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February 16, 2017

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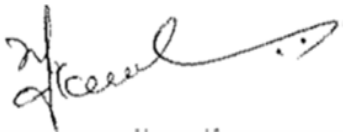
Sub: Investor Conference

In continuation to our letters dated February 8, 2017 and February 13, 2017, please find enclosed the transcripts of the 'KIE's Chasing Growth Conference' held on February 13, 2017.

The same will be made available on the Company's website at the following weblink https://www.infosys.com/investors/news-events/events/Documents/chasing-growth-conference-13feb2017.pdf

This is for your information and records.

Yours sincerely,
For **Infosys Limited**



A G S Manikantha
Company Secretary

INFOSYS LIMITED
CIN: L85110KA1981PLC013115
44, Infosys Avenue
Electronics City, Hosur Road
Bangalore 560 100, India
T 91 80 2852 0261
F 91 80 2852 0362
investors@infosys.com
www.infosys.com

Kotak Chasing Growth Conference
February 13, 2017

CORPORATE PARTICIPANTS

Vishal Sikka
Chief Executive Officer and Managing Director

Moderator:

Our next speaker is Dr. Vishal Sikka. Dr. Vishal Sikka is the current CEO and Managing Director of Infosys, a globally recognized innovative and business leader in the IT Services Industry. Dr. Sikka was born and raised in India. He studied Computer Science at Syracuse University before receiving his Ph.D. in AI Stanford in 1996. After a very long successful stint at SAP in 2014, he joined Infosys as CEO to help drive a massive transformation not only at Infosys but also within the larger IT services industry. In the last two and half years since he took over, his vision and leadership has helped accelerate Infosys transformation resulting into growth of their global work force to almost 2 lakh people. There was a massive reduction in attrition, doubling of large deal total contract value, number of large clients and industry leading cash flows generation with revenues of $9.5 billion despite strong headwinds. Infosys new software and new services has seen tremendous growth as well. Client satisfaction levels are accordingly at the highest levels ever, particularly at the CXO segment which according to Infosys Annual Survey showed 22 points increase.

May I invite Dr. Vishal Sikka to talk about Infosys and the future of IT Services

Vishal Sikka:

Thank you so much. That was quite a handful introduction. Hi, Mr. Kotak. Good to see all of you. Uday has asked me to organize my talk in two sections. In the first part I want to talk about our performance and financial metrics that most of you care a lot about and then following I want to spend some time looking at the bigger picture. I hope to finish this speech itself in another 25 minutes and then leave around half an hour for your questions.

Two and half years ago, when I started, we laid out a relatively straight forward strategy. The idea was to launch a three-part strategy of renewing the core business entering into new businesses and the culture of the company. And the interesting part about this three-part strategy was also that it reflects the challenges of our clients the challenges of business that they have this dual priority of only one hand getting better at everything that they did and on the other hand doing new things that they never did before. In this, they have their own timeless culture and value system that they operate on.

So, if we look over the last two and half years, the execution that we have followed on this path is starting to show signs of success. I will quickly walk you through some of these metrics.

The relative revenue performance compared to the industry has distinctly improved. When I joined, our revenue was significantly below the industry. It has now got up towards the top of the industry, or certainly in line with the industry. Year-on-year if you compare the first three quarters of this financial year to the last one, you see the performance there and despite the challenging environment, we have managed to keep the operating margin steady.

If you look at many of the operational parameters of our business the core business utilization for the last seven quarters has been above 80% which is for the first time in a very long time in our company. The employee cost as a percentage of revenue has come down. You can see the

operating cash flow as percentage of net profit is getting close to 100%. The onsite we can still do better but the subcon costs are something that are continually improving.

I know a lot of you have questions around the visa policies and things like this, we can talk about that in the Q&A but our endeavor has been to get closer to the 30% number.

In terms of the core business, IT services continue to grow through a dedicated focus on renewing our existing services through a combination of automation and innovation as well as mixing our portfolio increasingly towards more high value, value add kind of services. One area of disappointment for us has been the consulting business. We continue to focus on this over the course this year. The negative performance of consulting in Q1 impacted us more than we expected. Products, platforms and other areas of the business also continue to grow and here is a different cut on that. If you look from the time when I started to last quarter, revenue per quarter has grown by more than $400 million per quarter. While the margin is same from 25.1% to 25.1%, operating profits has gone up from $536 million to $640 million. Attrition has come down significantly from 23.4% at a group level in the quarter when I joined to now a little bit below 15%. There is a separate attrition metric that we have started to internally focus on over the last year which is high performer attrition and that number has come down significantly to single-digits.

Revenue per FTE is one of the key metrics of our strategy. While it has decreased compared to when I started, it has in the last couple of quarters started to go back up and that is something we are very happy about. One key part of the strategy is the new software. When we talk about renew and new, there are new services in unprecedented new areas and there are also new software that we did not have before. Excluding Finacle, the software revenue in the quarter when I started was $35 million a quarter and that number has already gone up to $60 million now.

The $100 million accounts went up from 12 to 18. $200 million accounts have doubled from 3 to 6 in that time. Organizationally Pravin and I have established a strong team around us. Jayesh is here, our Deputy CFO. Similarly, we have appointed Ravi as our Deputy COO. There are three Presidents responsible for our go to market. Below their level we have established 15 industry heads to create much more focused small encapsulated empowered business units, so that client focus and agility can be achieved and it is the best way for us to achieve scale.

Similarly, we have been making a lot of progress and Pravin oversees this on simplifying our internal policies, systems and process so that we can become much more agile.

So, when we look at this in the broader context of the strategy, beyond the numbers you can clearly see that on all the three dimensions of strategy things have been taking hold.

One program that I am particularly proud of, I am approaching it since two years, next month it is going to be two years since we started it, is the Zero Distance. It has been deeply engrained into our company's culture. More than 95% of the projects of the company have Zero Distance plans.

The idea of Zero Distance for those of you who do not know about it, is it inspires our project team to bring innovation in every single project no matter what. The number is actually 100% and the projects that do not have a Zero Distance plan are the ones that just started recently. So, if you look at the Zero Distance plans of project that started more than six weeks ago, it is 100%. Every project is basically covered by Zero Distance project and it has become a part of the culture. For the last nine months or so, we have been focusing on elevating the Zero Distance innovation idea where project teams think of bigger innovations. The CWRF is a tribute to Martin Luther King's quote that, "If you cannot fly we must run, if you cannot run we must walk, if you cannot walk we must crawl, but we have to always keep moving forward" and so we have this framework of most of the Zero Distance innovations, even though we are close to 100%, are quite incremental quite small and so our endeavor now is to elevate these towards more and more transformative innovation for our clients coming from the grass root.

Zero Bench, which was the other initiative that we launched in July of 2015 that also reached close to 100%. So basically, everyone on the bench has done a Zero Bench project. We have now more than 34,000 jobs on our internal market place. 470 jobs show up every week on this and it has touched basically everybody on the bench. As I mentioned earlier, one of the direct impacts of Zero Bench is giving the youngsters an opportunity to get some experience by working on a Zero Bench project. That experience then makes it easier for them to get into production. So, Zero Bench has had a direct impact on the utilization, especially on the fresher utilization. The utilization is above 80% consistently now, but in particular the fresher utilization and off-shore utilization has gone up directly as a result of Zero Bench.

The renewal of our existing core business, in particular the maintenance and run parts of the business but also to some degree the build parts of the business is impacted by automation. I mentioned, in the earnings in January that more than 2,600 people over the course of Q3 were saved but 2,650 FTE worth of effort was eliminated with automation. Over the last 12 months that number has crossed 8,000. The Mana platform plays a very important role in helping us achieve that automation. All 8,500 is not due to Mana but Mana for IT has a huge impact on bringing automation led productivity improvements to our work.

And within our core business, we have launched many new services like the Mainframe Modernization, the API Economy, BI Renewal, the work with Salesforce.com, ServiceNow, etc. Roughly 10 or so of these have launched in the last couple of years and they have all been showing growth that is faster than the growth in the company. As a result of all of this, the client satisfaction, a survey done since last 12 years, has demonstrated the highest ever score this time. In particular, as you said in the introduction, the CXO satisfaction has jumped up by 22 points.

So, I am quite proud of the work that our team has done in renewing our core business. When you look at new, getting into new dimensions of business is something that should come easily to us. When you create something new, you do that but culturally and organizationally new is much more difficult to pull off because it is not just enough to create a separate appendage that is sitting somewhere else and doing something totally independent. You have to find a way to make these harmonious.

The idea of 'Renew and New' comes from Arthur Koestler's word on creation, this idea of two habitually distinct but self-consistent frames of preference where you are doing something unprecedented in the new dimension, whereas you are continuously improving in the existing dimension.

We have seen continued strong momentum in the three acquisitions that we have made Skava, Panaya and Noah, as well as the new services that we have launched organically. One of the things that we are very proud of Skava, is that beyond retail Skava has now entered into other industries in particular financial services, telecommunication, and utility. We have opened new frontiers with Skava and our home-grown Mana platform.

Mana helps us renew our services in particular in maintenance and run areas. The same Mana platform also has huge applications in helping our clients build breakthrough business application of artificial intelligence. I think, having a common platform that does both is extremely important to our strategy. A lot of people in the industry build captive automation capabilities in service of their own business. When we do that, the platform would not be competitive. You have to ensure that the platform that is powering the productivity improvement of the existing business is a world class platform. Therefore, it is important to have this platform subjected to the outside world, to the light of the outside. Building breakthrough business applications on Mana is a very-very critical part of the strategy. I am really excited by what our teams are doing, what our clients are doing, all the way from CPG companies using it for revenue reconciliation and financial consolidation much faster to companies in the pharmaceutical industry, working on much better forecasting, using Mana for contract management and compliance to contracts to dynamic fraud analysis for banks and applications like that.

From new services dimension, our digital services as well as the strategic design consulting services are things that have been going forward quite well. One key part of our strategy is the cultural dimension and there are two main parts to that. One is the agility of the company as a whole and the other one is education. Infosys always had a very strong emphasis on education. Mr. Murthy always talked about this. The idea of learnability, the ability to learn. Especially in the times ahead, learnability is going to be a very critical thing for our future. So, when you look at all the work that we do in culture dimension, it is dominated by this. ILP, the Infosys Learning Platform that is our own platform to very immersively teach our fresher as well as our regular employees what is going on in the world around in a very immersive way. We drop them into boot camps, into projects and into sub-sets of the projects, so they are learning in a much more accelerated way. We have done a lot of innovation in learning itself and how people learn and so forth and brought that into ILP. One of the most interesting program that we have done is for our top 200 executives. We have done a global leadership program together with Stanford and we have now done three cohorts of this. Some of the Infoscions and the senior executive who go through this, have said that this is the best thing they have done in their entire Infosys career. This is a two-and-a-half-week program or distributed over a year which is done together with the Stanford Business School, and the Stanford School of Engineering and Design School. It has a huge impact on changing the perspective of our management team.

As well as we have been investing in on-site learning and I think more and more as we focus on-site creating on-site environment for learning is going to be critical. Design thinking training

has become an integral part of being at Infosys. We have now more than 130,000 Infoscion who have been trained on design thinking. By the end of this year I expect that we will be able to train everyone in the company on design thinking and similarly training in artificial intelligence, agile methodologies, and in all manner of new technologies is something that we continue to invest in.

In a nutshell, two and half years going from $8.2 billion in revenue or so to now we just crossed $10 billion on a LTM basis, continued protection of margins and continued to ensure that we have strong margins. That is the philosophy of consistent profitable growth. Improvement in revenue per employee despite the pressure, the commoditization, improvement in the attrition and the sense of inspiration among the employees is growing into completely new dimensions. We are now achieving new scale in the new dimensions and highest client satisfaction ever. That is basically in a nutshell from a performance point of view where we are.

As I look at the journey ahead, as happy as I am looking backwards to the last two and half years, the journey ahead is even more challenging and even more interesting one. Here is a quote from my friend Bill Ruh of GE. He will be here day after tomorrow talking at the NASSCOM Event. We have been doing some amazing work together on bringing design thinking and new kinds of solutions, co-innovation, to their platform. Here is a quote from the Head of HR and the Head of Technology for Visa on how we have helped establish a dramatic new culture as well as doing our traditional services. Visa has been one of our fastest growing accounts over the last two years and it is something that we are particularly proud of.

So as I said, as good as it is to look backwards and feel good about this dimensions of improvement that we have managed to achieve, the world around us is growing through a very rapid transformation. I want to switch gears a little bit and share with you some thoughts on what I see happening in the world around us. It is difficult to capture what is going on in a nutshell, but it basically has three dimensions. A very deep rooted sense of end user centricity. When you look at retail or banking or insurance or communications and telco and so forth. In any industry there is a very deep rooted sense in which things are becoming more connected. A continuous connection to the end user and serving end user needs has never been more important. These experiences are now increasingly becoming digital but they are also being powered by AI technology.

Underneath this enablement of the new experience is the intelligent infrastructure. It is governed by this exponential laws. I am calling it Moore's Laws, I know it is Moore's Law but I am calling it Moore's Laws because there are many of the similar laws not only in the performance improvement or cost performance improvement of processors but in many other dimensions of technology. We see these exponential price performance improvement. As a result of that, computing is becoming far more pervasive and that is all enabling and extreme efficiency of disinter-mediating existing industry.

If we look into this in a little bit more detail, here are three projects done by our strategic design consulting team. I mentioned, in the new dimension of our strategy, this one service that we offer where we co-innovate with our clients on things that are the most important to their future. On the right-hand side is a 3D printed fully functioning replica of a low fidelity model of a GE engine that is an aircraft engine. The entire engine is 3D printed and with a Microsoft HoloLens,

you can deeply examine the operational behavior of this engine. You can go back and change its design parameters, tune its design parameters and you can do predictive maintenance on it. All of that in real time. It actually has the potential to dramatically accelerate the lifecycle of these engines to dramatically redesign the nature of maintenance and repair on these engines. And also make the entire machine far more connected and far more intelligent, as it goes through its lifecycle. In the middle, you see a project that we have done with a very large agriculture company. This is a digital farm that we have built. Our team actually builds the farm. It is not only a digital farm, but it is a highly affordable digital farm that can be put together with extremely cheap components and it makes the plant itself connected. Supply of nutrient, supply of water, supply of light to the plants can be controlled thousands of times more effectively than in traditional agriculture. Instead of supplying water once a day or twice a day you can supply it two thousand times in a day by milliliters individually to the plant. The CEO of this company have told me that Vishal if you are able to do this, if you are able to connect into the plant itself, we will be able to improve agricultural yield by 30%. What we found in our experience was that some of the plants actually grow 10x faster than in the normal conditions, not only 30%. The entire Green Revolution that happened in our lifetimes, in my lifetime here in India, was at 22% improvement in agricultural yield. So, you can imagine what kind of a revolution this can create.

On the left hand side is actually a store that we have built for one of our luxury retail client and this is an entire store that looks like a store from 1850's but it is completely digital. Every aspect of the store, every part of this is digital. It is like a complete room, it is a large computer that is programmable, those mirrors and the coat hangers, and the closets, and everything that you see is all completely digital. The mirror turns on when you put on a coat. It knows what coat it is. You can see yourself in different circumstances and things of this nature.

So, all industries are going through this deep transformation because of a very deep rooted understanding of users enabled by a pervasive connectivity and pervasive computing. This is powered by Moore's Laws rapid advance. Moore's Law this year is going to be 52 years old, two years older than me. It is one of the extraordinary feats of human engineering achievement. Many people say that Moore's Laws is reaching its end. It is true that traditional Moore's Laws is reaching its end. On the upper right, you see a 7 nanometer wafer that DFMC has started to produce on a non-production scale yet. In early 2018, they will go production on 7 nanometers. When I spent summer at Intel working in the Intel AI Lab in 1990, I remember the micron process was going live, that was 1,000 nanometers. When I was building HANA at SAP we were at 22 nanometers process of Intel. Now it is down to 7 nanometers. This is an extraordinary thing. Of course, the reason people say that Moore's Laws is going to end is that 7 nanometers is getting already pretty close to physical scale. There are two silicon atoms in 1 nanometer, so at 7 nanometers you are basically at the width of 14 or so silicon atoms. So, there is not much more that you can get out of this. Probably by 2022, 2023 we will have 4 nanometers, 5 nanometer process but that is as far as it will grow.

But then other things are happening. On the left-hand side in the middle you see the neuromorphic board that has already been made by Jenn Hasler at Georgia Tech. These neuromorphic boards are ways of bypassing the traditional CMOS manufacturing process and going into new kinds of chip design. So therefore, some other new way continuing Moore's Laws is going to continue post 2024.

On the bottom middle you see the Nvidia AI Box that has 170 teraflops box of computing in it, two Intel processors of 20 cores and 12 or so of these Tesla GPU chips inside it. This is already shipping, a lot of the deep learning algorithms run on this kind of path.

And then of course on the bottom right you see this incredible growth that our partner AWS have had. That is a data center picture of a part of the datacenter of Amazon. They have dozens of datacenter, each one between 50,000 servers and 80,000 servers and collectively somewhere between 3 million servers to 5 million servers in AWS. This is an astonishingly large amount of computing capacity and AWS has seen 40%-45% growth in the last 12 months.

So, what we see is that this entire digitization and AI revolution is being powered by computing that is simply exploding. Even though the traditional Moore's Laws is nearing a trend in the next seven-eight years, the new kind of architectures and new kinds of technologies is going to ensure that we are going to grow significantly further beyond that.

As a result, new AI technologies are becoming possible. We all heard about this AlphaGo from Google last year that beat the world champion Go player. Recently the news came out that some students from CMU have put together a Poker playing robot. Now, why was Go significant last year, because Deep Blue beat Garry Kasparov in the middle of 90's. That was more or less a Brute Search computational capability exercise because the computer can look ahead in the Chess moves much more than the human brain can. Go is a different kind of a game. The computational complexity of Go is much worse then of Chess. With AlphaGo they were able to overcome that by bringing learning into that.

A new frontier has been broken. Poker is based on human intuition, on deception, on bluffing and things like this. It actually has beaten four of the top Poker players continuously and has earned something like $1.7 million as a Poker player online. So, this is quite an interesting development.

On the left-hand side, you see the autonomous car from Toyota which actually learns the driver's behavior as you drive the car and adjust itself to that. So, this is a great advancement that has happened in autonomous driving. Udacity has a car that is fully programmable by the students of Udacity who take the autonomous driving car class on Udacity.

On the right-hand side is open AI which is a consortium of research in artificial intelligence in the public good. I am very proud that we, at Infosys are one of the sponsors of open AI. Universe is a package that the open AI team has released recently. It has now 45 world class researchers and they are really doing some amazing work in artificial intelligence.

As a result of all of this, basically what we see, that it becomes much easier for a new comer to come in and disrupt in industry. Big parts of the supply chain and of the value chain can be disrupted and can be digitized. The world of atoms where we have been coming from, has huge numbers of intermediary. As digitization and computing replaces these atoms with bits, you can see that the value chain can be much more connected and can be much more zero distance. It can be much more efficient as a result of that, both in terms of pricing and in terms of production. So, this is what is going on.

As a result of that, when we look at the journey ahead for us, a lot more needs to be done. I studied artificial intelligence as a graduate student. There are two pieces of research that our team picked out. One is from McKenzie that was done a few months ago, going through various kinds of jobs and the potential of automation in those jobs. The other is the impact of automation in the IT BPO industry, in our industry, that was done by HFS Research recently. And you can see that India, according to this study has the biggest impact of jobs among all of these countries.

There are dozens of studies like this. If you research you can find out that recently, couple of weeks ago McKenzie Global published another one and Eric Reynoldson and Andy have done something. There are dozens and dozens of reports on automation. But really all you have to do is walk into any one of our floors at any company in the IT BPO industry and it becomes starkly clear as you walk around the floor that a huge number of these jobs are going to go away. It may not be two years it might be four years, five years, seven years, ten years, but there is no doubt that these jobs are going to be replaced with automation. So, what do we do? What is the nature of the journey that we are on? My sense is that there is only one way forward. Professor Mashelkar use to have this beautiful line "doing more with less for more" that is basically the nature of the endeavor. If you look at the complexity of human activity and plot that against time, the natural course of event is that we have to constantly be moving upward. That journey upwards is not only a journey upwards, it is actually accelerating.

There is a very straight forward duality that we have to follow. On one hand, we have to eliminate our work through automation and improve our productivity while on the other hand we have to deploy that improved productivity towards innovation. This is basically the formula. The reason for automation is so that we can continue to do the work that has already been commoditized more efficiently and more productively and used that improvement in productivity, become more innovative to do the new kinds of things for which there is still tremendous opportunity and tremendous value. Self-driving car engineered today is worth millions of dollars. What if we were able to produce a hundred thousand self-driving autonomous driving engineers? This continues productivity improvement but actually shifting continuously from things that are commoditizing towards things that are innovative is the basic point that has to be fueled by education. This idea that we study for the first 21 years of our life and then we do not study any more, we have to abandon this idea because technology will continually change. So we have to continuously re-skill ourselves. Thankfully we at Infosys have a tremendous advantage on this because we have always had a culture of learnability like I said.

So, the fueling of this automation and innovation journey on the basis of education is the key. The other basis is software. It is the intellectual property. If all we did was moving upwards on the basis of education, which alone will also become commoditized over time. Therefore, we have to take advantage of this improving productivity using software, using our software, software that is monetized. Instead of 10 people doing something if you now get that same thing done with three people, if you do not have your own software to do the work of the remaining seven then you are losing value and somebody else who made that software is capturing that value. Therefore, that software has to be monetizable. But for that software to be monetizable, it is software that has to be world class. It is software that has to withstand the test of outside world. It cannot just be a captive thing that you do only for yourself.

So, having software together with education powering this transformation is something that is critical for our future. This is why the same Mana platform applies to the renewal of our services and for the breakthrough new business solution. This is the reason why education for our traditional services as well as in the breakthrough new areas is something that is critical.

So this in essence is the nature of our journey in the future. John McCarthy the father of artificial intelligence once said, in a lecture that "articulating a problem is half the solution". That lecture changed the course of my life. Within our lifetimes, we are going to see AI Technology and get to the point where a well-articulated problem, a well-specified problem will be solved automatically. The human frontier at that point is going to be problem finding, creativity, the ability to look at a situation and see what is not there, to see what is missing, see what can be innovated, that is our future. One way or the other it is going to happen. When I look at 3.7 million people in our industry the only future I see is a future that is fueled by automation and getting ahead of this curve of automation. I see the future where the automation enables us to be more innovative to exercise our creativity, to exercise our ability and to find problems, not only solve them. If we do that we will be okay, if we do not we will get disrupted. This is the journey that I see in front of us.

So, I do not know how long I went on, Uday. We laid out a clear strategy. We have seen signs of early success but the world is going through a very rapid change driven by AI and Technology. Much more is still to be done to lead in the next generation of IT and with focused execution we will do it. Thank you.

Moderator:

Thank you, Mr. Sikka. Okay, we have the first question already.

Participant:

Very nice presentation. My first question is that, how much of the value in this transformation will be captured by the software versus the services company? I understand that Infosys is trying to adopt software plus services model but when you look at the overall value chain it is the software company that are gaining bigger and bigger share of the overall value in this transformation.

Vishal Sikka:

Our core business is services. We are a services company. But it is the software just like there is software-defined networking and software-defined datacenter and software-defined in retail and similarly there is software-defined services. So, we are talking about amplifying our services ability through the use of software, through the use of automation and by moving up in the value chain. So it is both, the value of the software itself will be there but it is more in services, where the real power will come from. And you see that in the numbers already. The productivity improvement in the first nine months of this financial year, compared to the first nine months of the last financial year. Last financial year in the first nine months we hired 17,500 people, this financial year's first nine months we hired something like 5,500 people, and

yet we improved utilization, we improved revenue and RPE and so on and so forth. So, more with less for more, powered by software and education.

Participant:

The second question that I have is something which is on top of everyone's mind, that how is your relationship with the founders and what does it mean for Infosys?

Vishal Sikka:

My relationship with the founders, it is wonderful. I meet Mr. Murthy quite frequently. I do not meet the other founders quite as frequently. I ran into Kris the other day in a Lufthansa flight and I have not seen Nandan for more than a year. But it is an amazing relationship. I have a heartfelt warm relationship with Mr. Murthy. I probably meet him four, five, six times a year, something like this. He is an incredible man, we usually talk about quantum physics and things like this and technology. He was telling me the other day about the Paris metro and how he worked on the Paris metro in the 1970s before he started Infosys. It had this whole idea of automation of autonomous driving and things like this. So, all this drama that has been doing on in the media, it is very distracting. It takes our attention, but underneath that there is a very strong fabric that this company is based on and it is a real privilege for me to be its leader.

Participant:

Hi Vishal, great presentation. I was curious if you could talk about, from your personal experiences over the last two and a half years, you have been turning around a really large ship. What have been your deepest personal experiences, what have been most difficult to accomplish, what have been easy to accomplish? And in light of that, if you think I were to ask the same question from the leaders of the smaller mid-tier IT services companies, what do you think they would likely say?

Vishal Sikka:

The second question I cannot answer. Compared to two and a half years ago, to me, it is disappointing to see the rate of growth and embrace of automation in the industry. I think more should have been done by now, but that is my opinion. When it comes to Infosys, it has actually been quite counter intuitive. I would not have imagined that zero distance would get picked up the way it did. One month after I started, I think September or October of 2014, this customer satisfaction survey came out, and it was incredibly depressing. I actually got the details of customers, the client’s feedback, it was a pile of paper that thick, and I read it over a period of one month. I read every single one of them. Consistently it was the same story that we used to get high marks on quality, on delivery excellence, on being responsive, being professional. And we would get the lowest scores on strategic relevance, on innovation, on being proactive, and it was a shock to me that that was the case. So, a lot of the ideas for Zero Distance formed in those four, five months, and by March of 2015 I launched it. Within nine months we had managed to create a very grass roots oriented culture around that. Recently, Ravi, our Head of Delivery, was talking to some youngsters and they told him that it is not a new thing for us anymore, we just assume that it is a part of our job to come up with something innovative in

whatever project that we are doing. That to me has been the biggest positive. The bringing of design thinking at a very massive scale has been surprisingly easy because of the scale. This comes from Mr. Murthy, the scale that was setup for education employees. The new, it is always difficult to embrace the new. So, I think bringing new in, in particular, letting go of your existing way of doing things and embracing. If a piece of software automates the work that you do, then embracing that piece of software and letting go of some of the manual work. It is something that is visible to you, that is something that is very difficult for people to do, and so that has been a hard thing. Some things that I thought were going to be much easier have turned out to be not so easy, some that I thought would be difficult have turned out to be much easier than I thought.

Participant:

In your Vision 2020, where we are in that journey? Would inorganic be a big component of it, how products will contribute? And given the recent noise in media, how confident you are seeing through that journey?

Vishal Sikka:

How confident am I of what?

Participant:

Of achieving that vision?

Vishal Sikka:

See, that $20 billion, 30%, $80,000 revenue per employee, has always been an aspiration for us. What good is an aspiration if it is not aspirational? So, we are marching down that path. When you launch something like training people on design thinking, you cannot say that we will get 100,000 people trained in the next one year or two years, you have to setup a grassroots movement and then let it go and see what happens. When you do it like that, usually it surprises you. These numbers are a consequence of the work that we do, they are not that you figure out some way to get to that number. You do the right thing and then if you do the right thing, these numbers are the footprint that we leave behind. They are the consequences of the work that we do. So, this is how we look at it.

Where are we on this journey? We are still early in this journey, we still have a lot of things to deal with, we have to get the consulting endeavor right, and we have to get BPO transformed. If we talk about the Infosys transformation as a whole, BPO transformation is even more difficult because it is even lower in the ranks and the skill levels and things like this. Many of the software assets have to still be transformed, like Finacle and so forth. We are still in the early stages of that. But generally, in the renewal of the code services and the adoption of the new services, I feel very good about where we are.

So now as we look ahead to the future, a new financial year is starting and so forth. We are going through this exercise of trying to think about what does the journey ahead looks like.

Taking stock of the last two and a half years and figuring out what the path ahead is going to look like in terms of both the software as well as the services, and the services amplified by software and so on.

Participant:

How big would be the inorganic component?

Moderator:

I have to stop you, one question. Because we are running out of time. I am going to come to this side of the hall and then back to you sir.

Participant:

Vishal, I understand that you are going through two huge transitions or transformations we are going to call it. One on the technology side where you articulated your walk through on floor, half the jobs would not be there in five years. On the other side, you are going through a cultural transition or transformation, a founder run company that moved in to your hands and the obvious changes that play out. I am sure this is creating a bunch of insecurity at the organization level through the different ranks. So two questions here, how do you communicate, what do you communicate through the ranks to ensure that people are calm and focused on the job. And the second is, what are the two or three key pieces of your strategy? As you are saying, two of our key foundation stones are moving around and we are probably shaking a bit. How do you make sure you anchor the ship better and navigate through this?

Vishal Sikka:

I think continuous and intense communication is very important across different parts of the organization and so on. That is something that cannot be overstated. You need to just communicate, communicate and communicate. And in our case it is not easy because the onsite employees are difficult to communicate to. They are inside their client context and so forth. So it is not so straightforward. The other part of it is that you have to demonstrate by example, talk is cheap but you have to really demonstrate in work that you are focused, that you are ignoring the noise and the distractions and so forth, and continuing to stay engaged. That is something, there are natural latencies that our brains have and there is not much you can do about that. I think that organizational change, organizational transformation is important. A lot of people would say that why go through this exercise of taking the leadership team through two years of a Stanford program and things like that, instead of just changing the leadership team. But if you change the leadership team then what happens to the layers below. You create a complete disruption, and not to mention you missed the point of transformation that is supposed to happen. So, I think that creating a context, creating an atmosphere which elevates everybody is something that is exceedingly important. Elan Kay says that context is worth 80 IQ points. So, if we build a real context around us that elevates everybody and can have the biggest transformative effect that takes time. The benefit of that approach is that it is very sustainable, long-term, lasting approach. The drawback is that it takes time. It is easy to plant a company here or there, buy some companies, put them inside and hire some leaders and put them inside,

but that is like appendages growing out of control out of you. That is not sustained, organic transformation in the true sense.

Moderator:

We have time exactly for one more brief question and one more brief answer. So try and keep your question as brief as you can.

Participants:

My question is on buyback. Some of the founders have said that they have written letters to the Board on this issue and they have not heard anything. Just your views on how you plan to utilize the cash?

Vishal Sikka:

The official answer is the Board from time to time will consider capital allocation policies. In the last four years we have reviewed twice, we have improved dividend payout, once from 30% to 40% and then again from 40% to 50%. When we have something to report, we will report it. Jayesh, did I miss something? Did I do a good job?

Jayesh Sanghrajka:

Yes.

Vishal Sikka:

But that was an official answer. The unofficial answer is that you look at the business circumstances over the next four, five years and then you look at what you need the capital for. Then based on that you decide. We will do that as necessary. In our case, it is basically three things, there are strategic growth initiatives, and there is a capital for buildings and infrastructure and so forth to house the employees. Then there is the investments, the acquisitions. I am not interested in buying yesterday's technology to make something or the other look good. We are interested in tomorrow's technology. And tomorrow's technology is usually expensive if it is really good. So, you have to be very, very selective in that. Based on how that mix changes over the next five years and based on that you take a decision on how to utilize the cash. We have done this with 50% so far and as we go through this exercise we will take a look at it. Nobody asked about visas or Donald Trump etc

Moderator:

Would you like to Suo Moto answer the question about Visas and Donald Trump?

Vishal Sikka:

No, there is nothing that has happened so far.

Moderator:

Okay. I am afraid that concludes our session. Thank you, Dr. Sikka. Thank you for being a very responsive audience.