



NIIT Technologies Limited
Quarter Three Results Conference Call, Financial Year- 2007-2008
January 18, 2008

Moderator: Good evening ladies and gentlemen. I am Prathiba, the moderator, for this conference. Welcome to the NIIT Technologies Limited Conference Call. For the duration of the presentation, all participant lines will be in the listen-only mode. I will be standing by for the question and answer session. I would now like to hand over to Mr. Arvind Thakur. Thank you and over to you sir.

Arvind Thakur: Thank you and good evening everybody. Welcome to the quarterly results call for the third quarter of NIIT Technologies Limited. I have with me CFO, KTS Anand as well as our investor relations manager, Mohit. Mr. Vijay Thadani has just walked into the room, Director on the board, and we will soon be joined by Mr. Pawar, Chairman of NIIT Technologies.

Let me just take you through the analysis of our third quarter results. First, we look at the revenues. Consolidated revenues from operations for the third quarter stood at 2,338 million rupees representing 1% growth over the same period last year and 2% over the previous quarter. IT Solutions contributed to 2,214 million rupees and BPO contributed to 124 million rupees. BPO accounts for 5% of our total revenues. If you look at the breakup of these revenues by industry segments, which we focus on, BFSI which is banking, financial services, and insurance contributed to 42% of these revenues. Travel and transport, which is the other vertical that we focus on, contributed to 26% and retail and manufacturing represented 12% of the revenues. Within BFSI, insurance contributed to 27% of the overall total revenues. If I look at the breakup of revenues by geography: Europe contributed to 49%, US 31%, and 20% of the revenues came from the balance geographies. Significant growth in terms of business was witnessed in the domestic market, which is the India geography, and going forward, we hope to see this geography having much greater focus in our business. Onsite revenues remained at the same levels as last quarter, which is 62% and offshore revenues contributed to 38%.

The currency impact on revenue was to the tune of 0.7%. There was a negative impact of 0.7% quarter-on-quarter on the revenues. On a year-on-year basis, the currency impact was much higher at 6.7% of the revenues. Let us look at how

the margins have fared in this quarter. Operating profits for the quarter stood at 444 million rupees, which is up 4% quarter-on-quarter, but these are down about 10% year-on-year. The year-on-year impact on the operating margin has been 3% of revenues and that seemed the major contributor to the year-on-year impact. Net profit, however, remained the same as last year and improving 1% quarter-on-quarter at 347 million rupees. Overall, the operating margins and net margins remained at the same levels as the previous quarter. There were 47 basis points improvement, QoQ on operating margins whereas net margins were down a few basis points. Just looking at how we have fared with respect to the order intake and some client analysis, our top five clients accounted for 36% of revenues and our top ten clients account for 46% of our revenue. We have expanded our client base by adding two more million-dollar clients taking this mix to 39 from 37 in the last quarter. We added four new significant customers, mainly in Europe, and the total order intake, fresh order intake during the quarter was 59 million US dollars, which was a significant improvement from what we had in the last quarter that was at 49 million dollars. So, the company now has an order book executable over the next twelve months of 102 million US dollars. We added 213 people during the quarter taking the total head count beyond 5,000 to 5,002. 27% of the direct resources are engaged on onsite activities and 73% are engaged in offshore activities. We saw further improvement in the attrition level of the company. These, in the last quarter, were at 15.5%. Looking at the cash position, the cash and bank balance improved to 2,398 million rupees at the end of the quarter. There was a slight increase in sundry debtors to 1,774 million rupees, which equates to 69 days of sales outstanding. With these opening remarks, perhaps it is now time for me to open the house for questions, so moderator can you now request the participants to ask their questions.

Moderator: Sure sir. We will now begin the Q&A interactive session. Participants who wish to ask questions may please press *1 on your touchtone-enabled telephone keypad. On pressing *1, participants will get a chance to present their questions on a first-in-line basis. Participants are requested to kindly use only handsets while asking a question. To ask a question, please press *1 now. First in line, we have Mr. Ruchit Mehta from HSBC.

Ruchit Mehta: Hi, good evening gentlemen. Just wanted to get a picture of the Room Solutions revenue during the quarter please.

Arvind Thakur: Okay, just hold on..... Room Solution is 255 million during the quarter.

Ruchit Mehta: 255 million, okay. Sir, it is dropped about 4.5% quarter-on-quarter, any particular reason? Is it more to do with the currency factor or is it more to do with, you know, actual business losses?

Arvind Thakur: It is dropped 4% QoQ.

Ruchit Mehta: Yeah.

Arvind Thakur: And I think in the last call, I also did explain the direction that we are taking in the business and the Room Solutions. Room Solutions is currently engaged in replatforming their solutions, which is currently implemented around old technologies, so we are moving it a newer platform, which is around you know Dot Net, and they are actually in the process of transition, so whenever you know a solution is getting migrated to a new platform, there is normally a slowdown in procurements. Good news is there has been healthy intake in Room during the quarter. There was an intake on 9 million US dollars in this quarter in Room, but I think the real expansion in revenues would happen in subsequent quarters when the new platform is released to the customer.

Ruchit Mehta: At what point in time, if you could give us a timeframe as to when do we expect the platform to get released ?

Arvind Thakur: To my mind, it is a two-quarter process, not just for the full platform to get released, but there would be functionality that would be released periodically as we go forward.

Ruchit Mehta: So, the full platform could possibly be released somewhere around the second quarter of fiscal 09, is that understanding correct?

Arvind Thakur: Yeah...may be the end of the first quarter.

Ruchit Mehta: End of first quarter or early second quarter, okay.

Arvind Thakur: That's right.

Ruchit Mehta: And also what sort of EBITDA margin did Room actually have during this quarter?

Arvind Thakur: In this quarter, it had a margin of 1.3%.

Ruchit Mehta: 1.3%, okay. Sir, just in terms of your overall revenue growth momentum, you know last three quarters have been very sluggish in terms of top-line growth, even if one were to adjust for whatever you know has happened in Room as well

as in terms of transition and everything, just wanted in a sense of you know as to where you know organically we are going in terms of revenue growth because it is just about 2% to 3% quarter-on-quarter growth that we have seen and what sort of outlook is there in terms of the growth?

Arvind Thakur: Yeah. In fact what you would have seen is a slight improvement in growth in this quarter. One of the reasons why the growth is somewhat depressed is because Room, which contributes to about 11% of revenues, has been declining in revenues in the past three quarters. So, you know, last quarter minus 4%, so that has really contributed to the significant, I would say, slowdown on the overall growth.

Ruchit Mehta: Sir, even if we were to adjust for Room and just look at pure NIIT Tech's organic revenue excluding Room, that also seems to be sluggish, it is just around three odd percent quarter-on-quarter. Is there any slowdown from your customers that you are seeing, particularly considering whatever you know the issues are there in terms of the US and the economic slowdown or even in terms of Europe, so are you seeing you know customers holding back on their spending?

Arvind Thakur: No, I do not think you can read into that. In fact, we have seen growth in our US business, so that is not the case. It is really, you know if all the businesses are growing at the same pace, you know that is when you see steady quarter-on-quarter growth. Last quarter, we had a decline in our BPO business which contributed to you know a slower growth and this quarter it is really because of you know the decline in the Room business.

Ruchit Mehta: Okay. Thank you.

Moderator: Thank you very much sir. Next question comes from the line of Mr. Dipen Shah with Kotak Securities.

Dipen Shah: Yeah, hello Arvind.

Arvind Thakur: Hello Dipen.

Dipen Shah: Okay, in fact one of my questions have already been answered, I had the same question about the revenue growth which is definitely concerning as far as the last two-three quarters are concerned. So, I have to move to some other questions. First of all, could you just let us know the status on the ramp-down in the BPO business which was there from one of the clients.

Arvind Thakur: Yeah, that has happened in the last quarter. So, now we are you know running at the rate which is the reduced rate. So, if

you look at our BPO business, it has grown marginally about 2% in this quarter, so you know that rate will not change, in the sense the level of business with the ramp-down client will remain at the same level.

Dipen Shah: Okay. So, now is it possible that we can witness higher growth rates in BPO going ahead or it is still going to take some time?

Arvind Thakur: I think the BPO business as I have been explaining is a business you know which is really supportive of our overall business.

Dipen Shah: Okay.

Arvind Thakur: It is not a business that is you know intended to be scaled the way you know you see standalone BPO businesses. So, I do not think you should be looking at very significant growth in that business going forward.

Dipen Shah: Okay. And could you give us some update on the Adecco JV, what is happening there and whether one of the contracts which you were expecting has already fructified?

Arvind Thakur: Look, that contract is still under discussion, but I can certainly give you an update on Adecco. There has been a steady increase in business. Last quarter, the head count was I think about 35 or 37 people. This quarter, I mean the quarter which has just gone by, it is now enhanced to 65 people, so you know we are seeing steady ramp-up, and of course once the contract is finalized, we will see a significant increase. So, again if you recollect, you know, my discussion around Adecco in the last call, it is something that we should be looking forward to in the next financial year as a significant contributor to our business.

Dipen Shah: Okay. And one data point was about the BFSI segment where in fact the proportion has come down by about 2 to 3 percentage points, it is probably a decline over the previous quarter, so are there any signals we should take from there and as a corollary the next question is what according to you is the scenario in the US and what are your client interactions telling you? Thank you.

Arvind Thakur: Okay. So, our decline is you know mainly because of the decline in the Room revenues because that is what gets consolidated in the BFSI numbers. As far as the US is concerned, you know the issue in the BFSI space is in a very I would say narrow segment which is engaged in the sub-prime markets, so none of our clients are exposed to that market, so that is not something of concern to us. I think the

thing that we are observing more carefully is the buzz around the slowdown that we are hearing you know both from people like yourselves as well as you know other things that we read in the market, now on that front we have not got any signals from our customers as to you know whether there would be any slowdown or not, so for us it is business as usual in the US.

Dipen Shah: Okay. Any kind of delays in the contracts or any indications which you have got regarding the customer spending plans because obviously you would have done your surveys and what was the feedback from the clients as far as next year budgets are concerned and revenue flows to NIIT Tech are concerned?

Arvind Thakur: You know, we have not done a survey of the kind you know which will give us insights of the kind that you are looking at, but in the US again you know we have added some very significant customers, new customers, particularly in the travel and transport space. Now, we are expecting all of them to ramp up quite significantly, but as you know when you acquire a new customer, you know the ramping up initially is slow because they work on smaller engagements before we get into larger engagements. So, from our perspective, we are not hearing or seeing or our customers asking us to pull back or cut down as far as the US is concerned.

Dipen Shah: Okay. And just one last thing, sorry to have so many question, but, in fact the margin improvement in the current quarter was probably expected to be slightly higher, but though it is improved by about 50 basis points, what kind of outlook can we take ahead for the next fiscal as far as the EBITDA margins are concerned? Thank you very much and all the best.

Arvind Thakur: Okay. So, I think, let me just share with you both our short-term and long-term direction for the business you know and of course that has a direct bearing on how we are addressing the challenges in the environment and therefore you know managing our margins. In the short-term, very clearly we are extracting more efficiencies out of the operations, right. I think you are very familiar with all the levers that are available....

Dipen Shah: Okay.

Arvind Thakur: To facilitate that and so there is still headroom to be able to deal with that. So, I think what is more important is the direction in the long-term where very clearly we have accelerated the pace of transforming our business from being a pure linear business to a nonlinear business.

Dipen Shah: Okay.

Arvind Thakur: And you know the investments that we are making in the Room platform is a significant move in that direction.

Dipen Shah: Okay.

Arvind Thakur: So, the whole idea being that we start now getting into the market, particularly in the industry segments that we are focusing on with IP Asset-based solutions, so that you know you are not totally dependent on headcount increases to support your revenue increases.

Dipen Shah: Okay.

Arvind Thakur: So, I think what happens when you do things like this is in the short-term margin expansion is muted because you are making investments, but you know these can be leveraged very significantly in the medium to long-term.

Dipen Shah: Okay. Thank you very much.

Moderator: Thank you very much sir. Next question comes from the line of Mr. Ashwin Mehta with Ambit Capital.

Ashwin Mehta: Yeah sir, just wanted to understand in terms of Room solutions, our order book corresponds to what period, as in the dollar 9 million order book that we have?

Arvind Thakur: That is the intake in this quarter.

Ashwin Mehta: Okay sir. So, this is to be executed over a quarter or...?

Arvind Thakur: No, no, no...this is to be executed over a period of time.

Ashwin Mehta: Okay.

Arvind Thakur: But this is firm commitment of business that we got in this quarter.

Ashwin Mehta: Okay. Another thing, in terms of Room revenues, what proportion of our revenues would be annuity as opposed to non-annuity?

Arvind Thakur: Okay, let me see if I can get that. In fact, Room revenues, close to 50% would be annuity.

Ashwin Mehta: Okay. One more thing, in terms of our order book has gone up by almost 59 million this quarter, but in terms of executable order book, there has been no appreciable change

in terms of the executable order book, what could be the explanation for that?

Arvind Thakur: Because you know you get an intake but that needs to be executed over a period of time, some of those go beyond one year.

Ashwin Mehta: Okay sir. So, in terms of this order book that we have got, most of it would possibly be after a year?

Arvind Thakur: Quite a bit, yes.

Ashwin Mehta: Okay. And in terms of our minority interest, this has gone up this quarter. What contributes to this minority interest?

Arvind Thakur: As you know, we have a subsidiary which is engaged in providing GIS services, which is a joint venture with the world leader in technology in this area which is ESRI, so they have a 10% share in this subsidiary, so when this subsidiary makes profits, you know that is the minority interest that needs to be taken care of.

Ashwin Mehta: This would explain more or less the increase in our India revenues or.....?

Arvind Thakur: Partly.

Ashwin Mehta: Okay.

Arvind Thakur: India revenues constitute two parts.

Ashwin Mehta: Okay.

Arvind Thakur: One is the revenues out of GIS.

Ashwin Mehta: Yeah.

Arvind Thakur: And the other is the revenues that we do in our software business.

Ashwin Mehta: Okay. Thanks a lot sir.

Arvind Thakur: You are welcome.

Moderator: Thank you very much sir. Coming up next is a question from Mr. Ruchir Desai of Pioneer Intermediary.

Ruchir Desai: Hi, good evening. Just a question on the pricing environment. Last quarter, you spoke about a pretty positive pricing environment, so could you update us on what kind of

environment you face currently with respect to existing and new contracts?

Arvind Thakur: The pricing environment is hard, in the sense there is no pressure on the pricing, and it is to my point I do not have the exact number in terms of how much we have benefited out of pricing, but most of the new business that we are acquiring is being getting acquired at one to three percentage points better pricing.

Ruchir Desai: Alright. And also with respect to headcount additions, what kind of headcount addition did you see for BPO and if you can give the split between those 213 employees?

Arvind Thakur: Yes, in fact let me do that for you. In BPO in fact there was a reduction of headcount, let me just put out the numbers for you. Okay, total addition in the IT services business was 244.

Ruchir Desai: Okay.

Arvind Thakur: And 34 have been reduced in the BPO business, so that leads to a net of 213.

Ruchir Desai: I guess the reduction is due to the, you know, important clients slowing down work, but when do you see you know net addition in your BPO business going forward?

Arvind Thakur: I did explain that in the earlier query. The BPO business is a business that we are nurturing to support our overall business because customers expect complete solutions to be offered by you know their partners. It is not a standalone business that we are looking at scaling you know in a different trajectory, so its growth would be you know the normal growth that we expect in the business.

Ruchir Desai: Right, so I guess you are projecting your services as a total outsourcing kind of service?

Arvind Thakur: That's right.

Ruchir Desai: Didn't you face you know quite a bit of stiff competition from some of the larger vendors from the Indian market place as well as from the MNC, so are you seeing some kind of you know increased competition in this total outsourcing space?

Arvind Thakur: There is definite competition in this space, but I think customers are looking at more value-add from their partners. They would want complete solutions that help them improve their businesses and that is why it is important to be able to provide them with the entire range and breadth of services you know that they can absorb.

Ruchir Desai: Alright sir, thanks and all the best.

Arvind Thakur: Thank you.

Moderator: Thank you very much sir. Next question comes from the line of Ms. Mythili Balakrishnan with JP Morgan.

Mythili Balakrishnan: Good evening sir. I had a couple of questions. The first was basically on the revenue trajectory. If you look at the organic IT business, that seems to be growing at an 8% year-on-year growth this fiscal and that is at a considerable you know lower rate than what most of the peers are doing. Could you comment on some of the reasons why this is so and what can change for it going ahead?

Arvind Thakur: Okay, the most significant factor is of course the rupee appreciation. Same quarter last year, the average dollar rate was about 45.5 or 45.4.

Mythili Balakrishnan: Okay.

Arvind Thakur: And currently it is you know 39.5, so that itself you know is a 14% change you know on the top line, but you know that is just the dollar rate. For us, the net impact, you would need to look at all the currencies that you are operating in. The net impact for us on the top line is about 7%.

Mythili Balakrishnan: Okay.

Arvind Thakur: So, you know, that is one major contributor to this change.

Mythili Balakrishnan: So, if currently the revenues are growing at about 1% Y-on-Y, then this would have been around 8% in dollar terms, that is what you are saying?

Arvind Thakur: That's right.

Mythili Balakrishnan: But even 8% on a Y-on-Y basis seems a little you know, and if this is the organic IT business that you are talking about, then it is still a little weak.

Arvind Thakur: So, there are two things, one is as I have explained to you earlier, there are two businesses, one is the BPO business which has declined and the other is Room business which has declined.

Mythili Balakrishnan: Okay.

Arvind Thakur: So, these two things have pulled down as overall revenue growth in this particular fiscal. Now, as far as Room is

concerned I have already explained, we are investing in that product, creating a new platform, and we expect that to change dramatically as we go into the next fiscal.

Mythili Balakrishnan: No, what I meant was even if I take the organic IT business, on a Y-on-Y basis you are talking about 4% and a 7% change from your you know the whole rupee appreciation, you are still looking at a 12% year-on-year kind of growth.

Arvind Thakur: That's right.

Mythili Balakrishnan: Is this the trajectory at which you see your revenues going forward in the organic business?

Arvind Thakur: For this fiscal, that is the way it has been.

Mythili Balakrishnan: Right.

Arvind Thakur: But going forward, as I explained to you, there are some business transformation steps that we are taking which will dramatically change our competitive position in the market place and change this picture.

Mythili Balakrishnan: Could you elaborate on that, is that more related to the Room IP and the Adecco JV or is there something else there?

Arvind Thakur: Yeah, it is related to a number of things that we are investing in. One is asset-based solutions which is not only Room, but in each and every one of our other industry segments, there are platforms you know that are getting created to support this.

Mythili Balakrishnan: Okay.

Arvind Thakur: Number two is the infrastructure management services business which in fact is growing at a very different trajectory, you know that is growing at about 35% to 40% and is already reaching a sizeable proportion of our business, you know 8-9% of our businesses now are getting contributed by infrastructure management services. If you look at asset-based business of the type which I talked about, asset-based solutions, that is now at about 11% of our overall business. So these are new growth engines you know that are getting created in the organization, which are the transformational steps that are being taken in the business.

Mythili Balakrishnan: Okay. And in terms of margins, what is the sustainable level of margins that you would expect overall for the whole business put together. Do you think that you can continue to sort of improve your margin from this base or is this probably a steady state?

Arvind Thakur: For the fiscal, this would be the steady state.

Mythili Balakrishnan: Okay.

Arvind Thakur: But going forward, depending upon how some of these nonlinear initiatives pan out, it could improve.

Mythili Balakrishnan: Okay. Thank you. I will come back for a followup later on.

Moderator: Thank you very much ma'm. Next question comes from the line of Mr. Pankaj Kapoor with ABN Amro.

Pankaj Kapoor: Hi sir. Just a few questions continuing on the previous ones on the growth path going forward. You highlighted some of these nonlinear approaches that we are talking about, but most of these are something where the larger players already have a significant presence. So, any specific thing that we are trying to do different over there and what would be our positioning so as to for us to get a greater share of the market over there; that is one. And just one book keeping question after that which is what is the realized effective exchange rate for you in this quarter?

Arvind Thakur: Okay, let me just take the first question first. If you look at the scale players, you will see that you know their revenues out of these asset-based solutions is about 2% to 3%, so it is a very insignificant proportion of their total business, whereas in our context it is now in double digits, you know which is 11%, so that shows us as a more serious player when we are looking at these kind of solutions. Secondly, these solutions are directed to specific segments in the market place where we intend to build a leadership position. So, currently, the areas where we are getting good traction, or rather the segments where we are getting good traction are travel and transportation and insurance. So, these are two spaces that we are targeting aggressively with these solutions and we hope to build a much stronger competitive position through these efforts to compete effectively you know with the other scale players. The question on effective average rate for this quarter is 39.68.

Pankaj Kapoor: Fair enough. And just one last bit of question. On room, we are looking at having this product on the new platform coming in sometime around first quarter end. Looking at the kind of economic environment that we have in the US and any likely impact of that in Europe, do you think that this application, there could be some impact on the sales of this application also going forward, so Room products based

business also could be under some pressure during the coming year?

Arvind Thakur: I don't think so because you know one thing is you know the insurance market is you know very specific to different geographies because the regulatory environments in each geography are unique, so as you know the Room platform has been developed for UK market which is something that we are taking to other markets, so we have moved that platform now to Bermuda and our next step is the US. So, for us, the US is actually an extension or expansion opportunity. It is not an existing market you know which is likely to shrink, but it is an expansion opportunity for us. We do not see the impact of you know the sub-prime on this because you are primarily focused on insurance and that too we are focused on you know commercial insurance space or the property and casualty space, so it seems to be fairly insulated from the issues that we are currently experiencing in the financial services market.

Pankaj Kapoor: Fair enough. So, for the full year next year, do you expect that this business can come back on the same growth path it was say about a year back.

Arvind Thakur: Absolutely. That's the reason why we are making these investments.

Pankaj Kapoor: Fair enough. Thanks.

Moderator: Thank you very much sir. Participants who wish to ask questions may please press *1 now. Next in line, we have a followup from Mr. Dipen Shah of Kotak Securities.

Dipen Shah: Yeah, Arvind, just one thing. In terms of the margins going ahead, since we are making these investments in Room and in building up the platform, our margins are obviously impacted to that extent. Can we have some idea about the kind of investments on a quarterly basis which you are making towards this and which will be discontinued once the platform is built up?

Arvind Thakur: Let me put it this way, investments will not get discontinued, you know, but may be kind of slow down over a period of time, so right now there is a major I would say version change because the fundamental architecture and technologies will change, but you know on an ongoing basis you have to continuously keep supporting new features you know that customers require, so there will be continuous enhancements taking place. I foresee this to be a short-term impact, may be for the next two quarters and thereafter both by virtue of the fact that the revenues will increase as well as

the fact that the extent of the investment will be less, we will see expansion from Q2 onwards.

Dipen Shah: Okay. Thank you.

Moderator: Thank you very much sir. Next followup is from the line of Ms. Mythili Balakrishnan with JP Morgan.

Mythili Balakrishnan: Sir, during your last call, you mentioned that you have a plan to add around 800 to 850 people and this actually included net additions in the BPO of 150 to 200 odd. What is your current feeling that where will you land up for FY08 and why has that sort of shifted so much?

Arvind Thakur: I think what has happened is that we have had a decline in headcount in our BPO business.

Mythili Balakrishnan: Correct.

Arvind Thakur: And the reason for that you know I have already explained earlier, so that's really contributed to the shortfall in the headcount as you had planned, but I think we are running now at about in this quarter 213, last quarter was how much, some 250 odd, right, so I think that is the rate we will run with for the time being.

Mythili Balakrishnan: Okay. And in terms of the BPO headcount reduction... I am sorry I perhaps missed out on what exactly were the reasons behind that.

Arvind Thakur: Well, there was a reconstruction of you know the contracts, one major contract that we had.

Mythili Balakrishnan: That happened in the last quarter..

Arvind Thakur: That's right. So that caused a reduction in headcount.

Mythili Balakrishnan: Right.

Arvind Thakur: So, you know that's the reason why the headcount has reduced.

Mythili Balakrishnan: Okay, but that has now happened over the past two quarters right?

Arvind Thakur: This quarter, we just improved our efficiencies. So, you will see that there is a 2% increase in revenues.

Mythili Balakrishnan: Right.

Arvind Thakur: And we are delivering that revenues with a lower headcount so that we you know maintain our profitability in that business, so it is only a question of improved productivity.

Mythili Balakrishnan: Okay. Thanks.

Arvind Thakur: You are welcome.

Moderator: Thank you very much ma'am. Participants who wish to ask questions, may please press *1 now. I repeat, participants who wish to ask questions, may please press *1 now. At this moment, there are no further questions from the participants. I would like to hand over the floor back to Mr. Arvind Thakur for final remarks.

Arvind Thakur: Okay. Thank you very much for participating in this conference call. I think the real message which I wanted to communicate to all of you is that the organization has embarked on an accelerated pace of transformation from being a pure service provider to being a provider of solutions and the whole process of transformation is to you know try to get our business to be more nonlinear and in this respect there are some significant investments that we are making in the business which will help us deal with the challenges of the environment in the medium to long-term. So, once again, thank you for your questions, your queries, and your participation.

Moderator: Ladies and gentlemen, thank you for choosing WebEx Conferencing Service. That concludes this conference call. Thank you for your participation. You may now disconnect your lines. Thank you.
