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Kawaljeet Saluja (Kotak): Welcome back to the closing session of Chasing Growth 2021. Kawaljeet Saluja. I'm the moderator for this session. It's been an eventful two days. The last session promises to be a great way to conclude this conference. We have with us Salil Parekh, CEO of Infosys. Salil has three decades of global experience in the IT services industry with a strong track record of driving digital transformation, executing business turnarounds, and managing successful acquisitions. Salil has catalyzed change and taken Infosys growth leadership far earlier than what he promised. Before I engage in a fireside chat with Salil, may I request Uday Kotak to say a few words?

Uday Kotak: First of all, thank you, Salil, for joining us today in these unique times in the *post* pandemic world we hope, which is what 2021 will be. Salil, you came into Infosys at a very crucial juncture, and you were a part of the management change, which Infosys went through under your leadership. And Nandan-Salil Parekh team really had got renewed vigor and energy and redefining Infosys's direction. So I'm sure we're all looking forward to listening to your views, especially in the space of IT services where every few years people say, the going is getting tough and then something happens, including a pandemic, which makes IT back to center stage. So with that, I hand it over to you, and we really look forward to listening to your views. Thank you, Salil.

Salil Parekh: Thank you, Mr. Kotak. Thanks, Kawaljeet.

Kawaljeet Saluja (Kotak): Thank you, Uday. Let's jump into this conversation, Salil. But before that: please do send in any questions for Salil in the chat window, or you can raise your hand as well, towards the end of the conversation.

My first question, Salil, for you is that digital and core transformation was always known as a multi-year opportunity. However, the excitement around this has multiplied post-COVID. Do you think the renewed sense of urgency on transformation changes the growth rate for the industry? And if yes, can you define the catalyst and the durability of that?

Salil Parekh: So, thanks, Kawal, and thanks to Mr. Kotak for his kind words. As you mentioned, the digital focus is really that is what's driving all of this growth within Infosys, and we see broadly for large enterprise clients as well. So what is happening there is, especially in the last 11 months, but this was something that was already going on before that. Large enterprises were looking to better connect with their customers, improve their supply chains, and better connect with their employees, and all of that was driven by what is broadly called digital. In digital, there are a few themes which really stand out for these large enterprises. One is the theme on cloud, which is center to everything that's happening, and another is a theme on data analytics and the use of data. And that is built with a theme around experience or how you and I and everyone around the world is using technology through their cell phone or through platforms like this. So what we have seen is clients are accelerating the leverage of digital and cloud because it's giving them better growth. It's giving them more efficiency. It's allowing them to connect to their employees better. And in that light, many of the decisions we made to build capabilities of fuelling the growth, and that was broadly fuelling the growth within the industry as well. As long as we keep to this sort of capability building, my sense is growth is looking very good for the next few years.

Kawaljeet Saluja (Kotak): That's encouraging to hear, Salil. Do you think that clients' IT spending acceleration is a precondition for a healthy growth, let's say double digit, or do you think that the growth acceleration is predicated on accelerated outsourced IT spending?

Salil Parekh: So there, Kawal, the sense is it's a combination: What I mean is there is one theme which is based on efficiency, automation, artificial intelligence, which is driving a lot of the focus with our large clients. The savings from that is built into then investments and scale up of digital. And also going beyond cost, this is become a growth driver for companies. In that sense, it is independent specifically of IT budgets, because some of it is really investment budget also. So my sense is that growth is an element of both the cost efficiency and the investment scale up for digital. So it is somewhat decoupled simply from the IT budget at this stage.

Kawaljeet Saluja (Kotak): So, you know, with that as the backdrop, do you think that the client budgeting cycle, which all of us are historically quite used to following as a fairly critical event, you know, does that continue to be an important parameter to assessing growth towards the beginning of the year? If yes, what are the indications on budgets and what does it portend for FY2022E growth?

Salil Parekh: So there again from our client interactions, yes, the budgets are, of course, important, because a part of the IT spend will come from that, and a part will come from both business led investments which are technology investments, but may not come simply from the IT cost side. So my sense is the budgets are important. What we are seeing with early indications are those enterprises that have had a lead before COVID in digital and cloud transformation, have seen a huge benefit, and they are further accelerating. Those enterprises which were building this capability out during COVID are seeing the benefits and want to go faster. So, my sense is that digital and cloud part will continue to go well with the budgets we are seeing this year.

Kawaljeet Saluja (Kotak): Understood. Now, Salil, Infosys has topped the growth charts under your leadership. And the company has made remarkable progress in your focus areas, which is largely digital services positioning and localization. Assuming that these are now on autopilot, what are the other focus areas that might help you to be the either close the gap or break new ground?

Salil Parekh: Thanks for that comment, Kawal. I think, our focus remains very much on what our clients are looking for and it so happened that these capabilities of digital and cloud was what clients are looking for and are continuing to look for. In that specific space, we are talking about cloud, about data, about experience. We also see other themes which will emerge well the Internet of Things, and especially on the manufacturing sector and also cyber security, which is a very strong theme. Our goal will remain to be as close to what the clients' thinking is going ahead, and there cloud will remain a central part of that in the years to come.

Kawaljeet Saluja (Kotak): Marvellous. And you did touch upon cloud a few times in your answer, Salil. And that's my next question, which is on Infosys Cobalt. Infosys Cobalt clearly seems to add edge to your cloud play, but, you know, how do clients and ecosystem partners consume Infosys Cobalt? And what is the real advantage that you get in doing so?

Salil Parekh: So this has been designed, Cobalt has been designed for our clients. So what it has is about 200 industry templates, about 15,000 cloud assets. These are used by clients to either go faster in their cloud transformation journey or reduce the risk, because these are tried and tested assets. We have built assets which are based on software as a service, whether it's Salesforce, Adobe or ServiceNow. In infra as a service, whether it's any of the large three infra as a service providers, AWS, Azure or Google Cloud or on platform as a service, where we can build essentially cloud native applications with speed and with cyber security built in. So all of those elements we have partnerships across the board, and that's what's helping us drive this cloud acceleration with our clients. Those clients are looking for this today, but it's not just on one element. It's across on all of these elements within the cloud ecosystem.

Kawaljeet Saluja (Kotak): And that's, Salil, what's the go to market positioning for you on the cloud? Is it centred around your practice with each of the hyperscaler or, it will be Cobalt led? What's the go to market approach engine?

Salil Parekh: So there go to market is across a few dimensions. One, of course, is, as you referenced the partnerships with the cloud providers. It's with the large infra-as-a-service providers, but it's also with software-as-a-service providers. There are some new entrants where we are partnering strongly. For example, with Snowflake. There are some other large technology companies which are reinventing their cloud approach and we are partnering with them, whether you look at IBM or with Oracle. Then there is an approach where we are doing go to market through very deep industry teams, which know what is the driver in a industry. So you look at a retail business, and they have a tremendous drive in latency on cloud. You look at a manufacturing business, and they have a tremendous drive which is based on consistency and inventory management in the cloud. So there are different ways we are going within industry to drive the cloud business.

Kawaljeet Saluja (Kotak): That's really insightful, Salil. And what are the barriers to entry in creating such a cloud asset play? I mean, what are the kind of effort, which went in to creating Infosys Cobalt? And do you think this is a significant time to market advantage for you?

Salil Parekh: Oh, absolutely. I think, we were the first to announce a cloud business in Cobalt. We are seeing some of our peers are following us on that. As you recall, we started digital emphasis a few years ago, and in that we had created what we call the digital Pentagon. One of the biggest, one of the five elements of the Pentagon at the very beginning was cloud. So we've been building cloud assets now for over three years, and this was a way to bring all of it together in a way that was easily consumable by our clients. So we think this is a real advantage. We don't know how long, of course, some of the peers will take to get there, but we definitely feel we have some advantage.

Kawaljeet Saluja (Kotak): Got that, Salil. And shifting gears a little bit and moving to one aspect in which the company has done remarkably well under your leadership which is large deals. My question is that the general perception is that the lift and shift can accelerate near term growth. However, once the lift and shift is done, there could be potentially some void in revenues that will be created. Do you agree with this common understanding or assessment? And if not, can you detail the next level of opportunities that can be created in terms of leveraging native capabilities of cloud and business model innovation?

Salil Parekh: I think on large deals, one of the type of large deals is definitely, as you pointed out, covers the lift and shift. But the real focus for us is not the large deal in itself, but it's what is the business element that we are helping to transform. So you take an example, which is announced publicly by our client, which is Vanguard. So there the real business transformation is in the record keeping business, and that's what we are helping to accelerate from a digital perspective. Now if you step back, our focus has been to consistently scale up large transformation programs, and to make sure that they are run over a period of time. So, if you look at our last nine months, we've had about $12 billion in large deals. The previous full year was very strong but was less than $12 billion and the year before that was further less. So we are consistently building that up because we understand that these are a combination of different things. Our objective is to be part of the transformation programs and also make sure that we are supporting our revenue to grow in a consistent basis.

Kawaljeet Saluja (Kotak): Thanks, Salil. And Salil, when you look at your deal pipeline, does it continue to be as high as it was before the mega deals announcements? And is your pipeline dominated by mega deals, or is there a nice spread across various sizes?

Salil Parekh: So the pipeline has actually come back already to a good level post a couple of these deal wins, and I'm very happy with the way the pipeline is expanding. Here again, the main driver is we added capabilities across multiple elements which we can bring together, which is what clients are looking for. And one of the things that's happened here, which is a little bit of a softer element, is we have been able to bring all of Infosys together to work on behalf of clients. So we have this approach of 'One Infosys' that's driving our large transformation programs. But pipeline as I said is expanded, and it's a mix of large deals, which is above 50 million, a mix of small, medium, and mega type of deals across the base. It's not any one type of deal and which is what we prefer as opposed to one or the other size.

Kawaljeet Saluja (Kotak): Right. And when you think about the win rates in mega deals or large deals, how have they changed? If they have increased, then what are the key catalysts for it?

Salil Parekh: So the win rates are looking very good. As you know, we don't disclose publicly the win rate data, but we can say quite clearly that the win rates are looking better for us. One of the things we have done, which I was just sharing, which is to bring this 'One Infosys' approach where everyone within the company is really unified to work for what is in the best interest of the client as we do large transformation deals, and that I think is one of the reasons why we are being more and more participating in these deals.

Kawaljeet Saluja (Kotak): Got it. And I've heard you speak for the first time on 'One Infosys'. Is that something new, Salil, or that's something been ongoing and you just started articulating it recently?

Salil Parekh: So what we are seeing there, Kawal, is one of the reasons why things are working we feel is because the company is working in a unified way on behalf of the client. And that to me is a huge differentiator where everyone within Infosys from our delivery organization, our client facing organization, all of our support teams are working to make sure that the client situation is looked at in a careful way, and that is bringing a real impact for our clients.

Kawaljeet Saluja (Kotak): That's fabulous. Now, you know, life beyond the digital and shifting gears a little bit. And I just wanted to get your thoughts on globalization. Now, when I look at Infosys when compared to TCS or Accenture, it's lot more geared towards North America and Western Europe contributing to most of the revenues. Do you think that there is enough focus on core markets or is there increased intensity of presence in markets such as APAC, Japan, LATAM? And, you know, if that is the case, then, where are the models of engagement that would work in these geos?

Salil Parekh: So, there I think you're absolutely right, Kawal. I think, we are looking to build faster presence in some of these markets. For example, we have built two strategic partnerships, one in Japan where we have a joint venture with Hitachi, one in South-East Asia where we have a joint venture with Temasek. These are big strategic players in those markets, and these are places where Infosys historically had a smaller presence. Of course, North America and Europe we have a very strong presence for a long time. But we do want to scale up in these strategic markets as well.

Kawaljeet Saluja (Kotak): And on consulting, unlike competition you continue to invest in consulting, but with mixed results. How does one measure the success of consulting, especially given that there are no details available or shared with respect to this practice?

Salil Parekh: So there again, what I feel good about is our consulting business is working well. We've also built within the company a much tighter integration between consulting and the rest of the company. What it does is it allows us to participate in more business led decisions on technology. So today what we are seeing in the market is many of the technology decisions are not just in the realm of the technology group, but also in the realm of the business decision makers where they partner jointly with the technology leadership. So having consulting has become very big advantage for us because it helps us to partner with those decision makers much earlier and by doing that makes some of the large transformation program more easily a part of Infosys.

Kawaljeet Saluja (Kotak): Next switching gears to pricing, margins, profitability. All of us are always interested in it. So the first question that I have Salil, is that, as you find success in digital services, especially catering to business budgets, I mean, how do you instil a culture or a mindset to price for value as opposed to the traditional price to win? And have you identified the areas for this price for value paradigm?

Salil Parekh: So there, Kawal, first I'll start off by saying in the last quarter our margin was 25.4% and we are very happy with the high margin. Our ambition, aspiration and goals are always to be going ahead, a high margin business. Our approach there on digital specifically, and we've shared this before – our digital business, on average, has a higher margin than the average of the company. So we are very happy with how the digital business margin is and how that's growing. Our approach really is very much based on making sure that, as you call it, the value of what we're delivering is clear with clients, but we are also very clear that we have to make sure that the clients view us competitively. Given that we have 25.4% in Q3, we believe that some of those elements are working well together, but of course, it's something that we have to work on as we go ahead into the future as well.

Kawaljeet Saluja (Kotak): Right. Now I remember that one of the initiatives under Mritunjay was to create right pricing for skills and talent, you know, how was that initiative played out and has it helped in getting the right price for the services that you deliver? And hence, you know, a question around this Salil, is that, it's interesting to know that during the ERP era the IT industry had consistent pricing increase. Do you think a similar trend plays out now?

Salil Parekh: So there what we see is that there are elements of what we do, which is in the digital space where we believe that we can have much more success by improving pricing and shifting value, because this is what we're delivering to our clients. Now that initiative as you described, we have already launched. We are seeing some early benefits of it, but it's an ongoing process. My sense is, it will take several more quarters to embed itself within our system. And, even so, as new technologies come, as new skills are developed, we will have to constantly make sure we work to demonstrate that to our clients and once our clients are convinced, hopefully, that value will be translated. In terms of ongoing pricing, the more we can show that what we are delivering is of real high value, I think, the more we will see that improvement in pricing. But, equally, what we have noticed as you've seen in the IT sector is as many players become more and more proficient in a specific skill, then the value demonstration becomes more difficult. Our objective is to make sure that we are constantly developing new skills in areas that our clients are looking for and by doing that, we will continue to add more value in the pricing.

Kawaljeet Saluja (Kotak): Fabulous. And just a related question, just dwelling a little bit more on that point, Salil, what has worked for you in getting the right pricing for the digital skills? Have you embedded these in the sales KRA or incentives to drive home the behavioural change required?

Salil Parekh: So there I think the way we are looking at it is in each of these elements of where we are doing large digital programs, it's much more making sure that our sales and many times our delivery teams are communicating that with our clients and showing what is the difference in terms of the skills or the value. And so it's very much part of the measurement of what is being driven by delivery leadership and sales leadership that is helping us.

Kawaljeet Saluja (Kotak): And Salil, just to dig in on that point for the final time, what percentage of your digital portfolio would you characterize as having price for value characteristics?

Salil Parekh: So there again, as you know, Kawal, we don't share that sort of information publicly. What I can say is that more and more of our work in digital is focused on value. And our objective is to make sure that our value is recognized by our clients and that translates back into our own margin profile. Of course, as I shared earlier, the margin for our digital business today is higher on average than the margin for the overall company.

Kawaljeet Saluja (Kotak): Thanks a lot, Salil, for that. Now give us a little bit of sense on the supply side. As the war for talent hots up over the coming year or two, do you think much about the effect that wage inflation/reset might have on profitability? Or do you think that your ability to price for value is something, which will take care of this particular challenge?

Salil Parekh: So the good news is, I think, the technology growth is good. Therefore, the growth for the number of employees, the expansion for Infosys, more people joining and increased overall skill set for individual employees is very good. Now as a business, the one other benefit is, as we are growing, we are going to be able to build a much more efficient pyramid. So while each individual employee will also benefit, as a company, we will also have more efficiency, because we will be able to build a larger pyramid with a different goal mix. As a consequence, from a margin perspective, my own sense is growth in the overall company will help an overall growth for employees and will have a positive outlook on margins.

Kawaljeet Saluja (Kotak): Another aspect of margin is that history has shown us that when Indian IT has had the profitability boost due to extraneous factors such as, rupee depreciation, clients have eventually ended up being the beneficiaries and not the companies. Now when you look at today when the whole industry has pivoted to work from home paradigms thus enjoying savings as a whole, do you think that these benefits are something which can be retained by Infosys or do you think that these will be passed on to the clients, because they are not specific to anyone?

Salil Parekh: So here my sense, Kawal, is if you look at our company as an overall business, in any of these scenarios, we will always have a view that whatever benefits that are accruing, are shared with our clients, with our employees, and then with our shareholders as well. What I mean by that is our objective will remain to make sure we are closer to clients in terms of what they are looking for in technology. These benefits, whether on margin or cost are shared with our clients, but also our employees will benefit. And overall, given that we have such strong growth and we have strategic levers to maintain margin even with all of the change, we hope to construct a model, which is growing earnings per share each year, which will give benefits to the shareholders as well.

Kawaljeet Saluja (Kotak): And thanks a lot. That gives a lot of clarity, Salil. Now shifting gears a little bit on something which has changed quite a bit under your leadership, which is acquisitions. You have become very acquisitive. Not very acquisitive, but you've done a few acquisitions, which are future and digital oriented. When you think about Infosys's acquisitions in the past, those have not, really worked or played out to the extent, you would have liked. What is the institutional learning from the past acquisitions?

Salil Parekh: So the way we are looking, Kawal, at acquisitions going ahead is, there needs to be first a strategic element. So, as you mentioned we've done a few acquisitions in the digital space, whether it's in the Salesforce ecosystem or ServiceNow ecosystem, or the Adobe ecosystem and so on. The second, there needs to be a cultural fit in my mind with the company and with Infosys. We also need to be very clear that we embed a joint set of leadership with the company with people from Infosys, not inside the acquisition, but who are jointly responsible for our acquisition is working, and then we have an ongoing regular review and assessment to how this is going because let's say, when we -- there's a large number of acquisitions, things can go differently at different times. But the view should be to make sure that we are working to correct it as soon as we learn something. So this is the approach that we have put in place for the future and for the current acquisitions. Of course, in any acquisition it's not always clear that everything will work out. But if we put this sort of approach, the probability of success is somewhat increased.

Kawaljeet Saluja (Kotak): And what kind of financial outcomes do you aspire for when you make acquisitions?

Salil Parekh: So there our goal first is to make sure that these give us some method of acceleration into what clients are looking for. So we are not doing this to purchase a large revenue. These are small digital acquisitions, and this is what we see the client enterprises are looking more benefit in. This helps us accelerate our growth in those areas because we have already a position in that area. With that sort of an acquisition, we can grow faster and they are designed today for digital acceleration in the European market and the US market, plus we did something small in the Australian market.

Kawaljeet Saluja (Kotak): Typically, acquisitions are margin dilutive because of GAAP requirements and EPS dilutive widespread. Does that worry you in any way from the standpoint of margin guidance you give to the street?

Salil Parekh: So there our margin guidance we believe is in good shape for this year, of course, just a few months left 24-24.5%. But in general acquisition, the volume of acquisition we do in terms of the impact to the overall margin, the business is well within the guidance we will lay out. We also look to do things because of the price we pay which are earnings accretive. Even if they are not margin accreted at the beginning, we have usually plans to bring them up into the margin profile that we are looking for that particular business.

Kawaljeet Saluja (Kotak): Understand. Final set of questions from my side before I start taking questions from chat window. It's on platforms. That something which you have championed quite a bit and you also acquired. What's the rational or thought behind the entire platform strategy? And, when you think about this over the medium term, how should I place this in the overall, business mix and the picture for Infosys?

Salil Parekh: So today the platforms are a small part of our business. We have four platforms which we think are something we're working on quite actively. We have the banking platform with Finacle. We have the insurance platform with McCamish. We have the mortgage processing platform with Stater, and we have a platform for learning called Wingspan. All of these platforms have different dynamics. Some have a very strong growth profile. Some have a very strong margin profile and others are a combination of that. My view there is, we want to scale up our platform business, but it's a small start. In aggregate, it's not a big percentage of the Infosys business today. It's something we want to go into and start to scale up, but we will see as we develop it and it becomes a larger part, then we will start to be much more sharing in terms of what the meaning of this is for the future Infosys. Today, it’s something we have started and we're very happy with the progress. We have some work to do as we scale it up in the future.

Kawaljeet Saluja (Kotak): And let me be a little bit more greedy, Salil. I know there are questions in the chat window. But I'm going to ask you one more question. So please don't mind. When I look at the company, the attrition levels of the company is down materially. But as the war for talent heats up, where do you think, what do you think Infosys’ attrition will land up? And I remember the attrition of the past i.e. 17, 18, was 20% consistently. Do you think that that once demand starts improving, your attrition management and those aspects will remain under control?

Salil Parekh: So there my sense is, as you rightly said, there is a war for talent and one of the things Infosys is always been good at over the years is the basic training, because we recruit massively from colleges and then go through extensive training where people become much more ready for deployment. Now some other peers are not doing that sort of training. So in many ways it's an easy place for people to look within Infosys. Having said that, we have a very good connect with employees. We have a very good approach to how we look at different levels and progress of employees. While attrition will go up, my own view is we have a good sense of control on where we will manage it and we will be able to ensure that all of that is within the bands we have set for ourselves and not become something which is outside of those bands.

Kawaljeet Saluja (Kotak): Fabulous, Salil. Let me just ask you a few questions from the chat window. The first question is from Ritesh Rathod. His question, is how much has addressable market expanded for Infosys post pandemic versus pre-pandemic levels?

Salil Parekh: So there one of the things that we had shared a few years ago was the addressable market which is related to the digital capabilities. What is happened then is the growth rate of that addressable market has gone up over the last 11 months. And as a consequence, that is given a slightly larger addressable market than what we initially thought over this three, four year period of time. But in that sense, it does not materially change, but the growth rate has gone up in that 11 months or one year and that would give us more access to that market.

Kawaljeet Saluja (Kotak): And there's a follow on from Ritesh. This question is on Daimler deal. In fact, that's a question for all of us. Thanks, Ritesh, for asking that question. In the third quarter, Infosys won the largest ever deal in the history of Indian IT. What exactly is the size of the deal? And can you give more colour on risk element, geographical spread and, how does this compare to the early stage of large deals?

Salil Parekh: So in terms of what was shared in terms of the size, I have nothing more to add. There was an announcement in terms of the scope of the work that was made by our client Daimler, and that is what we share ourselves. To give you that again, it's a very large transformation for the cloud that Daimler is undertaking. It's a global transformation that they are looking at. They looked, of course, at many of our peers, and they were kind enough to select Infosys. In part, it's what we discussed a little bit earlier on the Cobalt, because we have, I think a broad base set of capabilities, both on the public cloud and the private cloud, and this is a deal which is focused on both of those elements. And private cloud is a very important part of the cloud ecosystem of the future. And it's also brought a lot of our transformation capabilities in the cloud, which Daimler felt were especially relevant for what transformation they wanted to try. It's something we are excited about because it's a new area of growth, this private cloud and cloud in general. And it's something which we are extremely focused on in making sure that all of the delivery elements are put together in a way that will be effective for the client. This is something that is going to open up in my mind a completely new area of the private cloud and cloud in general for Infosys. So in that sense, we are extremely excited that we will see deals of this nature where clients are looking at cloud transformation and where we believe they will partner with Infosys for their journey.

Kawaljeet Saluja (Kotak): Thank you, Salil. I expected follow up questions on the Daimler deal and there you go. You have one more.

This one is from Ravi Menon. His question is that given the scope of work, it sounds like there are data centre assets being transferred. Should we think of this as a departure from the way Indian IT services firms have done business?

Salil Parekh: It's difficult to say more like that about Indian IT services. What I will say is for us, it's a very strategic move to what is available in terms of cloud transformation for clients. In that area, it's a huge set of opportunities, because we believe that what we have put together in Cobalt is really market leading, and this is one example, if a very large enterprise like Daimler selects Infosys. And my own sense is, this is something where if we are able to work well with our clients, we will see many of these sort of large partnerships going ahead into the future.

Kawaljeet Saluja (Kotak): Fabulous, Salil. And sorry, because the questions just won't stop on the Daimler deal. Please don't mind. There is one more coming your way. This is from Stephen Dean. What is the risk in this deal? What could go wrong?

Salil Parekh: Here, again, you know, our focus really is making sure we work with Daimler in the way that they're driving the cloud transformation. We have a tremendous set of assets on the cloud, should we believe that this is something that we can help them and support them in their transformation, and they have very strategic agenda in how they want to go as I shared with hybrid cloud approach on public cloud and private cloud, and we believe we have the right set of capabilities to support them.

Kawaljeet Saluja (Kotak): There is one more question, but I won’t take that, Salil. Enough on the Daimler deal. So let’s shift gears a little bit. This question is from Aashish Chopra. His question is that you have spoken in the past about the small vendors being consolidated out, who couldn't stand the test of resilience amid the pandemic. But consolidation of broader scale of large vendors has been an opportunity in the making for some time. Are such deals an opportunity in the waiting or is it already a key contributor to your order book?

Salil Parekh: In that sense, if I understand the question, you know, it's both almost same because I give you, I have several examples in the past two months where I had discussions with large existing clients where they're consolidating with Infosys. One of the reasons being the track record of Infosys over the last 11 months in how we stepped up in the work from home and delivery and, of course, another reason being the track record over the past 15, 20 years where it's been incredible delivery that they have seen. So we have seen consolidation already happening. Then I think it's more maybe, if I understand the question consolidation as in some of the smaller companies being taken by the larger companies, my sense is that will happen, because what is -- what large enterprises are looking for today is to work with smaller number of select partners with whom they have large presence, and whom they trust significantly, and who also have multiple capabilities that can be brought together with all the complexity for the benefit of the client. So I feel strategically the position that Infosys has is much stronger than maybe some of the other player. So, therefore, there should be some consolidation.

Kawaljeet Saluja (Kotak): Thanks a lot for that, Salil. Next question comes from Atul Mehra. His question is that there are peers like HCL Tech, which had taken an acquisitive route towards building out products business. Did you take a look at these deals and would you look at the same in the future?

Salil Parekh: Yes, we have seen some of these. We have chosen not to do it. Our view is we are looking at essentially, if you do acquisitions for things which are future growth businesses and not typically end of cycle businesses, so in that sense, we have not done some of it. I think, different companies have different strategic ways of looking at it. And our peers are doing very well. So they have the rational, but from our perspective, our focus will be on digital within the services. And when we do look at things which are outside, it will be typically based on what we evaluate the future growth and margin outlay of that business should be.

Kawaljeet Saluja (Kotak): I've got a question from participant who seems to have a bit sceptical, Salil. His question is that the best of margin is already behind you. You have juiced out every possible lever. What else do you have left in your kitty?

Salil Parekh: So there, as we had shared in the previous quarter's earnings discussion, we have several strategic levers, which we are working on actively. To give you a couple of examples, it could be the onshore-offshore mix, what we call the onsite mix. We're seeing that trend further moving to offshore and we'll see how that plays out. We have subcontractor usage, which had gone up a little bit. We have some abilities there. Now there are a set of five or six of these strategic levers that we are working on. And we will continue to work on. Yes, there are some one time benefits that came in this year, and which depending on how travel develops, how other things develop in this next financial year will disappear. But having said all of that, we are very confident, of course, for this year of our margin guidance, and we remain confident that given our growth and how we are looking at margin, we will continue to make sure that we are a high margin player and we continue to make sure that we will have earnings growth for our investors in the future.

Kawaljeet Saluja (Kotak): Got that, Salil. Now let me just get a different tone of voice, live participant as well. I have unmuted Pratik Gupta. Pratik, please go ahead with your question?

Pratik Gupta: Yeah, thanks, Kawal. Thank you, Salil, for your time. My question is regarding the opportunity for geographical diversification. And what I mean is historically, Infosys and, in fact, the rest of the Indian IT sector also has been getting its -- bulk of its revenues from North America, UK, Australia and so on. Whereas the other markets like Japan, parts of continental Europe, Latin America, etc., have been more difficult to crack because of language, culture, other issues. So we're just wondering that going forward over the next couple of years, as you scale up your cloud services business, AI, IoT etc., do you think there will be an opportunity for you to break into these other new geographies and could there be a new growth leg for you? And also likewise the Indian private sector also, do you think in the coming years you could see more revenue coming from these other types of countries?

Salil Parekh: So there very much, I think, one of the things we have done, which we discussed a little while ago was these two strategic partnerships, especially in Japan and in Southeast Asia. We believe those will be good growth opportunities, but more in the medium term. These are strong strategic foundations we are building, which will help us for growth in the future. One of the things we look in as we look globally in different geographies is the ability in addition to language, I think, language now there's more and more openness, but will be the ability to see what would be the margin profile of the business as we scale that up, and that could be a critical element as we make some decisions in which geographies to go in. We think Japan would be an attractive geography, and we will continue to scale in that market, for example.

Pratik Gupta: Okay, thank you.

Kawaljeet Saluja (Kotak): Thanks, Pratik. We will take the final question from the chat window. This is from Nitin Jain, Salil. His question is that managed services deals have traditionally been not your area of strength. However, we have seen many such deals under your leadership. How are you controlling the execution of this deals?

Salil Parekh: So there one of the things I've shared in the past and you might have heard it is within Infosys one of our strongest points has been the delivery capability that has been built up over the last 15, 20 years and with a very strong support by everyone who has been associated with the company all through. Having that delivery capability, we felt that we have the ability to take on different types of deals. One of them as you point out is managed services, but as you see, we have the ability, I believe, to do different types of delivery deals because of the inherent strength that exists within the company on delivery. That's something which we feel that none of our peers have this depth of delivery capability, which is a real differentiation and a real advantage in the market. We believe we will expand on this and we will continue to do more of those types of deals in the future.

Kawaljeet Saluja (Kotak): Thank you, Salil. You are fabulous. And thank you to our audience as well who have been with us over us over the last few days. Thank you for your time and your questions. We’ll see you again at Chasing Growth 2022, hopefully in person, next year. Till then, wear a mask and stay safe. And thank you, Salil, once again.

Salil Parekh: Thanks, Kawal, and thank you everyone for joining us. And thanks to Mr. Kotak for inviting Infosys and me for this session. Thank you.