

WIPRO TECHNOLOGIES
Q4 and year end Earnings Teleconference
11:30am, April 20, 2001

Operator: Good morning ladies and gentlemen. I am Vinod the moderator for this conference. Welcome to the Wipro Technologies Earnings Teleconference. Mr. Azim Premji and the Senior Management team will present the company's performance for the fourth quarter. Over to Wipro.

Shankar: Ladies and gentlemen, a very good morning to you all. My name is Shankar and I am based in Bangalore, along with Sridhar based in Santa Clara, we handle the investor interface for Wipro. We thank you all for your interest in Wipro. It is with great pleasure I welcome you to Wipro's Teleconference Fourth Quarter Results for 2000-2001. The results being discussed are as per Indian Accounting Standards.

We have with us Mr. Azim Premji, Chairman and Managing Director; Mr. Suresh Senapaty, Chief Finance Officer who will comment on the results of Wipro for the year ended March 31, 2001. They are joined by Mr. Vivek Paul, Vice Chairman; Mr. P.S. Pai, Vice Chairman; Mr. Suresh Vaswani, President of Wipro Infotech; and members of the company's Senior Management who will answer the questions which you may have. The conference call will be archived and the transcript will be on our Web site www.wipro.com.

Before Mr. Premji starts his address, let me draw your attention that during the call we might make certain forward-looking statements within the meaning of the Private Securities Litigation Reforms Act of 1995. These statements are based on management's current expectations and are associated with uncertainty and risk which could cause the actual results to differ materially from those expected. The uncertainties and risk factors have been explained in detail in our filings with Security Exchange Commission of United States of America. Wipro does not undertake any obligation to update forward-looking statements to reflect events or circumstances after the date of filing thereof. Ladies and gentlemen, Mr. Azim Premji, Chairman and Managing Director, Wipro.

Azim Premji: Good morning ladies and gentlemen. Your board of directors in the meeting held this morning, approved the accounts for the year ended March 31, 2001. Sales for the year grew 35 % to 30.9 billion. Profit before interest and tax grew 99% to Rs. 7.4 billion. And profit after tax before extraordinary gain of Rs. 16 million, grew by 122% to Rs. 6.66 billion. This is the highest year on your growth in profits we've had in a decade.

Wipro Technologies, our global IT services business grew their revenue by 70% to Rs. 17.69 billion, and profit before interest and tax by 110% to Rs. 6.06 billion. Wipro Infotech, our Indian IT services and products business, group profit before interest and tax by 85% to Rs. 803 million. Revenue at Rs. 3.3 billion and profit before interest and tax at Rs. 477 million, was flat in consumer care and lighting business. Others segment

had a revenue of Rs 1.44 billion, a growth of 27% and Rs. 77 million profit before interest and tax.

Salient feature of the performance in Wipro Technologies, our global IT services business for the quarter is 8% sequential growth in revenues and 10% sequential growth in operating income; a margin expansion of 70 basis point from 34.7% to 35.4%. Vertical showing strong growth include R&D services contributing to 54% of overall revenue, up 4% which includes embedded systems contributing 20%, up 3%. Enterprise solutions retail and utilities increasing their share by 4% to 18%.

We've seen an all-round growth in clients. Accounts over \$5 million run rate grew from 19 to 22 and greater than \$1 million grew from 48 to 54. Two new accounts added in the quarter with a billing in excess of \$0.5 million of the 32 accounts added. Contribution from GE drops from 6% to 3%. On de-risking front, we have made substantial progress. US accounts for 61%, Europe 31% and Japan 7%. We have reduced dependence from US by 3% points. On customer concentration, the top customer accounted for 9%, top five 27% and top 10, 43%.

On the margin front, expansion of 70 basis points in the quarter is due to sequential growth and pricing of 6% for onsite and 7% for offshore. Offshore revenue increased by 2% points to 50%. This was partially offset by utilization drop of 1% in both gross utilization and net utilization to 62% and 70% respectively. We added net 444 employees during the quarter. Receivable number of days has improved from 64 days to 62 days. Provisions for doubtful debts has declined to 0.4% of revenue from 0.6%, reflecting the quality of our client base.

Wipro Infotech, our Indian IT services and products business which incubated R&D services for us, which incubated global support and the newly launched telecom and service provider's business for the global market has performed very well. The highlights of performance for the quarter are 58% sequential growth in revenue. And 99% growth in operating margins, a margin expansion of 285 basis points from 10.84% to 13.69%. On gross sales basis, that is including the sales that did not pass through our books as we account only for services revenue, revenue grew by 37% this year over the previous year. On sales without considering the (past two) revenues and excluding peripherals sale, the growth was 21% year-on-year.

In our services business, facilities management and systems integration were the key contributors to growth. Services coupled with newly launched solutions business contributed to 19% of revenue and 33% of operating margin. In the products business, the margins expanded significantly through focus on high-end enterprise product and increase volume and productivity improvement. Receivable number of days has improved from 70 days down to 63 days. In consumer care and lighting, our strategic (increased) lines, toilet soap grew by 14% and lighting products by 17%. These were offset by drop in Vanaspathi sales of 41% keeping the revenue flat. The mix of revenue in higher margin segments growing is not reflected in operating margin growth, as we

have invested in advertisement and sales promotion, an increase of \$60 million in the year over the previous year in building new brands.

Our investments have realized 231 million for the year at an average yield of over 10% for revenue denominated debt investment and over 5% for dollar denominated debt investments. Majority of the cash surplus we have is from the ADR proceeds which we did for strategic purpose of building a global brand, providing dollar-denominated stock options to our employees and creating a currency for acquisition. Our brand-building exercise has got off to a good start. Our price realizations has improved significantly over the pre-ADR days. We have a team for acquisition in place since August 2000. We have evaluated a number of companies. The positive factor is that we did not do a deal. Given what has transpired in the US market which you are well aware of, we are better off for not doing any deal, again has been the significant knowledge on due diligence that we have built up. Going forward, our intentions are clear. And we believe no deal is better than a bad deal.

Looking at the year ahead, US economic slowdown has put our target customer base of Fortune 1000 companies under profit pressure. This provides us with an excellent platform to demonstrate or value add to them in enhancing their profitability. We do have an attentive audience. Our demonstrated technical competency and quality process de-risk the customer in the efforts to enhance their profitability.

On the utilization front, we had a gross utilization of 66% for the year. That is billed people divided by the total number of employees on our payroll in the business including support staff, trainees and sales and marketing team. This stands unchanged from the level of utilization we had in the previous year. From a quarter-to-quarter perspective, the utilization was 62% compared to 63% for the quarter ended December 2000. The 1% drop in utilization during the quarter was offset by the profit improvement plan we have implemented.

The profit implement plan we have initiated is based on six-sigma quality process and extensively leverages the web and reverse options. Our six-sigma quality projects focusing on costs have realized savings of Rs. 315 million for the year. Most of the saving in our global IT services business centered around improving productivity that is in Java projects for coding and unit testing phase. The project developed and identified tools by which the testing time was reduced from 10-person hours to 30 minutes. The benefit of improved productivity was passed on to the customer. This is the type of solutions that customers in the current environment want. We will intensify the activity level of this going forward.

Using reverse options of our 01 market place, we have realized savings of 23 million on purchase of 253 million for the six months that's 01 market operated. Procurements of IT products, cement and steel for building our development centers. The gain is computed with reference to the best price we had negotiated using conventional procurement. We will expand the items procured using 01 markets. Additionally, corporate team in team with business unit identified and realized Rs. 127 million of profit improvement during

the year, of which Rs. 67 million was a one-time gain and Rs. 60 million as recurring gain value. Our continuing profit improvement plans will be to counter margin pressures.

On people cost, in October 1999 we linked a portion of the salaries to quarterly operating margins for each of the businesses. Today, around 15% of the manpower cost is linked to operating margins up from below 10% in 1999-2000. A trend we will continue aggressively. This provides a direct link for employees to share in the rewards and interests of business operations based on cash flows of the business. Industry data for the year is not available as of now. Based on our estimate of industry performance, we believe that we have grown ahead of the industry in all our strategic business segments. And we have achieved operating margins comparable to the best in the industry. Looking forward, predicting the future is not a science anyone has perfected. We anticipate that we will grow ahead of the growth rates for Indian software exports in the current year. I will request Suresh Senapaty, our CFO to share some highlights of our asset position before we take on questions.

Suresh Senapaty: Thank you Mr. Premji. And good morning ladies and gentlemen. I would like to touch upon some supplementary issues on the financial. Cash profit for the year was Rs. 8.6 billion a growth of 104% over Rs. 4.2 billion in the previous year. Cash flows from operation of the year was 7.1 billion, a growth of 45% from 4.9 billion in the previous year. Of this, 1.09 billion was provided towards income tax, 2.7 billion invested in fixed assets. Our capital employed as on the yearend was Rs19.2 billion, of this 36% was deployed in global IT services business, 4% in Indian IT services, 5% in consumer care and lighting and the balance 55% was deployed on the others. Of the 55% of others, 8.8 billion or 46% was investment earnings interest.

Cash supply generated from operations in India is invested in triple AAA rated companies in tenures not exceeding 90 days. ADR proceeds are invested in the US market in treasury instruments and bank deposits with tenure not exceeding 180 days. On return on capital employed for the year was 56% for the company which consists of global IT services business, for which global IT services had a return on capital employed of 124%, Indian IT services and products had 105%, consumer care and lighting business had 71%. Wipro Ltd without the ADR funds had a return on capital employed of 72%.

We have prepared accounts complying with US GAAP. The net income for year is 6.46 billion compared to the net income under Indian GAAP of Rs. 6.66 billion. The difference of 0.21 billion is due to the following: in our Indian IT services and products business to comply with the revenue recognition norm prescribed in staff accounting bulletin 101 which is effective January 01, 2001. On revenue recognition for sales where payment is linked to installation, we had two options: A) Deferring the recognition for sales, deferring the entire sales or B) deferring the portion linked to installation. We opted for the more conservative practice of deferring the entire sales. Rs. 370 million of sales was deferred, that has a profit impact of Rs. 59 million not being recognized as of March 31, 2001 under US GAAP. Under Indian GAAP, the discretion to defer revenue recognition is not permitted in line with the staff accounting bulletin 101. Second item of difference is Rs. 45 million on amortization of goodwill on purchase of KPNs stake in

Wipro Net in December 2000. The third is provision of interest on sale of investment with a (put) option. And the other differences are on account of consolidation of subsidiaries financial statement and accounting for the share of income in affiliates. Profit under US GAAP is 97% of the profits computed under the Indian GAAP. With this, we will be happy to take questions.

Operator: Thank you very much sir. We will now begin the Q&A interactive session. Participants who wish to ask questions please press star 7 on your touchtone enabled telephone keypad. To withdraw your question please press hash 7. On pressing star seven, participants will get a chance to present a question on a first-in-line basis. To ask a question, please press star seven now. Our first participant is Mr. Sandeep Dingra.

Sandeep Dingra: Good morning gentlemen. Congratulations on the brilliant performance. Just couple of questions. One is, you know, can you tell us a little more about the market environment in the US. Are you seeing signs of pricing pressure? Are you seeing sales cycles getting longer?

Azim Premji: I will request Vivek Paul our Vice-Chairman and CEO of our Wipro Technologies our global software business to take this question.

Vivek Paul: What we are seeing right now in the US on the positive side is a increased interest in offshore outsourcing. If you look at the number of leads that we have generated by our Web site, which really is people going on their own to learn more about offshore outsourcing. We had a record number of leads in the fourth quarter. On the not-so-good side, I think what we are seeing is projects being postponed or frozen. I think that in terms of winning a deal, the cycles times aren't getting any particularly longer per se. I think what we're seeing is that if customers have planned five projects, they are going into an indecision mode and freezing it. I think that once the economic environment in the US becomes clear, that unfreezing will happen, because the customers are not that much thoughtful about is it going to be boom times again or downturn. What they are looking at is once I know the environment and then I know which projects to fund. And if I know which projects to fund, I know what to go ahead with. So, I think that what we are seeing is in a short term, a little bit of a freeze on projects. On a longer term, driving more interest in offshore outsourcing and a willingness from customers to change the kind of projects they fund from let's say a creating their avatar on the Web to maybe doing more cost management kind of IT work.

Sandeep Dingra: Any thoughts on the telecom side, you know, because that's one area which has been speculated about. The fact that there is a huge cutback in R&D spends specifically. So, as relates to your telecom R&D outsourcing, is that a business which we should worry about?

Vivek Paul: Let me put a broader context to round it which is if you look at our R&D services business which grew from 50% of our total revenue in the third quarter to 54% of our total revenue in the fourth quarter. If you look at the makeup within that, you have to first take a look at the telecom box makers. While certainly some telecom box makers

are going through harder times than others, what we've seen is that as a basket, the full set of telecom box makers has grown and we expect it to continue to grow as a basket. The other elements of our R&D services business is the embedded systems SBU and the newly launched technology and Internet and service provider SBU. Both of those continue to grow very nicely and in the fourth quarter reached a record 23% of our total sales.

Operator: Thank you very much sir. Our next participant is Mr. Ashish Kumar of CSFB.

Ashish Kumar: Hi this is Ashish here. Congratulations on a very good performance. Sir, if you could throw some light on what visibility do we on the June quarter, what sequential revenue growth do you expect?

Azim Premji: Vivek Paul will take this question again.

Vivek Paul: If you look at the June quarter, we expect it to continue to be muted. I think that over the last quarter, as you know, we have had many moving parts kind of all working at the same time. We've been working through a change environment as well as downsizing our GE relationship. That continues to be something that we will do over the next quarter as we zero out the GE relationship. But if you look at visibility, there are several indicators. Repeat business from customers was 91% for the year and 85% for the quarter as we continue to have a lot of customer visibility from existing customers.

Our offshore development centers which is investments that customers have made in setting up a development center corresponded to 59% of our sales for the year, 58% for the quarter again giving some nice repeatability. Customer engagements in excess of \$1 million which again is a tighter lock on the customer, accounted for 85% of business and offshore revenues 50% of our revenue. So, I think, in aggregate you have many revenue indicators that continue to be strong. But in terms of the specific June quarter, we expect performance will continue to be muted because of both, I think, that the freeze that I mentioned earlier will last probably another month or so. And we do have to work through the GE ramp down which will happen through the end of May. GE by the way, for the last quarter was 3% of our revenue, should be less than 1% in this quarter.

Ashish Kumar: Sir, if I may request both of you to give us a bit more specific guidance. In the press release, and Mr. Azim Premji you now again stated that you think you do better than the industry. Now, you know, depending on which company you speak with, you could have different estimate for industry growth rate, and NASSCOM has one. So, what is the number you have in mind that you are saying you are going to, you know, better that? And additionally, do you think June quarter could have flat revenue growth, no growth at all in global IT services?

Vivek Paul: Vivek Paul here. Let me take that question. If you look at the different industry forecasts, I think the one that perhaps we're most familiar with is the NASSCOM one. Because we participated in that directly as did many other of the

leading Indian IT companies. So, at least the one that seems the most grounded appears to be the NASSCOM one. In terms of whether we have a flat quarter, I think that, you know, our expectations should continue to be that we would like to eke out growth. I hate to do a song and dance in terms of not giving you a specific number, but we just don't give guidance specifically for the next quarter. What I do want to say though is that it will be muted, we should see some growth. I think that I mentioned a lot about the various aspects of our revenue that gives us a fairly high degree of comfort. But that's about all I can say.

Ashish Kumar: Thank you very much. But one last question. Unlike many other companies, and you sort of surprised at least me you know positively. You had both onsite and offshore billing rates going up sequentially. Where there certain contracts that were renegotiated recently? Could you throw some color on this?

Vivek Paul: Yeah, I think that, you know, we got the benefit in the last quarter of rate increases that we had negotiated over the year. So, I think that if you look at what that means in terms of a flow through for the next year, if we got no rate increases from anybody, we would have an 8-point revenue productivity next year just based on the contract that have already been renegotiated.

Suresh Senapaty: Also, Ashish, for the quarter, you know, when the contracts are falling due, to start effective from April 01, 2001, we are also going through with the customer and we have been able to get good, fair, decent increases in the existing contract.

Ashish Kumar: Okay, sir, thank you very much and congratulations again.

Suresh Senapaty: Thank you.

Operator: Thank you very much sir. Next participant is Mr. Anantha Narayan of Morgan Stanley.

Anantha Narayan: Yeah, hi. Good afternoon. You mentioned that there is some extent of freezing of spending. Now, Infosys has mentioned in a public forum recently that they are seeing some reversal of this in March output. But from what we can gather from you, this does not seem to be in line with your experience. Would you like to hazard a guess as to why Infosys's experience as being different?

Vivek Paul: No. I think they know their business, we know ours.

Anantha Narayan: Right. But, you are saying that there is no reversal as of this point in time.

Vivek Paul: You know, if you look at our entire project portfolio, and look at how many projects got canceled, there is only one which fell into the perpetual freeze mode, you know, not perpetual actually, indefinitely deferred, you know, which to me sounds like a

cancellation. Okay. But even that project, for example, we told the customer that you know, we will go ahead and complete and if you'd like you can pay us later. Because we have the capability to do it, why not invest our excess capacity right now in a smart way. So, I think that you know, we except for that one thing that may in fact come back, none of the other projects that we've seen have been canceled. I think customers have said "look guys, in the uncertain environments, the CEOs our bosses are telling us freeze spending until we know which way this thing shakes out.

Suresh Senapaty: But Anantha, please do realize that in the fourth quarter the dot-com percentage of our business is 0.4%.

Anantha Narayan: Thank you. Sorry, what I meant was you mentioned that this spending freeze is still on. I just wanted to confirm that you have seen no signs of any reversal as far as the hesitance of the customer is concerned in signing new contracts.

Vivek Paul: I think that we are just beginning to see that ice crack. I think its too early to say its cracked. But we've got the first customers that had told us, you know, hey guys we are going to freeze this, come back to us and say why don't we start in a small way. So, we've got a couple of examples like that. It's too early to declare victory. We are seeing a little bit of a throb, but I don't want to be, you know, I don't want to say it's done yet.

Anantha Narayan: Thank you very much.

Operator: Thank you very much sir. Next in line we have Mr. Dange of CLSA Mumbai.

Dange: Can you please indicated the new clients that are added in the quarter and what kind of feedback that you got when you were talking to these new clients? And do you see a risk that the work that you've got in this quarter could be further postponed?

Vivek Paul: I think that, you know, couple of examples maybe I can give you for a embedded and Internet access customer. If you look at new customers for example for business objects which is a French enterprise software company, we've got a fixed price project for internationalizing their product. And other company that Lakeview Technology is a high availability management solutions company, we're involved with enhancing their entire enterprise product line. If you look at Scottish Parliament, we are doing big project there for security audit, network audit, help desk standardization. In Applied Material, the leading semiconductors company were doing embedded systems for them, even in the semiconductor downturn, that's project we won. In Embedded Wireless Devices Inc., which is a company that we're working for bluetooth IP. They are buying some of our bluetooth IP. For Samsung Electronics in the US. For the Korean company Samsung, we're looking at optimizing their MPEG-4 decoder.

In the finance and insurance business, the New York Stock Exchange gave us a nice order to develop a technical architecture for the surveillance recording system. French

Providence which is a insurance company out of California gave us maintenance enhancement and development of mainframe based applications. In Europe, in Scandia we got a Euro conversion project. For British Gas Energy which is British Gas subsidiary, we are building a broadband network and infrastructure management for them. Bectrice Business Solutions within the IT consulting for Optimers which is the telephone services providers. In total, we added 32 customers in the quarter, 9 of them were in the embedded and internet access space, 5 were in finance, 8 were in corporate, 3 were in manufacturing, 2 were in the telecom and internet service provider space, 2 in retail, 2 in healthcare, and 1 in the telecom box-maker space.

Dange: Yeah, just one more question on that. Basically, your telecom technology segment account for 54% of revenues. And intuitively I would assume that this should be more affected. But somehow your enterprise solution business is what has fallen by 2% quarter-on-quarter, whereas technology has grown very fast. Could you elaborate more on what specifically on enterprises paid basis reported a drop of 2% quarter on quarter?

Vivek Paul: Yeah. I think first let me start with what's driven our technology business. I think it's a misnomer to call it a telecom business. Because as I mentioned earlier, what we do in this business also has the embedded systems business as well as the service provider business. And that combination grew to 23% of our total revenue from 20% a quarter ago. So, we had nice growth in that particular part of our R&D services business, which is what we in aggregate call, technology. If you look at where we had the enterprise declines, I think finance and insurance was an area that we saw a decline in and GE. So, I think that those are the two areas that I would say were the biggest contributors.

Dange: Thank you.

Operator: Thank you very much sir. Next in line we have Mr. Hitesh Zaveri of PL, Mumbai.

Hitesh Zaveri: Yeah. Hello, congratulations on the results. My question was more to do with the offshore revenue productivity growth. The clients that are being added, do you think the kind of growth that you saw in this quarter will be continuing for the next few quarters?

Vivek Paul: In terms of the offshore percentage of the revenue?

Hitesh Zaveri: No, the rates that you are charging the offshore clients.

Vivek Paul: You know, we have not seen any rollback pressure in terms of reducing rates. I don't think we are expecting downsides. And as I mentioned earlier, if we do know better than we are right now in terms of the rates we exit this year with, just by virtue of that we will see an 8% revenue productivity on a blended basis for the next year.

Hitesh Zaveri: And the second question is actually on the financial service and insurance side of the business. I mean, it is believed that it is holding the wild card at this time as far as the enterprise spending goes. Do you think we are likely to see, you know, this scenario getting worse over the next few quarters?

Vivek Paul: You know, I don't think anybody has a crystal ball that's accurate. I think, if you look at the financial and insurance services. In the financial services industry, it has probably the closest tie to equity performance that in turn drives activities in the capital markets. And I would say that, you know, the capital markets seem to be improving the entire mite of the United States Government whether it is Greenspan or George Bush's tax cuts seems to improve that. So, you might expect a recovery but its tough to precisely predict it.

Hitesh Zaveri: Yeah, sure. And lastly, the onsite revenue growth over the next few quarters. Do you see problem coming up there?

Vivek Paul: I am sorry I didn't quite get that?

Hitesh Zaveri: The onsite people deployment, that's the number of people increases over the next two to three quarters, do you think that will be flatish or that number could be increasing?

Vivek Paul: Actually, I think it will be flattish, because I think we have two different mechanics going on here right now. On mechanic is that the entire sort of body shopping, you know contractor business is going away. And I think that many planes are filled with people on one-way tickets with H1B visas returning to India. So, I think that that is a sort of factor that's bringing down the onsite presence. However, offsetting that is the fact that we launched on April 01, a new strategic business unit that's focusing on application implementation, which is a fast growing area in today's environment. And if you look at that, that has a higher onsite centrlicity to it. So, I think that net between the two we should expect a wash. But it's tough to predict it, because you know we'd like the new SBU to grow just about as fast as it possibly can.

Hitesh Zaveri: Sure. I am sorry but just one more question. Which is in the enterprise space, especially within the Fortune 200 companies. Endusers we spoke to, the feedback was that of probably 80 to 100 often 150 vendors that they were using, they have actually cut down that number by 20, 30, or often 40%. My question is a bit hypothetical, that going forward, if economy revise and more spending takes place, what should be happening? Whether the existing vendors which have survived, should they be getting more business or probably the guys who have gone out could be coming back?

Vivek Paul: I think that, you know, I mean obviously I am biased in my view and would like to see it one way. But I think that to me the point you make is very important and that is why we keep an eye on what percentage of a revenue comes from accounts that are greater than \$1 million. Because those are the ones where we have some level of hold on. I think that as the business revives, the rationalization that happened in suppliers

should help the people to survive. I think overtime that tightness that tough time brings sort of pays but that happens slowly overtime. And as I have mentioned earlier that, you know, we grew our total accounts that were over \$1 million from 48 to 54 third quarter to fourth quarter.

Hitesh Zaveri: Absolutely. Thank you very much.

Operator: Next in line we have Mr. Amit Khurana of Birla Sunlife Securities.

Amit Khurana: Hi Vivek, this is Amit here. My first question relates to the new client additions. Can you give us an idea as to what is the geographical spread of those clients?

Vivek Paul: Hi Amit. I think you have asked us a question that we have not collated in that particular way. But may be what we could do is we could go to the next question. And in the meantime, before we end the conversation, I will come back and try and answer it.

Amit Khurana: The second question relates to the salary increases which you are looking forward to in the next four quarters?

Vivek Paul: I think that the good news for us right now is that we don't need to make a guess right now. Our next salary increase is not due till October 1, 2001. So I think we have the opportunity to see how the market behaves before we take any dramatic action. But if you look at what we hear from the marketplace, the marketplace is telling us that there is a lower pressure on salary increases than we have had in the past. So if you look at the last year where we had an average of 20% increase in compensation, I think that the expectation is that it is actually going to come down. There has been some concern about whether E-SOPs going underwater means that, you know, there will be more pressure in cash compensations. We haven't seen that yet. We are seeing net-net. But there is a lower pressure on cash compensations going on.

Amit Khurana: Okay, Vivek, just a quick one on the broad issues that you spoke about relating to the increases in volumes as well as the billing rates. Now going forward, are we looking at a tilt coming more towards any particular segment? Is it going to be more volume led? Or is it going to be more productivity led? I recon that productivity led looks more difficult in these times.

Vivek Paul: Yes, I think that your guess is correct, your estimate is correct. I think that, you know, as I said there is some part of our revenue productivity that we feel very comfortable with which is the stuff that we have already worked through in terms of that 8% I mentioned earlier. I think going beyond that will probably have more success with volume than additional rate increases.

Amit Khurana: Vivek, I am through. What I will do is get in touch with Shankar for that geographical spread, that is fine by me.

Vivek Paul: Yes, that's fine, okay Amit.

Operator: Thank you very much, sir. Next in line we have Girish Pai of DSP Merrill Lynch, Bombay.

Girish Pai: Hi. I just wanted to get a feel of which particular segment in the telecom space are seeing pressure at this point in time? What kind of work that you have been doing is seeing pressure?

Vivek Paul: Actually the kind of work that we are doing is not seeing pressure. I think we are seeing pressure on different kinds of companies that had a high reliance in their own revenue profile on new-age service providers and on new-age dot-coms. So I think that if you look at the kind of work that we are doing, we are not seeing any significant shift. I think, you know you look at the work that companies were doing to do broadband, very much there. Bluetooth, very much there. 3G kind of implementations, very much there. So the technological makeup has not changed. The profile of customers that are growing versus not growing has changed.

Girish Pai: What would you term as the discretionary spending in telecom space, like within the customers that you have in the telecom area? What would be your guess would be discretionary spending?

Vivek Paul: You know it's tough to tell. I will try and take a look at some of the sort of projects we worked on. I think that if you look at the legacy maintenance in terms of, you know, some of the work that we do is, for example, for one the big box makers, we manage an entire switch family. The most prolific switch family, we completely manage it. We're seeing that continue as a base stream of business. You know, if you look at some of the new product areas, I think, that again we continue to see, you know, increased demand. I think that what is happening right now is that companies that are under financial pressure, are applying a slowdown, I think, across the board probably more towards new products than legacy maintenance, because legacy maintenance you can't touch anyway. But you know I am not seeing any technology shift per se.

Girish Pai: You also mentioned in the early part of the call that you are seeing record number of leads coming through. Can you mention which particular segments are the leads coming from, which verticals or you know which particular areas within the R&D service is based?

Vivek Paul: I don't have that data right now with me but we could get that.

Girish Pai: Okay. I want just a couple of details. One is on the percentage of revenues coming from ODC customers, I think, I missed out on that in this particular quarter?

Vivek Paul: Yeah. It was 58%.

Girish Pai: Okay. And your effort mix in this quarter?

Vivek Paul: I am sorry?

Girish Pai: Effort mix in terms of onsite and offshore?

Vivek Paul: Same.

Shankar: Shankar here. For the last quarter, we had 21% of people based overseas. For the current quarter, the figure remains the same at 21%.

Girish Pai: Just one last question. You mentioned that embedded systems and you know the technology and Internet services SBUs had shown recent growth rates here. Now which particular customers are you referring to in this particular, you know, areas?

Suresh Senapaty: You know, these are customers like Microsoft, HP, Sony. These are the kind of customers and particularly E&I, we are fairly well distributed in terms of the automatic factor consumer electronic chip design area competing companies. So the risks are fairly well balanced and we are seeing very high sort of demand there.

Vivek Paul: And if I can answer Amit's question which may be of interest to everybody in terms of mix of new customers across geographies. Of the 32 customers, 15 were in the US, 10 were in Europe, 6 were in Japan, and 1 was in Asia-Pac bringing the total to 32.

Girish Pai: And the incremental customer addition, is it coming at a lower pricing compared to what you had in the past?

Vivek Paul: No, we have not seen that yet.

Girish Pai: Okay, fine thank you.

Operator: Thank you very much sir. Next in line we have Mr. Sukumar of Kothari Pioneer.

Sukumar: Hi, last year it was very fashionable for Indian Companies to say that they were marketing themselves as, you know, US companies or just not emphasizing on India tag. But now everyone seems to be proud of the Indian tag again. So does it mean that if Indian companies are competing more with each other then the price is going to be a much bigger issue going forward. Would that lead to medium term margin compression?

Vivek Paul: I think, you know, I can't comment on what was fashionable last year because we have never really thought of ourselves as being fashionable. But you know if you look at what is going on the market place out there right now. What is happening is that in a tough environment, the appeal that Indian companies have is not, you don't have resources because you have so much on your plate, we will come and do it for you as much as you are selling a value equation of quality and cost. So in that environment

when customers are looking at more offshore ability and offshore has been really the critical thing that is an asset that we bring. The fact that we have a strong operation here is obviously is meaningful. That has led to more business going to RFP mode. But as of now while it has gone to RFP mode, I think the industry itself has not collapsed on itself and tried to cut prices.

Sukumar: Do you see different type of you know pricing emerging for R&D solutions and enterprise, do you see more competition in one of the segments?

Vivek Paul: Yes, I think that you know, and just to sort of answer the corollary to your earlier question about, does that mean margin compression. I think that as I said earlier, we feel pretty good about pricing going into the year. So I think we have sort of some level of comfort. But by the same token we are stepping up on lot of productivity measures internally to make sure that to the extent that there is more of compression, we are ready to take it on. Six Sigma is something that neatly positions for that. And Azim mentioned that in many of his comments earlier as well as what the 01 markets has been able to do in terms of procurement costs.

Azim Premji: Plus, we have a very strong corporate audit team which works with co-teams in the business units attacking specifically profit improvement, the cost takeouts and efficiency areas. The three-way combination is a powerful combination for us to keep driving for better base costs, more productivity etc.

Vivek Paul: To answer the second question that you asked which is the difference between technology and enterprise space. We definitely see more see more competition on the enterprise base. Just the players are more. In the R&D space, there are not many companies that have tenure, the depth of technical experience that we do. Plus, many companies are actually looking at the placing in existing outsourcing company in the US or employees with an Indian option for the first time. So it is a little bit like what enterprise was three years ago. So less pressure there.

Sukumar: Earlier you tried to leverage on your technology skills into, you know, creating some type of IPR. And the experience with Enthink did not seem to be very good. So what are your thoughts on that in future? Are you looking for following that model or you would rather just concentrate on services?

Vivek Paul: You know, I think that if you look at our IP revenue it has gone up this year versus last year. But it is so small it does not move the meter. So I think that we are far from declaring our IP initiative any kind of a success. I think next year we plan to have more revenue from our IP initiative, but again does not move the meter. So I think that, what we are looking at is investing in an innovation initiative which will lead to more IP kind of revenue. But at this point it is an investment that we are making, but the returns in terms of moving the meter are not there for this year.

Sukumar: And in terms of the mix between onsite and offshore, do you see a drastic change in the next few quarters?

Vivek Paul: I think I mentioned that a little earlier that we have two sort of opposing directions. One is the we are investing in and we have just created an enterprise application implementation business unit. And that business unit will chase an area that is growing nicely in the enterprise space but has a higher onsite centricity. Of setting that is the fact more and more customers are coming to companies like Wipro because they like the offshore benefit we bring.

Sukumar: I have a question for Mr. Senapaty and Shankar regarding the buyback of Wipro Net from ICICI, what type of accounting treatment would it have?

Suresh Senapaty: This is the one which we have already, ICICI.

Sukumar: Yes

Shankar: Currently, we have a put option which is with ICICI which is due to expire in June of 2001. As far as the US GAAP is concerned, let me address it first. In US GAAP, we have treated the amount that we have received from ICICI as a loan on which we have been making a provision for interest for each of the quarters as we go by based on the intrinsic value of the option. So in terms of on the due date if the options had to be put on us, the loan would get repaid. Nothing else would change as far as the revenue position is concerned. In the Indian GAAP, we would have to - if the option is put on us, we will recognize this as an investment and periodically evaluate the cost of investments versus the benefit we derive from the entity which is Wipro Net. Wipro Net for the quarter has returned a profit. And for the second half of the year, has been a cash break even.

Sukumar: Okay, thank you very much.

Operator: Thank you very much sir. Our next question comes from Mr. Mahesh.

Mahesh Wasif: Hi. This is Mahesh Wasif from Motilal Oswal Securities. Looking at the numbers, it seems that your largest client Nortel grew by 21% on sequential quarter basis. Now Nortel has in public said that it is not looking at further offshoring or further outsourcing. Do you see that having a negative impact on the growth potential in the medium term?

Vivek Paul: Yeah. I think that - two different things. One is that Nortel perhaps of all the companies has really come out with the most positive statement in terms of even in this environment not backing of its offshore outsourcing strategy. I think there was something in the press that they gave. I think that also the reason for the increase you saw in terms of quarter-on-quarter increase was a pricing renegotiation last quarter. That flow through will continue for several quarters.

Operator: Thank you very much sir. The next question comes from Mr. Trideep of UBS India.

Trideep: Hello. First, congratulations on your results. Just on accounts specifics, could you list your Nortel details? Could you just repeat, A) on Nortel and what is happening with respect to Lucent as well? The other question I had was in terms of the volume growth going forward? This quarter, the billed man-months was flat. What are your expectations going forward? Do you think this is by more as a default or design? What do you think of those leverages? Second if you could specifically give names of any client which you have talked about scaling back? This might be something repetitive because I lost the call twice in between. Sorry for this.

Vivek Paul: I think that, you know, if you look at specific customers and what is going on we don't really comment on that for several reasons, not the least of it being confidentiality agreements we have with them, but also out of mutual respect. So I think that I can't really comment on particular customers. What I can say though is that if you looked at the box-maker business which is really is the one where the most concerns have been expressed publically, in aggregate our portfolio of Telecom box-makers grew and we expect it to continue to grow.

Trideep: I see. Okay, and in terms of your volume growth what do you think, I mean, this quarter it was flat. Is it because some clients scaled out by other clients scaled back and that is the reason the net number came flat? And more importantly what do you expect going forward?

Vivek Paul: Yes, I think that the two contributors to flat billed man-months was GE ramp down as well a slowdown in the enterprise space which also showed up in the revenue numbers.

Trideep: And in terms of your guidance, any assumptions that you have made with respect to your geography, price, volumes, and customers? Would you want to share that?

Vivek Paul: Yeah. I think that from a guidance perspective, I won't share a regional break down except to say that, you know, if you look at our performance over the last 12 months, Europe has grown to a record over 30% of our total business, Japan is 9%. I think that those markets continue to grow fast.

Sujeet Saigal: This is Sujeet Saigal again from UBS. Sequentially this quarter, your geography has grown just 2.5% and volume growth has been at 0% growth. So these two things to our mind is very disturbing. How are you acknowledging this than looking at growth next year, specifically these two things?

Vivek Paul: Yes, I think that as far as the US is concerned, unfortunately that was the geography that bore the full brunt of the GE ramp down. So I think if you look at the slowdown there, a big chunk of that is just purely GE.

Sujeet Saigal: Regarding the volume thing again I just wanted more clarity. The other companies are still reporting good 5, 6, 7% volume growth Q-to-Q. This 0%, how worried should we get about this for the next one or two quarters?

Vivek Paul: I think that if you looked at the, you know, the split in terms of where we have got the revenue from in the year 2000-2001, 70% growth we had. Of that price rate increases was 14%, rupee depreciation 7%, efforts increase offshore 36%, onsite 12%, and product sales 1%. So if you look at that going forward, I think, that's the mix we have had. And you know it is always been a combination of all factors that has led to our overall revenue growth. I think specifically in terms of your question about flat billed man-months for the quarter, as I mentioned earlier again it ties same thing with the revenue stream. It had to do with the GE ramp down and had to do with the US enterprise slowdown.

Sujeet Saigal: Now going forward, how is it going to be? I mean will it continue for a few quarters or is it going to pick up? It was like just GE or?

Vivek Paul: Well I think some of those factors still remain. I think that, you know, this coming quarter is really the last quarter where we ever have to mention the GE word again, you know. But I think that, you know, that's something that will continue through this next quarter. And that's why I said that our outlook for this first quarter remains muted. But for the year, we continue to be consistent with the industry forecast saying we are going to grow faster than that.

Sujeet Saigal: The other thing is billing rate growth. I think, it was very, very surprising on the positive side to see you put the sequential 6-7% billing rate growth when everybody else is talking about 3-4% degrowth sequentially. Is this something sustainable or in your realistic case, are you expecting year on year, what kind of billing rate growth year on year?

Vivek Paul: I think that it really reflects the mix of customers. I think that, you know, we didn't have a lot of dot-com revenues. As a result, you know, if you lose dot-com, your average billing rate comes down. You know, we have a steady mix of customers, long-established relationships. And as we have done price negotiations, re-negotiations with them over the year as they have been scattered through the year, that flow through has come to us in this quarter as well and will continue into the next quarters.

Sujeet Saigal: Thanks. Thanks a lot.

Operator: Thank you very much sir. Our next question comes from Mr. Shekhar Singh of Cazenov.

Shekhar Singh: Congratulations on your good results. I was just looking at the numbers. The receivable days have increased quarter on quarter. Is it like because of a specific reason or is it like because of the slowdown in US?

Vivek Paul: I am sorry. I didn't quite get that question.

Shekhar Singh: The receivable days have increased quarter on quarter. That is, on December quarter - like as compared to December quarter the receivable days have increased this time. Is it because of any specific reason?

Vivek Paul: I think that the data I have says that the days still outstanding has gone from 64 days to 62 days quarter on quarter.

Shankar: This is computed in terms of debtors for the business divided by the quarterly sales multiplied by 90. There are very many methods. Most of the methods if you use will show a reduction in days sales outstanding. Our computation shows 64 coming down to 62.

Shekar Singh: Okay. In terms of the sectoral factor, because of the US slowdown, do you see, some like some, sectors getting affected more in the future, say like telecom assets. You were saying there's not much of an impact. But in terms of like, the other sectors, which are the other sectors which might be getting impacted more?

Vivek Paul: You know, nobody has a crystal ball here. I think that, you know, you just have to take a look at what is going on in the marketplace. I think that computing companies and telecom companies that were supplying to dot-coms and New Age service companies, they got hurt. I mean, that was the reason, why we went through the cycle of churn. I think that the cycle of churn created uncertainty in the financial markets. That in turn affected the financial services companies the most. I think as you get a recovery in the financial service sector first, I think that will be the first one to recover as the extra inventory and computing and telecom works its way through the system that will mend itself.

Shekar Singh: Okay. Thank you.

Operator: Thank you very much sir. Our next question comes from Mr. Bhavin Shah of Swiss Cross, Boston.

Bhavin Shah: Yes. Congratulations first of all on strong results in spite of the conditions. A couple of questions. First is, I think, last I checked, NASSCOM was looking at 45% growth. Is that your definition of industry growth?

Vivek Paul: As I mentioned earlier that NASSCOM's forecast of 40-45% was based on a participation by us and other leading IT companies and I don't have a better measure than that.

Bhavin Shah: Okay. Your Indian IT business has done extremely well this quarter in terms of sequential and year-on-year compares. Could you talk a bit more about that and also are you seeing competition from the likes of Datacraft, which are really intensifying

their presence in India.? How are you competing against them? You know, are you winning?

Azim Premji: I will request Suresh Vaswani, president of Wipro Infotech of the domestic IT business to take this question.

Suresh Vaswani: Responding to your question on Datacraft, we are actually the largest network integrator in the country today. And the edge we have in the marketplace is that we go beyond network integration and into platform integration. And we are much more broad-based in terms of addressing the customers' products, services, and solutions requirements. I think one of the key reasons for our strong performance this year has been a larger proportion of the services and solutions mix and our focus on enterprise products and a distinct move in our product sales to the higher-end product sales.

Bhavin Shah: Could you? When you say higher end products and enterprises, is it like, your are talking about servers?

Suresh Vaswani: Yeah. For example, when I am talking about enterprise products, I am talking about high-end Sun server sales. We do 75% of Sun's business in India. And we have sold a large number of E10K systems which are really the enterprise platforms into customers like ITC and UTI. Likewise on the WIPRO PC front, our server mix has been substantially higher than what it was last year. We sold close to 2500 servers vis-à-vis the previous year of around 700 servers. Even on the services side, our mix has been higher than the higher value added services in terms of facilities, management, and system integration.

Bhavin Shah: Okay. And are you looking at exploiting this expertise further by looking outside India, maybe partnering with other vendors or you know, any such thoughts?

Suresh Vaswani: You know, Wipro Infotech would be actually driving the thrust of our services and solutions business into the Asia Pacific markets. So you know, what we have done in India in terms of building a strong service practice over the last 15 years and especially the service practices we have built over the last 4 of 5 years. We would be getting those practices into the Asia Pacific market. We will leverage a lot on our principals like Sun and Cisco and Computer Associates. You know, there is a very strong demand for services in these markets. And we have very high-end skill sets and we would work in collaboration with our principals here.

Bhavin Shah: And so is this something, I mean, is this something under plan? When do you think this will result in some business opportunity for you?

Suresh Vaswani: It is part of our thrust this year.

Bhavin Shah: Just one more question on the Infotech business,the global IT services business. I am not sure if this has already been discussed and I apologize if that is, but what is your hiring plans in the current quarter? And for the campus hiring? How many

people are coming on board? Are you deferring that program ? Just overall what do you plan for the year? Please. Thank you.

Vivek Paul: I am assuming that that question relates more to the Wipro Technologies side. This is Vivek Paul. If you look at our hiring in the third quarter, we hired 935 people. In the fourth quarter, we cut that back to 444 as we looked at the changed circumstances. I think that our goal is to continue to be very agile in terms of looking at market needs and matching up our own hiring with that. So I think that we will continue to let business drive our hiring. So I don't think we are making any hiring forecasts per se or setting up plans for hiring because this business has to go to more, you know, more just-in-time hiring.

Suresh Senapaty: Plus we have a fairly good component of lateral hires in our total hiring plan. So from that perspective, our cycle times are much more shorter.

Vivek Paul: Yeah, 70% of our hiring is lateral hiring.

Bhavin Shah: Right, Vivek. But I think, obviously the campus hiring happens much in advance, so you would have given out offers. So I'm just wondering what if you can give any color on what you expect there?

Vivek Paul: I think that if you look at the campus offers that we have outstanding, we expect them to flow in over this year. We are matching their joining dates with our business forecasts. So that we don't have them joining in one lot but really staggered, very slow, very small in the first quarter, and then rising in the second, third, and fourth quarters. In terms of making fresh offers this year, I think that we are looking to the extent that business circumstances demand. We would like to use this opportunity to concentrate more on the premium campuses.

Bhavin Shah: Okay. One last question. It seems that - do you have any sort of let us call it bench factor on the onsite that you're looking to deploy on the new onsite projects? Or as soon as you have, at this point or is all the bench for the offshore?

Vivek Paul: You know, one of the beauties about this Indian software model is that you get your bench offshore. We don't plan to change that.

Bhavin Shah: So you don't have any sort of ? Okay. Thanks. Thank you very much.

Operator: Thank you very much sir. Next we have a follow-up question from Mr. Ashish Kumar of CSFB. Mr. Ashish Kumar, you could please present your question now.

Ashish Kumar: Yeah. Can you hear me?

Suresh Senapaty: Yes. Yes, Ashish go ahead. Hello, is that Ashish. Please go ahead.

Ashish Kumar: Can you hear me now?

Suresh Senapaty: Yes, yes.

Ashish Kumar: I was asking for financial year March 02. You didn't explain about growth expectations. If you could throw some light on the visibility on that?

Vivek Paul: Yeah, we actually went through that a little bit. I think that you know, first of all, nobody can say that, you know, they have incredible visibility. Because as we saw, you know, customers can change that. Because, you know, you are talking about growth. You are not talking about sustaining current business. So customers can change their minds about projects, push them out etc. So I think what you have to look at is, you have to look at the fundamental parameters that drive your revenue, predictability. And to us those parameters are repeat business which for us was 85% for the quarter. Businesses from dedicated offshore development centers where customers have made investments and unlikely to not put more people into that. 58% of our business came from that, last quarter. Our customer engagements are in excess of \$1 million where you can benefit from vendor consolidations. That accounted for 85% of our total revenue last quarter. And offshore revenue which is again indicator of customer investment in you which is 50% of our total revenue. I would use that as being stuff that gives us confidence about our estimate. The second thing that you would look at in terms of you know, what gives you confidence is the fact that we continue to see a strong growth in our embedded systems and the service provider business. I think that is something that we should continue to expect. We talked about the revenue productivity side. On the enterprise side, I see no reason why we should feel we would under grow relative to industry expectations.

Ashish Kumar: Sure. And just another question. The 8% revenue productivity growth expectation even if we do not do any further price increases as was mentioned. Is that the blended expectation, weighted average March 02 over March 01?

Vivek Paul: Yes, year-on-year average.

Shankar: You see, it's probably what we have done is quarter four rates compared to the average rates for 2000-2001, that is, if the closing rate for quarter four, we hold it for the rest of the year, it will translate to this kind of price increase.

Ashish Kumar: Thank you very much.

Operator: Thank you very much sir. Our next question comes from Mr. Deepen Mehta.

Deepan Mehta: Hello, can you hear me sir?

Vivek Paul: Yeah.

Deepan Mehta: Can you hear me sir?

Azim Premji: Yes, we can. Go ahead.

Deepan Mehta: I just want to congratulate you on the excellent performance for the March quarter. I'm holding some sequential comparison and I was just understanding that the Indian IT services and products business has done exceedingly well in the March quarter. In fact, Q-over-Q, revenue growth is 60% and profits have nearly doubled Q-over-Q. Can you throw, you know, guide us as to what is the reason for such excellent performance of the Indian IT services business?

Suresh Vaswani: You are talking specifically for March or for the quarter?

Deepan Mehta: For the March quarter where you had an excellent performance in the Indian segment. What is the real reason for such fantastic Q-over-Q growth rates?

Suresh Vaswani: You know, there is, you know. Number one, the market tends to peak. The Indian IT market tends to peak in the last quarter and the frenzy really picks up in March. So you know, we basically follow the trend here. Except I would say, may be the frenzy on our side has been a bit more in the month of March.

Deepan Mehta: And even in terms of the percentage of profits which come from the Indian IT services, it has moved to about 15%. You expect that this number will increase in the coming financial years?

Suresh Senapaty: You know, just to supplement the earlier question or answer to the earlier question. Typically, what happens in the month of March is A) there is a depreciation benefit because most of the sales of Indian products and services goes into Capex of the customers whereby they are entitled to depreciation and the depreciation on computers are fairly good at 60%. And once they capitalize it before March, they get at least 30% of that, or half of that 60% as the tax break. Plus many government purchasers tend to sort of close it out by 31st of March and therefore you, typically, have a peak in the month of March. Just what is this?

Deepan Mehta: In terms of percentage of profits from the Indian IT, you see that share going up in the current financial year? It was 11% for the previous financial year. The profit before interest and tax?

Suresh Vaswani: Yeah. Because the service component of the total Indian products and services business over a period has been increasing. Plus the solution focus of Indian IT business over the past 18 months has been leading to expansion of margins apart from various other productivity improvements, be it through implementation of six sigma programs or base cost stakeouts. And going forward, we will see more of that coming through yet.

Deepan Mehta: Just one more question, sir. What is the capital expenditure plan for the current year? I believe you spent in excess of 200 crores in the last financial year.

Suresh Senapaty: Well. Here again, like Vivek explained in terms of the head count, which will be primarily driven by business, similarly CapEx will be from the function of what the business is going to take out. But what we do is a) we sort of from the strategic point of view, we definitely block land and similarly so far as building is concerned, we will close, we will prepare the shell and keep it ready so that as when the business wants to take it. In three months time, the entire thing can be to be put to use.

Azim Premji: What you must appreciate is that of say a cost of Rs. 2000 or 2100 a sq.ft. for getting a premise ready, one third is in the shell, and two thirds is in the filler. The filler we have been able to reduce cycle times to about four months, so that can be very much just-in-time. It is the shell, which normally takes about five to six months. So our whole approach is that when we are not sure of the business we get or getting we first build the shell, keep the shell ready. And the moment we see business, we start filling the shell and spent the balance two thirds of money. And even in filling the shell, we do it in stages so that we fill the shell in the module, populate the module, and then fill the next shell, populate that module and next the subsequent shell. We are doing that as an example in Belapur, where we have taken premises near New Bombay.

Suresh Senapaty: You know, last year for 2000-2001, the total capital expenditure was Rs. 2.6 billion out of which Rs. 1.7 billion was pertaining to Wipro Technologies.

Azim Premji: You know, in summary, we have had a very good set of questions. This is Premji here. I think one important thing that you must see as very important differentiator of Wipro versus the rest of the software industry is an extremely strong, deep, well-penetrated, very respected presence in the domestic IT market. It not only generates new businesses for us. It also gets us involved in very end-to-end projects for customer. It has trends in terms of growth which are little more unique as compared to the global market. And also because this market has been traditionally extremely ruthlessly competitive, it has taught us in terms of leadership to be able to manage upturns and downturns of market in a far more mature manner. And that is always an asset when you are in a business which for the past five years has only seen upturns. So our capacity to anticipate the downturns to react quickly to the downturns, build opportunities for taking out costs in those downturns and still come out fighting fit is a very major asset.

So, so far as the environment is concerned today and nobody can say that the environment is terribly optimistic. The fact that we have got the seasonality in terms of experience of the domestic business will always make us more successful as compared to competition in the domestic market which for the past five years has never seen a downturn in the software market. Is it appropriate for us to sign off now.

Operator: Thank you very much sir. I now hand you over to Wipro again.

Azim Premji: So we are signing off now. Thank you for your time and thank you for an excellent set of questions. And thank you for a very positive attitude in all the questions.

We are very pleased with that. It is because we have been seeing so many negative questions, which have been coming, it is nice to see investors are also looking at the good side of things. Thank you very much, sirs and ladies.

Operator: That brings us to the end of today's conference call. Thank you for using CyberBazaar's Conferencing Service. You may now disconnect your lines. Thank you and have a nice day.