that strategy successfully as we have done over the past two years. I am happy after this session in the evening to discuss any of those points with you.

Let me now move to the deck that I wanted to share with you in terms of where we are on the business. As you heard from Nandan, the real focus for us has been intense client relevance and that is I think is the difference that we see in the market today.

Just want to make sure everyone acknowledges safe harbor statement here.

If you look at the journey we have had over two years and a lot of this will be detailed in the sessions throughout the day today. We have a really exciting lab session for you where we want to showcase to you how some of our real life projects are working and you have a lot of options, there are about 20 projects and you can walk through about nine of them.

So if you look at the growth and Nandan shared some of this with you. In FY2018 we were at about 5.8% growth, in FY2019 we jumped it up to 9%. Last four quarters were very strong showing good shape. Digital growth is also in good shape. You can see we are consistently driving it above 30%. If you recall that our last analyst meet, we shared that this is about $160 bn addressable market, growing at about 15%. So we are really growing well above that growth rate at this stage. On large deals, Mohit will share with you in a little while. Really the engine that has been driven to build that large deals capability, but why is it happening is that there are two big reasons. One is the investments in digital and we have made a lot of that over the first 12 to 15 months of the journey and then really very focused large deals engine. We have one of the best automation stories in the industry and that helps us among many other things driving these things.

On margins, as you recall there was an investment phase. We closed the investment phase in Q4 of last year. It is done, there is no more new investments. Now the focus is really on operational excellence and there we are starting to see the margin come back up. We have two big levers and

you will hear from Pravin and Nilanjan on Operational Excellence and from Pravin on AI on Automation as well.

That was our story we have driven over the past two years or so. We have delivered the results in how the business is doing. As Nandan shared with you, we are excited about three of these elements that I want to showcase to you today. On Experience, you will hear from Ben who drives all of our business in that area but let me give you a couple of examples. On Data, you will hear from Karmesh and on cloud, Ravi has really transformed that business because it has got a phenomenal growth rate today and we see that continuing as we go forward.

On Experience, what has started to happen is we have this concept called 'Human Experience'. Everything we do in the business today is driven from 'Human Experience' and that change is what is driving a lot of what we called downstream business. So Experience being the first step but really all of Tech becoming a part of what is being driven from 'Human Experience'.

On Cloud this is an example I really like. This is from one of our large healthcare companies. We have recently started to work with them in the Cloud area. We are doing work with them in many others places. We will transform how they can leverage the Cloud and benefit from the Public Cloud environment working with our tools, our capabilities and us building the capability on the Public Cloud infrastructure by showing the value ad that we can deliver. So a huge benefit. You will hear from Ravi on the Polycloud, thinking as well, which is very unique and new, that we are driving in the market.

A summary on large deals. We have made a lot of investments, we have really built capabilities, capacities, have developed themes and you will get a lot more sense and how that is working. While the large deals number is always volatile, but is equally critical that the large deals pipeline remains healthy and Mohit will share with you that it is a very healthy situation

On Automation and AI, as I have said earlier, we have one of the best capabilities on Automation. You will hear more about it. But there is one example that I want to share with you on Oil and Gas major where we have impacted 40% savings. Of course, some of the savings go back to the client and some stay with us and this becomes a real supporting factor as we drive our business forward.

On driving operational efficiencies, there are several levers that are now fully in motion. A few of them are here like onsite-offshore mix, the pyramid, automation and our subcontracting costs. We think those are levers that we are starting to drive more and more. We have some runway for these levers and that will give us support for where we think the margin is going to end up in the coming years.

On the people approach, a lot has been done over the past two quarters and even before. Here the focus has been to engage more and more with our employees, make sure that we understand how the digital reskilling and digital rewards are working. We have also introduced some stock programs, which are broader based, not just at the senior levels. That is starting to have some impact. We had a reduction in attrition in the last quarter and we think that trend will continue and we will have some control there on the outcome in the coming quarters.

As you recall last year, I had talked about localization. We have started to build digital delivery centers in US, Europe and in Asia. We are recruiting quite significantly in colleges and campuses in those markets. This is also in addition to the recruitment we do in campuses in India, which is about 15,000 people in the last 12 months. We are also building digital studio capabilities. Ben will showcase that to you on how that is working across the globe.

In summary, at least from my perspective and how I see the business, for growth we have two big levers, our digital capability and the large deal engine. That give us some traction in the market. On margins, we have AI, Automation, we have our operational excellence and efficiency parameters. All of these under the goal of really intense client relevance that we want to keep pushing and making sure that we are meeting with them, making sure we understand where they are driving the business. You will see that from many of the examples throughout the day and also from the lab visit that we have organized that showcases the intensity that we have with clients.

We hope to leave you with the sense that we have the building blocks that can give us some traction on growth. We have the building blocks that can give us some traction on margins. So what we have achieved over the last two years is something that we think we can now execute on an ongoing basis as we go through the next several years and make Infosys more and more ready for the future with our clients.

I will stop there, the Q&A for all of these sessions is now condensed into the afternoon as we close the whole day. My colleagues will go through a number of different areas starting first with Pravin.

Thank you.

Analyst Meet 2019

November 6, 2019

Operational Excellence in a Live Enterprise

CORPORATE PARTICIPANTS:

Pravin Rao

Chief Operating Officer

Pravin Rao

Good afternoon and a warm welcome from my side.

I will spend most of my time in this session talking about some of the transformational initiatives we have taken in the last few quarters to drive operational efficiencies.

This is the safe harbor clause

This is a brief snapshot of some of the key operational parameters. As you can see, most of these parameters are stable and in a very narrow band. We had concern around attrition for some time but in the last quarter we have seen some progress and improvement in attrition on the back of some of the interventions that we have made. Attrition has dropped by 200 basis points from 19.4% in Q2 and voluntary attrition is much lower under 18%.

Similarly on onsite ratios there is a 50 bps improvement, it is 28.2% and is one of the lowest we have seen in several quarters. Utilization has also improved by 180 basis points to 84.9%. So most of the operating parameters seem to be in a very stable and good range.

As we are navigating our plans into becoming 'Live Enterprises', we have also started taking a deep look at our own internal transformation, our own ability to sense, to understand and to react to changing market dynamics. We started this journey with the following key objectives, we said agility and speed is important. While we a 200,000 people company, we need to have the agility and speed of a start-up. We need to have the ability to respond to changing situations in real-time with almost zero latency. We need to have better ability to tap into various ideas that are resident ideas, thoughts within the organization in a much better way so there is always a constant flow of ideas. We want to make sure that we collaborate well so that we bring the best of Infosys to our clients. We also want to focus on automation in everything we do, so that people can focus more on dealing with clients, dealing with their own people and also spending time updating their own skills.

In the last two quarters, we have looked at all aspects of our business. We are 'reimagining employee experience' through digital mobile app and computational and design principles. We are 'reimagining business process' using sentient principles. We are also 'reimagining the ecosystems' by embedding Artificial Intelligence & Automation into the Enterprise Cloud so that we evolve as a learning organization and we are able to react to some of the insights and inputs that we get on the changing market dynamics.

As part of 'reimagining the experience', we have optimized over 100 plus applications into four mobile apps. Today, all key transactions and services are available on these four mobile apps on the go and we have seen tremendous adoption of this. More than 45% of the critical transactions in the last two quarters have been enabled through the mobile app. One of the things we have done is, we have simplified employee on-boarding. Over 30,000 new employees have benefitted from using our launch pad applications. This makes on-boarding simple, paperless and we handhold the new joinees even before they join and the joining formalities. We are seeing significant adoption of this.

Similarly, we have talked a lot about our next generation learning solution 'Lex'. We have over 200,000 people using Lex today. We have 850 courses available on Lex and on an average, we have found people spending about 40 minutes every day learning through Lex.

The third application Infy Me is a personal productivity app. All these transactions that an individual does on a day-to-day basis, it could be applying leave, it could be filling their work sheet, it could

be uploading contract documents, it could be filing for travel requests and so on, today they have the ability to do it through Infy Me app. Likewise one of the new things we have started developing is Infywork. So some of the complex transactions, which will involve teamwork, which involves project management will be enabled through Infywork and that is still in the works. So net-net we are seeing a tremendous adoption of these mobile apps that we have created and over 40% of the transactions today are transacted through mobile apps.

When I talked about this app, we have developed this app as platforms in a very modular way and we have developed this using open source technology. We have also architected them in such a way that they are able to scale using cloud native technologies. One of the advantages of doing this is that some of these apps are relevant to our clients as well and it is possible for us to sell these apps to the client. We have already seen the success of Lex. We launched the Infosys 'Wingspan' about a year back on the basis of Lex and today we have more than a dozen implementations. Likewise, we are seeing a lot of interest in Infy Me and some of the other apps. So the fact that we have developed as platforms gives us tremendous opportunity. In fact, in our client event in September in US, we launched the 'Live Enterprise' suite of application, which was fundamentally driven by this app.

One of the other things, we have done is we have built this app through components and all these components are resident in our own service store. The other thing that we have done is we have also built telemetry into each of this apps. We have good level of observability. So whenever someone is using the app, we can look at not only the usage of the app but also the user behaviour. This gives us powerful insights to figure out what features are working and what are not working and what do we need to do to enable greater adoption. The other thing that we have also started doing is, we are creating what we call an 'Infosys Knowledge Graph'. We are mapping all the knowledge that is resident across the organization in various silos. We are linking them together in real-time. If you are able to bring in Automation & AI on top of it, then it is possible for you to orchestrate some of the insights. As and when some events happen, it is possible for you to orchestrate and give meaningful insights and for you to act on this. So that is the journey we have undertaken in terms of enabling the platform.

On the talent side we have relooked at all our sets of work, workforce and workplace. We have created digital tags. These are tags which indicate specialization from next generation technologies like Blockchain, Cyber security and so on. For people to get this tag, they have to complete a learning path. They have to get certified and work in this technology for six months. We have already created about 38 such skill tags together and we have seen a very good adoption. We are also redesigning job roles at middle management levels on the basis of skills. These are specializations either in domain or technology. We have also started creating bridge programs which gives an opportunity for people to pursue career in newer areas like if someone wants to be technical architect or a power programmer, we have placed all these bridge programs which enable people to transition into those career opportunities.

At the middle manager level, we are looking at creating a skill index. This is basically a measure of person's skill, experience and knowledge and it is a single composite index, which gives you the ability to see who is good in what skills. We have also started focusing on lot of employee mobility. We are opening up jobs in our internal market place. We are encouraging people to apply. We are removing restriction for people, rotating out on some projects and so on. So we are creating a vibrating ecosystem where we are giving opportunities for people to skill themselves, take ownership of their own growth, giving them opportunity, exposing them to all the opportunities that are available and enabling them their rotation so that they are able to hone their skills and able to work in technologies of their choice.

I briefly touched upon the Infosys Knowledge Graph. Just to repeat, all the transactions that happen between people, between employees, customers, partners and even devices we are now

capturing all this in real-time and we are calling it Infosys Knowledge Graph. In some sense, we are also calling it as a Digital Brain of the enterprise. As I said earlier, using AI and Machine Learning techniques, we are able to get meaningful insights. We are able to use these insights to improve the business processes, making them more efficient, creating newer opportunities and so on. These are some of the benefits that we have seen through our process optimization. We have digitized the recruitment process. Now we have speedened up the entire lifecycle of recruitment, right from assessment, interview as well as placement. In our background check process, we have seen 50% improvement. With the result, the time taken to fulfil is much faster and this is translating into higher revenues.

Similarly, the other thing that we have seen is the project infrastructure set up used to take a long time. Using this technique we have been able to bring it down significantly by 90%. There are many such examples but these are some of the outcomes we are seeing through some of the business process optimization that we have undertaken.

We are also seeing massive embrace of Agile and DevOps in the enterprise. In the last two quarters, we have significantly invested in developing and scaling our own Agile and DevOps capabilities. We have a massive enabling program. Today about 88% of people both across delivery and sales are enabled on Agile. We have created our own DevOps platform, which we have open sourced. In the recent DevOps industry forum, we won five awards which is the largest award won by any DevOps platform. We are also investing in lot of third party tools, open sourced tools. We have also created some customized framework for different types of DevOps and Agile work. There are 15 plus frameworks available.

We are also articulating our Distributed Agile methodology. It is getting good traction in the market. This is about bringing the best of agile practices and the best of Global Delivery Models and the fact that we are also investing in this local innovation app is a powerful thing in terms of positioning our Distributed Agile and we are seeing good traction. We are also transforming the work places. All new work places are agile ready and we are also in a very phased manner converting our existing work places into agile ready workplace.

We are focusing on automation in a big way, Nandan and Salil talked about it. We are focusing on automation in everything we do. Our approach to automation is not only to automate the stuff we do internally, but also automate the work we do for our clients. This is one of the reasons why we have been able to counter the commoditization that we are seeing in the run side of the business. We have seen tremendous success and that allows us to be competitive and go after large deals. The mantra we use when we look at automation or anything that we do is Eliminate, Optimize and Automate. The first focus is to look at the task at hand and see whether we can eliminate it. There are many redundant steps in a particular process that can be eliminated. Can we look at the root cause and fix the root cause? That is the first approach. If we are not able to eliminate, then we will start looking at optimizing so that the process becomes much efficient. We use lean techniques here to help us in the optimization. Finally, if we are not able to eliminate, the optimized staffs are then finally chosen for automation. We have seen about 22% efficiency gains in the applicable projects where we have used this approach. We have also seen about 17% of FTE, repurposed who we have been able to release from current projects due to automation & lean and we have been able to repurpose in other projects. We are also creating a bot factory where we are able to deploy bots to do some mundane work, respond to queries, do some health checks and so on. So a lot of focus on automation and it has been one of the successes in the last few quarters.

So as you can see we are trying to reinvent ourselves, so that as an organization we are able to operate and innovate like Digital natives. I will just leave with a small video to show some of the things that I have been talking about. You will see more of it in the living labs later in the day.

Thank you and over to you Nilanjan!

Analyst Meet 2019

November 6, 2019

Increasing Shareholder Returns

CORPORATE PARTICIPANTS:

Nilanjan Roy

Chief Financial Officer

Nilanjan Roy

Good morning and welcome to analyst day. Thank you for taking time to come from various parts of the country to Bengaluru.

Before I start, I would like to make a short personal statement. As to the whistleblower allegation, I have recused myself and respect the process the company is following. I wish to state that in my professional career of 30 years, I have always held myself to the highest standards of integrity and values.

Coming to the presentation, my theme of the day is 'Increasing Shareholder Returns'. Let me just go through the safe harbour, I hope all of you have been through it.

As we started the year, our building blocks of shareholder value creation, we had laid out this in our equity deck. At base of it, the market which we operate in, whether it is from $250 bn or to a trillion dollar, we have a very small size of this market. Therefore as Infosys, we always need to think of ourselves as a challenger, as an entrepreneurial company, to go and increase the market share.

Salil has already talked about the comprehensive and intense client strategy which we have in the last two years and how we are making progress on that. The four pillars of ours Digital strategy which was Scaling Agile Digital which is about re-skilling, which was about energizing the core, and which was about localization, which Pravin has also talked about.

The third layer of cost is about having a strong financial and operating metrics. You have seen some of the figures coming out of Salil's presentation. You will see that later during the day on how we made progress on various financial and operating parameters including relating to cash and shareholder value generation.

You are aware that we announced our new capital allocation policy. A lot of feedback during the past few years about excess cash and returning cash back to the shareholders. We have upped our capital allocation during the year. Finally as the pinnacle of this is how is it all playing out in terms of shareholder returns over this period.

I think underpinning all this is a very strong ESG framework around Environmental, Social and Governance. You are aware of our carbon neutrality objective; a strong corporate social responsibility and the work we do with Infosys foundation and the epitome if at all is a strong corporate governance framework which all of us in Infosys pride ourselves on and which is a bedrock of this company.

Like Nandan mentioned this is the fourth consecutive quarter of double-digit growth. In terms of margins, we have seen the investments and talked about it last year. The investments we made around reskilling, digital, around beefing up our salesforce, around localization. Our operating margins were 20.5% in Q1 at 21.7% in the second quarter. This is a good base for us to improve and look towards margin guidance for the rest of the year.

When we look at the overall margin headwinds in this business, we have two large headwinds which all of us in this industry face. This is something not new which all of us faced over a period of time. One is pricing pressure from clients whether it is part of new deals or it is part of renewals or discounts, so there is always some sort of headwinds on pricing. The second is wage inflation and largely on the offshore side because of interest rate differentials. These are two headwinds

largely that the industry faces. So how does the industry and how do we at Infosys look at this and chart our map in terms of how do we look at various cost optimization levers which we have. Many of these are familiar to you and we are looking at many of these in a new lens which I will share today.

The largest part of our cost structure although the effort you saw from Pravin's deck, about 28% of our effort is overseas, what we call as onsite and about 72% is offshore which is largely in India. But the cost structure for all this is inverse. So most of the cost of that 28% is actually salary sitting overseas whereas the offshore salary is a much smaller part. If you need to fix your margins, the biggest lever which you have is how do you continuously look at your onsite salary costs and how do you consistently optimize that. The onsite-offshore mix is something which we continuously work on, projects come with a certain onsite -offshore mix and what we do over a period of time is make sure that we continuously move work from onsite to offshore, we move work to near shore, this could be different for new projects, this could be different for core projects, this could be different for digital projects. This is something which we continuously do and the result is that our onsite mix from nearly 30% in FY17, we are now at 28.2% in the last quarter.

The famous pyramid that everybody asked about. The way we look at it, there is an onsite pyramid where most of the costs lie, it is a top-heavy pyramid. That is number one. Number two is, the bottom end of the offshore pyramid is more like battle ship and that is something which we intend to correct. What are we doing in this regard? One we are increasing the fresher intake at the offshore base, so much more flattening and broad basing the pyramid at the bottom end. This will also help in attrition because we will get more growth opportunities for people from our JL 3s to move up and therefore should also help in attrition so that is number one. Number two as we announced the localization strategy last year and which are centered around the hubs, we believe now that with hiring freshers and college graduates onsite and in the US, we can actually create a full-stack pyramid in onsite as well which is unique in this industry and we are pioneers on this as well. So that will help us both in terms of getting our cost structures much more manageable and like I said, on the offshore side making it much more broad based and which hopefully will also reduce attrition.

Another lever which we have already talked about on the key lever on Automation & Lean. Pravin has already mentioned about it. The crux of this is first we need to fix the processes because there is no point automating a broken process. We do this so well for our clients, we save them millions and millions of dollars and this is something we have to do internally as well. Therefore we have a Lean and Automation team which works cohesively together both in simplifying processes inside the company and at the same time, making sure that we are continuously automating and taking out people from many of these projects and deploying elsewhere.

A favorite question of many analysts is what is this subcon animal? Many projects that you see come with subcon. Why do we have subcons in this industry? This is a phenomenal you see across most of the players. Three big reasons - one is that there is a shorter recruitment time. Clients want resources faster where we may not have the recruitment time to recruit as fast. It could be because certain skill sets, which you want in a certain geography are not available immediately or thirdly this could also be because they are shorter duration projects. If you see these are the reasons why we have subcons. What we are doing differently? Earlier we were looking at this at the wrong end. We were trying to control the number of subcons, we were trying to increase hires and that started telling on our revenues. Now we have really turned the tables in saying, we should actually look at continuously on boarding, replacing and converting subcons, so that we do not have a loss on the topline. Yet we are continuously converting our subcons by either getting new employees in and convert to replacing them or making them as employees. I think this is something we would have seen in Q2 as well that our subcon costs have moderated

Operating leverage - for a size of our company, this is something which should definitely play to our advantage. Are we getting the benefits of scale with our size? Like I mentioned last year, we have made investments around SG&A costs and that is behind us. So in FY19, we were at about 12%, in Q2 FY20 we are at 11.7%, so we are seeing some benefits of scale and synergy there.

The other is utilization. I think this is something which is very important. We have about 84%, 85% utilization, the reality is that because we have portfolio. If you start looking at utilization in the way we measure it, it is across the geographies, it is across services lines, it is across practice units. If N is equal to one, we need to manage our utilization at that level and that is a benefit which we have with large practices. In Application Development, we have large headcount and probably in some other fledging business, we will have a low headcount. But that is the whole idea of our large portfolio where we can balance in both fledging practices as well as have our large practices delivering higher utilizations.

This is a new track we called it under cost optimization this is something which we just started some work on. Pricing has always been at the centre piece of a lot of work the industry does. First is, how do we position ourselves with our clients. The discourse with our client does not have to be the lowest price, because we do not win because of the lowest price. We win because our solutions are delivering the maximum value to our clients and that's the way the discourse should be with our client. How do we ensure that we maximize the value for the client? That is the heart of whatever pitches we do. How are we transforming the client's landscape and delivering them the savings, the revenues which they are looking for and that is what differentiate us.

Coming after that is number one, do we have digital rate cards? Are these nuanced enough to talk about experience, talk about proficiency, talk about skill sets? Are they dispersed across all the sales team, are they part of the sales pitch, do we have a governance structure on the way we manage pricing, do we have guardrails around discounts, do we have pricing analysts? This is a whole list of work stream which we are looking at across the company. This is something we are just looking at to start of it. The idea is not that we are going to get the percentage increases across the board. We just do not want to leave the money on the table on digital skill where there is a lack of talent and skill shortage and that is that we are trying to look at.

These are just some of the levers which we talked about. We have a dedicated program manager now. We have a Senior Vice President who is leading the entire cost optimization track. He works with Ravi and the delivery team closely. We have nearly 21 tracks across which we are looking at cost optimization. I am just taking you illustratively around 6 of them. We are looking at the goal for this year between $ 100 and 150 mn of optimization as the year goes on.

The second part of improving shareholder returns is how are we going to look at cash because at the end the old adage goes 'cash is king'. There are two things that I want to really call out, which is taxation and capex. As we said in Q2 after the new tax regime was announced, for the India rates we are currently around 23% and the new tax regime is closer to 25%. We have a transition plan over a period of time where we can migrate to the new tax regime, number one. Number two is our capex. As you know the new SEZ policy is also getting sunset on March 31, 2020, that will also reduce our capex intensity in terms of building infrastructure for SEZ and number two is also as we look at becoming more asset light, we will look at rent and buy decisions in that light.

Also we have a lot of infrastructure capacities over the year which we have built, which we are looking to sweat more and more as we go ahead with plans. Of course, we have some capex which is in flight which we will get through over this year and next year but broadly we are looking at making sure that our overall cash drivers continue to be pressing the pedal on all of them.

Our M&A philosophy is basically hinged on three broad buckets. Number one is complementary Digital skills. Our entire strategy is predicated on digital transformation for clients and therefore if

you see our M&A strategy, the first plank is are we looking at acquisitions in our Digital Pentagon? On the right side you can see our biggest acquisitions across the last few years have been Fluido, we have Stater, we have Ben from WongDoody right here and Brilliant Basics across the Digital Pentagon. Second, we will look at consolidating market share opportunities, which may be opportunistic and that is something we will also look at in our strategy. Finally if we see synergistic client specific assets. A classic example of that is HIPUS in Japan, which you read about earlier in the year. We have a robust post integration model of how do we integrate these companies, running with us and that is working pretty well. How do we have reverse synergy, bothways synergy is not just flowing in from the target company to Infosys but even from Infosys back there so that is something which is very ingrained. Finally, we have kept some money in our capital allocation policy for tuck-in M&A as required. We also have a strong balance sheet in terms of cash today.

Enhancing shareholder payouts, this is something over the years as we had seen our progressive policy in terms of increasing dividend distribution. As you see from FY14, where we were giving up to 30% of net profits, we have upped that this year in July to upto 85% of free cash flows over five years. We have already given our interim dividend, which is about 14% higher YoY. This is something which we continuously hear from shareholders that if we do not need cash, give it back. That is exactly what this reflects. Any excess, ideal cash in the company was also returned in the last few years. We finished Rs. 8,260 Crores buyback as well this year. So that is a progressive improvement as you see and is a more predictable cash payout.

Coming to Total Shareholder Returns (TSR), this is the pinnacle is what we do with our industry peers. This is over the last two years since the strategy was launched and this is against the leading peers of an industry. Upto September, we were number one. Events after that, we are still number two over the last two years in delivering Total Shareholder Returns to our investors. That is something which we have ingrained in our philosophy of management compensation. We think we are one of the first companies in India to use global best practices of aligning management compensation with shareholder value creation in terms of the new RSU 2019 plan, which we think is a benchmark in terms of how we look at this.

This is pretty much what I had from my perspective. Later in the afternoon we will look at Q&A.

Thank you.

Analyst Meet 2019

November 6, 2019

Winning Large Deals

CORPORATE PARTICIPANTS:

Mohit Joshi

President and Head – BFSI, Healthcare and Life Sciences

Mohit Joshi

I have 15 minutes to give you a broad sense of our sales transformation agenda and then talk specifically about the large deals program. If you think about in terms of stats, given the fact that over the past 12 months we have done about $9 bn large deals. So, it approximate to roughly about $600 mn for every minute of my talk and $10 mn for every second that I will be on the stage.

Now to talk about the broad sales transformation agenda and then we will dig in specifically into large deals. The overall sales transformation program that we have, there we made a sizeable investment that Salil mentioned over the past 12 to 18 months, focused on three specific things that we wanted to achieve from a results perspective. The first is obviously large deals and we will be talking about the metrics for large deals but there is also a significant focus on account expansion. This is a focus on our strategic accounts, our largest accounts and what is most important for us here is to get a level of strategic relevance for the largest companies in the world. The focus also is on making sure that we increase the number of large accounts that we have, we want to focus on increasing our market share in these clients, we want to focus not just on performance as measured by account growth or account profitability or strategic deals but we also want to focus on health. We want to focus on making sure that for large accounts that we have the right account structures, we have the right delivery teams and place. So this is significant portion of our sales transformation agenda.

The third focus from a market positioning perspective is on new account openings. We want to make sure that we do a much better job in terms of hunting and hunting for new logos. We want to make sure that the proportion of the revenue that we get, both in near term and over the long-term increases, we want to make sure that the accounts that we are opening are our priority accounts. We want to make sure that hunter compensation and compensation across the board for sales teams is very clearly linked to outcomes that we want to drive towards, which is opening priority accounts, increasing the net new on long-term revenue we get from these clients. So these are the three market facing strategies from a sales perspective and obviously to achieve these, we have been well focused on changing the nature of the sales organization within Infosys, which is to focus on recruitment, what kinds of people, what kinds of skill set that we want within the organization and then making sure that people that we have we have an extensive program of training and reskilling to enable the organization. So while I will be talking here today specifically about large deals, I just wanted you to know that the overall sales transformation program has a much more ambitious agenda.

Now we have spoken about large deals when we met in April of last year and what we said is that our thinking around large deals what we deliver to you on a quarterly basis in terms of winning total contract value, is really a multiple of two things, it is a multiple of the pipelines, how are we able to drive a much larger funnel, how are we able to drive a much larger pipeline and over here the focus is on direct sales but also making sure that we will be reaching out to the channels, making sure we are working very closely with advisors, with influencers, with private equity firms and almost everybody who can help us increase the size of our pipeline and the second focus is on improving our win rates.

If I look at the first 6 to 9 months of the program, it is easier to influence the win rate first because the funnel takes a longer time to build up. So for the first nine months we were focused on improving our win rates to improving our processes, making sure that we had a very clear and credible strategy for every single deal, making sure that the involvement of the senior leadership team is very high, making sure that quality of proposals was uplifted. But over the past six months or so, we have now pivoted to making sure that we are equally spending time on building on a pipeline and specifically creating a very large proactive deal pipeline for the entire organization. So this is the strategy and like I mentioned in the context of new account opening, in the context of

account mining, we have a very clear internal targets for each of the metrics that I speak to you about today.

The first thing that we really did was to build a centralized team of experts and this is important for us. We realized that if we build this team then we can get into almost a rinse and repeat model. Historically, we had a significant expertise in closing accounts, in closing large deals within accounts. So we have some of our largest client partners and they have a significant amount of experience in closing these deals but that knowledge is really lost on rest of the organization. So creating a cadre of deal directors, people who have worked on billion dollar plus deals, making sure that within the organization they are the face of Infosys to our clients and that they are taking their expertise won from a single deal into multiple deals. So the centralized group of deals directors was created.

We made sure that the influencer team that we have, the one that works with the analyst firms, the team that works with private equity firms, that they are focused on large deals because historically they have been focused on a number of things, they have been focused on getting our messaging out around geo expansion, they are focused on our messaging around digital, we wanted to make sure that this team is also focused primarily on our large deals agenda.

We built up the large team to supplement our legal team of negotiators because we realized that in the context of our large deals, you can sometime have fairly sharp discussions to the customers and we wanted to make that we shielded our client services team from these discussions and that the legal expertise from the pricing expertise was available in the centralized team.

We expanded our knowledge portal. We made sure that our presentation increasingly has a lot more show and a lot less tell. So building interactive auto price, building specific materials and specific collaterals for large deals, making sure that every single large deal whilst templatized to a degree, that we are bringing something creative and eye catching. Of course every single transaction was important and this is the people investment that we made, this is the global team of experts that we built and I feel that now that we have got the wheel turning, the cumulative benefits that we will get from this in the future will be significant.

We have also started investing significantly in creating proactive large deals schemes and this is important. This is important because we are building out industry specific vertical themes and what you see over here is a smattering of our agenda across multiple industry routes. In our business a lot of things are horizontal so Ravi will be talking about the Cloud, previously Pravin had spoken about the fact that we have invested heavily in AI and Automation from an application maintenance perspective, but we want to make sure that for each industry, if I take financial services for instance, we have a clear focus on wealth management, we have a clear focus on lending, we have focus on core transformation. Within our telecom business there is focus on 5G, within utilities there is focus on grid modernization and indeed grid decentralization. Karmesh and his team in the consumer business have been focused on the opportunity that we have, for digital transformation around the S4 conversion that we are seeing in many of our clients. So we are building out specific themes that we can take to our clients around key business issues and these themes take the form most simplistically of a point of view that we build. But building on that we have accelerators that are industry specific and in some cases we are even looking to see if you want build platforms around the key industry opportunities that may be there for us. This is again a significant proactive investment from us and will help us increase the size of our funnel and as Salil mentioned makes us much more strategically relevant to each of our large clients.

We have been trying to make sure that we build culture of a team. There is winning consistently in the marketplace. This word cloud that you see here, this actually comes from a specific feedback that we have taken from our clients and specific feedback we took from deal advisors for all the deals, the deals that we won, the deals that we lost on what it was within the Infosys proposition

that made them select us and you will see number of things, you will see responsiveness, you see localization, you see a strong delivery organization but the key thing that came to the core front was trust.

Over time, we have built the identity as an organization that has execution excellence. I think over the past 18 months, we have also built an identity around our organization that can help our clients deal with digital disruption and the example that I will be talking about a very client specific example should hopefully give you a better flavor of this word cloud.

When we look at our large deals and we try to analyze about the key things that we had done within the last 18 months to drive a much larger TCV. I think senior leadership commitment is a critical thing everybody in the organization with Salil, with Pravin, now Nilanjan, me, Ravi, Karmesh, we have all been involved in the large deals since inception. I think this is a key differentiator. We see many of our peers where senior executives get involved at the level when it comes to providing organizational commitment. We have been involved in large deals from the inception so that the client is aware that we have worked through the lifecycle of the deal and I can tell you that in many deals that we have won this has made the difference between winning and coming second.

I have spoken about the transformation solutions that we built, the investments that we made in building out the significant partner ecosystem so that now we have a client formation that goes together for our large deals rather than Infosys individually. We have been creative in the deals that we have structured, we have spoken about the joint venture model where we signed on three joint ventures with Temasek, HIPUS and Stater. There is a comprehensive strategy and there are some key elements that have resulted in our wins. I think the growth trajectory is very obvious, like I mentioned $600 mn in TCV for every single minute I am on the stage, 77% increase in overall signings for the first-half of this year and this is on top of the fact that we have been more than doubled last year in our win TCV so in the growth trajectory the numbers speak for themselves.

Another important point is the diversity of the deals, if you look at the kinds of deals we won on the extreme left hand side. I just want to point out a couple of flavors for your attention. If you look at the public sector wins, this is very new for us. Historically, we have not been a major player in the public sector space and large deals in a public sector context are something we have not done. We are now bidding for and wining public sector deals across the world, in the US, Indo-Asia pacific region, in Europe and I think this is the key thing that you will see in the future. If you look at IT as a service and large group IT takeover what this really means is we have always done this for a larger firms, for the large banks, for the large insurers, for the large telcos but now we also doing it for the medium sized firms that are essentially giving us all of their operations and technology to run as a platform.

Ravi will be talking about the cloud, and the cloud has been a very significant component of our win agenda. Every single infrastructure deal that we have bid for and won in the past 12 months has had a component of a virtual private cloud on a public cloud. If you look at the distribution across sectors, it is a healthy distribution that largely reflects our revenue profile. If you look at the distribution across geographies, North America is clearly predominant but look at Asia- Pacific, the Asia-Pacific share that we have of large deal is actually larger than our revenue share from the geography, so this is a high-growth geography and I expect that you will see this trend continuing.

I just want to talk about a significant deal that we won. This is over $300 mn in TCV for a large American healthcare client and the deal really had three components, there is a component of application development, there is a complete apps takeover and there is an infrastructure component of the deal. Now all three were three separate RFPs and I am happy to say that we won all the three. There are many factors, clearly we had a commercial proposition that was attractive, clearly we had a level of commitment from all of us in the organization and clearly there

was a solution that was robust. But importantly I think we took the time to understand the client's agenda and the client was very clear that they were looking at this as a significant market enablement. They were concerned that technology was holding them back from a meaningful cost reduction, the fact that we have to achieve not just operational matrix but clearly medical management matrix. If you look at any peer firm, right if you look at any insurer, the benefits that they can get from doing medical management much more sustainably is much higher than any cost savings or operations savings that you can give for them. So to that extent the work that we were doing to improve for instance the auto adjudication, to improve the pre-authorization process, to improve the revenue adjustments that they have to make, was much more meaningful for them than our Automation or AI for instance and clearly having this comprehensive story which included our infrastructure transformation or move to the cloud, really reimagining of their entire medical management processes, helped us to win all the three RFPs within this client and effectively become the dominant partner for them for their technology and operations.

Finally, the future is changing and I believe that we have a well-defined and successful approach to the large deals business but clearly we will be tweaking it as we move to the future. Nandan and Pravin both spoke about the live enterprise. This is going to be a key technology differentiator; I believe for us the fact that we have specific recommendations about the tech stack of the future are going to be very attractive to all of our clients as they look to give us large deals to modernize their platforms. The fact that we have a very successful localization story with specific physical locations in the US, in Europe, in Asia-Pacific that we can take them to it is going to be a key differentiator for us.

Finally I feel that the learning piece is something that our peer groups has not emphasized enough and this is a significant differentiator for us. I was in Asia-Pacific for a large deals pitch yesterday and our pitch around the capability uplift that we have brought to our organization and the capability uplift that we can bring to their organization and their communities is resonating strongly. So clearly the work that we done around people, the work that we have done around building a winning culture, the work that we done around incentive alignment and senior management focus has worked and as we introduce new alignments like localization, live enterprise, and learning capability, I am confident that we will be looking at a very successful future for this team and for the company.

Thank you.

Analyst Meet 2019

November 6, 2019

Experience

CORPORATE PARTICIPANTS:

Ben Wiener

Chief Executive Officer - WongDoody

Ben Wiener

I am Ben Weiner. I am the CEO of WongDoody. We are an Experience company that was acquired by Infosys about 18 months ago. For the next 15 minutes, I am going to throw a lot of marketing jargon at you, while you nap after lunch. But first some legal jargon – this is all safe harbor.

As I mentioned, we are an 'Experience' company. We develop next generation customer experiences that are hopefully beautiful and intuitive and turn customers into loyalists and turn employees into employees for life. Because in a world where technology is becoming increasingly commoditized and where consumer expectations are ever ratcheted upwards, 'Experience 'is often the only differentiator companies have left. And in the interest of making this a good 'Experience', I am going to shoot some PowerPoint in favor of a video that I hope wakes you up a little. So let's play it up.

We are part of the emerging 'Experience' ecosystem inside of Infosys. In North America, we take the lead with design and experience. We have our counter parts in the United Kingdom (Brilliant Basics) and all of this Experience is on top of the massive digital delivery capabilities of Infosys.

Sure there are lots of other agencies out there in the Experience practice but nobody is sitting on top of the talent pool of 1,400 engineers who can deploy the Adobe Experience Cloud, nobody is sitting on top of thousands of Data scientists. We bring a level of scale and technological credibility to the experience practice that is unrivalled.

It is a little bit of marketing jargon – Experience is what matters to the customers. It makes them 7 times more likely to buy, 15 times more likely to share positive word of mouth. This really is a battleground in the Customer Experience (CX) comparative services where people are competing but the reality is 8/10 companies have a stagnant CX ranking. It is low in stagnant, not high in stagnant. CX has not really evolved. If you think about the first time you got a text message from airlines telling you flight is delayed. You thought, Oh! It is really cool. Now you pretty much expect that to happen. You expect to be able to deposit your check from your phone. Every single expectation that you have is ratcheted up by the last bit of experiences we have had. You can now apply for a mortgage in United States because that is exactly same as a click as it takes for you to order a pizza, during a television commercial while watching a football game. So really complicated context, financial transactions, hundreds of thousands of dollars in debt as you have been ordering a pizza. What are that reasons we have stagnation CX, as it because all those walking around the same user journey, they sit down in front of a computer, they have to solve a problem and they have begun experiencing this on a very narrow context.

We take a much more substantive view of the world. People do not stop doing, people when they go to work and start and people may leave again. They come to work and either order their lunch in the post, and yet many companies are sitting upon the same, unusable boring cumbersome screens for eight hours a day being unproductive.

If you think of a digital shopping and physical shopping anymore, they will walk into a Nordstrom and they expect lot of the personalization that they will get on nordstrom.com. Then they go on to Nordstrom.com, they do not expect exact same back robes, the pyjamas and shoes in a box, they want some element of that Nordstrom experience to translate over. How we bring those experience seamlessly is how we create 'Human Experiences' (HX). Your behaviors and your expectations is constantly being raised.

The winners, the people who have built great experiences, get rewarded with 'Data/. Karmesh will talk about that but 'Data' is the holy grail and the way to get 'Data' is to go and get good

Experiences. People use very good experiences more to actually consume more data, the insight we get from that data builds even better experiences and we start a virtuous loop of continues improvement.

There are two elements for building great experiences. The first is insight and with Infosys, we have built a proprietary agile insight platform called the 'Motherboard'. Big data is great but qualitative data is the holy grail to understand why people actually do things and nobody has this innovative process of gathering qualitative data until now. We have a proprietary platform populated by thousands of consumers who have opted in to provide us with the market research in almost real time, segmented by people in its financial decisions, segmented by people who have children at home, we can put almost and even out to our community and get feedback back from customers ,whether it is helping a client evolve their B2C strategy by testing price of the assets in any business models, whether it is pushing the MBP of an application to test usability, whether it is asking on behalf of the chocolate manufacturer, which of the 2 flavors is more appealing. This is very organized and because of Infosys, this platform is AI enabled. We can send consumers to the supermarket with their cell phone, they can upload videos and they will be transcribed in real time. In next future that we adding to Infosys is the consumers will be able to get picture of what's in the fridge or what is in the medicine cabinet and AI will recognize the brands and products that we are setting here. How much capsule is actually left in the bottle and give us real time grants as to what is going on in the home of American consumer.

The other element to building great experience is creativity, how do you judge creativity, it is subjective, it is in the eye of the beholder. But the reality is some experiences are better than others, some things are more beautiful, more intuitive and more usable. We have been able to build an 'Experience' practice which has received a vast amount of trade recognition globally. We have received 74 awards in the last 2 years for the experiences that we have built. The results are more important, but this creative recognition would allow us to attract and to retain the best creative talent inside the Infosys ecosystem and that produces great works for our clients.

Creativity is what enhances our end-to-end differentiation. You would have noticed or our customers are looking to bigger more impactful work with a fewer number of partners who can truly enable their transformation journey. They are not just looking for IP service provides, they are looking for vision and execution that will help utilize their ability to compete in this highly disrupted world. By bringing creativity within the front-end of the Infosys sales process, we have been able to differentiate and we have been able to win.

A client that hired us recently shared that the legacy consultants _____ clients. We got the unique insight and unique creative approach that differentiated us. Unless you think that creativity is too soft and fluffy, we are creating strategic insights evolved through our marketing workshop, our Human Experience workshop turned into a prototype design. Before you know it, it is like the $50 or a $60 million in technology implementation revenue without an RFP. So creatively and experience are business drivers too.

To share really briefly a couple of stories, one for a global power brand, they were kicking butt on every front - online sales, brand equity, everythink that you can look for, except for the loyalty program. The loyalty program is underpenetrated and loyalty program is very important because when you sell through wholesalers, then you get directly into the customer's loyalty program. Thing about the loyalty program is, most of them are kind of stuck. You sign up for something and basically you trade away an endless amount of spend, in exchange for some meaningless royalty points that you never redeem and it is hard to sign up for. We create a royalty program that you can sign up for in the store using the QR code. Instead of rewarding your points, you rewarded the audience with exclusive merchandise and activate the customer integration that were not be available to anyone else.

For a giant oil gas company, the competition for the petroleum engineers is fierce. where you have to build in employee preference. So they wanted to create experience, consistent global employee experience that answers the important questions at the right time like how does onboarding work or how do let my boss know about maternity leave. So we moved a whole host of different HR applications onto one single platform that saves the money from HR implementation perspective and delivered increased employee satisfaction.

Another area we see massive demand is helping clients figure out what to do with their legacy real estate. Every bank has more branches that you don't need to go into because you can deposit your cheque from your phone and apply for mortgage while sitting in front of TV. We defined ways to create a new life, physical spaces in the digital realms and it is not just bank. We have one of our clients which has giant telecom provider has thousands of stores, he merges with another one, and he has more thousands of stores. What do you do with that real estate when you are done? Or drug store or healthcare insurance coming together to create front-line and primary care in a place where you used to go by these purity. These are the kinds of things which are helping clients grapple with through our retail innovation practice.

Last but not least, for a giant European telecom, we integrated all the different lines of business into one application. They sell broadband over here and if you are a broadband customer, there is one app. If you want a cable services from them, there is another app we have to go on to. If you wanted a manager to phone, we have to go to the web to the app. They had no single view of the customer and the customer had no single way of interacting. From a data and marketing perspective, they could not serve up the next best action, they could not serve up the next best offer, they could not cross sell; and in the world of telecom, cross sell is everything. We moved all of those different applications in platform into the palm of the continuous hand and created a centralized marketing video repository on the backhand that increased the efficiency and the uptake of the app management.

What lies ahead is more growth and more scale. We have growth and extensive onshore capabilities. We had talent pool who created that live offshore and in offshore cost structure then we can deploy through an agency model. We have a new pipeline for liberal arts colleges for junior designers, junior data scientists that we can deploy in a hosted model. A traditional agency model, is an expensive way of doing things, but also creativity to manage services, building hybrid offerings, customized for each client where we get the services for any of the offerings they want.

Lastly, Experience requires different kinds of collaboration inside the enterprise. Marketing people can't build great experiences alone, they need new technology. CTO can't build great experiences in the world, they need marketing people. Those two organizations, are in different floors, different buildings, different cities, have never talked to each other. They do not know how to come together to build the next generation of experiences. That is an opportunity for Infosys to own thought leadership in this area. So we launched the C+C awards, which is a platform for recognizing the best collaboration between CTOs and CMOs. I will be handing out our first award next fall at Confluence.

In the meantime, though, we will be sharing best practices in thought leadership around that collaboration to a series of events, choose the proprietary research that we will launch at World Economic Form and to extending the presence of Infosys in places where it has not been, getting in front of CMOs who are the buyers of the future and places like the Association of National Advertisers and the Cannes Lions International Festival of Creativity.

Lastly, we are doing our part to help Infosys sell more broadly. Having been around for 18 months, this is a company that is way too humble about what it has done. We are working with the Infosys marketing team for telling our story a little proudly and a little more loudly and help our clients Navigate their Next.

Thank you.

Analyst Meet 2019

November 6, 2019

Insights

CORPORATE PARTICIPANTS:

Karmesh Vaswani

Executive Vice President and Segment Head - CPG, Logistics and Retail

Karmesh Vaswani

Good afternoon friends. The safe harbor – I will just pause for a moment on this. s

What I am going to cover is the whole arena of insights. World over enterprise data is flowing. If you look at the entire digital universe – for enterprises, for governments, for economy – data is growing exponentially. The stats that you see here – growth projected from 40 zettabytes to 175 zettabytes. These are difficult units of measures but just to put things in context, one zettabyte is 1 billion terabytes. The latest version of iPhone X which comes with 256 gigabytes of memory – you need four iPhones to have one terabyte; so that is the scale we are looking at. This growth is happening in all the leading industries and economies. If you just look at the transaction volumes that are happening world over, all these transactions are leaving a data footprint – not just transactional data which are structured, but a lot of unstructured data as well, which comes from interactions and engagements.

The other big indicator is really the way the Cloud economy is growing. The volume of data that is migrating to Cloud is growing at 7.5 times as compared to the volume that is moving to on premise, obviously on a much lower base. So in the sense every enterprise is becoming a big data enterprise but all this data is of little use if it cannot generate actionable insights and that is where the big opportunity lies for us at Infosys. Because all the 1300 plus clients that we work with where over the years we have cultivated deep intricate knowledge of their applications, data, integration, infrastructure – as these clients are beginning to prepare themselves to combat the digital revolution that is happening and they need such actionable insights to create value in the economy, we are helping them in shaping these insights at scale, at speed with efficiency and bringing the right level of governance.

So we have a structured approach for this. This is not something which is an easily executed service, it requires complex engineering skills with good domain knowledge, with good value chain skills because most of the client enterprises are not geared up to imagine how they would operate with such insights.

This is the framework that we are using to take our clients on the maturity journey of becoming an insight driven enterprise. So the foundation layer is really focusing on creating the speed, scale, efficiency and governance which I just talked about. Once that is in play where the entire data engineering has been created such that the diverse sources of metadata in the enterprise across legacy systems, mainframe systems, more contemporary technologies are all being ingested, harmonized, standardized and are available for consumption, it then creates opportunities to exploit new avenues of demand. Those could be looking at new micro markets, new customer segments and it is creating opportunities in all the industries that we are working in whether it is in Banking, Utilities, Telecom, Consumer Goods, Retail, Healthcare and so on. Once these sources of new demand are created it then creates the opportunity to seek avenues of disruption in that industry. The disruption comes in different formats. We are helping our clients to collaborate with their competitors – this is happening in utilities and telecom. We are helping our clients to start competing with their channel partners, this is happening in Consumer Goods, in Retail. We are helping clients to enter adjacent industries and drive these disruptions. As we progress on this with the power of insights and with the power of experience that Ben talked about it then leaves us to a stage where we are able to new digital journeys. These could be new digital journeys for the consumers and customers for the employees or for the various functions in that value chain – be it marketing, be it supply chain, be it the sales. But the biggest disruption comes in the last stage which is the augmentation by new technology evolution.

Some of you would have seen in the Living Labs downstairs, if you visited the 5G booth that as 5G comes into play, we would have far greater opportunities for augmented reality, we would have far greater opportunities for consuming video data at scale and using that for decisions. This could be

relevant in many industries, be it telecom for field services, be it retail in stores, be it the consumer goods to monitor territory performances and so on. Underlying all these there are number of multipliers, the time value because as these new data technologies and Cloud economies are maturing and we as an end-to-end system integrators are helping design these new path we are bringing the time component down, we are injecting more speed. The time to convert data to knowledge, new dictionary semantics that are beginning to come into play. Many of our clients are beginning to find new consumer and market segments which they had never imagined before, often leading to new products or new service ideas. This is broadly the framework with which we are trying to help elevate our clients' value chain in becoming more competitive, in helping them create better differentiation.

I will walk you through two case studies. One is in the context of a retail bank and another is in the context of fashion lifestyle retail chain.

This is one of the top 10 banks in the world. Like most banks 70%-80% of the enterprise economy runs on legacy technologies, vast majority of which is mainframe and mainframe systems are quite important to the functioning of these large banks, because they provide good resilience, they provide good computing power. But they are not that effective when you are competing with the data native, digital native banks which is emerging through the Fintech revolution. Now this client has 750 petabytes of enterprise data – you can put them in the top five percentile of the companies in the world in terms of enterprise data that they are managing. This comes from over 20,000 applications in the economy, 200,000 users spread across the globe in multiple countries. They rely on 400 plus commercial software which are used to ingest data, mine data, process it, generate insights, generate reports for various purposes, for sales, marketing, regulatory risk, compliance. There are over 1,000 plus business processes that are relying on these reports, some running in real time, some running in batch mode, so credit card fraud checks etc. What we did over the last 18 months is conceptualize a platform which will be hosted on the Cloud, which will be Cloud agnostic, which will provide a meticulously engineered capability which can ingest data from any source on any technology, which with minimal human efforts can help transform the data to be hosted on the Cloud, taking care of all the requirements both from a regulatory and compliance perspective. So, data lineage is important, accessibility of data is important, all the aspects which are important for a bank to function smoothly. And we build this capability where nearly 50 petabytes of the 750 petabytes load has migrated, with complete data lineage, with complete traceability into the origins of data. We have designed this to be cloud agnostic, so it could work on Google Cloud or AWS or Azure that provides them with Cloud contestability so they are not locked into one Cloud provider, they could be moving workloads from provider A to provider B. We have done this in a manner where many of their expensive commercial softwares are now being retired and those are being retired with absolutely no risk to business continuity. We established very strong data telemetry, so this really gives the power of observability to look at avenues where you want to improve compliance, where you want to mitigate risk, where you want to improve your new product innovation ideas and in many of these areas, we have achieved 50x improvement in cost, time and efficiency. But most importantly what this has done is that it has given a platform on which new business ideas, new innovations can now be conceptualized, designed and executed with speed. So recently this bank launched an offering for an attractive customer segment where they were not operating within 6 months. Under normal circumstances with their legacy landscape, they would have taken 2 years and that is the power of this platform. The beauty of this platform is that it has been created in a manner where lot of these assets, we have agreed with the client that we will broad base it in the industry, not just in financial services industry but other industries and that way we will help improve the performance for this client as well. These are some of the tangible savings that we have generated. Now you can imagine for a global bank, they need to track liquidity and report that to improve the performance in various segments of the bank that used to be a 16-hour window, it has come down to less than 2 hours. It significantly improves the performance of supply chain on capital. Earlier if they were migrating workloads and if they had to take one petabyte out of 750 petabytes just the sheer design

engineering effort involved would require them close to 5 to 6 weeks. That has come down to 2 days and then there are commercial savings on the analytic capacity for processing a petabyte of data as well as for the commercial software tools. So this platform is something that we are seeing as our opportunity to help many other banks reduce the cost of modernization. Many other companies in other industry also to benefit from these assets and we are already having conversations now with a few consumer goods and telecom companies to come on board on this platform.

I will move to the second case and this is a case of a fashion lifestyle retail company $25 bn in turnover. Three years back we started the journey with them to harness the power of consumer insights. They were at a stage where approximately 5% of their sales was happening through their e-commerce channel and there were about 50 mn registered consumer users. All the insights about consumers were scattered across different applications, some sales applications, some marketing applications and there was some element of maturity in doing personalized marketing but it was not good enough. So working collaboratively with their marketing teams and technology team, we designed a construct which we internally call it as the Consumer Genome and that in the last 3 years has helped achieve the performance which you see on the right side, with online sales jumping to $3 bn, they have grown at least 20% faster than the peer group companies in the industry in terms of online sales and in this industry the faster growth you have in online sales the greater value it creates on your market capitalization. It helps improve the average order value, because there is a lot of intelligence built into driving personalized offers, personalized interventions, personalized marketing, all in real time on any channels and that helps improve the propensity of their target consumers to come on board. This will give your illustration of how every activity or every interaction with the consumer through the prospecting, engagement, conversion lifecycle is being converted into a digital data footprint. That digital data footprint is a mix of structured, unstructured data which is meticulously housed in a global consumer data lake where we have now close to 120 mn consumers with up to 5000 attributes per consumer and these are now being spread into a number of intelligent algorithm through which all the marketing channels are activated to create better moments of joy across the lifecycle of a consumer.

This will give you an illustration of how in this industry we measure performance on digital channels in terms of the conversion cycles. Every year we have been improving the conversion ratio by about 30-basis points. The best in the industry is 2.2% we hope to outclass that in the next 12 to 18 months and a number of initiatives are underway. Just to give you a feel of the kind of interventions that are happening – there are consumers who are trend followers, who buy a merchandise looking at what others in their peer group are doing. So, when they are coming, browsing on the mobile app or on the e-commerce site, they get to see statistics like the bottom left of number of people currently weighing the product, a number of times the product was purchased in the last 24 hours. So the Consumer Genome that we have created, helps mine the psychographic of that consumer that what kind of experience should I render at the time a purchase decision is being evaluated. The consumers who are trend setters, who want to do something unique, so for them if they bought a shoe how do I give them a look book which shows them with other similar, adjacent merchandise and give them a feel for it. So these are some of the innovations we are doing, there are many others that we are doing on Edge Computing and we are quite confident of helping raise the performance on the digital channels for this client. But most importantly a lot of this experience is something that we are extrapolating into a Consumer Genome framework which we are extending to many other clients in similar industry, so the patterns are reusable and repeatable.

In a nutshell, our data and insight practice, today we are servicing clients in over 20 industries. 500 out of our 1500 clients are being serviced, so there is a significant headroom for growth in this space. This space gives us a significant premium because all these services require specialized skills, clients are able to see the value it creates in theie P&L and balance sheet and they are

willing to pay the premium. Today we have 24000 professionals in this economy and 1000 plus data sciences and this is one of our fastest growing practices.

Thank you.

Analyst Meet 2019

November 6, 2019

Accelerate

CORPORATE PARTICIPANTS:

Ravi Kumar S

President and Deputy Chief Operating Officer

Ravi Kumar S

Good afternoon. Let me just start with the safe harbor very quickly.

If all of you are tracking the digitization of landscape across the world, the Cloud is a single biggest opportunity underneath the digital transformation journeys for clients. Just to set a context and I am going to give you a few numbers so that you can understand magnitude of what the Cloud opportunity is. If you see in one of a popular analyst reports, by 2023, 50% of the enterprises across the world or 50% of the GDP of the world would go through some level of digitization. So any products and services you consume would be a 50% chance that they would be from an organization which has gone through a digital transformation. That is $50 tn of total GDP and that would take roughly $5 tn in the next 5 years to digitize those organizations. Of this $5 tn, if you assume a tn in a year, Cloud opportunity is half of it – which is roughly $500 bn a year underneath the digital transformation journeys of clients.

It kind of relates to what Infosys is going through as well. If you look at the digital services of Infosys 50% of the digital services fall in the accelerate bucket which is actually where the digital journeys of Cloud are. And why is it that the Cloud is so critical in digital journeys – let us go back and look at what enterprises look at when they want to digitize. They want to make the cost variable, they want to take the application landscape and rationalize, they want to monetize the data, they want to take all the ERPs on premise in a large way and move it to the Cloud, they want to build a layer of industry solutions, apply AI and Automation on top of it and customize the consumer experiences which Ben spoke about. All of that, the underpinnings of that is actually with Cloud as the focal point and that is the reason why the spend of the Cloud is significantly higher if you take the value chain of digital. In fact if you compare large enterprises with digital native firms, one of the biggest differences is about the innovation network, digital native firms have and lot of the innovation framework is built on the Cloud and that is the mindset change which you want to incorporate to be digital.

So a couple of years ago, when we looked at the Cloud opportunities, it did look like the opportunity is for hyper scalers as we call it like Azure, AWS, Google Cloud, these seem to have held the opportunity and if you go back to the enterprise software era where for every dollar of software spent there were $3 of system integration services, the preconceived notion was system integrators do not have a big role to play. It was roughly for a dollar of spend 30 cents worth system integration services. In fact, a lot of analysts ask me this question saying does the era of system integration go away because of the advent of Cloud. Contrary to that the value proposition of Infosys is to actually take a dollar off Cloud spend and creates $3 of system integration services and that is because we are pivoting, not just on migrating the workload into the cloud but also transform the workload, take on premise enterprise applications, move them onto a SaaS model, convert them into platform into service, apply AI and Automation underneath the operations of the Cloud and the data which is there how do you enable and scale it with the Cloud and that gives you the opportunity of almost for every $100 mn of subscription around $300 mn odd of services. So with that context the Cloud opportunity for Infosys has actually ended up being a force multiplier.

What we have also done, we have taken a cut on the private in the Public Cloud space. If you take $500 bn of spend up the Cloud, two-thirds of it is on the Public Cloud and one-third of it is on the private Cloud. However, the Private Cloud space is growing at 50% while the Public Cloud space is growing at 14% to 15%. So one of the things we believe is if you take a stack of applications and stack of systems, the systems of record and the systems of parity as they call it, there are five levels in which you can break a stack of systems. The systems of record and systems of parity are favorably aligned with the Private Cloud and the systems of engagement, differentiation and experience or innovations are aligned towards the Public Cloud. So the Infosys strategy is to create a hybrid Cloud environment for clients and I think 70% of the clients we interviewed actually

believe that, that is the way forward. In fact 80% of customers stated they have multicloud strategy and the Infosys opportunities both on Private and Public Cloud.

One of the exciting opportunities on the cloud is the large pools of enterprise workloads with ERP systems and package applications. In fact just as an example only 8% of the SAP landscape is on the Cloud, 8% of it has moved to S4/HANA on a Public Cloud. Around 92% - the balance, has not moved to the Cloud because there is not enough money available for clients to repurpose it. So this proposition from Infosys and we are going to replicate this across every ecosystem which is available on Enterprise Cloud applications is to bundle cloud subscription, enterprise license and Infosys services and flat line the cost, take out the cost from the existing estates and repurpose it for transitioning into cloud and transition into S4/HANA. In fact SAP mentioned in their quarterly results two quarters ago that by 2022 they want the entire estate of SAP to be on S4/HANA and they are going to stop enterprise support on their core platform and Infosys was quoted as the only provider which is going to use this bundle of SAP and Azure and Infosys services to be delivered as one single bundle and the ability to make it cost neutral and flat line is the preposition of the Infosys and why do customers want to do this? So that they can expose the entire SAP architecture through AI and Automation, through their Leonardo platform which is where they built AI and Automation, to a Fiory platform, which is where they built their experience layers and the data platform to a bunch of acquisitions they did and they are unable to do so because of lack of modernization of that landscape and this is going to allow them to do so.

So the big opportunity for system integrators if you pivot on transformation is to take costs of their existing states, create extremely attractive constructs by bundling with license of enterprises, license of enterprise software as well as subscription from the cloud and then transform the workloads and build a proposition which is cost neutral but gives some significant value and gives them a roadmap towards to go to the digital world. So what are we doing about this? So the 3X potential I spoke about is the reason why the bet on the cloud is the biggest in the era we are in. So we are building a bunch of things around this ecosystem, we are building strategic partnership, we are building API micro services, we are building a set of assets, we are converting enterprise on premise applications into platform as a service and Infrastructure as a Service and we are kind of propelling the value to come out of differentiation to the cloud. So as a part of this journey and I did speak about how this is going to be dichotomy between private and the public cloud, we have created a Polycloud layer, it is a cloud management layer which kind of sits on top of multiple cloud – heterogeneous desperate cloud ecosystems around it and this layer almost manages the cloud ecosystem underneath. It not only does make it interoperable, but it also takes the best of breed of different cloud ecosystems and you could build a best in class hybrid environment. It gives you telemetry which Karmesh spoke about, the ability to sense what is happening around the cloud ecosystem and configure and calibrate it accordingly. As in then thereafter create a smart catalogue so that you could almost like glass frame configure the way you want to and the Polycloud now is a platform from Infosys where we have taken all our assets on the cloud and we have built it on top of existing cloud ecosystems. I am not going to go through the assets, but we have bunch of assets we built and we believe any large enterprise should be orchestrated through the Infosys ecosystem. So the pivot of Cloud transition and cloud transformation is no longer with the subscription players like Azure, AWS and Google cloud but it is actually with Infosys and companies like Infosys and we want to pivot and orchestrate that whole mechanism to transform these workloads into the cloud.

So here is the analyst feedback, 38 out of the Cloud ratings, 20 of them were on the leadership quadrant, the top one or two players and for the first time in the last 15 years we actually became Microsoft Global Alliance Partner of the Year because we had the largest influence of Azure consumption by any provider across the world and that has never happened and that is because we took a strategy of transforming workloads and making that a path through to the digital journeys of clients and that is actually taken us the consumption on every big public and private cloud player in the market. We are in the top one or two players on influencing Cloud consumption

and we are orchestrating it for large enterprises where we actually control their states and we have opportunity to actually transform them.

So I am going to speak about one case study. It is about a global auto major. They sell 3 mn vehicles every year. This is a procurement platform which was on mainframe. They had 6 mn auto parts from 1 mn suppliers with 4,000 buyers which were using the procure to pay platform and with the transition to electric vehicles the speed at which you have to on board suppliers, the speed at which you have to take new orders and the lifecycle for auto parts has actually shrunk, the speed at which you have to do straight through processing has initiated a mechanism to create a cloud enabled mobile first procure to pay platform for taking $100 bn of spend. We just got $1 bn spend on this platform and to scale it to $100 bn of spend because most clients today are building these systems which are scalable and they can go down and up based on market demand and the ability to reduce lead times, the operational efficiency and high productivity and 80% is touchless procure to pay system in this particular time. So the ability to do this enabled by the cloud and this is enabled on S4/HANA on Azure. I am actually going to run a video from the client to talk a little bit more about this case study.

In summary, the Cloud is the single biggest digital opportunity for Infosys because we are not looking at this as a migration play, we are looking at this is as an orchestration play, we are looking at this as pivot do transformation, we are looking at this as the ability to take customers to the journey to be digital fast enough and we are looking at it is an ecosystem of partners where we orchestrate and we control the narrative for our client and that is the reason why we are the number one Azure consumption company on the planet and we would continue to be in the top lead for Cloud transformation services in the market.

Thank you.

Analyst Meet 2019

November 6, 2019

Q & A

CORPORATE PARTICIPANTS:

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Banyan Tree Advisors

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JP Morgan

Neerav Dalal
Maybank Kim Eng Securities

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Sandeep Mahindroo

We will commence the open house session now. Please restrict your questions only to the business part since Nandan has already addressed questions on the whistleblower aspects earlier in the day.

Sandip Agarwal

This is Sandip from Edelweiss. Firstly, thank you for a good presentation throughout the day and efficient demos. Just one question to you Salil, the proportion of digital has been increasing continuously because it is the only area which is going at a very fast pace across the industry and we see the opportunities in digital is significant. The only question is at this proportion and growth why are we not seeing that 15%, 16% or 18% growth? Is it true that some portion of legacy piece is shrinking quite fast or at what stage of that shrinking is that legacy piece, whether it will stabilize here or it will continue to be replaced by digital what is your sense on that?

Salil Parekh

Last quarter we shared 38% of our business is now digital, which is also growing at just over 38% in that quarter. We shared specifically numbers of where the core is and what the rates of growth or stability of core are right now. We do not share the outlook of what the core growth going forward is but clearly there is intense competitive environment and some level of commoditization in that business. Our focus is mainly to ensure that digital continues to grow at a rate which is above market growth for that business and that helps us to drive the overall growth of the business. From external perspective we haven't discussed where the core is and where we think the evolution of the core is going in the 3 year or 5-year horizon; we simply looked at it more in an annual horizon.

Kawaljeet Saluja

I have three questions. The first is on large deals. I think Mohit made a fascinating presentation on large deals. The question that I have is, what percentage of the large deals that you won is RFP based versus proactively shaped deals? How are the margin profiles different between RFP source deals versus proactively shaped deals and what are the efforts taken to increase the proactive nature of large deals in the overall wins?

Pravin Rao

From an eventual outcome perspective, a significant percentage is still RFP based, but our chances of winning in an RFP increase if we are able to feed in large deal ideas in the clientele on a proactive basis. Many times we update the clients on proactive basis in terms of talking to them about how we can take cost out and how to help in modernizing their estate but eventually based on their own context it sometimes lands into an RFP. But if you are upfront, if you are proactive in terms of shaping some of the thoughts, then your chances of win are significantly higher. But I would say a significant percentage would still be RFP.

Kawaljeet Saluja

The second question I had is on consulting. I think there was a reorientation plan for the consulting team. There was a new leader inducted in Infosys consulting, can you just walk us through the progress made in making consulting back to a robust growth trend again?

Salil Parekh

In Consulting a couple of things has happened. One we started to focus essentially on scale markets and new services and second, there is a lot of focus on how consulting works more jointly with the rest of the organization where it starts of in consulting much like we start of in digital or experience and then we see downstream impact and that has helped us especially as Mohit shared in some of the large deals, we have a lot of consulting insights that come in and that then start to help us shape how the large deals profile is. Sometime we do modernization exercises, sometimes large programs whether is on SAP, on S4/HANA on some of the areas which start with consulting. We have also taken the opportunity to now focus in more on markets where we have some scale and grow that and pivot the capabilities into more of digital areas. The progress is quite good. In fact, if you see internally we feel that consulting is starting to come back to a more stable business. We now want to ensure that margin expansion within consulting continues and the growth starts to come back as well.

Devanshu Bansal

My question is on margins so Nilanjan you indicated about $100 mn to $150 mn of cost savings through operational changes you have bought in the organization. So how much of that has already been realized in the first half of FY20 and how much we are going to realize in the second half?

Nilanjan Roy

As we are sitting half way through the year, we also mentioned in Q2 we got about 110 BPS improvement due to various levers on utilization, cost efficiency from Q2 to Q1. So we are roughly about half-way there already in terms of incremental YoY savings and of course we will look for the rest of the year how do we push that up but our current outlook like I said is between 100 to 150.

Devanshu Bansal

Okay so one more question on margins Pravin, you indicated about tracking the capability index of mid to senior level employees and later Nilanjan also spoke about broadening of the pyramid. So are we indicating change of roles from mid to senior level management or are we seeing some involuntary attrition here?

Pravin Rao

We are on a continuous journey to up skill and re-skill workforce. As Nandan also talked about and you have seen that common spread across all presentation. With the changes happening it is important for us to start re-skilling and up skilling. Historically in our industry in the past, there was of lot more value for people as they grow up managing more people, we were placing more value. But in today's world, I think, people have to be much more hands on; and so there is a lot of effort in terms of re-skilling, lot of programs to enabling middle management. So, that is what we were talking about. We have started experimenting with some of the skill quotient because that gives us better ability to deploy the right people in different engagement based on the skills. Obviously if we have a better skilled people, then our ability to deliver more value and ability to extract more value from the clients for this people also improves. I do not think there is any intention to letting go of people. I think what we have seen in the press is really a speculation. There is absolutely no planned layoff. Every year as a high performance organization we do performance reviews and as part of the performance review we focus on involuntary attrition as well as if particularly people are not scaling up but the idea is not to let go of people. There is a tremendous amount of investments

that we are doing in terms of re-skilling people; therefore it would not make sense to just let go off people because of this.

Sudheer Guntupalli

My question is to Pravin, firstly thank you for an interesting presentation on the supply side aspects. There has been a lot of focus in terms of re-skilling and training etc. But over the last four years if you actually look at the average per capita training management or training effort as reported in the sustainability report of Infosys on an annual basis, it has been showing a consistent decline. So how do we actually read this dichotomy? Is it because of the fact that the gravity of the employee pyramid is moving to the mid-level, which is why there is a fear of pressure and hence the training effort is lower or because some of the training effort which is actually administrated through digital and online channels like 40 minutes per employee which you mentioned is not being captured in what you typically report in an annual sustainability report?

Pravin Rao

See, most of the effort we talked about – Lex or Next Generation learning platform, is something which is probably one-year in play and that is what has really given us the ability to broad base our training capability. Today our ability to train people irrespective of where there is much more significance because of platforms like Lex and as we have said we have curated the best in class content, people can access it at any time. We also spoke about those statistics but this is a one-year effort. At this stage I am not sure whether we are counting what people have learnt to Lex on their own versus what we have administered I will have to probably go back and respond to that question but the fact is all these transformations in terms of re-skilling and other things is probably one, one-and-a-half-year journey.

Madhu Babu

This is Madhu from Centrum. Sir how has been experience with WongDoody and Brilliant Basics because sometimes when we see services firms acquire these consulting firms typically there is attrition at the high end level and what are we doing to retain this top management of WongDoody and Brilliant Basics in terms of ESOPs and incentives?

Salil Parekh

As you heard Ben was sharing earlier, the ecosystem around experience has been massively uplifted within the company with WongDoody and Brilliant Basics becoming part of Infosys. One interesting statistics the attrition within WongDoody has actually reduced after the acquisition by Infosys which is a positive signal. I think anecdotally what we are seeing is the opportunities set that the individuals, whether it is within the Brilliant Basics or WongDoody, have with a huge access to the large enterprise client base of Infosys with 1500 clients is massive and that is where we are seeing multiplier effect of scaling it up. In addition to that as Ben was sharing with you there is a downstream effect of building in a more scale, digital businesses in terms of experience and not just digital marketing focus and that is giving us a lot of growth opportunities. At this stage, we see the growth trajectory positive with both of them and they have different capabilities and different geography focus. We are now working to make sure that we can scale that massively across all of the Infosys ecosystem.

Madhu Babu

Sir one more on the onsite-offshore mix you mentioned that as a significant margin lever but when digital is growing at 30% YoY and digital typically tends to have at least in some projects tend to have higher onsite, so how easy is it to get this off-shore mix in an overall portfolio level?

Salil Parekh

If we step back and look at how we are looking at the business, we want to make sure that we deploy our growth ability which is through digital or large deals effectively and at the same time make sure we optimize the overall business. So we have to find ways which is what Nilanjan was sharing and on the onsite offshore mix, which are more in our core services as well, but even what Ravi was sharing on cloud for example we want to make sure that those areas become much more operationally efficient. If we look at the data business, which is still a Digital business, we want to make sure that is also operational efficient. So the real challenge is to build a scale business at this level of growth, yet keeping our economic model in good shape and that is where we were working very hard.

Sandeep Shah

I think Pravin's presentation mentioned that 17% of the FTE got repurposed, so that looks like big number. So first want to understand over what period of time this has happened, because the same does not get reflected into the margins. So by what time you believe that incremental saving on this base would actually flow into the margins because this looks like more of a client push rather than a pure proactive automation kind of push? And the second question is in terms of digital pricing by what period of time we believe that this could be definitive margin lever rather than a hopeful margin lever?

Pravin Rao

See on the automation and 17% FTE release, the reality today is every client across the enterprise is looking at cost take out and the onsite of the business; which is still a significant part of most of ourselves as well as competitors in this industry. We have tremendous pricing pressure, tremendous commoditization happening but despite that because of our efforts in automation and we have talked about what we are doing automation that has really helped us in terms of not only counter that impact but also make sure that we run a profitable business and continue to have ability to invest in business. You have to look at that 17% savings from that perspective because when we are winning the deals, we are winning in a very competitive situation but at the same time through our efforts despite winning in a competitive situation, we are able to improve our price points through automation and that 17% that we are talking about are the efforts in the last one year where we have seen what 17% of FTEs have been released in onsite and we have repurposed them in other projects.

Salil Parekh

On the Digital pricing first couple of points, I think in the question before just to clarify onsite off-shore mix is still coming down with digital growing and that was the real approach we put in place. As Pravin shared, on the 17% there is pricing pressure and also some of this is shared with our clients. On Digital pricing it is something that we are very keen to look at and start to get the value as Nilanjan was sharing. We are now starting that initiative internally. We have not yet formulated when the impact of that is going to come in. The idea was to make sure you see that we have some cost operational levers and we also have some value operational levers which we are going to deploy and that will help to give us some protection on how the margin evolves.

Abhishek S

Mohit had a great presentation about mining top customers as well. The data point I am trying to understand is if you look at the last 4 or 5 quarters the YoY growth for the top customer and top 2 to 10 customers has been moderating and top is declining, so what answers this dichotomy? Thanks.

Pravin Rao

Our approach in terms of mining the accounts is we have looked at the top 100 accounts and have identified accounts where there are opportunities to improve and our focus has been on those top 100 accounts and some of them may be in your top 10 accounts while some of the may be outside your top 10 range. Some of this also varies QoQ, sometimes your top 10 accounts grow faster than our average growth and sometimes slow. We do not see a secular trend there but our effort is to expand beyond our top 10-25 accounts and look at top 100 accounts and see how we can mine better and some of this could potentially be a growth engine for the future as well. When we talk about focus on mining account, it is not necessarily a top account or top 10 account but it is across a much larger client base.

Abhishek S

Just a second question, you mentioned just now that onsite mix has been reducing despite digital contribution rising. So, is there change in terms of projects starts versus 2 years ago where the onsite digital projects used to start very onsite centric versus today where you are seeing offshore centric digital projects?

Pravin Rao

Even in the past, when we had ERP programs, in the initial phase we used to have a lot more onsite but later on when we executed the other parts of the lifecycle, you could have a good onsite off-shore mix. Even in digital since the last two years, people have started embracing Agile in a big way. Earlier the thinking was Agile means only onsite but through our distributed Agile methodology, we have clearly seen how Agile can be executed in an onsite-offshore model. The last two years data clearly shows that while our digital has grown, our onsite ratio has been in the same range – actually we have reduced onsite. But today I think even most of the digital projects can be executed in an onsite-offshore model. Most of the projects gets executed in an iterative way. So it is not necessary that we have to have a higher percentage of people onsite.

Mukul Garg

Hi, Mukul here from Haitong. Another one for Pravin, I think you mentioned quite interesting data points today. Pravin, you mentioned that 30% to 40% of the delivery effort in a couple of projects have been automated, can you help us with exactly what portion that contributes of the overall business because if we look at revenue per employee or employee on boarding, this is not visible there? Second, from a whole company point of view, from 1 to 3 year perceptive, where do you think this will stabilize at?

Pravin Rao

So far we have focused on large projects which are typically fixed priced projects. So when you look at the automation universe, that is where we are focused on in the last year to year and a half

and all the benefits I am talking about is only in that particular universe. Now the opportunities going forward is to start looking at other fixed price projects which may not necessarily be large and probably we will start looking at time and material projects as well and then probably work closely with the customer, get into some kind of gain share model and so on. That is the effort now going forward because for most of the large programs, we have pretty much squeezed the maximum out of it and any new large programs comes now, we have enough automation levers to do it but the bigger opportunity is to expand the universe and Nilanjan also talked about it, that is where we are focusing on going forward.

Mukul Garg

So from a medium term perspective, do you have any metric in mind which you are following for this automation work? Should we see it from the revenue, revenue per employee point of view or from a margin perspective, which number should we focus on for your automation effort for the company as a whole?

Pravin Rao

We look at this as a portfolio. So there are always two parts of the business, from a client perceptive, it is run the business, stay in the business. As I keep on saying, there is tremendous pressure, IT budgets are not increasing. But there is a need for all enterprises to invest in new technologies, transform themselves, compete against the digital native. The only way it can do is to take cost out from the business as usual and repurpose the spend in the newer area. So you will also find there is an opportunity for us to run the business in terms of helping our clients take cost out, that is where we are applying automation and some of the other tools in a much more aggressive way and that is where the opportunity is, but, it is very difficult to predict.

The way we look at it is, there is a large part of business out there, there is an opportunity for us to help clients and grow in that space and that is how we are trying to go in aggressively, winning those deals and using automation, productivity, we are trying to make sure that we are not compromising on our profitable growth. At the same time, we also have an opportunity to work with the clients on their transformation journey as well. So, that is the way we look at it. We are not really setting targets saying that in the next 3 years, this should be your automation target and things like that. We are looking at it from a portfolio, we are looking at it from a client relevance, we want to play helping hands in the clients, we want to help them in their cost ride, we also help them in driving growth and helping them in the transformation and the each part of the business is different and that is how we really look at it.

Girish Pai

This is Girish Pai from Nirmal Bang. Just a couple of questions. From a strategy perspective, is there a growth-margin trade off from a medium term perspective because you have always aspired to be a growth and a margin leader, would you say if you are going to go back to this 24% kind of number, or are we going to be like in the 21%, 22%, 23% kind of band for the medium term? That is question number 1.

Salil Parekh

The way we have seen it is that there is no growth margin trade-off. We put a set of investments in place over the previous 12 months or so with the end being in Q4 of last year. We have not yet communicated anything in terms of a view beyond this fiscal year on the margin. However, what we wanted to show today was there are significant number of levers that we have internally, operational levers and some value levers which will help us to make sure that we have margins

where we want it to be. At the same time, through some of the Q&A and through some of the other interactions we shared, there are pressures in the market which are headwinds, Pravin talked about some of the pricing pressure. We want to make sure that we find a balance between those and make sure that we have a way to work with our margin. We have not commented on where the medium term margin is at this stage.

Girish Pai

My next question is regarding an interesting point that Mohit made on large scale to do with public sector deals. I have not heard Indian players talk about public sector deals in the past, so is there something new that is happening in the market, why we have not addressed it in the past and why we are addressing this now, has something opened up, has something changed in the market?

Pravin Rao

Apart from India in the last few years, at least for the past 6 to 10 years, I would say we have been focusing on public services in the US market. In the recent past, probably in the last year or two, we have started looking at Australia and UK as well. I would say, in the past we were not looking at it, now we have identified the right spaces and we believe that there are opportunities. That is what Mohit said in his presentation.

Pankaj Kapoor

Just wanted to understand the large deal landscape a bit more. A lot of mid-tier companies are also trying to play that space and they have been proactively engaging with some of these advisors and we have seen the increased participation from them. Obviously, for Infosys scale, probably we will need some of these much larger, may be mega half a billion kind of deals to come in or probably much more. So just curious to understand that when you are looking at such deals in the pipeline, do they have any different kind of a financial construct in terms of how the regular RFP based deals are, something very similar to may be Stater or any such examples? We have seen quite a few for the other companies as well. So, if you can give some idea about the financial construct of such deals, how do you evaluate participation into such deals?

Pravin Rao

Most of the large deals are different and they have different complexities involved. A majority of the large deal still come with the traditional construct but there are always large deals which comes with some unique financial construct. Ravi, in his cloud presentation talked about large deals bundling software and taking end-to-end ownership. When you are talking about an element of cloud in the large deal, more and more people expect you to take end-to-end ownership. You have to take ownership of the Cloud, you have to take ownership of the software apart from the services. So, the large deals are increasingly become complex and we find some of the odd deals here and there with unique commercial constructs and we do not shy away from them because at the end of the day we also have to be innovative in the market. As long as we are able to execute well and it meets whatever parameters we have internally, we are happy to do that. But, I would say that it is not a significant percentage at this stage. We find odd cases here and there where we find newer constructs.

Diviya Nagarajan

Thanks for taking my question. Salil I think we are now looking at almost end of year 2, and you had revealed a 3 year strategy and your three is going to be accelerated from what I remember.

Could you talk about what that really entails for the organization and what it means for the continuation of this strategy in year three?

Salil Parekh

One of the things that happened is we saw some of that acceleration come in a little bit earlier than we had originally anticipated when we laid out the 3 year plan, so I think many people talked about the large deal momentum and the growth over the last four quarters. The way we see the strategic direction now is we are comfortable with the approach that has been put in place. We now want to make sure that the approach is executed with a lot more discipline and we start to have levers to drive growth. Growth in the context of what we see in the overall environment as the environment also develops.

With the two levers that we talked about, about large deals and digital, we feel we have something quite powerful that allows us to have competitive growth or growth relative to where the market is in good shape and on the margin we have levers now which show us that we can also have discipline on how margin will involve. So in terms of the 3 year journey our thinking today is that we continue in this path, some of the acceleration has come in so we now want to solidify that and make sure this competitive growth starts to show up within the environment and then we start to look at where we go over the next 3 years to 5 years horizon because we now need to carve something beyond that which we are now working on and will start to share in the coming quarters.

Suryanarayanan M

This is Surya from DSP. I think Pravin, you touched upon this in terms of the concept of these large deals which include bundling of Cloud and like we said it is more about orchestration opportunity that we see, will there be a pass through revenue that will come through the Infosys revenues because of which the margin construct could also be different or you would still structure it in such a way that the actual Cloud license revenues will not be through the P&L of company?

Pravin Rao

Right now most of these are really pass through deals because we are taking end-to-end ownership and it passes through our books but we can always look forward to different constructs in future. As I said earlier, there is only a small percentage at this stage but as it becomes bigger we have to look at, are there any other mechanisms to take ownership but do things differently.

Suryanarayanan M

But does that not have a margin impact given that, that part of the revenue will come at lower margins versus the services revenues?

Pravin Rao

Yes, as I said we will look at it as a portfolio. Large deal inherently probably comes at a lower margin than rest of the deals but we look at the overall thing as a portfolio and that is why there is always focus. While there is a push in terms of driving growth, getting new streams of business, there is an equal amount of emphasis and focus in terms of driving an efficient engine. All the initiatives which I talked about in cost optimizing, Nilanjan also shared lot of things, so that is a balance that we have to do, we have to continuously figure out ways to take the cost out, the waste out of the system at the same time, because that is a market reality. We have to deal with it we cannot walk away from that.

Suryanarayanan M

Nilanjan when you say digital pricing is a lever for you from a margin perspective. So today it is 38% - 40% of revenue which is digital so what proportion of these revenues do you think you could use this digital pricing as a marginal lever?

Nilanjan Roy

The whole idea is to get much more structure around our digital pricing, on digital skill sets. For instance, we do have a total service offering backed up by digital innovate card, around experience, on proficiency, how do we make sure that we use that widely across the organization and not in certain pockets. So it got different elements of how we price our services and like I said the discourse first has to start from value for the customer and then bring them on to the price lever. And it is not that we are looking for like I said bundles of pricing going up, we really do not want to leave pennies on the table when you are getting $70-$80-$100 an hour, we are not looking at dramatic increases, we just want to make sure it is consistently applied across the landscape.

Shyam Prabhu

Hi Shyam from Banyan Tree. You talked about like your utilization rates going up they are around 85% now so in your opinion what is the practical max that we can push it to?

Pravin Rao

I think and we are comfortable where we are. We typically try to operate between 83% and 85%. In the past, we have had couple of quarters more than 85% as well. But from a planning perspective we plan for low utilization but if there are opportunities for us to improve utilization we try to do that. A big part of the remaining 15% at least about half of it is because people are not available, they are on leave, vacation, training and other things.

Shyam Prabhu

You talked about the onshore offshore mix right, your onshore is like dipping down, it is around 28% now, can you talk a bit about the dispersion around this number, the most aggressive, most offshore centric kind of a deal like how much of it will be offshore?

Pravin Rao

I think it is less to do with project. It is more to do with the client and their comfort level so the same kind of projects we are executing – similar technology, we have cases where we are executing only 5% onsite and 95% offshore. On the other extreme for a different client, we are probably executing 40% onsite. So I think today from a technology perspective it is possible to do lot more offshore than what we are doing today but then there is always a client context, their comfort and other things so we will have to work through.

Shyam Prabhu

Sir you talked about the subcontracting expenses as well, so these are primarily spent on onshore talent or are these primarily spent on offshore talent or is there a mix to that?

Pravin Rao

I think it is mix both onsite and offshore. Onsite, we primarily use from a fulfillment perspective because many a times we need to fulfil pretty aggressively and sometimes we do not have enough people on the bench because they operate onsite at a very high utilization and it takes new recruitment or deployment of people from offshore. So in those cases we try to use subcons for a short period of time and as Nilanjan said it is one of the strategic element is our supply-chain strategy. So the idea is not to leave behind business because we do not have enough people to fulfill but we fulfill through the subcon and then over a period of time, replace or rotate them out. In offshore also we need sometimes but offshore is mostly whenever we need niche skills or things like that then we use it.

Viju George

Just two questions, one question on pricing, the other on leverage from onsite pyramid. The discussion today was digital giving you better pricing. But cost is picking up in US consistently, clients' internal cost is also increasing. Do you think they are happy to adjust that in the COLA in an accelerated rate, because I don't think this can be an Infosys specific push? Are they ready to give the price increases to the vendors compared to the past?

Pravin Rao

I think we are seeing few cases of COLA increases but it is not as frequent as we have seen in the past. But from our perspective we will continue to push for COLA increases wherever possible. In some cases we are successful but in many cases we will waive it. But in many cases in lieu of COLA we get more opportunities to dig into that account. So, it is a combination.

Viju George

But do you think that more significant part of your price increase comes from mix changed towards digital that trying to renegotiate this kind of COLA based price increase.

Pravin Rao

Yes, and no I would say because the COLA is typically where we have already committed to do large projects 3 year to 5 year thing so where COLA is already build into our pricing and if they do not get COLA increase, sometime you will have to take that impact, but the digital pricing is a separate thing. We believe that for the kind of value we are delivering there is a much more headroom for growth in digital pricing, given the shortage of supply that is where our focus is. I mean it is not easy but we believe that if we are able to demonstrate value, do things slightly differently there is an opportunity for us to get higher pricing in the digital space.

Viju George

Sure. The other question I had was on onsite pyramid, we understand onsite to offshore, we understand utilization in an offshore pyramid but does onsite pyramid workout well in practice and the reason I ask is that, we can have freshers coming at $60,000-$65,000 but within three to four years because the market is so tight, it is not uncommon to see them command $90,000-$95,000 in competitive firms, so does that work well in practice or is that a model that we have to test out?

Pravin Rao

See we are one year into this exercise where we are started recruiting in the last 12-18 months and so far for us it is working well. We have been able to recruit and we continue to recruit aggressively and create that pyramid. Over a period of time we'll see whether this 60K-70K will become 90K-95K and again I mean at end of the day when someone is commanding 90K or something because people probably with 4-5-year experience but then when people are moving up then we are also recruiting at lower level at the 60K-65K. So as long as once you reach a mature thing and as long as you continue to do that, continue to recruit, continue to scale those people up where we are able to get, we have to pay them higher but then we are also able to command higher pricing, that is the model we are really working and so far it seems to be working well in the 18 months of our journey and we will fine tune as things change.

Neerav Dalal

This is Neerav from Maybank. I had a couple of questions, one is that in the renewal deals are we seeing that digital services are filling the gap which comes with renewal of deals, so this would mean that core services would continue to decline for the foreseeable future?

Pravin Rao

See today when we are talking about core services there is an element of modernization in the core services, so whenever we win a large deal it is not just maintaining the current state. As part of the large deal 3 years to 5 years thing there is also a commitment to transform the landscape and so there is some element of digital in every large deal. So to that extent I do not think we should really look at core as one distinct and digital as the other distinct. A part of a core will eventually get transformed and become your modern thing and this would probably figure in your digital and some of the digital we are talking today may perhaps within 3 years to 5 years become core or legacy so that is a cycle.

Neerav Dalal

With the deals becoming more digital, are you seeing vendor consolidation happening and that is a reason the large deal pipeline will always remain strong and so you will be able to maintain that large deal win TCV over a longer period of time?

Pravin Rao

I think Mohit talked about it and Salil also mentioned that in the last couple of years we have really looked at large deals space fundamentally different. There is a lot more focus on large deals, many things we have done in terms of bringing in digital strategy, bringing in deal consultants, improving our solution, there are multiple things we are doing. I think that is probably one of the reasons why we are hearing lot more share of recent win from our side from a large deal perspective. Second from a pipeline perspective as well as I said earlier there is a tremendous pressure on clients to invest in newer areas and the only place they can do this is in terms of taking cost out, that is also translating into large deal and one of the element of large deal is also about vendor consolidation and other things, so we are seeing that element as well.

Sandeep Mahindroo

This marks the closure of our analyst meet. Please leave the feedback on the table for the volunteers to pick them up. Thanks again for joining us and taking time out to attend the event.

Thank you.

Salil Parekh

Thank you all very much for being here. Really good to see the level of questions as well and I hope you enjoyed the Living Labs. It is something special that was created so you can really see the showcase of our work.

Thank you.