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“NIIT Limited Q2 FY-18 Earnings Conference Call”

# October 25, 2017

**Management: Mr. Vijay Thadani – Managing Director and Vice Chairman,** **NIIT Limited**

**Mr. Sapnesh Lalla – Chief Executive Officer, NIIT Limited**

**Mr. Prakash Menon – Head-Skills and Careers business, NIIT Limited**

**Mr. Gavin Dabreo – Head-Schools Business, NIIT Limited**

**Mr. Sailesh Lalla – Executive Vice President-Business Development, NIIT Limited**

**Mr. Devenderjit Chadha – Head-Corporate Learning Business, NIIT Limited**

**Mr. Kapil Saurabh – Head-Investor Relations, NIIT Limited**

**Mr. Arjun Shankar – Head-Management Functions, NIIT Limited**

**Mr. Amit Roy – Chief Financial Officer, NIIT Limited**

**Moderator:** Good day, ladies and gentlemen and welcome NIIT Limited Q2 FY18 Earnings Conference Call. As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during this conference call, please signal an operator by pressing ‘\*’ then ‘0’ on your touchtone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Vijay Thadani – Managing Director and Vice Chairman of NIIT Limited. Thank you and over to you, sir.

**Vijay Thadani:** Thank you very much and good afternoon everyone. Thank you very much for joining us for this call where we will be discussing the results for the second quarter of financial year 2017-18 for the period ending September 30.

I have with me the whole management team. I have Mr. P. Rajendran – the Joint Managing Director; Sapnesh Lalla – the CEO who as a CEO is attending this call and addressing us for the first time. I have Prakash Menon who leads the Skills and Careers business; I have Gavin Dabreo who leads the Schools Business and I also have here Sailesh and Devenderjit Chadha who lead the Corporate Learning Business and then I have Kapil Saurabh who leads the Investor Relations; Arjun Shankar who leads all the management functions and Amit Roy who is the CFO and Mr. Rajan Venkataraman who is the Chief Digital Officer. So we have the whole management team here and we would be discussing the results.

Without further adieu, I would like to hand you over to Sapnesh as he addresses his first investor call as the CEO of the company.

**Sapnesh Lalla:** Thank you, Vijay. Thank you for the opportunity and thanks all for joining.

Please note that the numbers that I will discuss on this call are as per the new Ind-AS accounting and not comparable to the earlier reported numbers last year. However for sake of analysis, we have provided and will continue to provide this fiscal year the comparison with IGAAP numbers. We will also provide Ind-AS numbers for the previous year for a comparison purpose. As you can imagine, I have completed 60 days as the CEO of NIIT and this is my first set of results. Thanks for the opportunity, but also a baptism by fire.

I will report results which show interesting contrasts. The corporate learning group has done remarkably well this past quarter by taking in an order intake of over $32.9 million. It added 3 new MTS customers, the first one a global FMCG giant and two leading top ten engineering conglomerates based out of Europe. We also had two substantial expansions in our existing relationships. We now have 38 active managed training services customers and as I have said earlier, each one of them is a leader in their respective industry segments. This customer acquisition has grown our revenue visibility to approximately $195 million and that was 32% up on a year-on-year basis.

The corporate learning business continues to deliver on the trajectory that we projected. On a constant currency basis it has grown 14% on a year-on-year basis and the EBITDA margin is at 16% owing to a favorable revenue mix and some operating leverage.

The skills and career business had an extremely challenging quarter. It showed negative growth of 22% in revenue, however the teams did a remarkable job by maintaining the profitability at 3% level with the profitability in the same period last year, while they saw negative growth in revenue. The negative growth in revenue was predominantly seen and was affected in India by changes in the hiring and training plans of many of our banking customers as well as the transitions that many of our large customers as well as retail customers saw in the taxation system.

We are starting to see some green shoots specifically in the re-skilling space with some of our IT customers as we start seeing them investing in their people initiatives. I think we have opportunities for a recovery in the second half of the year and our endeavor will be to bring this business back to growth in the second half of the year starting in Q3, that is the quarter ending December. We are continuing to see traction in our online business, the online business grew 24% on a quarter-on-quarter basis. It has now done bookings worth Rs. 70 million, has more than 1,200 students, last quarter more than 1.5 million unique visitors came to the training.com site. These are applaudable numbers for any online education site.

Our schools business continued with its planned ramp down of government contracts. In the past quarter we have completed one government contract, in the last four quarters we have completed two government contracts, which on a run rate basis gave us approximately $100 million of revenue per quarter. In the past the last remaining government schools contract will end in approximately one year. Our go forward IT related business now constitutes 73% of the total schools business and we added 109 new school contracts in the last quarter.

Overall, as we have reported the revenue stood at Rs. 208 crores with an EBITDA margin of 9% at Rs. 17.8 crores and PAT grew 18% on a YoY basis.

So in concluding my prepared remarks, I would say the CLG business continues to grow at its trajectory of approximately 15% on a year-on-year basis. The Skills and Careers business is expecting to start seeing growth starting Q3. The schools business is continuing to be an IT led business. The school segment also will add new products to its portfolio.

Overall now, switching from business operations to the balance sheet, overall the balance sheet continues to be healthy. The net fixed assets down to Rs. 204.3 crores from Rs. 204.7 crores in Q1. DSO on overdue receivables at 41% against 42% in the last quarter, slight improvement, overall DSO at 76 days against 75 in the last quarter. Net debt at Rs. 459 million, up Rs. 57 million compared to the last quarter but down Rs. 459 million compared to the same quarter last year.

Our head count grew from 2,262 in Q1 to 2,425 predominantly on the back of new contracts and transitions with the corporate learning business and investments in sales in the skills and career business as well as the schools business.

With that, I would end my prepared comments and we would open up the call for any questions.

**Moderator:** Thank you very much, sir. Ladies and gentlemen, we will now begin the question-and-answer session.

The first question is from the line of Ganesh Shetty who is an individual investor. Please go ahead.

**Paresh Shetty:** This is Paresh Shetty.What I observed from the result is our associate performance and our CLG performance continue to be very robust whereas our skills and career growth is still bleeding and is not performing as per our expectation. Every quarter we will have some or other type of challenges and we have been undergoing restructuring mainly in the skill and career business itself. Still the challenges are being with us for quite a long time. So is there any thinking process going on regarding further restructuring or further improvement in this part of our business which is really a cause of worry for investors? Can you please throw some light on this, sir?

**Sapnesh Lalla:** I think what you said accurately describes the past. I think to some extent it is also the nature of the training business. The business is deeply connected with economic ups and downs with our customers but when things go down they go up as well as you are aware training is a key enabler for any industry to grow. So while we saw some challenges with banks because of shifting decisions, but at the end of the day banks will want to improve their operations, they will want to improve customer service, they will want to achieve growth and to do that, they will need to train and skill and enable their human capital. So overall we expect our business to grow. On the other hand, in IT new skills are needed.

As I pointed out a little bit earlier, we are starting to see green shoots as organizations figure out which skills are needed, what is most important to compete in the digital era. Organizations are realizing it. We have been proactive and launched many programs. Some of them are starting to see traction. So I see it as a transitionary phenomena, where because of many transitionary issues we have seen a dip but I think we will recover from it and as I pointed out we see a recovery in Q3 and Q4.

**Ganesh Shetty:** And sir my second question is regarding our people additions in this quarter despite of dip in revenues in skill and career business we are still have good number of people on board and will it be affecting our Q3 expenses on employee? Can you please throw some light on this sir and how we can deleverage on people’s strength in NIIT Limited?

**Sapnesh Lalla:** That is a great question and a valid one. I did want to point out that as I mentioned the predominant number of people additions were in the corporate business which is showing robust growth and also as I mentioned, the skills and career growth did a remarkable job in containing cost and actually have relieved head count rather than adding head count. So I expect the cost basis to continue at low levels and not work with too many additions from a skills and career business.

We are continuing to invest substantially in adding to our management team. We are strengthening our product development and enablement department by bringing in somebody who has great experience. Similarly we are adding strength in our operations management department to ensure that we are able to leverage the opportunities in front of us and start growing.

**Moderator:** Thank you, sir. The next question is from the line of Kaushik Poddar from KB Capital Markets. Please go ahead.

**Kaushik Poddar:** See, the current dispensation at the center it is very clear that they have not been able to do much with the job scenario. And they have even changed the ministry in charge of skill development. So do you see any change in mood in Delhi as far as the skill development is concerned?

**Sapnesh Lalla:** I think that is an interesting question and we can speculate on it maybe I will let Vijay answer that question because he is deeply connected with NASSCOM.

**Vijay Thadani:** Well, that is I think the IT industry is the important question is new jobs creations will remain a question mark though there are as you know task forces being set up by the Government at every latest one being by Niti Aayog where they are looking for what kind of jobs of the future should the education system cater for and I am sure all those, every single discussion which is happening is that digital technologies will be all pervasive. Banking will be more technology than banking technology of course is becoming very, very majorly influenced by technology and even manufacturing and other disciplines are getting affected by digital technology, automation and so on, so forth.

So new jobs may be less in the short term and IT industry is still hiring net positive year-on-year but not enough, not as much as they used to. The major opportunities in re-skilling and I think gearing ourselves for the re-skilling opportunity is what we have been working on some of the programs like start route and others that have gained momentum also and we have many more such programs in the offing.

So I think what our approach will be banking, BFSI sector overall and I will ask Prakash to talk about what we are doing in BFSI sector. And technology both will remain the single largest employers and our focus will remain on not only getting freshers but also focus on re-skilling. I will tell Prakash to throw a light on how we are addressing that space, in BFSI as well as technology.

**Prakash Menon:** Particularly in the banks we see a shift in the kind of roles that are available in the banks, so earlier it used to be roles which had to do with operations. What we now see is a very, very large requirement in a role which talks about customer relationships, excellence in service, some bit of interest and a lot of domain knowledge and this is not true just of the banks, this is true of the entire BFSI sector including insurance.

And we are seeing a lot of companies four, five of them who have come to us asking for these skills. So I think we are just geared up to now offer these kinds of courses instead of the ones that we used to offer before which had much to do with the operations in a bank. So that is a huge shift that we see and we see a much larger opportunity because this is not just by the banks, it is also the non-banking sector and the insurance sector.

And yet we would be in this quarter moving heavily in that direction. With respect to IT, as I will just echo what Vijay said, it has to do with huge amount of re-skilling, that we see as an opportunity and we also see opportunities in the fresh intake especially with programs such as full stack and Java programming and things like that where there seems to be a requirement. So that is something which we are again looking at in this quarter.

**Kaushik Poddar:** So this kind of skills training is given to existing employees or to freshers?

**Prakash Menon:** To both.

**Kaushik Poddar:** Okay, and as far as the BFSI is concerned, do you give training for entrance exam and all those stuff for banks or this is not part of NIIT?

**Prakash Menon:** No, we do not do that part.

**Kaushik Poddar:** Okay this is basically for banking skills?

**Prakash Menon:** Yes.

**Moderator:** Thank you. Next question is from the line of Sumit Bajaj who is an individual investor. Please go ahead.

**Sumit Bajaj:** My question was one on the online business. So what I gather is like Rs. 70 million is the revenue visibility as of now and in the last quarter if I believe it was Rs. 50 million. So how much of revenue has been booked in Q2 and how much of incremental revenue booking is expected out of the online business?

**Kapil Saurabh:** Kapil here, Sumit that Rs. 70 million is the fee bookings that we have done, which is prevalent to order intake. Of that, Rs. 14 million was realized as revenue on the quarter. That Rs. 70 million is a cumulative number since launch, we have just completed one year since launch and that number highlights that within the first twelve months we have been able to achieve over a $1 million of order intake in the online learning space, which is compared to some of the other more popular e-learning space is a meaningful number. The fact that we did that while targeting the India market only, makes it more remarkable.

**Sumit Bajaj:** My second question was on the corporate learning, so numbers in the Q2 must be reflecting the depreciation in the currency, which have happened over the last quarters. So do we think even after that the margins have remained quite at the 16% level so it is really remarkable from that side?

**Kapil Saurabh:** That indeed is true. So what is the impact of currency on? So our EBITDA would have been higher by Rs. 14 million more in corporate learning in case we had done it on constant currency.

**Moderator:** Thank you. The next question is from the line of Shraddha Agarwal from Asian Market Securities. Please go ahead.

**Shraddha Agarwal:** A couple of questions. First is in the corporate learning business, do we expect the seasonality which used to happen earlier wherein 3Q was the strongest quarter of the year, because of change in accounting would it be more uniform kind of a revenue recognition?

**Sapnesh Lalla:** Indeed, we do not see as much seasonality or we do not expect as much seasonality any more. Though given this business is predominantly transacted in the United States and Europe, and their accounting systems align to calendar years and so we see some increase in Q3 and some dip in our Q4, but it is mostly linear going forward given the accounting change.

**Shraddha Agarwal:** Sure, and sir in skills and career business, on our restated numbers in Ind-AS, the margins have come down to 3% which was earlier 8% as per Ind-GAAP. So what has really happened because which seems like whatever has been the change in revenue was the simple slow through set on the PAT level earlier. So if you could explain because of change in accounting what has happened here in this business?

**Sapnesh Lalla:** Amit, would you like to answer? What she is saying is, why have maybe you could do a reconciliation and send it to them?

**Amit Roy:** Yes.

**Shraddha Agarwal:** Sir, I mean the revenue was Rs. 98 crores as of Ind-GAAP accounting and now the revenue accounted for is Rs. 91 crores and the PAT from Rs. 8 crores has come down to Rs. 3 crores. So whatever has been the change in revenue has been the change in PAT as well broadly. So it seems like I mean more clarity on this is required because margin change has been quite steep because of change in accounting?

**Vijay Thadani:** Okay maybe it is best that we revert to you with the reconciliation and help you understand how that has happened and what policy affects that.

**Shraddha Agarwal:** I mean again a related question is here again Q2 used to be the strongest quarter seasonally, Q1 and Q2 and typically H2 used to be weak. So where do we stand in terms of our guidance for this business now that 1H has not panned out on expected lines and Q2 as it is seasonally weak for this business? I mean H2 is seasonally weak for this business.

**Vijay Thadani:** So my one response to that will be that given Ind-AS part of seasonality gets looked after because the courses gets extended I mean the revenues get recognized as you service the cost.

So that is same comment that you made for CLG is actually more valid for skills and careers. Okay but having said that very short courses you would still see a little bit of seasonality in Q2. However the profile of the courses has changed. And maybe Prakash you want to take about the profile of the courses and why Q3 can be better than Q2 for example?

**Prakash Menon:** I think there are two big reasons. One is we expect many of the engineers who have not got jobs as yet to come in. That is one which BT courses serve, and the other that we are moving to an area where we used to look at banking only but we are looking at banking, and insurance with a complete different kind of portfolio. Number of jobs as indicated to us by four companies that have come to us. I think these are two big things that I could think of.

**Shraddha Agarwal:** Sure. And if I can squeeze in one more, why did we get into losses in our schools business? I mean the expected ramp down in the government businesses are still appreciable, but believing that those would be low margin businesses, so it should ideally lead to an improvement in margins rather than getting into losses in that business?

**Sapnesh Lalla:** I think that is a good question. As I pointed out while there are two reasons I could allocate for that. The first reason is that as you mentioned that there was a ramp down of government contracts and there is a tail of those expenses that continue beyond the ramp down. But the more important point here is that as I pointed out earlier, 73% of our business is IT related and that business is very highly seasonal. Most of that business is transacted between January and May of each year and so we see substantial spikes in revenue during those months and we see moderate to low revenues for IT led business in the rest of the months and therefore we see a loss in the current quarter of this year.

**Shraddha Agarwal:** Sure sir and one last question what would be the B2B business component in SNC?

**Sapnesh Lalla:** Maybe what we will do is, we will provide you a cut off those numbers by way of email, will that help?

**Shraddha Agarwal:** Sure sir, that will be helpful.

**Moderator:** Thank you.

**Vijay Thadani:** So while I think people are getting ready for questions since we have both Sailesh and DJ from US here with us, I would like them to talk a little bit of what the corporate learning business the funnels as well as the kind of wins that we are seeing in future?

**Sailesh Lalla:** Hello everyone. This is Sailesh. So I think the corporate learning business where we are essentially are in the learning outsourcing business, continues to perform at a very healthy clip for us. There are couple of trends that are emerging which are very exciting. The number of new contracts that we are acquiring this year has been better than we have done any time before. Also from the start of the year, we have had a number of wins.

Many of these have been takeaways from key competitors which is always a good sign, where NIIT’s market positioning is strengthening very rapidly as a leading provider of managed training services. Our pipeline looks fairly healthy, we are on track to look at again a fairly good number of new wins and new deals in the Q3 and Q4 as well. So overall I am quite positive about the outlook of the business not only on what we did in Q2 but going forward in Q3 and Q4 as well.

**Sapnesh Lalla:** DJ, do you have any comments?

[**Devenderjit Chadha**](https://www.google.co.in/url?sa=t&rct=j&q=&esrc=s&source=web&cd=1&cad=rja&uact=8&ved=0ahUKEwjZvp757I7XAhWGv48KHQBjDdAQFggnMAA&url=https%3A%2F%2Fwww.linkedin.com%2Fin%2Fdevenderjit-chadha-b331b81&usg=AOvVaw2B6Itmd-Od1KRr4VpyfyU1)**:** It has been a busy quarter for CLG with couple of big transitions that we have executed successfully and based on the pipeline and the deals that we closed in Q2, there are couple of critical transitions which are lined up and we have been busy at setting up those transitions and making sure that we can get these customers live in time.

**Vijay Thadani:** You may like to talk about RECO?

[**Devenderjit Chadha**](https://www.google.co.in/url?sa=t&rct=j&q=&esrc=s&source=web&cd=1&cad=rja&uact=8&ved=0ahUKEwjZvp757I7XAhWGv48KHQBjDdAQFggnMAA&url=https%3A%2F%2Fwww.linkedin.com%2Fin%2Fdevenderjit-chadha-b331b81&usg=AOvVaw2B6Itmd-Od1KRr4VpyfyU1)**:** Yes. And bit of news on RECO. We have set up the entire team in Canada to do the production work for all the content that we are building at this point in time and we have the first few deliverables have been signed off by RECO where the entire project plan has been signed off and we are already producing some high level designs for the initial few courses. We are as far as the team set up and ramp up is concerned we are pretty much set there, we have people boots on the ground who are actually producing content at this point in time. So it has been great going, RECO has appreciated all the initial work that has happened and we have some good set of subject matter experts who are helping us in the development.

**Vijay Thadani:** Okay operator, are there other questions?

**Moderator:** Yes sir. The next question is from the line of Ruchi Burde from Emkay Global. Please go ahead.

**Ruchi Burde:** I also need a clarification with the new reporting way. If I look at the order intake it sits at Rs. 32.9 million up 94% YoY wherein when we declared last year number the fresh order intake was Rs. 26.9 million. Does the accounting has some impact on the way we are reporting YoY growth or is there something else which you would like to explain?

**Sapnesh Lalla:** I think you are right. There is an accounting treatment that has caused that to happen. As you are aware, we changed the accounting system this fiscal year and because of the Ind-AS treatment having been applied the pass through revenue or order intake is not counted in our books and therefore it is reduced from the numbers starting last quarter as well as from a comparison perspective, Ind-AS comparison perspective same quarter last year. So from that point of view a very substantial jump in order intake.

**Ruchi Burde:** Okay. Also last year we did not pay out any dividend, is there some thoughts regarding dividend payout for this fiscal year?

**Vijay Thadani:** The dividend payout is a matter which gets discussed in the Board and at this point of time Board has not declared any dividend for this year.

**Moderator:** Thank you. Next question is from the line of Harshal Gandhi from JHP Securities. Please go ahead.

**Harshal Gandhi:** Is the intention to monetize NIIT’s stake and NIIT Technology still intact given an attractive offer from a suitor?

**Vijay Thadani:** I think it is an old question but it has the same answer at the right time at the right place. There is no plan as we speak.

**Harshal Gandhi:** Okay, sir next question is what are the hours of the company gaining escape velocity in the current fiscal?

**Sapnesh Lalla:** I think that is a good question. I think as you may have predicted, the corporate learning business has started achieving escape velocity. The skills and career business is on the dock hoping to take off this coming half year and the schools business it is somewhere in the orbit hopefully ready to get into get beyond the atmosphere. Does that answer your question?

**Harshal Gandhi:** Sir, can you just elaborate more on this?

**Sapnesh Lalla:** The Physics part or?

**Harshal Gandhi:** Sir, mathematically can you just elaborate on this?

**Vijay Thadani:** May I suggest that we stick to the practice of the call we cannot get into the mathematics of escape velocity. I think in the sense that Sapnesh meant, what he is saying that corporate learning group has already demonstrated that in good measure and consistently so over the last many quarters, and is continuing to be in a strong shape given the strong order book as well as the new contracts that CLG has seen. The skills and careers business had begun on a forward journey, however at this point of time given the uncertainties or changes which took place in the environment, which hopefully are transitionary and in long term they will actually benefit us.

**`** There has been a slight time for us to reflect and build new products. And in the school sales where we are still little further, because the transition of the business from the old government schools business to a new IT led private schools business where again by the way the regulatory framework is again undergoing a change. I think is a reality which we would have to live with for the next few quarters.

**Moderator:** The next question is from the line of Siddharth Vohra from Reliance. Please go ahead.

**Siddharth Vohra:** My first question was on corporate learning group. Our margins of 16% was an improvement this quarter, this was in spite transition costs for RECO or it was because the transition cost was more or less done last quarter and this quarter we are seeing the correct margins?

**Sapnesh Lalla:** The RECO related cost started in fourth and will continue till March of 2019. So those costs are not complete as yet, however like I said earlier, last quarter we acquired three new customers and this quarter we have added five additional contracts. Each of those contracts has a transition cost and as you may have noticed, our velocity of acquiring customers has increased. That has resulted into higher levels of transition cost each quarter. So from an overall perspective, your comment is right. We have high transition cost, the RECO related cost will carry on till March of 2019.

**Vijay Thadani:** No, but he is saying what is the accounting treatment of the RECOs?

**Sapnesh Lalla:** The accounting treatment of RECO cost are seen as prepaid and not part of and they will get amortized over the contract period which is over an eight year period.

**Siddharth Vohra:** Correct. So the current EBITDA margins of 16% are what you say clean margins and they do not include the transition cost or we are actually?

**Sapnesh Lalla:** Yes they do not include transition related costs of RECO, however like I said there are eight contracts and transition at this point in time and they do include transition costs for those eight contracts. One other thing to point out is that FOREX has played a role both as you look at top line as well as bottom line. Without FOREX impact or including FOREX impact, we would have done an equivalent of Rs. 14 million more in EBITDA.

**Siddharth Vohra:** Okay. In terms of our schools business, we have had this profitability decline because of the government business ramp down. But on a full year basis if you adjust for the seasonality as you said, we are confident of matching last year’s profitability of 5%?

**Sapnesh Lalla:** We feel that we will do that as I mentioned Q4 is a large quarter and a lot depends on that quarter and we are preparing well for the last quarter that is quarter ending March 31st. We have strengthened our product portfolio as well as our sales team to achieve that.

**Vijay Thadani:** We have the answer to the question relating to Ind-AS and IGAAP reconciliation for SNC. So Amit Roy, the CFO will answer that question.

**Amit Roy:** The answer for that Ind-AS from the IGAAP Ind-AS in B2C business earlier it was based on mix of milestone and straight line now it has become fully straight line and hence the revenues smoothening and lower spikes in revenue you will see in the years to come.

**Vijay Thadani:** And therefore the Q2 spike will actually smoothen out over Q3 and Q4.

**Moderator:** We will move to the next question from the line of Harshal Gandhi from JHP Securities. Please go ahead.

**Harshal Gandhi:** One question, sir. Are we on track to meet the guidance given at the start of the year?

**Sapnesh Lalla:** As we said for the corporate learning business, we are reiterating the guidance of 15% growth and improvement in profitability on a constant currency basis. As far as our skills and career business is concerned like I pointed out, we are expecting it to grow in the second half of the year. With respect to our schools business the go forward part of our schools business which is predominantly IP led as is 73% of that business right now. We expect to see growth in that business as well.

**Harshal Gandhi:** Okay just a clarification. Sir, in skills and careers you are expecting revenue and EBITDA at single digit growth?

**Sapnesh Lalla:** Yes, for the second half of the year.

**Moderator:** Thank you. As there are no further questions from the participants, I would now like to hand the conference over to the management for their closing comments.

**Vijay Thadani:** Thank you very much for your questions. As usual these questions give us good indications to how we should plan out our strategy and we will keep looking for your support as well as cooperation as we go forward. And please do give us feedback on our performance like you have been very candidly giving as well as give us suggestions of how might we improve upon our performance in future.

So I know it is a busy season for results and as we speak I know there are three, four other conference calls where you would like to be there so if there are no more questions, then we would like to bring this call to a close and look forward to interacting with you on a one-on-one basis whenever you need. There are no pending points left because there was one point on IGAAP and Ind-AS reconciliation that has also been responded to in the call. In case there are any questions, please do not hesitate to write to Kapil Saurabh on the e-mail address or the CFO or Sapnesh Lalla and we will be very happy to address those questions. Thank you very much.

**Moderator:** Thank you very much, members of the management. Ladies and gentlemen, on behalf of NIIT Limited, that concludes this Conference Call. Thank you for joining us and you may now disconnect your lines.