“State of the Market”
Sobha Meera,
Regional Manager and Vice President – Sales (Canada and East North America)

Introduction by P. R. Ganapathy: Moving on, the first and most important stakeholder that we address in Infosys is our client. We have tried to help you understand clients from two perspectives. First, from the market, where we address the changes in the market place and in market condition; and secondly, from the execution side of the business, where we address the issues related to delivering solutions flawlessly and client retention. To throw some light on market condition, competitive pressures and our response to them, I would like to introduce Sobha Meera, who is Vice-president and Head of Sales for Canada and the Eastern North America region. She is based in Berkeley Heights, New Jersey and joined this meet by videoconference from Boston. Sobha has held that position as Vice-president for that region since 1998. She is an MBA from IIM Ahmedabad and an engineer by training. Sobha, before joining Infosys in 1995 had worked with other software service companies such as Sonata and HCL Technologies.

Sobha Meera: Thanks. Over the next 15 minutes, we will share with you our experience of the impact of the economic slowdown on the major markets that we operate in, the challenges and opportunities that the current conditions present to us, and our response and how we feel we are positioned with respect to these challenges and opportunities. There continue to be a diverse set of opinions on the impact of the economic slowdown on the IT services industry. While there is general agreement on the overall legacy of impact, the extent of impact itself is much **aggressive.**

Some of the latest estimates from leading industry analysts like IDC and Gartner forecast that the growth rates that are being predicted for the current year are between 11-12.5% as compared to a forecast of 5-year CAGR of 12-16.6%, and if you are tracking it, you will see that these estimates have been revised downwards time and again over the last few months. The latest report on the North American CIO magazine indicates that an increasing number of CIOs feel that they are going to be spending either less money than they expected to going into the year, or spending this money more slowly and at a much lower pace going into the year. The IT budgets for the year by the CIO magazine have been revised downwards to 6% growth over the next 12 months as compared to a 19% growth that was indicated in November 2000.

In addition to all these, we have seen that some of the recent forecasts and predictions that were made by the industry analysts about of the impact of the economic slowdown to multiple industry segments and geographies, has not exactly been on mark over the last many months. The European market, which was expected to be more immune from the slowdown in the US, has begun to see a downward adjustment in growth estimates already, and the security software services industry, which was again expected to be fairly immune to the downturn. In that segment we see very **(audio blackout)** and they are missing estimates, etc., and therefore that segment again has been pretty significantly impacted.

Despite the downward forecast for the ASP model, there is a visible demand or move towards the services that are on-line. So in essence what we are seeing is that there is a fair amount of noise in the market place and predictability or forecast in terms of what exactly is going on has not obviously been accurate.

What we are seeing and what we are experiencing in the market place right now is that while IT budgets themselves might not have been slashed significantly, or technically the IT budget still exists, there is a significant difference between the actual spend that is taking place, and we attribute this to two key factors, the first one is that a significant portion of the IT budget today is of a discretionary nature and this IT budget has been held back by some corporations and the second factor attributing to this case is the fact that new technology investments once again have been put on hold. So in essence what is happening is the bottom line management and cost reduction strategies that are being adopted by our client organizations are seriously impacting the actual spend in a downward fashion, that is what we think is happening in the market right now.

There is no doubt that the sluggishness in the market presents both a challenge and an opportunity for Infosys. There are three or four key trends that I would like to talk about. The first one is, there is an overall sense of cost consciousness, which makes the global delivery model more attractive at this point. The recent VISA research shows that in the last 6 months there has been a 35% increase in inquires for offshore outsourcing, which is a 50% increase as compared to last year. The interesting aspect is that not only there is more interest in the global delivery models but the global delivery model is becoming a more accepted model for a broader range of services, ranging from high-end IT consulting and all the way down to IT enabled services and support at the lower end.

The second trend that we are seeing is that, like Nandan mentioned, there is a fair amount of shake-out and consolidation that has happened in the IT services industry here and the time has come when clients are looking more and more towards financial stability, the quality of management, and what is the brand value of the vendor firm – in choosing the right partners, and these two trends we see as trends that are going to aid us, and that are helping us position ourselves and take advantage of the this time and the current situation. Couple of other trends that we are seeing, the worst is not yet over in the telecom sector, which was the worse hit sector in the recent past. There continue to be cancellations in the equipment manufacturer segment and project delays across the board in this particular segment.

Our strategies have traversed multiple industries and contain our exposure to any one segment in helping us weather this downturn. Despite the fact that there is an increased interest in the global delivery model and offshore services, what we are seeing is that the clients preparedness and readiness to actually implement the model and sign off and start moving is somewhat low, and again this is because most of our clients or there are increasing number of clients and prospects in the market who are looking at incorporating the offshore model as a core element of their IT strategy today, and towards that there is fair amount of organization redesign and organization preparedness required which is something that is holding back the speed of implementing any of the deals even when deals have been inked.

We are focusing on our strengths to convert this market environment into an opportunity for Infosys as to build a positional strength going forward, and towards this we see that there are two key trends, the cost consciousness that is being experienced by the market as well as the flight to quality, and the fact that Infosys is a brand which is very well recognized and established are helping us do this and **(audio blackout)**. The focus on total cost of ownership, higher and quicker return on investment, etc., are opening up arenas and areas that were traditionally dominated by the big 5 type consulting companies.

Areas like solution integration, or areas like high-end consulting, etc., etc., and now are seeing that because of the cost conscious environment, clients are more open to having offshore players and players such as Infosys who already have an established play in that particular space play a greater role and the opportunities are really opening up in that segment for us. The second trend is in terms of the competitive landscape itself. With a fair amount of US players dropping off and going bankrupt and with big 5 type consulting companies trying to create offshore capabilities, there is a convergence in service delivery models across the entire landscape, and again this is a trend that is playing in our favor because as a company we have invested over the last several years, in moving up the value chain, in building competencies and high-end consulting, we've built domain competencies, etc, etc., and with those capabilities today we are taking head-on some of these competitors as facing them was not really our biggest strengths in the past. The way we see this whole thing panning out is as we go forward, there are three segments where investment is taking place, the consulting and SI phase which as I mentioned has always been the strong hold of the big 5 type companies, competition there is not as high as it is in most other sectors.

There is pricing pressure, but again, because the competitors that are playing in that space are more the big 5 type consulting companies, it continues to be a high margin business for a company like ours. The decision cycles itself in this particular area are quite high and a fair amount of spent today is discretionary in nature. But going forward, as we get out of the slowdown and as the company starts to invest more in information technology, we believe that this is going to be a big growth area and we would have firmly established ourselves as credible players in this particular field. Then, the other attractive areas that our strengths play to is the strategic outsourcing market itself where competition is high, pricing pressure is high, decision cycles are medium, and here again we have an advantage because any client that is looking at doing a strategic outsourcing is seen to partner with a brand name vendor, a vendor which is a high quality vendor, and Infosys just come out as a premium company.

So, coming out of the slowdown, we believe that we are extremely well positioned to take off on both of these spaces, the consulting space as well as the strategic outsourcing space. It is our belief that all the investments that we have made in the last few years in building a unique value proposition, combines the elements of an end-to-end capability, that is to our investments understanding the domains and bringing in high-end consulting capabilities, etc., the methodologies and frameworks that are very relevant to today's market, where time to market is critical, where business values are most important. Our focus on quality, our global work force, our technology and domain competence and global infrastructure topped off with our visionary management allow us to very effectively deliver total cost of ownership, reduce total cost of ownership, and **attend** to market advantage in a very highly serious and predictable fashion, and this is a proposition that continues to be very relevant in today's market.

So, how exactly are we responding to these various challenges and opportunities that the market condition present to us. We have multiple initiatives in place, one of the key things we are doing is we are taking a broader range of services to both our existing clients and our prospect or new clients. In the recent past, we have seen a significant increase in high-end consulting engagements, both process consulting engagements, where our clients want to experience the benefits of Infosys' high process capability across there IT organization, and an increasing number of package and solution integration opportunities. We are also using the space to reinforce the value that our clients derive from our relationship. There is no doubt in our minds and in our client's minds that there is significant value that our existing clients derive from the Infosys relationship.

We are using this time of the market to partner more effectively with these clients in addressing their business problems, their IT response to their business problems in a manner that tightens the bond and deepens our relationship. Towards this some of the things that we are doing are client information sessions, sharing of best practices both informally to facilitate the client information exchanges, and formally through our annual client meet. We are also facilitating top and senior management exchanges across multiple functions, including functions like human resources, quality, and leadership, where we as a company have had some of the best thought leaderships, and some, something that our clients can learn from and benefit from.

In response to the trends where services delivered on-line are continuing to thrive, we have launched Workadia**,** a mid-market initiative through a joint venture with American Express and TIBCO. Workadia will provide hosted portals designed to give employees access to a comprehensive range of integrated business software applications, on-line services and content. Infosys will work not only on building Workadia hosted environment, but will also provide integration services to Workadia clients. We continue to network and further build our brand through working with prospects and new clients.

This environment presents us with a perfect opportunity to work with our clients in designing their outsourcing strategies, in helping their organizations get more prepared for outsourcing, and to deal with all of the change management support that is required when a client is making a transition using the global delivery model in a strategic fashion, and because of our brand image and our positioning as a highly credible player in this field, we've been invited by our more new clients and prospects who are entering this phase to help them and consult with them, or making this opportunity, or making this offshore model really work for them. We are also leveraging our brand to compete with consulting and **SI** majors, and the proposition there is the high value reasonable cost equation that we have been giving to our clients and that is very appealing in this highly cost conscious environment.

In addition to all these initiative we continue to focus on parallel geography and segment specific penetration and growth strategies. We are intensifying our focus on markets that are lesser impacted by the slowdown like France and Europe, and we are expanding into newer geographies. We have set up an office in South America for our banking products and we will continue to do that. In addition to geographies, we continue to focus on specific growth opportunities in the market, specifically the growth opportunities which are going to see an increased IT spending in the short term, opportunities like HIPAA**,** the Health Insurance Portability and Accountability Act, which is impacting all of the players in the healthcare industry.

The straight-through processing opportunity, which is again going to impact all of the players and financial institutions, and we continue to leverage our alliances with partners like TIBCO and SAP in going after specific product related opportunities. There are some of the things that we continue to do as a response to the challenges and opportunities that today's market environment presents to us.

So, in conclusion, we feel that the current environment has only validated the growth strategy that we have chosen in terms of expanding into higher value services, in terms of continuing to invest in the brands and in extending the brands to leverage our end-to-end services capability in entering new opportunity segments. We are confident that as we come out of this period of economic slowdown and as spending starts to happen again, we would have firmly established ourselves as a highly credible player in the very profitable solution integration and consulting space and in the strategic outsourcing space where we are already a leader, and we are in a much stronger position to take off as the spending starts all over again.

That brings me to the end of my presentation. Thank you.

P R Ganapathy: Since we are a little ahead of time, I think we have quite a bit of time for question and answer. Phaneesh Murthy, Member of the Board, and Head of Worldwide Sales and Marketing, will anchor the Q&A session for this particular session.

Mr. Phaneesh: Thanks Sobha for coming in at 1:30 in the morning, that's what the time is in Boston. Sobha just hang on for a few more minutes, we may have some questions.

Participant: I read in the one of the recent issues of Red Herring that the share of software and software services in the overall IT budget is shrinking after expanding for many years. If that is the case, what is the type of challenges we are going to face and first of all what is the view you are getting from your client on this particular aspect, and what could be the impact.

Phaneesh: The share of software and software services is shrinking this year because the bulk of the software and software services is really the discretionary portion of it. It is really difficult to change your computing environment overnight; it is a little difficult to change the UNIX box or the desktop and so on and so forth. So, when there are cuts, they tend to be more on the software and software services; you delay upgrades, and you delay some of the new projects. These we think are fairly temporary with the market, primarily because most customers have realized the strategic value of technology spending. If you look at it, two or three years ago, I used to compare the markets as, you now, where broadly if you stereotype, the American market was one where technology used to be for competitive edge, the European market used to be for MIS and Asian market used to be more for data processing, and we have seen that spill over, we see a lot of the European customers actually spending money for competitive edge applications, also many of the Asian customers spending. So, I think that critical thing of technology being used as a level for competitive advantage is there. So, I do believe that that happens primarily through applications and not through the hardware device or whatever. So I think once the market improves, that will turn down. Sobha, do you want to add something to that?

Participant: I think people like Anthony Perkins seem to indicate that it seems to be a permanent shift rather than one-year blip.

Male Speaker: Opinions will differ there. Sobha, you want to add?

Ms. Sobha: Yes. Again, that is definitely not what we are hearing from the market. If anything, the sense is that there are a lot of projects that are being put on hold. There are a lot of initiatives that will delivery business value that are being put on hold right now because of the economic environment and as the market conditions improve there is going to be a significant increase in the spent on services that is anticipated by our client community.

Participant: Hi, This is Anil Sarin from Birla Mutual Fund. In the toss up between volume and rates, where do you see things emerging, I mean, once the slowdown situation get over which area do you see is going to be preponderant, volumes being higher and bill rates settling lower or any other combination there of, what is your call.

Phaneesh: Once the slowdown is over?

Participant: Yes.

Phaneesh: Once the slowdown is over, I think there will be expansion on both sides. If the slowdown is over, then you are back in the 96-97-98 kind of a market framework I would say, which is you know increase in revenue productivity and increase in volume growth, both of them.

Participant: Let me clarify, what I understood was that it was in response to various crises that the billing rates were going up, if we emerge into a situation which is more stable and it is gently sloping rather than going very sharply up, in that situation do you see competition keeping billing rates in check.

S Gopalakrishnan: This is Kris Gopalakrishnan. You have to remember that worldwide, there is still a shortage of highly qualified technical resources. That has not changed yet. What has happened is there has been an overspend in the technology space, people have not derived enough returns from that and in response they have put some office spending on the back burner, temporarily halted that. So, once the slowdown is over, like Phaneesh said, you should see that there is actually competition for leveraging technology, competition for resources, and competition to access good partners and good customers.

Phaneesh: Just to close out on your point, competitive pressures I think are less of a concern for us in a normal market. I think we have the brands, we have the skills basically to address a problem right from the conception of the problem or the idea all the way through execution, and there is a significant premium for those services. So, in the regular market I actually do not see too much of hassles. The problem will come when, and in a down market also, the problem is because of the fact that there is a huge amount of perceived surplus capacity by the vendors, because the work has moved in/out, or because of the layoffs and all that. The pressure is partly from the customers but more I think from the other vendors because of the way they have reacted to the problem.

Participant: My question is typically not related to Infosys by itself, but typically we are in a growth stage of initial shift of industries to a particular countries driven by cost, and later on it is driven by capabilities which are not necessarily cost driven, and that is when the industry of that country in that particular field achieved maturity. So, are we driving, I mean, what would be Infosys' vision or outlook or action to drive this shift in technology development away just from the cost factor, and I think this is also important for a second reason that today most Indian software companies are primarily servicing America and there is a huge market outside America for IT services I believe, and we have to develop, in my opinion, competitive ability to even service this huge market at lower margins. Did you get my question?

Phaneesh: Yes, I think we got the gist of your question. Key thing I think is strategically it is very-very important to be able to provide a value at a greatly different cost structure. I think that is an advantage which we should never get away from, that you provide the same value to a client, but if you can do it at a completely different cost structure for yourself, then you have a lot more room to play, as has been, you know, if you look at the resilience of the Infosys business model that is really what it is. I can provide a value which lets an Accenture or Kurt Salomon, or Deloitte provide but at a different cost structure, and that is how the difference in terms of the fact that in a really bad time, we are talking about 30% net income, we are talking about growth, we are talking about adding people and investing in capital, and everybody else is talking about laying off. So, the question is what more can we do in this model, and we will change the entire face of consulting also through this, because if you look at consulting, strategic consulting a lot of that is really research, analytics, and data mining, which can be done off site, and if that can be off site, it can be done anywhere in the world. Remember, there are two leverages; most companies make money on one leverage, and Infosys makes money on two leverages. The leverage with which most companies make money is senior to junior, we make money on senior to junior and on-site to offshore. So, I can have on-site senior to off-site senior and provide really strategic value to our customers, but at a completely different cost structure. So, actually I am not at all apologetic about our cost structure, if we don't provide the right valve then I will be apologetic, but I think we are getting there. So, I think, we are providing the right value. Sobha do you want to add something.

Sobha: No absolutely. Also, if you look at the current market circumstances, the clients themselves are looking for a different kind of value, they no longer looking at just the low-hanging fruit like maintenance type opportunities, but the global delivery model, and the credible players such as us as a contender for higher value and services, solution integration, and various other things which we derive fair amount of business value from, and to that extent the focus on cost is going to shift away a little bit and not going to be as strong as it is in the traditional state.

Participant: My question is not answered, you know, in order to get volumes you may have to shift from the American market, you know, you have leverages of cost, which is very high in the American market, but which are not high in the other markets.

Phaneesh: I think we are expanding in all the markets, I mean, in Europe we have actually opened up offices and other markets in Europe, our footprint over Europe is fairly wide. We are expanding in Asia-Pacific also more and we will continue to expand. Remember, there are also some things which are slightly time dependent, in the sense that the brand, you want to go into these markets with a brand which is different from a cheap Indian brand, you want to go into these markets with a highly capable consulting kind of brands, so that you can still make margins, this is what you are talking about, right, I mean, you want to be able to provide the right value at the right price and still make those margins. Our Asian and European business is not less profitable than our American business, it is because the kind of work that we do may be different at different price points and so on and so forth. So that I think is really the key. So as we continue to build the brand, you will find that we will continue to expand more aggressively in different markets.

Participant: You mentioned about systems integration and **BPO** as two key growth drivers in future. When you talk about system integration, could you just lay out the competitive landscape in that business currently, and if **(audio blackout)** how is the Infosys positioned in this particular landscape and how is it perceived by the clients in terms of delivery. The second issue is, when you are talking BPO**,** could you be a little bit more specific on that at this point of time.

Phaneesh: Sobha you want to take first pass and then I will close out your answer.

Sobha: Actually everybody is breaking up, can somebody repeat the question please for me.

Phaneesh: I think the question, Sobha, was systems integration and BPO, a quick overview of the competitive landscape and what Infosys will need to do to deliver the service.

Sobha: Okay, to take it separately. The facts are, in the last few months, we have seen a doubling in terms of number of engagements we are doing in the SI and consulting space. So, I think that is a very validation of the fact that the market is more open to a brand such as ours, we have demonstrated our capabilities in this space and we are competing head-on with more and more big 5 type consultants in this space, and that is definitely a growth area for us going forward. In the BPO space again, because there are no established players in the Indian market at this point, we think that increased interest and gravitation towards the players of credibility for multiple kinds of services, the higher end services as well as the BPO-type services and other remote services, we are seeing a lot of inquiries coming our way, and we think this the whole phenomenon only positions us more strongly to have a strong play in that particular area.

Phaneesh: Just to close, you are saying what kind of services. So, the way we are looking at it is that there are various intelligent back office processing which goes on in any company, it could be complete accounting, Mohan could be running finance accounting for every fortune 500 company in the world, conceivably, why not, I mean, about the most qualified CFO any way. So, I am saying that what happens is that effectively you can take on complete business processes, I can do claims processing for an insurance company, I can do trade settlement for a securities companies, I can do the custodial services for somebody, the back office processing of that, I am not talking about the front function or whatever it is, but I can takeover the entire back office processing.

We are not trying to get into insurance or securities business, but we will just do the back office processing for that, and that is broadly what we are saying is the BPO opportunity. We think that basic principles of the fact that there is a large intelligent work pool with qualified managers will be a good thing for that market; we are exploring these opportunities.

Nandan: Yes, I think while both these things do represent new opportunities, I think we have to be clear that the growth and what we are talking about is really coming from the end-to-end solution provision that we are doing and that will really be the main driver of growth as and when we invest in new initiatives. As you know that different initiatives are different horizons of growth, therefore we are looking at mix of what we are doing today as well as new things to drive a long-term process.

Participant: Hi, what I wanted to know was, what is the size of the addressable IT services market for Infosys, and there is move towards consolidation, so what are the large players, what are their market shares, and how is that addressable market increasing over time.

Phaneesh: Okay. This has been of course the most difficult question to answer, is what is this addressable market, because it keeps moving, the window keeps moving because if IBM or EDS starts doing half of its work in India, then does it change the addressable market space, if clients set up their own groups in India, does it change the addressable market space. I don't know, but if you look at it, whichever way you look at it, it is a $300 billion total IT market, which is more than $100 billion done on services. So, as far as I am concerned that is an addressable market where anything is up for grabs. The share of the market, actually, we are finding it is an interesting situation, customers have recognized that this need not be a dominant share market for any player, because if you look at the largest player in this market, they have a very small percentage market, if you take of the $300 billion total market, then the largest share in this market probably will be about 6 or 7%. So, when you have so many players and the largest share is only so much, customers have generally come to accept that you don't need to be very-very large on anything like that, you need to be of a reasonable size and reasonable scale to be credible, you need to stable, but I don't think you need to be a $50 billion player or a $20 billion, primarily because there no such players. So, the customers have recognized that solutions can come from multiple sizes. Sobha do you have a take on that?

Sobha: No that is fine.

Participant: We are talking about the slowdown in the IT spending and still it is 6% growth this year, this is what we are expecting, and we are looking at revival. So, this is against the other industry, which are showing flat growths. So, what do we mean by revival and we are also talking overspend in the technology last year. So, from where will this revival come?

Phaneesh: Let me clarify. I would like to say that there is very little correlation between actual spending and budgets, I want to clarify this. Because all of these surveys that you are talking about are really based on budgets. If you look at it, the actual spending is less than that, because the sentiment has been so negative. So, my contention is that, at the end of 2001 if you take 2001 actual spending it will be negative compared to 2000 actual spending. That is my contention. Budgets might still be there, but people are not really spending. You could even look at the first six months of many companies, many of our customers, while the budgets were theoretically there, they didn't really spend the money.

Participant: Can you talk a bit about the HIPAA market? What is the size of the opportunity like and what is the kind of the assignments that are possible here? Have you already done some work on this?

Phaneesh: Sobha your sweet spot – HIPAA market.

Sobha: The size of the market is itself in a multiple million-dollar range. There is no complete sizing estimate on the market, but it is a huge enough market and an opportunity for multiple players. In terms of what exactly is the opportunity, pretty much all the core IT systems of the insurance companies, the health insurance companies, the hospitals, the pharmacies that interact with each other and share patient information are going to be impacted. Because this whole Act is about sharing information while protecting the privacy and taking the accountability for sharing of the information. So, in essence what is happening is that – most of the information in the system before the e-Health initiative as is popularly known in this space – is nothing but putting all of this information onto an e-platform, making it sharable and at the same time trying to retain a fair amount of privacy around it. The impact to all of these players in the health insurance industry is quite widespread. Does that answer your question?

Participant: Is it a highly offshorable kind of an assignment? That is another thing that I wanted to know. And what is the possibility that the FY02 deadline would be pushed back, because there does seem to be some lack of clarity there.

Sobha: The general sense is that there might be a push back on the time frame again, because all the parties involved might not be compliant by that time. To answer your question whether or not it is offshorable – it is offshorable to an extent that most of the engagements have been, I would say, may be 30 to 40% of the work will continue to have to be done onsite at the client's site. The analysis, the understanding of how the system integrates with other partners and so on, but when it comes to the actual coding and making the changes in the system that is highly offshorable.

Phaneesh: We have just time for one more question, I will give the mike to Krishnan

Participant: All through the discussion there has been a fixed assumption that there is a business cycle, which you can also describe to the IT sector. Now, unlike the other sectors, this sector does not have as larger history as one would like to have purely from marketing standpoint, to be able to predict how the market would move. I would like to understand how Infosys, both in Bangalore and closer to the ground in the US, looks at what the business cycle really means for this sector and how are your going about it from a marketing standpoint?

Phaneesh: We have no prediction on how long it is going to last, if that is what you are looking for. I think, we are doing, basically three or four things, Nandan pointed out, you know it is really back to basics from our perspective. The good news of course is that, we know coming out of it we will be very much stronger than anybody else, simply because of the fact that we are so much more optimized on the global delivery model, other companies have just started looking at it, and they will go through their own pains and their own heartaches in trying to make this work.

So, we know coming out of it, it is going to be very much stronger. So, effectively what we have to do is that we have to continue to get the right kind of customers, continue to do the business in the most cost efficient manner till such time as the investment and **(audio blackout)** technology projects come back with resurgent, and at which time we will be well placed any way to take on that, and parallely we continue to build the brand and invest in the marketing activities.

S Gopalakrishnan: Just to give a slightly different perspective, there is still a lot of business advantage to be derived from the technology. I you just look at what are the technologies which are out there today, in terms of cost reduction of processes, the increase in the speed of the processes, if you look at what is happening in the wireless and mobile technology space, not just in the mobile phone but how offices and the factories can be reconfigured by using the wireless technology, if you look at the penetration of computing, it is only affecting probably about 10 or 15% of the world population. So, if you extend all this, there are certain people who believe that we are probably in the middle of a technology spending boom, which results in competitive advantage, productivity improvements for organization. So, if that is the belief then we have probably a 10 or 15 year more to go before it can lose the steam.

Ganapathy: Ladies and gentlemen, we will break for the tea now and join back here at 11:45 for the next session. Thanks a lot.