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Good Morning, Everyone. I am Aniruddha Bhosale, the Indian IT Services Analyst at Deutsche Bank. I welcome you all to this session. We have with us the CEO & MD of Infosys, Dr. Vishal Sikka. He will be answering most of your questions and he is also joined by Dr. Tao Liu who is the EA to the CEO and Sandeep Mahindroo, who all of you know.

Without any further ado, I think we can get into the Q&A. To begin with, I have a few questions myself. There has been a lot of talk about the new Strategy. You have outlined and then you have given details of it in the last earnings call. I would like to get your thoughts on the whole changing landscape in terms of spend, you have coined it as "New and Renew" but how are the customers really looking at it and I would want to get a view both in terms of the industry as well as from an Infosys point of view?

Vishal Sikka

So I think that there is a clear duality in how customers look at their spending for services going forward, there is an increasing pressure to optimize around costs and deliver better efficiencies on what we can call the "Existing Business" and this part I have referred to as "Renew". If you look at energy companies or large banks, almost every single one of them have mandates to save several billion dollars in expenses over the next several years, same thing with energy companies, same thing with utility companies. Manufacturing companies feel a significant pressure as well to improve their cost efficiencies given the nature of digital manufacturing, digital disruption that is coming and so on. So on the Renew side it is all about taking existing landscapes and improving the economics around that whether it is by moving them to the Cloud, creating more and more automation around managing that. In the past it used to be that simply handing that over to the IT Services or somebody else who would make the costs better, it is still the case, but it is no longer enough, but also mobilizing the existing system so that they can be accessed from mobile devices and connecting them to Sensors and Analytics and Big Data, things of this nature. That is the Renew agenda.

And then in parallel to that there is an additional dimension of spending which is let us call it "New" for the lack of a better word, and the "New" part is about growing the business in new areas, in new dimensions, getting to new customer segments, understanding customer behavior in a new way, delivering new products and services or delivering products and services in new ways to new customers and to existing customers and so on and so forth. For example, if you are wearing devices, then what are the ways that a traditional customer in the retail or CPG industry can reach out to you or to understand your behavior and things like that. So on the New side, the challenges are completely different, everybody wants to spend money on the New, they just do not know, the problems are not well articulated, the problems are not well defined, people do not know what kinds of things to build in this new area. So they need a help on that, they need advice on what kinds of solutions to build for solving the New problems. The New areas are inevitably served by new kinds of platforms which have completely new price performance economics associated with those and things like that. So you have to also have that competence and the capabilities to deliver that in new ways. So bottom line is that, yes, there is pressure on both dimensions; however, a company that is well equipped to serve these needs, there is no shortage of business for that. That is sort of how I would bottom line that.

Aniruddha Bhosale

In conjunction to that, you mentioned platforms and there is a different pricing mechanism, the way you operate would change. How are you building your business case for the next 5-years with this in mind, and of course, you have also articulated that you want to get your revenue per employee

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to about $80,000 or higher and sore the margins to about 30% in 5-years time, how do you marry the two objectives?

Vishal Sikka

I mentioned this in my April Earnings Call, beyond the structural issues that are facing the industry, there were also additional challenges that are unique to Infosys that we have been working on for the last several months and before me when Murthy was there. These have to do with the fact that the company grew dramatically in the last 10-12-years and yet many of the underlying operational processes and so forth did not keep up with that growth and so there are unique challenges and, of course, when founders leave any company there are unique challenges that surface, and in my case when I started there were additional issues around attrition and people leaving and things like that, that we have had to address. So part of the resuming the growth curve in the company is simply to get that discipline, get the operational excellence into the way that we work: better proposals, more efficiency in mining accounts and things of this nature, which typically in a company of our size people assume, but in our case we have had to do some significant amount of work in this and we are continuing to do that.

But, let us put that aside, then the "Renew and New" that I talked about at our clients also applies to us, we have to renew our existing services that we offer today so that would be things like Infrastructure Management, Verification Service, Application Development and Maintenance which is the biggest one, Package Systems, BPO, things like this. I believe that the way we can grow that business there is by improving our competitiveness by differentiating on our competitiveness and by becoming more innovative, more differentiated. So that will mean first of all more continuing and renewing of the existing business so the extensions and so forth, it also means improving our winability in new deals that come up and it means improving productivity in how we deliver these services. So those are the few different dimensions of the "Renew" part of this equation. Beyond the operational changes that I talked about, the way we are doing that is basically quite straight forward; we are bringing automation into the way that we sell our existing services, so, I will give you one example, we recently acquired a company called Panaya, which is an Israeli company that brings automation to package system upgrades and change management and things like that so around SAP, Oracle, Salesforce.com etc., So Panaya of course is growing themselves significantly but beyond the Panaya sales force selling Panaya solutions to their own customers and to the Infosys customers, we have the Infosys sales force now that is kicking in and we closed the Panaya deal in the first week of March, so in the last little bit more than 2-2.5-months every vertical has now closed deals in Panaya meaning where the Infosys sales team brought Panaya into an account, in manufacturing, for example, we have already done 6 or 7 deals. It is not yet financially meaningful but it is very interesting because what it tells you is that the Infosys sales team is learning how to sell this new thing, it is learning how to sell it in a new way meaning, instead of saying for example that 30 or 40 people would go and do an upgrade project for a certain amount of money in a certain amount of time, you are now going and pitching that there is a less number of people and the software that goes with that. Because the software in many ways took the work that was done by the bottom part of that people equation. So the people who are remaining now are a little bit more expensive. And our endeavor is that you take the people, you take the software, and the overall cost to the customer is slightly lower or at the best the same as it was before, hopefully, it is lower so that their cost is lower and your product becomes more, solution becomes more competitive, but the margins are higher because the software is at whatever (+90%) margin.

So this idea is starting to make its way and these deals that I mentioned around Panaya, the same story applies to Skava which we are going to close in the next couple of weeks or so, it applies to our Edge product family, it applies to the work that we do on the Infosys information platform and especially the Infosys Automation platform where we again for Infrastructure Management or Verification, we take the Automation platform with us, and the model is the same. We charge for

the platform, we reduce the number of people, lower the cost for the customer, increase the margin, and this is the template that we want to repeat over and over again on the "Renew" side. And one other thing that we are doing on the "Renew" side is we have started a very large scale effort to bring innovation to all our existing projects and that we are doing on the basis of working directly with the project teams, so there was back in January or something February there was a news article that I was personally managing a thousand projects and now as you are all financial folks, any CEO of this kind of a company who says that he is managing thousand projects himself or herself should be immediately fired for gross financial irresponsibility, not to mention that the laws of physics tell us that it is impossible for a single person to manage a thousand projects. But having said that I had looked into seven or eight projects in detail together with a team and we came up with a template for bringing innovation to all the ongoing projects.

When we think about the bread and butter business, the ongoing projects, there were 35,000 ongoing projects in the company, this is the bread and the butter, this is what the company does. This initiative of bringing this innovation to every single project that is currently underway has really produced some extremely exciting results, and as of today, something like 60% of our delivery organization is now sort of infected by this, they have already produced that, something like 400 out of these conversations with clients have already happened, we did this thing that much better, one team, just as an example came up with an idea to simplify the maintenance of multiple applications that were similar into one and that produced a $1.2 mn in savings per year for a client, so things like that. In a very granular level this brings innovation and it brings an improvement into every project, it has financial implications as well. So in many of these cases there is a different financial conversations to be had with clients and so forth, but this is all about the "Renew" about how the existing business is going to go through an improvement all the way from basic operational improvements to the way that we run the business to bringing automation in, improving productivity, these 35000 projects are run by roughly 18,000 project managers inside the company and something like 60 to 70% of these project managers have already gone through a day long intensive program on Design Thinking and on Innovation on how to do these kinds of things. So that is what gives us the incremental improvement that we are looking for on the "Renew" side. And in parallel to that we are launching the new threads which is around new Application Development, which is around the products like Edge and Finacle and industry-oriented applications as well as the platform in the tooling work which we are starting to charge for. My aspiration is that in the next 5-6-years roughly 10% of the business will come from this New area but the vast majority will still come from the Renewal of the existing business where we will apply those changes that I talked about.

Aniruddha Bhosale

In the last few years we have seen tremendous focus on sales and marketing by Cognizant and TCS which has led to their success in whatever way and that has probably been the reason why Infosys has not done so well. How are you incentivizing sales and more from a near-term perspective and also from a longer term perspective given your strategic vision?

Vishal Sikka

That is a very good question. I think if you look at the history of these companies and certainly our history, you realize in the time of Nandan and the sales leadership at that time, there was a great focus on strategic conversation, but largely the offerings of Infosys were so well differentiated when Mr. Murthy was still there until 2004 or so, the nature of this amazing institution that we had built in India, and the learning, the training education and so forth, were offering such a distinguished and differentiated service that all you had to do was basically have a conversation with a client and then pick up money off the street. Over the last few years this has changed because of more competitiveness, because of company doing their own shared service centers

and because of companies like the ones that you mentioned coming up with a much better discipline and more world-class sales and marketing-oriented processes. So we have had to look at that quite seriously.

One of the things that I want to do is not to get into the hustling and the intensity of traditional sales and things like that, I think that is something that we can do better than that. So what we have been doing is, as most of you probably know, Infosys has had a significant consulting presence. We have had our own consulting team with a MCS team as well as a recent acquisition that we made of a company called Lodestone. So between them we have more than 100 senior partners and about 1200 or so people. Until recently this was a soloed organization that was primarily consulting itself, they were not selling Infosys. What we have done is we have taken the top 100 partners first and we have made them together with the account leader from the sales organization, we have made them co-leads of 200 most important accounts. So each of the 100 top partners will have a responsibility for two accounts – one is from the top-100 clients and one is from another 100 that we wish to be very strategically relevant to. And these consulting leaders will together with the sales leadership go and have the strategic engagement with the client and we have incentivized these people to grow the Infosys business in a very meaningful way and removed all the hurdles, removed all the ambiguity and the issues around overlaps and things like that, and given them a clear and a substantive incentive.

We just rolled this out a couple of weeks ago, and we are already seeing results of this. We have also taken control from the office of the CEO, we are now managing top-15 accounts – 3 accounts in each of the 5 verticals, the top most 3-accounts, which is actually responsible for quite a significant percentage of the revenue and where we have underperformed compared to the competition. So there are things like that. We are replenishing the work force, the sales force, we are also redoing the compensation plan and things of this nature, but these actions especially the consulting-oriented action is something that is going to work. And then from an internal systems point of view one of the things that I find that is incredibly weak in, I think, all the IT Services companies and certainly in mine, is the lack of sharing across projects and so forth and bringing best practices to bear and that is also something that we are doing both culturally as well as from a systems point of view.

Aniruddha Bhosale

Over the last 3 to 4-years with the change in management and the loss of leadership so to say and you mentioned the top 100 accounts, in a lot of your top 100 accounts you had slipped from being a strategic partner to being the tier-II or tier-III partner as well at times and that has cost you dearly as a company. How are you changing that both from your office and how are you monitoring it as well as on the ground, what are the changes that are happening with the customers?

Vishal Sikka

I mentioned the reason that the consulting, the deep focus certainly in the top most accounts, improving the quality of the sales engagement, also the nature of the engagement itself. So we have trained our entire leadership of the sales as well as the entire pyramid that serves the large accounts in Design Thinking from the point of view of helping articulate better to the clients what we do, helping understand their needs and especially their strategic priorities, getting better in understanding what the company has done that has worked extremely well at other clients in the same industry or another industries that might be relevant, things like that which appear basic but are incredibly powerful.

We have also a huge pipeline of doing a design session with our clients. So I earlier mentioned the Renew part and the New part; on the New part usually when clients do not know what the most

important, they have not precisely articulated the biggest need that they have. Design Thinking helps them understand and articulate what it is that their biggest need is, so, for, example one of the companies that we did a Design session with was a large utility company in Europe, this is a RWE and Peter Terium is the CEO. The Utility industry certainly in Germany, and this is probably the largest if not, one of the largest utilities in Germany, they were recently hit by a three way force – the nuclear after the Hiroshima, they wanted to get out of nuclear, the total deregulation as well as the fact that people are becoming more and more aware and into Sustainability, Smart Meters, things like that. So, basically, the company was facing a complete transformation from the ground up. Peter brought his entire management, board of RWE came to our campus in Palo Alto campus, it is a small office and they spent 2 days with us at Stanford and in our office and thinking about what are the most important things for them. They identified two what they call this "Minimum Viable Projects" that they will execute together with us over the next 6-months, now 4.5-months remain in this thing, and to totally basically rewire the company in a new way around innovation, or another example was the CPG company that worked with us, and they also started chocolate and one of the things that was extremely concerning to them was this ongoing demonization of sugar is how they called it, because sale of sugar has a significant for obvious reasons for the chocolate. When you think about demonization of sugar, there is no package for demonization of sugar and there is not a SAP demonization of sugar version-III or saleforce.com demonization of sugar package. You have to think about what demonization of sugar does to your business in a totally grounds up way and Design Thinking helps solve things like that. So we have already finished a little bit more than 30 Design Workshops like this with clients, and we have a pipeline of another 110 or so that we are going to do over the next few weeks and months, which again helps build a very deep rooted credibility and engagement with the clients and resets the strategic engagement with them.

Aniruddha Bhosale

We shall open it up for Q&A. Audience side, I request you to identify yourself before asking the question.

Sandeep Dhingra

My name is Sandeep Dhingra, Ashiana Capital. I just have a couple of high level questions; one is when you think of yourself and when you look let us say 5-years later when you look back at what targets you set for yourself, what do you want to be known as – do you want to be the industry-leading company with the industry leading growth in the industry or company with the best margin structure or who would you model yourself on when you think of your strategy?

Vishal Sikka

I do not feel the need to model myself after anybody in particular, but I think that the way I am is I am totally happy with that. What we want to achieve in the next 5-years is why I came to Infosys, one, because it is an iconic company that helped establish a new way of working, a new set of opportunities, and the global delivery model, and the work that Infosys did over the last three decades helped us create a kind of a new reality in India and we were founded by people who had quite a dream and who had a vision to do something new. This is not a large conglomerate that said, "Hey, IT is hot, let us get into IT as well." But because it was a 7-people with a dream – Mr. Murthy and six others – so I wanted to be a part of that, I wanted to be a part of the movement in India, but more than anything else I see that there is an opportunity.
When I was coming from a traditionally product-oriented world of SAP my sense was that in a services company, you basically have no restrictions in what you can do, you can work on any problem. One of the very interesting problems that I have been spending time on recently is

around balancing an airplane. Now when we buy a car, the wheel balancing of a car is one of these problems, but balancing an airplane is incredibly valuable problem because when you put engines on a new airplane, the engines come from different manufacturers and the plane has been made in a different facility. So there is an imbalance in the plane and you can use advanced technology to solve this weight imbalance problem in an airplane and save tremendous amount of money in manual flights to do a trial and error based and problems like that. So I look at completely new platforms emerging based on Open Source technology, completely new development reality with new agile methodologies, DevOps and things like this, new Cloud-based infrastructure, and this unrestricted opportunity to build new solutions to great problems of our times, to me that is an incredibly exciting thing to do.

So when I look at 5-6-years out, my wish is to basically get Infosys back to that highly differentiated position that its used to be in on the basis of innovation. And that will lead to financial success, that will lead to success in revenue, that will lead to success in margins, but it is that aspiration to solve. I want that our clients, when they think of their next big problem, they think of Infosys, when they think of how do they achieve margin excellence, they think of Infosys. On both those dimensions that we become that leading obvious company to call if they need help on something like that. So to transform from this hell of staff augmentation towards where you have a bunch of people who can come in and amplify what you do, this is something that would be a great goal to aspire for and that will lead to financial results, and I have talked about my aspiration of $20 bn in revenue at 30% margin by 2020 with a much higher revenue per employee ratio. That is a consequence of the goal that we wish to have and the goal that we wish to have is enlighten work force that works in next-generation ways to solve the great problems of our times.

Gary M

This is Gary M. from Tanner Capital. The first question is how much of the underperformance versus a couple of the competitors was primarily because your client itself had some issue? And the second one being that how much of that underperformance is again because you just bet against the wrong platforms versus internal issues in being able to market your services? And finally, how did you manage taking away top-15 accounts from your account managers and what was their reaction?

Vishal Sikka

On the last one we have not so much taken that away, they are still responsible for it and accountable for it, we just have additional scrutiny that I and my core office team takes responsibility additionally for the top-15 accounts. So in that sense I think that the team has a little bit more anxiety to do more but they are still the ones. We have not changed the account managers and so forth, they are still reporting into their segments and so forth, they just have this additional scrutiny that they have to go through. So every week we do three out of the 15 and we have already done the first ones and my sense is that we will go through this kind of a monthly scrutiny and they are productive because you are able to bring in more global perspective on how can the client situation be improved and things like that. So again my wish is that these 15 simply can become tip of the sphere for the rest of the pyramid to follow after that.

In terms of the underperformance compared to competition in the last quarter, there were three factors and I mentioned this in the earnings call, there was the macro economic situation, currency as well as the things that are happening around in Energy in particular, in parts of Manufacturing, in Telco and so forth, but a significant amount of that was also internal. So some of it is just our weakness in the way that we drive our business and the operational process excellence and things of this nature. So I would not say that it was because of making wrong choices or wrong bets and things like that, but it was simply because sudden ramp downs that happened extremely suddenly

caught us by surprise, and then beyond that, it was simply our internal complexity and inability to adequately address that quickly enough and take corrective action.

So up until a couple of weeks before the end of the quarter, this was not something that was visible to us. Those are the things that we are now fixing at very accelerated kind of a high urgency. People have always asked me, the New out of the Renew and New distracts me from the bread and butter business. My answer to that is that I wish it did, I wish I could spend more time on new and less on. Right now more than 99% of my energy is focused on the existing business and on improving our performance there, and the significant detail that I have got into, that my staff has got into, and Ranga and others and also Pravin, now almost a month after the earnings, I feel confident in the guidance that we have given for the year based on the pipeline that I see, and the opportunities that we see, as well as the fact that many of the moves that I talked about have already started to show results, the win rates have improved in large deals and just the pipeline that we see, I feel confident about the guidance that we have given.

Participant

On the new business that you mentioned, if you could talk a bit about the competitive landscape in that business, typically if we offer a new service to some clients, who would be your competitors and from a time perspective what is Infosys value addition vis-à-vis those guys, that is point #1? And point #2, although you mentioned that you spend 90% time on Renew, but clearly to us it looks like you are very enthusiastic about the New part. We would like to understand is, that what it means for the employee morale for the people who are engaged with the Renew business, which is still your bread and butter?

Vishal Sikka

So, from an employee perspective everything is both Renew and New. If you look around in nature, it is not that there are segments that are the New segments, and there are segments that are the Renew segments. There is not innovation department that "Hey, if you want to talk innovation, those are the innovation guys, and I am just sitting here and doing my job and do not ask me about innovation." This is absolutely wrong. Every single person has a responsibility to do the Renew and New. So the way I have articulated this inside the company is every leader in every segment in every service line as well as down to every project, and every individual works on both Renew and New, and it is not that there are certain New folks. So, for example if I look at the platform work, so we have done a lot of work in assembling the next-generation, what we call the Infosys Information platform, it is based on the Open Source Data Processing Technologies around Hadoop and Spark and so on. This technology is used by everybody, it is used by BPO, it is used by Infrastructure Management, it is used in our Package Systems business, and it is used for building this, what I call the 'Strategic Projects Team', which is one that goes and does completely new kinds of applications at new price points and new timelines. So, in every area there is a responsibility that the team carries to do both Renew and New. So I do not see that as an issue.

When you look at the bread and butter business, the ultimate bread and butter in the company is the projects that are currently underway. So more than in Infosys, non-BPO, non-consulting part, more than 110,000 odd so people work in the delivery organization. And these are the ones working on roughly 35,000 projects and out of 8,500, what we call 'Master Projects.' So this is the bread and butter, this is where the Renewal will happen. So the way we approach this was, there is a top down cascading of the strategy of how these things will evolve and how the automation will play a part in this, and consulting and all these kinds of things. But in parallel to that, top down work, we also started a bottom up initiative, this is zero distance initiative that I talked about. This we went directly to the project managers, and the project manager is the one managing the 10

person, 12 persons, 8 persons, 20 persons team, that is delivery a particular one of these 35,000 projects, and there are 18,000 project managers in the company that work like this, and we have had calls with all of them, tomorrow I am in Bangalore, tonight I will get there, tomorrow I will have another call with something like 520 out of these project managers. So we are working directly at the project manager level to work with them on how improvements can be brought into every project. What do we mean by improvements can be brought into every project? We work on basically improving the project itself to what you are doing, to something completely new that you can offer, one example of that is, wherever we do an analytics project, we add a forecasting capability to that, but it can also be an improvement to how you work on the project itself, is the methodology that you are using in the project, something that can be improved, could you embrace a new methodology, could you do something in a completely new way. So there is no boundary, a project team could pick something completely new like they could pick an automation platform to improve their productivity dramatically, or they could do something like bring DevOps into the way they are delivering the project. So it is not that there is like you walk into the Infosys campus and there is a new department and a renew department, they are all there in everything that is happening in the company. I think that it is an incredibly important point to see.

Participant

Vishal Sikka

The new areas that we are going to, there are not RFPs for these, and there are not things, it was very interesting, since we are in the Deutsche Bank event I could say this; Deutsche Bank helped us with both the deals that we did and many of our competitors went and asked the Deutsche Bank folks, "Why did you not call us for these deals?" And they said because there was no process for them, and they were like, "What do you mean there was no process for them?" Yes, Vishal and his team wanted to buy those companies and they were not for sale. So it is sort of like that, there is one project that we are working on, which is an incredibly exciting project, around redesigning physical spaces, and to make them more Digital. One of the things that, especially in Retail, or in Banking, or in Healthcare that you see, is that people have tremendous amount of physical infrastructure, retail stores, or bank branches, and people somehow think that Digital companies like Amazon or eBay or Alibaba coming and therefore all the physical retail stores are dead, and actually while they still have an advantage, while they still have a leadership position, they could redesign the physical spaces to become great digital experiences, an Apple Store is an amazing example of a great experience when you walk into the physical space, right. So we have been doing with some leading retailers and some leading banks this project, and actually our infrastructure team which builds our amazing campuses is part of the execution arm of this. There is nobody else there when we have this conversation and typically you are talking to the CEO, there is nobody offering a physical space redesign practice. In many of these new areas there is no competition, and sometimes there is from emerging new companies and things like that, but typically in the strictly new areas of business, it is more of an articulation of the value and having a conversation where the business seeing the need to do that, and things like that. By the way most people when they talk about Digital or SMAC or things like that, this is not what I would call New, this is basically like adding a mobile interface to an existing application or connecting it to sensors, or doing data analytics out of that, this is not the New, this is basically what we have done for the last many years.

Participant

You have evolved a pretty broad strategy, you have a plethora of options in the BPO and Services, you talked a lot about Cloud, Infrastructure, you talked a lot about Application Development and investing in Software Development. Anyway, you have this target now of $20 bn by 2020 which is pretty significant. How do you prioritize on this menu in terms of where you are going to put the greatest investment, where are going to acquire all the companies, and what is that look like in the next 12 to 24-months?

Vishal Sikka

That is a great question. Actually, Bernard Liautaud who was the founder of business objects, the company that we acquired when I was at SAP many years ago, he once showed me a list of priorities that he had and he had something like 400 priorities. And I said, "Are you kidding?" And he said "No, it is a large company." And I have 180,000 employees so I think it would be for our comprehension, for our focus it is important to have a few categories, but we have to understand that a company of 182,000 employees will have 1000s of priorities and that is okay, because each team, each unit, each organization will have to have their own areas of focus which are derived from your top level priorities, but then they break down into many individual priorities. So the basic Renew, New and culture is something that pervades everybody. When we talk about Renew and New, that is the business, but the foundation of that is the culture, that is the education, that is the systems that we use, the connectedness of the employees and things like that. So we basically ask every team, every organization, every service lines to improve themselves using these three dimensional things. So everyone works on a Renewal agenda, everyone works on a New agenda and everyone works on a cultural agenda. Those are the three, in that sense, the three high level priorities.

And the Renew is driven by improvement in the efficiency of the business, bringing automation in, bringing operational efficiency in, and things like that. New is driven by doing things in a completely new way. If you just look at BPO as an example, one of the things that we have done is on the Renew side we have hired a team which does exclusively focuses on automation on BPO processes and we actually found that in many cases people hand over the operation of a process to somebody like us because their process became so complex to run. I was walking one of our floors in Manila in Philippines, I was looking at one of the teams, that we had a something like 75% team, running a purchasing process of this company, there were using 70 different tools and one of the reasons that this process was outsourced to us was because of sheer complexity of that. You cannot automate the 70 different tools because these were the choices made by the customer over many years, but what you can do is you can build a kind of canvas around that like an excel based thing or some new kind of a canvas that makes it easy for people to inter-operate with these tools. So, automation wherever possible and using new tools like this to simplify the work would be in the Renewal agenda for BPO. The New agenda for BPO, this was something that I discovered, that was astonishing, this happened to me in the Czech Republic and I was walking around in the floor there and there was a team serving an insurance company and apparently we have served this company for 8-years and there was a lady sitting there and this lady had a master's degree, so she was very intelligence. I asked her how much volume are we doing here and I of course meant underwriting because that particular team was doing underwriting business for this insurance company. And I asked her "How much volume do we do, meaning underwriting volume?" She said, "We do 60 calls and e-mails in 24-hours." I said, "No, Volume of underwriting?" And then she looked at me and she said, "Actually I have no idea." And the sad thing was, that the amount of underwriting for each one of those incidents that she was dealing with was in the screen in front of her. There was one column which was the underwriting amount and it was a €51,000, €37,000, €62,000. I said the number. This is what I mean by the entire industry, and certainly, Infosys, people become so fixated on doing what they have been told that they become literally blind to the work that we are doing. Now, if you have served the insurance company's underwriting process for

8-years, there has to be an incredible amount of competency that you have built into what governs people's request, what happens at different times of a year or under different economic circumstances, then you can use to forecast this thing and tell them, "Hey, you are not seeing this cliff, that is coming in front of you in the next month or in the next quarter."

So in BPO for the last 3-weeks, we have offered a forecasting service. Every process that goes through us where we collect and report on information, we also offer a forecasting service, that would you like to get for extra money and insight into how thing is going to evolve in the next week, month and a quarter. And we have 5-clients now that we are working with this. So this is what the BPO team is doing. So in every team, there is a Renew agenda and there is a New agenda. This will take time, it is not something that is going to happen overnight. And frankly, most of the financial performance that we will get to in the course of the next year, year-and-a-half, will strictly be driven by operational improvements, not by all of these, but all of these is what is going to create a radical improvement that we need to get to the $20 bn goal by 2020 and so on. This is how I see it.

Participant

What I understand clearly is Infosys has got a very good account management culture, where you cultivate accounts and of course because of x number of factors you had some implications in terms of servicing, but vis-à-vis your competitors where more are focused on sales, management and acquisition of clients, this question is in 2020 when you are looking at $20 bn company, what kind of percentage and broadly across all verticals what kind of percentage would be Renew, Expanded New, giving this that Renew, and then New-New because New-New is something which is most important from a growth standpoint.

Vishal Sikka

Do you mean a breakdown of clients that are not clients today?

Participant

Yes, new acquisitions.

Vishal Sikka

We have not yet modeled that in such detail looking 5-years out. We have target for new account acquisitions within the course of the year and things like that and this is an aspiration model that we have built, with over the course of the next 4-5 quarters we will detail out into operational plans is the following: There is a certain amount of growth that we could expect or certain amount of financial performance at least near-term growth that we can expect if we did absolutely nothing, because of the ongoing projects and the contracts and the credibility that the company have built and so on. That gives you a certain base line. Then there is beyond the base line what you get and so on. I think this is what you meant by the Expanded Renew or your categorization. So the way we have broken this down is we want roughly 10% of the business in the year 2020 to come from the new areas which is working with start-ups as a segment, there are completely new kinds of applications and the sale of the platforms, the tooling. So these three areas would produce roughly $2 bn in revenue by that time, this is our aspiration. We would like that $1.5 bn in revenue is coming from acquisitions that we make between now and then or inorganic like the joint ventures or majority stakes in companies and things like that, start-up investment and so forth. So inorganic growth is one point. So that means $16.5 bn from the Renew of the existing thing. And that is something that will come as a result of the Design Thinking and innovation culture, zero distance coming into every project that we do, and that already leads to, roughly 450 out of these we have

had a conversation with the other clients and already we see low double-digit million revenue impact because of that, even though the improvement that the team has sought about so far as a result of this program that are launched has really not amounted to that much, and the improvement themselves could be significantly better. So that is one area bringing in automation. So this Panaya example that I gave will create another additional revenue, better operational excellence will create another additional revenue.

Mr. Murthy had told me when I started, he had hired a consultant to help us improve the quality of our RFPs, responses to a proposal and I have established a team, led by a very brilliant design thinker and she runs this team and every major proposal that we make goes through her and her team and they improved not only whenever this team is involved and now they are involved in everything that the win rate improves dramatically, we already won in the last 5-6 weeks, we have won 5 major deals because of that. All that this team does is that it forces the account teams to think from a customers' point of view. They force them to answer the question of what is it that this is making them do this, what are their top concerns and address these kinds of issues. So just a better culture and how we respond to proposals. So something that we were not doing. So that packaging of things will produce the growth that is necessary to get us to that $16.5 number.

Bauraj Pillai

I am Baburaj Pillai from Arohi Asset Management. Good part of the question you have already answered, but I just wanted to get this big picture clear. Clearly, we have challenges, we are trying to Renew, Innovation and everything else which you spoke about, better RFPs, that is all what is in our control internally. The other facet of business is the opportunity set out there – The Runway for Growth. From what you have been telling us so far it looks like there is enough runway for growth if we get our house in order and we do the right things with the right set of technologies, right set of people. Is that how we should look at it?

Vishal Sikka

Yeah, I have no doubt about that, in fact, I would even go so far as to say I have no doubt about that for the entire industry, there is enough runway for growth for the whole industry. The basic reason for that is the world around us is going through this very profound transformation driven by digital, computing technologies. And when the times are bad, that will be necessary, and when the times are good, that will be necessary.

Aniruddha Bhosale

That is all we have time for today. Thank you, everyone. Thank you, Dr. Sikka.

Vishal Sikka

Thank you.