NIIT Limited
Quarter There Earnings Conference Call – Financial Year 2010
January 25, 2010

Moderator: Good evening ladies and gentlemen. I am Sandhya, the moderator for this conference. Welcome to the NIIT Limited Quarter Three Results Investor Conference Call. The call is hosted by IDFC-SSKI. For the duration of the presentation, all participants' lines will be in the listen-only mode. I will be standing by for the question and answer session. Now, I would like to hand over to Ms. Shweta. Thank you and over to you ma'am.

Ms. Shweta Dewan: Thanks Sandhya. It is a pleasure to welcome you all to the quarter three FY '10 earnings call of NIIT Limited. With us, we have the senior management team of NIIT led by Mr. Vijay Thadani, the CEO. I will now handover the floor to Mr. Vijay Thadani to take it forward. Over to you Mr. Thadani.

Mr. Vijay K. Thadani: Thank you Shweta. Thank you very much for joining us on this call. Just wanted to first communicate that the results were announced by or finalized by the board on Saturday, but since Saturday was not very convenient to everybody for the call, we decided to have the call this morning. Second thing which I do want to say is that we are covering quarter three and quarter three for the last as many years that we have been declaring results is the weakest quarter of the year being the seasonal nature of the business. So, these two facts kept in mind, I would like to take you through the highlights. The results have been on the website since Saturday, and I am sure you had an opportunity to go through that, but I will quickly take you through and then we will open it up for Q&A.

As you visualize, I first described the environment in which the organization was in the last quarter. I think overall buoyancy in the Indian industry and economic scenario with estimates of GDP growth estimating to be strong in the second half and therefore an overall 7.5% to 8% GDP growth being looked at next year. The jobs are back. That is very obvious from everyday's announcements as well as the various studies which have been done. Net employment outlook is plus 39% for Q4, and this is 18% Y-o-Y improvement over the previous year. In every announcement of every IT major's quarterly results, we have heard about hiring plans and as well as banks which are a very important customer base of ours, both private and public sector banks, have increased their hiring and announced their hiring patterns and these are obviously very visible in the market place.

US, Europe, or the Western World in general while we can say there are green shoots seen in this area, the overall expectation is of a slow recovery and caution. There is excitement and enthusiasm to look at the future, but on the ground the movement is slow.

In India, back to India, at a policy level, education and skills are occupying a large part of government policy initiative and are visible through progressively interesting announcements during the quarter and new initiatives which are becoming visible. So overall, if I were to summarize US and Western World still cautious, and India and this side of the world very, very bullish on going forward plans.

So, in that the highlights of last quarter, if go down from revenue level, revenues were up 2% year-on-year and net revenues are at 2.83 billion. Profitability on the other hand has been up very significantly, 36% year-on-year at EBITDA levels at 312 million with EBITDA margin improvement of 278 basis points on a year-on-year basis. Net profit is better in growth terms, 74% year-on-year at 95 million. The key drivers for this were an enrollment-backed growth in individual segment. Individual segment is a very important measure in enrollments, are a very important lead indicator of the consumer sentiment and the good news is that we saw a very decent enrollment growth in the last quarter which makes us feel stronger about the growth in individual segment.

The School Learning Solutions had a continued growth, and in corporate sector or in the corporate part of our business, we had mixed results with some parts growing very, very well and encouragingly and the others continuing to be bogged down by the economic pressure.

Overall, the product mix was in favor of higher margin products, and therefore, a better product mix which was predominantly IT led helped us in getting the better margins, of course contributed and supported by higher execution efficiency and sustained cost management actions. If we go one level lower, Individual Business was at 11% year-on-year. It is an interesting trend; quarter one, the growth was flat. Year-on-year, quarter two, we were 7%. Quarter three, we are 11%. So, that shows an improving trend as far as performance of the individual segment is concerned; however, irrespective of that, the EBITDA margins year-on-year basis in each quarter have improved and including this quarter, our EBITDA margin is at 20%, which is 81 basis points improvement over last year.

In schools, the net revenue was up by 19% year-on-year. I must remind you that in the last quarter, we had seen a blip because of execution of a particular milestone in a particular contract and we had also talked about the fact that, that blip would obviously affect the future quarters, so in many ways we had actually got the revenue for this quarter partly in last quarter itself. So, we are at 19% year-on-year. EBITDA margin has a 282 basis points improvement. It is at 18% in this quarter.

Corporate at a net revenue level may appear to be slower quarter compared to the same period last year which is minus 8%, but that also had an impact of foreign exchange which if taken away at a volume level will be minus 5%, and now if you see that trend over the last few quarters, we will once again see that the negative growth in Corporate Business is actually reducing and in volume terms actually there has been an improvement quarter-on-quarter, and therefore to an extent, it points to a recovery phenomenon. The EBITDA margin improvement is of course substantial, 369 basis points on a year-on-year basis.

In New Businesses, the net revenue is at 91 million, which is up 4% year-year-on. Very encouraging part of this is that it is the first time in this year that net new businesses have shown a positive growth, once again contributed predominantly by two aspects, one is the banking enrollments which are back and the second is management enrollments which again are showing a healthy trend. So, impact of the Indian environment and Indian economic recovery is visible in these numbers and the subdued sentiment in the West is also equally visible in the numbers that you see in international businesses.

What is also interesting is a healthy order intake. We had a 738 million rupees order intake in the School Learning Solutions and a 34.7 million dollars order intake in Corporate Learning Solutions. Both these are strong pointers to the future.

Looking at the growth drivers or some revenue drivers, the Individual Learning Solutions enrollments grew by 22% with if you go even one level lower engineer segment had a 64% growth and infrastructure management services had 58% growth. Placements have continued to be strong though at percentage terms and that may also be because of larger denominator last year, the placements in this quarter in percentage terms have been lower but our CYD growth is at 29%.

We added 641 new schools during the quarter, which contributed to the order intake that we talked about and the other issue is the non-government revenue this quarter has grown up by 42% year-on-year.

In Corporate Learning Solutions, the essential contribution have come from learning products and training outsourcing whereas Custom Learning Solutions and the print part of the business continued to be affected by the economic downturn that the Western World is going through.

Overall, if we look at each of the businesses in slightly more detail our……we will perhaps go down to who contributed what. At a revenue level, the Individual Business which last year same period was 50% of the total is now 52% of the total. Corporate which was last year same period 37% of the total, it is 34% and schools is also which was 9% of the total is now at 11%. So, the percentage contribution is reduced by corporate, but the beneficiaries of that are individual and schools and therefore you have a positive year-on-year growth in revenues. In EBITDA, the single largest contribution to EBITDA has come from corporate where corporate contribution to EBITDA has increased from 19% to 28% of the EBITDA this quarter, while schools and individuals have contributed their bit.

At a geography level, as I already mentioned, India and the Rest of the World has shown a positive change whereas US and Europe have had a negative impact.

Looking at the performance against last year, in revenues, if we take an impact of foreign exchange movement, 60 million rupees will have to be added to have a volume depiction of the same number.

Going one level lower to the Individual Businesses, some more details. During the quarter, we announced tie-ups with IBM and SAP to offer training programs in their respective technologies. These are likely to have good effect as we go forward. China, the PPP model continues to be successful and added actually one more PPP Center during the quarter. In schools as I mentioned, while non-GSA segment is still very small, just 25% of the revenues, but is steadily increasing because the growth in that is 42% compared to the same period last year. In schools, we have also added though it is a very small part in the non-GSA segment, teacher's training and that part is at this point of time very small but will become significant in times to come.

In the Corporate Learning Solutions, it is essentially a story of product mix change and better execution which has contributed to the 369 basis points improvement that we saw in operating margin. In New Businesses, the enrollment in banking as well as management training program, increase in that is what contributed to the change and yet we also offered or got into newer tie-ups as we went forward.

Last few quarters, we have been declaring the IP-led revenue as a percentage of NIIT revenue and that now stand at 42% of the revenue and by the way that is the contributor to the improved margin that we saw.

Overall return on capital employed as of December end is now at 12%. There is an improvement over last quarter. Our receivables were higher in this quarter and DSO days have risen because of two contributors, one the last two quarters implementation of government contracts was outstanding as you know, it cleared at a slower pace and the second a bumper quarter as far as Element K is concerned which in the end of December invoicing would perhaps yield results in terms of cash flow in this quarter. So, Element K had a very good quarter which would have contributed something to the increased debtors as far as invoicing was concerned.

Fixed asset addition was very small at 37 million rupees in this quarter. As I mentioned before, most of the contracts were executed towards the end of last quarter and were accounted for in that period.

At headcount level, our headcount was up by 41 to 3540 as the headcount at the end of the quarter.

Overall, if I were to look at the future directions, we do see that the segments which have begun to fire in individual learning which is the infrastructure management, which is the higher-end training and newer areas that we are getting into, we continue to see positive trends there. I mentioned to you that from a flat first quarter to a 7% growth in second and 11% in third points to an accelerating trend as we go forward. Having said that, I also must point out that we had been discussing a revenue growth of 10% for the year as a whole, so if one was to take a stock of where we are versus that, it does indicate a steep increase in the last quarter for us to achieve that while our efforts will be on to look at that as a possibility; however, we must point out that while in revenue terms we may not be able to reach the 10% targeted growth, the fact that it is an accelerating trend, the fact that we will continue to see the benefit of that accelerating trend and the fact that in any case on EBITDA front we expect to maintain the 100 to 150 basis points improvement on a year-on-year basis for FY ’10 would be some positive indication.

In schools, we continue to see a strong growth in GSA though as I mentioned given the large capital intensity of this business, we would and we are selective in the businesses that we are picking up and are marking sure that the non-government business continues to grow at a faster pace and that is visible from even this quarter’s results.

We have some assured annuity revenue because of the existing order book that we have created including in the last quarter. In corporate e-Learning products and large training outsourcing deals will continue to be the key drivers. We had a very successful quarter last quarter in learning products, and we expect that trend to continue. Overall, the volatility and the uncertainty in the global markets continues to remain a cause of concern though the product lines which are working well, we expect those to continue to contribute, so once again here our focus is on improving profitability, and we expect that we will be on line as far as our profitability goals and objectives are concerned during the year.

In New Businesses with the revival of the economy and hiring patterns in banks, we expect that to now get on to a fast track and continue with the past that they had reached before the slowdown had come and therefore be able to grow fast in the next few quarters.

Our cost management and other initiatives will continue as projected.

So, overall, we do believe that except in US and Europe, the improving trends seen in the last quarter are expected to persist and in fact may yield us better results as we go forward. So, I will pause at this time and open the floor for questions. I must mention like always, we have our senior management team around the table and we will be very happy to answer your questions. Thank you.

Moderator: Thank you very much sir. We will now begin the Q&A interactive session. Participants who wish to ask questions at India location, please press *1, and participants connected to international locations, please press 01 on your telephone keypad. On pressing *1 and 01, participants will get a chance to present their questions on a first in-line basis. Participants are requested to use only handsets while asking a question. To ask a question, please press *1 and 01 now. First in line, we have a question from Ms. Grishma Shah from Envision Capital. Over to you please.

Ms. Grishma Shah: Hi, I just want to know a couple of things. As you said that the private school or the school revenues are 42%. What is the mix of the private and the government schools as on date, and how has been the revenue contribution during the quarter?

Mr. Vijay K. Thadani: So, the contribution of government schools is 75%.

Ms. Grishma Shah: Okay.

Mr. Vijay K. Thadani: Yeah and I mentioned that the non-government revenues have increased by 42%.

Ms. Grishma Shah: Okay, and the number of schools as on date total and of which how much are private?

Mr. Vijay K. Thadani: 641 schools were added during the quarter….

Ms. Grishma Shah: Yeah.

Mr. Vijay K. Thadani: The total number of schools as on date will come to…..I will just give you that number.

Ms. Grishma Shah: Yeah.

Mr. Vijay K. Thadani: Okay, I will just give you that, I will just pull it up.

Ms. Grishma Shah: Okay and all the 641 are the government schools, right?

Mr. Vijay K. Thadani: No, 33 of them are private schools.

Ms. Grishma Shah: Okay.

Mr. Vijay K. Thadani: Okay, just move on. I will give you that data point. 12,622 is the total number.

Ms. Grishma Shah: Sorry, I missed that.

Mr. Vijay K. Thadani: 12,622.

Ms. Grishma Shah: Okay.

Mr. Vijay K. Thadani: And of which non-government schools will be 1427.

Ms. Grishma Shah: Okay, so how have they grown and how was the growth been in the private school segment sequentially?

Mr. Vijay K. Thadani: Sequentially, one moment, I will have to check that and I will give you that. We normally measure all growths year-on-year basis, so I will pull that out and I will give it you in a minute.

Ms. Grishma Shah: Okay, okay and you also said that there is still sluggishness on the custom learning segment…..

Mr. Vijay K. Thadani: Part of the corporate segment.

Ms. Grishma Shah: ….for the corporate learning segment.

Mr. Vijay K. Thadani: Yeah.

Ms. Grishma Shah: Okay and we have also seen a sequential drop in margin. Is this more because December is the last quarter or something or you would get back to a decent number of margins going ahead?

Mr. Vijay K. Thadani: Yeah, see there is a movement during the year and that is why I have to keep repeating that our business has seasonality factors…

Ms. Grishma Shah: Okay.

Mr. Vijay K. Thadani: ….and it is not like the IT services business where sequential growth obviously has a strong meaning. So, we always therefore compare on a year-on-year basis.

Ms. Grishma Shah: Okay and how have been the volumes on the online learning segment within the corporate learning?

Mr. Vijay K. Thadani: The online learning has grown 8% year-on-year.

Ms. Grishma Shah: In volume terms?

Mr. Vijay K. Thadani: In volume terms will be actually a little more than that. It will be may be two percentage points extra.

Ms. Grishma Shah: Okay.

Mr. Vijay K. Thadani: Sorry, volume is 8.

Ms. Grishma Shah: Volume is 8.

Mr. Vijay K. Thadani: Just a moment, let me relook at it. We have actually mentioned that in one of our slides. So, I am just…..yeah, its volume is 8%.

Ms. Grishma Shah: Okay. So, when does the operating leverage….at what level does the operating leverage kick us for us because this is the biggest contributor within the corporate learning segment for us?

Mr. Vijay K. Thadani: The operating leverage, so as you can see, every additional dollar that you earn in this particular case….

Ms. Grishma Shah: Okay.

Mr. Vijay K. Thadani: ….the cost of development is already amortized.

Ms. Grishma Shah: Okay.

Mr. Vijay K. Thadani: And therefore, every additional dollar that you get generates extra margin for you, and that is the reason you have more margins. Of course, there are some author royalties and stuff like that which have to be shared with the subject matter experts and stuff like that.

Ms. Grishma Shah: Okay.

Mr. Vijay K. Thadani: so, this is a high-margin part of the business.

Ms. Grishma Shah: Okay, and when you say IP-led revenues, what are you including in that?

Mr. Vijay K. Thadani: IP-led, intellectual property led revenues?

Ms. Grishma Shah: Yeah, yes, yes, so what does this include?

Mr. Vijay K. Thadani: These are wherever we deploy our intellectual property, we get a licence kind of a revenue….

Ms. Grishma Shah: Okay.

Mr. Vijay K. Thadani: ….in contrast to services-based revenue which is the other source of income which we have.

Ms. Grishma Shah: Okay, okay, fine and do we have any debt on the books?

Mr. Vijay K. Thadani: Oh, yes of course.

Ms. Grishma Shah: Yeah.

Mr. Vijay K. Thadani: The total debt .. I will just tell you. The net debt is at 3997 million.

Ms. Grishma Shah: Three, nine….

Mr. Vijay K. Thadani: Nine, seven million.

Ms. Grishma Shah: Okay and how is the repayment scheduled for the debt over the next one year?

Mr. Vijay K. Thadani: I can share that with you separately, but many of those are working capital limits, so repayment is based on how we use it.

Ms. Grishma Shah: Okay, okay.

Mr. Vijay K. Thadani: Yeah.

Ms. Grishma Shah: And one last thing, you have a resolution in place for the fund raising….

Mr. Vijay K. Thadani: Yeah.

Ms. Grishma Shah: So, how has that progressed, any timelines, etc., attached to that?

Mr. Vijay K. Thadani: No, nothing as yet. As we had mentioned even in the last time that is an enabling resolution and based on the stability in the market right now, the volatility in the market is very high, and therefore based on the stability in the market, we would then look at our requirements and then take a decision, but the idea was to be able to move quickly….

Ms. Grishma Shah: Okay.

Mr. Vijay K. Thadani: …..in case we are able to see a situation.

Ms. Grishma Shah: Okay and what are the debtor days? You said that they have increased during the quarter. So, what does it…

Mr. Vijay K. Thadani: They are about 108 days.

Ms. Grishma Shah: Sorry.

Mr. Vijay K. Thadani: One hundred and eight days.

Ms. Grishma Shah: Okay, fine. Thank you.

Mr. Vijay K. Thadani: Thank you.

Moderator: Thank you very much ma'am. Next in line, we have a question from Mr. Dipen Shah from Kotak Securities. Over to you sir.

Mr. Dipen Shah: Yeah, Vijay, a couple of questions. First of all, in terms of the Individual Business, the trend which you have witnessed over the past two to three quarters in terms of growth rates have been encouraging, and obviously it will not be reaching the 10% mark, but can we expect the higher growth rate that trend to continue at least?

Mr. Vijay K. Thadani: Yes, so first of all, I would not like to discount the fact, that we would not….yes, it is a steep climb for the last quarter.

Mr. Dipen Shah: Okay.

Mr. Vijay K. Thadani: We would have liked to see a much higher acceleration if we have to achieve the year, otherwise, everything is in the last.

Mr. Dipen Shah: Okay.

Mr. Vijay K. Thadani: I mean, we had a steep climb in the last quarter, but we do see that, that trend now will continue over the next two-year period, and I think in the next 24 months, we should be back to our historic growth rate….

Mr. Dipen Shah: Okay.

Mr. Vijay K. Thadani: …and the next year should see a substantial acceleration from where we are today.

Mr. Dipen Shah: Okay, and just very qualitatively, when we had taken up this 10% growth, we had made some assumptions.

Mr. Vijay K. Thadani: Yeah.

Mr. Dipen Shah: So, over the past two quarters, which are the areas which you think have not paned out in line with your expectations?

Mr. Vijay K. Thadani: I would say, Raghu may perhaps add to that, but if I were to give a headlight, I think the response to the long-term courses because that creates an annuity based revenue….

Mr. Dipen Shah: Sure.

Mr. Vijay K. Thadani: …came slower than what we thought.

Mr. Dipen Shah: Okay.

Mr. Vijay K. Thadani: Our aim was to, though last quarter was particularly encouraging, but we would have liked to see a much better one in the previous quarter…

Mr. Dipen Shah: Okay.

Mr. Vijay K. Thadani: ….and last quarter I think in our GNIIT series, we have seen a 21% growth in enrollments….

Mr. Dipen Shah: Okay.

Mr. Vijay K. Thadani: ….which is very encouraging.

Mr. Dipen Shah: Okay.

Mr. Vijay K. Thadani: However, that is in a small quarter and in the fag end of the year and in the fag end of the quarter also.

Mr. Dipen Shah: Okay.

Mr. Vijay K. Thadani: Because there are other issues you must see, 22% growth in enrollments, but only 11% growth in revenue…

Mr. Dipen Shah: Okay.

Mr. Vijay K. Thadani: That shows that even the timing of those enrollments was more backloaded towards the end of the quarter.

Mr. Dipen Shah: Okay, fair enough, and the other part is that…..

Mr. Vijay K. Thadani: Raghu, you want to add something?

Mr. G. Raghavan: I think that is correct. The longer-term programs is the one where we would have liked to see a better growth than what we have actually had and we would have liked to see the longer-term growth to have happened earlier in the quarter than the way it happened.

Mr. Dipen Shah: Okay.

Mr. G. Raghavan: So, Vijay you are right.

Mr. Dipen Shah: Okay. So, it is basically just a postponement of the growth rates and nothing which has changed structurally or which is different from what you had thought of?

Mr. Vijay K. Thadani: No, I think just the response has been slower on calendar.

Mr. Dipen Shah: Okay, okay.

Mr. Vijay K. Thadani: In fact our comparative position has actually improved substantially…

Mr. Dipen Shah: Okay.

Mr. Vijay K. Thadani: If you notice infrastructure management services was not an area where NIIT had a very strong focus in the previous year.

Mr. Dipen Shah: Okay.

Mr. Vijay K. Thadani: If you see over the last five or six quarters, we took that on because as you know infrastructure management outsourcing was also a very important part of the IT services industry.

Mr. Dipen Shah: Okay.

Mr. Vijay K. Thadani: So, I think that has a role in infrastructure creation for the country also.

Mr. Dipen Shah: Sure.

Mr. Vijay K. Thadani: So, we took that on as an area and I think while some of our competitors are not publically listed, but at least on an activity at a ground level, we can certainly say that it has put a definite dent in their market share and to our advantage.

Mr. Dipen Shah: Okay, sure, and is it possible for you to tell us the actual number of enrollments in the long-term courses while it has been a 21% growth?

Mr. Vijay K. Thadani: I may not be able to give it to you right away…

Mr. Dipen Shah: Okay.

Mr. Vijay K. Thadani: Do you have those numbers Raghu right away?....but we can revert to you.

Mr. Dipen Shah: Okay, fair enough, and what would be the average fees for a GNIIT course right now?

Mr. Vijay K. Thadani: It is 1,37,000 including taxes.

Mr. Dipen Shah: And this will be for a 2+1 course?

Mr. Vijay K. Thadani: It is a three year, yeah, 2+1.

Mr. Dipen Shah: Okay, okay.

Mr. Vijay K. Thadani: There are some fast track options also, but the fee would perhaps be the same.

Mr. Dipen Shah: Okay, fair enough, and the other part is in the New Businesses while we are seeing the growth rates pick up on a quarter-on-quarter basis, if I have to see, the expenditure also as compared to the previous quarter has risen. Is there any one-off thing or is it purely business expenditure?

Mr. Vijay K. Thadani: Thanks Dipen, thanks for pointing it out. I forget to say that in my remarks. In the last quarter, the banks suddenly opened the employment doors.

Mr. Dipen Shah: Okay.

Mr. Vijay K. Thadani: And we actually went for a major campaign which you may have seen and it is even continuing as we speak now.

Mr. Dipen Shah: Yeah.

Mr. Vijay K. Thadani: Because we have specific confirmed request from banks, confirmed appointment letters from banks, for about 1500 people, 1500 bankers that we have to give to them in the next three months' time.

Mr. Dipen Shah: Okay.

Mr. Vijay K. Thadani: So, there was a…..and now this is after nine months of subdued activity where we were trying to actually create new courses and new opportunities for people to take generic careers, purse generic careers….

Mr. Dipen Shah: Okay.

Mr. Vijay K. Thadani: There was a major campaign which was in last quarter and is going on right now.

Mr. Dipen Shah: Okay.

Mr. Vijay K. Thadani: Obviously, the revenue follows that campaign.

Mr. Dipen Shah: Okay, okay. So, any figures in terms of what could have been that additional spend in the quarter?

Mr. Vijay K. Thadani: My feeling is it will be to the level of 17 to 20 million rupees.

Mr. Dipen Shah: Okay, 17 to 20 million rupees, okay.

Mr. Vijay K. Thadani: Yeah.
Mr. Dipen Shah: Okay and that you continue for this quarter?

Mr. Vijay K. Thadani: It is continuing in this quarter, but this quarter the revenue impact we will take advantage….

Mr. Dipen Shah: Okay.

Mr. Vijay K. Thadani: …because last quarter we got enrollment, but we would not have been able to service them completely.

Mr. Dipen Shah: Okay, okay, okay.

Mr. Vijay K. Thadani: And in there as you know, revenue comes faster because these are intensive courses and therefore happen in three to six months.

Mr. Dipen Shah: Okay, okay, and basically if you can have some sort of an idea on where do you see the margins in the corporate and the new businesses settling, you obviously said in the Individual Business for the year, we should be looking at about a 150 basis kind of an improvement, but how about the corporate and the new businesses, any trend for the current year that is one quarter and if something on the next year?

Mr. Vijay K. Thadani: Yeah, so, if you know our projection for corporate since we are discussing corporate….

Mr. Dipen Shah: Yeah.

Mr. Vijay K. Thadani: ….was about 200 to 300 basis points over what we had done last year.

Mr. Dipen Shah: Okay.

Mr. Vijay K. Thadani: We are well ahead of that.

Mr. Dipen Shah: Okay.

Mr. Vijay K. Thadani: We are at least ahead by that, if you look at first nine months by about 100 to 150 basis points over what we said will happen.

Mr. Dipen Shah: Yeah, okay.

Mr. Vijay K. Thadani: …visibility has been better than what we projected even though this quarter on a comparative basis, compared to last two quarters, there was an impact of foreign exchange though very little on margin…..

Mr. Dipen Shah: Okay.

Mr. Vijay K. Thadani: …..it was more on topline, and therefore, we expect to see that trend continuing….

Mr. Dipen Shah: Okay.

Mr. Vijay K. Thadani: ….which means, while we had projected 300 basis points, 200 to 300 basis points improvement in corporate over the last year, we will actually see 400 to 450 basis points….

Mr. Dipen Shah: Correct.

Mr. Vijay K. Thadani: ….improvement over last year.

Mr. Dipen Shah: Correct.

Mr. Vijay K. Thadani: At least it will be more like 7% plus, 7% to 8% that range.

Mr. Dipen Shah: Okay.

Mr. Vijay K. Thadani: Again, exchange will play a small role in that _____.

Mr. Dipen Shah: Okay,

Mr. Vijay K. Thadani: So, in corporate at a margin level, we are ahead of our projection.

Mr. Dipen Shah: Okay.

Mr. Vijay K. Thadani: And substantially ahead of our projection.

Mr. Dipen Shah: Sure.

Mr. Vijay K. Thadani: In individual also….sorry your question was on I think New Businesses.

Mr. Dipen Shah: Yeah.

Mr. Vijay K. Thadani: Yeah, so in new businesses, if I take the New Businesses which were actually should not be called newer, had nearly become old, which is banking and management training…

Mr. Dipen Shah: Yeah.

Mr. Vijay K. Thadani: ….we will make profit in the coming quarter. So, up to the first three quarters, we have had a loss.

Mr. Dipen Shah: Okay.

Mr. Vijay K. Thadani: We will make a profit just because we are going for a huge student recruitment which I mentioned to you.

Mr. Dipen Shah: Okay.

Mr. Vijay K. Thadani: Okay and after that we expect them to come back on the growth trajectory that they were on before the slowdown.

Mr. Dipen Shah: Okay, fair enough.

Mr. Vijay K. Thadani: Okay and as far as the other, which is the BPO based new business which is NIIT Uniqua and some other newer activities that we were looking at, their I think we had mentioned in the last quarter also, that we expect their to get a breakeven quarter more like first quarter of next year rather than last quarter of this year.

Mr. Dipen Shah: Okay, okay.

Mr. Vijay K. Thadani: So, that is where we are at this time.

Mr. Dipen Shah: Okay, fair enough, fair enough, and lastly just one issue on…okay, the debt component is nearly 400 crores…

Mr. Vijay K. Thadani: Yes.

Mr. Dipen Shah: ….this probably increasing every quarter. Actually, can we have some more comfort on that front like any plans to reduce debt? The QIP obviously you said will be done only when market improves, but that is one thing which we had to actually get addressed….

Mr. Vijay K. Thadani: Yes.

Mr. Dipen Shah: …..and if you can give us some cash balance also at the end of the quarter?

Mr. Vijay K. Thadani: Yeah, I have the cash balance….sorry…

Female Speaker: 681 million.

Mr. Vijay K. Thadani: 681 million rupees…..

Mr. Dipen Shah: Okay.

Mr. Vijay K. Thadani: ….is the cash balance. So, let me talk about the debt. I think the debt will actually reduce even in this quarter itself…..

Mr. Dipen Shah: Okay.

Mr. Vijay K. Thadani: ….because as you know one contributor to debt is the high amount of revenue activity which has taken place in schools' business….

Mr. Dipen Shah: Okay.

Mr. Vijay K. Thadani: ….in the quarter two end and quarter three…

Mr. Dipen Shah: Yeah.

Mr. Vijay K. Thadani: Those are two strong contributors. So, as soon as those outstandings come and as I said most of the debt in this case is a working capital kind of a debt, working capital limits….

Mr. Dipen Shah: Yeah.

Mr. Vijay K. Thadani: ….so as soon as the money comes in the debt utilization reduces immediately.

Mr. Dipen Shah: Okay, okay.

Mr. Vijay K. Thadani: The second thing which we are doing is overall, I think our average interest rate….

Mr. Dipen Shah: Yeah.

Mr. Vijay K. Thadani: ….have also come down because we swapped a few loans to lower interest rate loans. So, our overall interest burden has also come down. However, I think your concern is coming more out of liquidity.

Mr. Dipen Shah: Yeah, liquidity is actually a concern.

Mr. Vijay K. Thadani: See, the second is, today the debt in certain way is servicing the start of some of the new businesses and we are making sure that some of those businesses will turn around. So, I think additional operating cash flows will also contribute to that. So, we have seen a substantial reduction in debt happening in this quarter itself.

Mr. Dipen Shah: Okay.

Mr. Vijay K. Thadani: On the other hand, you are absolutely right that for growing some of the businesses which are more capital intensive, we need to look at funding those growths, but we are trying to see if we can make sure that the business, that particular business, rather than the whole of NIIT carries the burden of that debts. So, those are issues in structuring which we are still looking at.

Mr. Dipen Shah: Okay fair enough. Just very last, one figure, what is the average cost of debt right now and how much has it reduced?

Mr. Vijay K. Thadani: I will just give that to you, we should have that.

Mr. Dipen Shah: Okay, thank you very much.

Mr. Vijay K. Thadani: Yeah.

Moderator: Thank you very much sir. Next in line, we have a question from Yogesh Pareek from Alchemy Shares. Over to you sir.

Mr. Yogesh Pareek: Sir, what is our guidance for the individual IT business for FY '10?

Mr. Vijay K. Thadani: At this point of time, I think in the next quarter we would be in a better position to talk about it because it is a recovery situation and we will have a better impact of the season coming ahead of us. Right now it will be sufficient to say that if we see the trend which we have seen of 0, 7, 11, and I think next quarter will be more than that should point us to saying that we should be in the 10% to 15% growth in the next year overall. However, we will be able to give you a much better situation of that perhaps in the next quarter.

Mr. Yogesh Pareek: Okay and sir in the new businesses…

Mr. Vijay K. Thadani: Yes.

Mr. Yogesh Pareek: …actually our overall, in absolute term our cost has increased by 3 crores on the sequential basis, okay, even though the revenue has not seen any significant effect, any reason for that?

Mr. Vijay K. Thadani: Yeah, so I had pointed out, part of that and in fact a lot of that is to do with the campaigns that we would have seen, and you know, sequential, I do not know whether is a correct measure of……

Mr. Yogesh Pareek: No, sir, even on the Y-o-Y basis, absolute capacity has gone up….

Mr. Vijay K. Thadani: Yeah.

Mr. Yogesh Pareek: Actually we might not have opened any new centers I believe..

Mr. Vijay K. Thadani: No, we have not.

Mr. Yogesh Pareek: Yes, I agree with that.

Mr. Vijay K. Thadani: In these places, it is only…. actually the increased cost is primarily contributed by the campaigns that we have because of renewed interest in banking enrollment, I mean, in enrollment for banking courses specifically.

Mr. Yogesh Pareek: Sir, if I have heard you right, you were saying something like 20 to 30 million additional revenue you were expecting for the next quarter from new businesses, right?

Mr. Vijay K. Thadani: Did I say that? I talked about the fact that we are…..

Mr. Yogesh Pareek: Because of the newer request that you have received, you know.

Mr. Vijay K. Thadani: Yes, yes.

Mr. Yogesh Pareek: Right?

Mr. Vijay K. Thadani: Yes.

Mr. Yogesh Pareek: So, because of the campaign, we have already done 3 crores rupees extra and max-to-max we are expecting around 2 to 3 crores rupees extra in the new businesses. Are these businesses really picking up?

Mr. Vijay K. Thadani: Of course they are really picking up, but I am not able to see how you have done the revenue calculation as well as the other calculation. So, let me repeat, let me, for clarity may be it is a good idea to repeat….

Mr. Yogesh Pareek: Okay.

Mr. Vijay K. Thadani: As I mentioned, in banking alone we have 1,500 new appointment letters, which means people are ready with their appointments, which we have to service over the next three to four months. For this, some courses enrollment happened during last quarter and courses have started. Some more which is happening as we speak and our aim is to service that requirement as quickly as possible.

Mr. Yogesh Pareek: Okay.

Mr. Vijay K. Thadani: That is the correct statement. Now, of the new businesses, there are as I mentioned two kinds; there is one which are fledgling new businesses and there are others which actually should have gone into the category of mature businesses such as banking and management courses….

Mr. Yogesh Pareek: Okay.

Mr. Vijay K. Thadani: ….because they have been there for more than one year; however, they landed in rough weather because of economic situation last quarter.

Mr. Yogesh Pareek: Okay.

Mr. Vijay K. Thadani: Those will recover, and we are expecting those businesses to make profit during the current quarter.

Mr. Yogesh Pareek: And what is the ratio of these course for which we are expecting…..in term of the revenue, what is their contribution in the new businesses revenue?

Mr. Vijay K. Thadani: It will be very substantial because they are the big drivers of the new business at this time.

Mr. Yogesh Pareek: Fair to assume, 70% to 80% because this type of businesses are that only we started the new businesses.

Mr. Vijay K. Thadani: Yeah, it will be more like 70 than 80, yes.

Mr. Yogesh Pareek: Okay, okay, that is it from my side.

Mr. Vijay K. Thadani: Dipen, the answer to your question, improvement in cost of debt on a quarter-on-quarter basis is 40 basis point.

Mr. Yogesh Pareek: Okay, okay, that is it from my end.

Mr. Vijay K. Thadani: Yeah, thank you.

Moderator: Thank you very much sir. Next in line, we have a question from Mr. Abhishek Anand from Centrum Broking. Over to you sir.

Mr. Abhishek Anand: Good morning sir.

Mr. Vijay K. Thadani: Good morning.

Mr. Abhishek Anand: Basically, in the individual learning sector, I wanted to have any color of China market? Is it like a one-time effect or any trend we are seeing in the China market?

Mr. Vijay K. Thadani: China by and large has grown very well in the first three quarters.

Mr. Abhishek Anand: Okay.

Mr. Vijay K. Thadani: And may be Raghu you can explain.

Mr. G. Raghavan: Yeah. China as we have mentioned in the previous quarter, we have added the new model of presence namely the public-private partnership model.

Mr. Abhishek Anand: Okay.

Mr. G. Raghavan: We have been setting up centers in a few locations, and in the last quarter Changzhou Center has come into operation, and we have a good kick off of that center. Now, during the last three quarters, we have grown nicely in China, and this is not a one-time. We have put on-ground programs as well as channels in order to keep sustainability on the growth that we are seeing in China.

Mr. Abhishek Anand: Sure sir. So, what kind of….

Mr. G. Raghavan: …..was a significant growth.

Mr. Abhishek Anand: So, what kind of growth can we see from the China market going forward from our new initiative?

Mr. G. Raghavan: Well, a healthy double digit is definitely something that one should expect in China. Between 20% and 30% growth from China should not be an issue, that is the kind of numbers that we are looking at.

Mr. Abhishek Anand: Corporate Learning Solutions, we have seen some growth of 10% in the order book. So, what could be the nature of this order book, and secondly within Corporate, we were doing some government project, any outlook on that, what kind of projects? Does that include in the order book which we are seeing in the quarter three?

Mr. Vijay K. Thadani: My answer is to your second question, yes, but primary growth rate in the order book of Corporate Business has come from learning products, which is part of the Element K portfolio in US. As I mentioned, they had a bumper quarter during last quarter and that is contributing substantially to the order intake. Government orders in India are there and are added, but Indian business will always remain a small part of the overall Corporate Learning Solutions just given the fact of the dollar-rupee parity issues itself, and what kind of returns that you get in the Indian business. Having said that, we do have some good wins in the skills development initiative, which Government of India has launched.

Mr. Abhishek Anand: Sure sir. Within the revenue this quarter, did we have any government contract revenue?

Mr. Vijay K. Thadani: Yes, in fact our Indian part of the business this quarter grew 40% year-on-year.

Mr. Abhishek Anand: Okay.

Mr. Vijay K. Thadani: It is a very small number, so I did not talk about it because it is a very small number.

Mr. Abhishek Anand: Sure sir.

Mr. Vijay K. Thadani: It contributes very small percentage.

Mr. Abhishek Anand: Sure sir, and sir, one last data point. What will be the interest cost this quarter?

Mr. Vijay K. Thadani: Net interest this quarter was….one moment…95 million rupees.

Mr. Abhishek Anand: Sir, what would be the gross interest?

Mr. Vijay K. Thadani: What will be the gross interest? One moment….114.

Mr. Abhishek Anand: Thank you so much sir.

Moderator: Thank you very much sir. Participants connected to India Bridge who wish to ask questions, may kindly press *1 on their telephone keypad. Participants connected to International Bridge may kindly press 01 on their telephone keypad. I repeat, participants in India Bridge can press *1 for asking question, and participants at International Bridge can kindly press 01 to ask a question. Next we have a question from Ms. Vibha from Angel Broking. Over to you ma'am.

Ms. Vibha Salvi: Hello, congrats on good set of numbers. I have one question related to Element K Business?

Mr. Vijay K. Thadani: Yes.

Ms. Vibha Salvi: Could I get numbers related to revenues and on margins?

Mr. Vijay K. Thadani: Of Element K Business?

Ms. Vibha Salvi: Yeah.

Mr. Vijay K. Thadani: We won't have that available separately because it is integrated in many ways.

Ms. Vibha Salvi: Okay, but some insight on the business and the growth going forward?

Mr. Vijay K. Thadani: Yeah, I can explain to you.

Ms. Vibha Salvi: Yeah.

Mr. Vijay K. Thadani: So, overall when we have our business, we have learning products. Learning products is now 33% of our total business.

Ms. Vibha Salvi: Okay.

Mr. Vijay K. Thadani: This quarter, it has increased, and in percentage share, learning products is primarily coming from Element K though Element K has other businesses where they also, I mean, their activities and our activities together, that is the reason I am not able to isolate Element K for you separately.

Ms. Vibha Salvi: Okay.

Mr. Vijay K. Thadani: So, the second part of Element K's business is print, which is print and publishing.

Ms. Vibha Salvi: Okay.

Mr. Vijay K. Thadani: That is a business which has actually not done well and has not been doing well….

Ms. Vibha Salvi: Okay.

Mr. Vijay K. Thadani: ….because of slow training center requirements. There it is serviced training centers across the world of various technology companies and that area is still very, very slow even though they have added more technology companies whom they are servicing, and the third part is Custom Learning Solutions. Custom Learning Solutions in both the places is challenged. In Custom Learning Solutions and printing part of the business, what we have been able to do is downsize the operations to a size so that at least we are able to get better margins….

Ms. Vibha Salvi: Okay.

Mr. Vijay K. Thadani: …and in learning products, the growth is helping the better margins. So, overall margins of the Corporate Learning Solutions where Element K by itself would contribute quite substantially, I would say 60% plus, there the margins have improved on a year-over-year basis as you know at 369 basis points.

Ms. Vibha Salvi: Okay, okay, that is fine. Thank you.

Mr. Vijay K. Thadani: Thank you.

Moderator: Thank you very much ma'am. Next in line, we have a question from Mr. Dipen Shah from Kotak Securities. Over to you sir.

Mr. Dipen Shah: Yeah, Vijay, I just wanted to know have you been able to do any fee hikes in the Individual Business, and if not, when do you think you should be in a position to increase fees?

Mr. Vijay K. Thadani: I will defer it to Raghu.

Mr. G. Raghavan: Right now, we have not increased the fees in the Individual segment, and we don't have a visibility of when we will change it. Primarily, we want to settle down with the volatility that we have seen in the recent quarters to a steady growth….

Mr. Dipen Shah: Okay.

Mr. G. Raghavan: …..looking at it in terms of Individual Business segments within the Individual…..

Mr. Dipen Shah: Okay.

Mr. G. Raghavan: ….whether there are opportunity. So, our intention is to bring it to a consistent steady state growth phase back again. .

Mr. Dipen Shah: Okay.

Mr. Vijay K. Thadani: I think the other way of answering your question is, right now the focus is on getting the volume growth back.

Mr. Dipen Shah: Okay.

Mr. Vijay K. Thadani: Because remember, consumers are not switches which can be turned on and off easily.

Mr. Dipen Shah: Sure.

Mr. Vijay K. Thadani: So, you have to work very high and if you see, I think we are now doing about 11 or 12 seminars a month….

Mr. Dipen Shah: Okay.

Mr. Vijay K. Thadani: ….in each location, I mean, across the country…..

Mr. Dipen Shah: Okay.

Mr. Vijay K. Thadani: ….educating people as to why IT and IT services and banking and service sector economies are recovering and why they should look at those jobs very seriously.

Mr. Dipen Shah: Okay.

Mr. Vijay K. Thadani: So, it is a very….the disadvantage of being a strong market leader is that you have to lead the show. There is nobody else helping you in reviving the sentiment of the market.

Mr. Dipen Shah: Okay.

Mr. Vijay K. Thadani: So, we are doing that. So, therefore, focus is on volume and volume improvement and not yet right now on getting better price points.

Mr. Dipen Shah: Okay.

Mr. Vijay K. Thadani: But soon that will also be the case once the salaries recover and various other things happen.

Mr. Dipen Shah: Fair enough, thank you very much.

Moderator: Thank you very much sir. Next in line, we have a question from Mr. Kaushik Poddar from KB Capital Markets. Over to you sir.

Mr. Kaushik Poddar: Yeah, see, in the banking sector you just spoke about through you 1,500 people will recruit this year. So, do you have a target how much this 1,500 figure should be in one year or two year down the line?

Mr. Vijay K. Thadani: Yeah, just before the slowdown happened, we were at about 4500 to 5000 a year.

Mr. Kaushik Poddar: Okay.

Mr. Vijay K. Thadani: And we believe that next year, we should see those kind of number.

Mr. Kaushik Poddar: Okay.

Mr. Vijay K. Thadani: Yeah, so, the question will be… actually the interesting part is since there has been so much volatility in the way the job markets have gone up and down, so to get the better guys to come forward is actually an important challenge that we have to deal with. Getting numbers is not an issue but getting the right numbers is the issue.

Mr. Kaushik Poddar: You mean, getting the right people for the courses, is it?

Mr. Vijay K. Thadani: Yeah, the right people whom the banks would like to hire.

Mr. Kaushik Poddar: Okay, okay.

Mr. Vijay K. Thadani: I mean, I believe there was a newspaper cutting that State Bank of India released an ad for some bank clerks and they got 3 lakh applications.

Mr. Kaushik Poddar: Right, right, right.

Mr. Vijay K. Thadani: Now, one way of looking at this is, wow, 3 lakh could be doing your courses, but when those 3 lakhs are not suitable for us….

Mr. Kaushik Poddar: Right, right.

Mr. Vijay K. Thadani: ….they do not have the basic requirement. So, getting the right level requires a lot of customer communication, which is what we are doing right now, but our aim at that time was to grow if banking slowdown had not happened, by this time we should have been servicing 8,000 to 10,000 students a year.

Mr. Kaushik Poddar: Okay.

Mr. Vijay K. Thadani: So, we expect to return to that growth rate in at least 24 to 30 months' time.

Mr. Kaushik Poddar: And does this figure include any of the public sector banks or it is only private sector banks?

Mr. Vijay K. Thadani: At this time, public sector banks do not hire directly.

Mr. Kaushik Poddar: Okay.

Mr. Vijay K. Thadani: Because of their own considerations, but we are working with them.

Mr. Kaushik Poddar: Okay.

Mr. Vijay K. Thadani: See, banking industry is actually going to have a much bigger shortfall than IT services industry.

Mr. Kaushik Poddar: Okay.

Mr. Vijay K. Thadani: Because they also have a very huge retiring population in the next five years.

Mr. Kaushik Poddar: Right.

Mr. Vijay K. Thadani: Just _____ demographic….

Mr. Kaushik Poddar: Right, absolutely.

Mr. Vijay K. Thadani: They need to replace those people.

Mr. Kaushik Poddar: Okay.

Mr. Vijay K. Thadani: So, the question is their methods which they have used so far for hiring, have been very traditional, and I think they are now willing to look at your method. Some of the banks are opening up, and I think they are hoping that may be much more will happen.

Mr. Kaushik Poddar: Okay. See, in the presentation you have given a figure of IP-led growth strategy and you have given a drop of how IP-led revenue is growing as the percentage of the total NIIT revenue….

Mr. Vijay K. Thadani: Yeah.

Mr. Kaushik Poddar: …and you have talked about in the tagline is non-linear revenue growth supports profit growth, okay. So, what exactly is this IP-led revenue, I mean which are the….which part of your Education Business basically constitutes this IP-led revenue?

Mr. Vijay K. Thadani: I will give you three important components. One is learning products which are part of the Element K portfolio.

Mr. Kaushik Poddar: Absolutely right.

Mr. Vijay K. Thadani: Right?

Mr. Kaushik Poddar: Okay.

Mr. Vijay K. Thadani: IP-led revenue is when we create an IP and we license it out either for a subscription…..

Mr. Kaushik Poddar: Okay.

Mr. Vijay K. Thadani: …and it is not dependent on the services that we render…..

Mr. Kaushik Poddar: Okay.

Mr. Vijay K. Thadani: …in addition, so therefore, 58% of our revenue comes out of services we render and 42% on IP.

Mr. Kaushik Poddar: So, Element K is one part, which are the other parts…

Mr. Vijay K. Thadani: ….is one part of that.

Mr. Kaushik Poddar: Okay.

Mr. Vijay K. Thadani: The second part would be our private schools business…..

Mr. Kaushik Poddar: Okay.

Mr. Vijay K. Thadani: ….there is an IP-led offering that we have, the eGURU offering.

Mr. Kaushik Poddar: Okay, so you basically give the software and after that you earn a revenue every quarter or whatever, is that the way it goes?

Mr. Vijay K. Thadani: Yeah, yeah.

Mr. Kaushik Poddar: Okay.

Mr. Vijay K. Thadani: And the third contributor will be the e-Learning as well as IP that we offer in our Education Business through our channel.

Mr. Kaushik Poddar: Okay. So, what is the kind of IP that you give in your Education Business through your channels because that is basically a service, isn't it?

Mr. Vijay K. Thadani: That is not a service, that is again a content and a service.

Mr. Kaushik Poddar: Okay.

Mr. Vijay K. Thadani: So, we separate out the content and the service.

Mr. Kaushik Poddar: Okay, so when somebody's is paying say 1,30,000 for a GNIIT course, so part of it is service and part of it is content, is it what you are saying?

Mr. Vijay K. Thadani: No, no, no. When we talk about the IP-led revenue….

Mr. Kaushik Poddar: Right.

Mr. Vijay K. Thadani: …when we give our e-Learning as well as content IP….

Mr. Kaushik Poddar: Okay.

Mr. Vijay K. Thadani: ….business partner to use, he pays us a royalty on usage of that. That is an IP-based revenue.

Mr. Kaushik Poddar: Okay, basically the NIIT franchise you are speaking about?

Mr. Vijay K. Thadani: Yeah, but the only part which is to do with the IP part of our revenue because we also deliver them some services, right.

Mr. Kaushik Poddar: Okay, okay, okay, and do you see this growing as in the past year. I mean, where do you see this figure two years down the line as against 42% in the calendar year?

Mr. Vijay K. Thadani: One of the milestones that we wanted to achieve in the next two, we have said that last year…..

Mr. Kaushik Poddar: Okay.

Mr. Vijay K. Thadani: …what we want to cross, more than 50% of our revenues should come out of non-linear.

Mr. Kaushik Poddar: Okay.

Mr. Vijay K. Thadani: Yeah.

Mr. Kaushik Poddar: So, that should support your profit margin growing disproportionately also?

Mr. Vijay K. Thadani: Exactly.

Mr. Kaushik Poddar: Okay.

Mr. Vijay K. Thadani: That is the reason we are able to say each time that we will improve our margin by 100 to 150 basis points.

Mr. Kaushik Poddar: Okay.

Mr. Vijay K. Thadani: As the mix is changing to less services and more IP….

Mr. Kaushik Poddar: Absolutely.

Mr. Vijay K. Thadani: ….the margin improves.

Mr. Kaushik Poddar: Okay. Thanks sir. Thanks a lot.

Mr. Vijay K. Thadani: Thank you.

Moderator: Thank you very much sir. At this moment, there are no further questions from the participants. I would like to handover the floor back to Ms. Shweta for final remarks.

Ms. Shweta Dewan: Thanks Sandhya. I just like to ask one question. Sir, just wanted to know that how much in revenue terms do the private schools contribute to our SLS business in the quarter?

Mr. Vijay K. Thadani: 25% was the contribution of the non-government segment.

Ms. Shweta Dewan: Alright, that is it from my side. Thank you everybody for being on the call. Mr. Thadani, would you like to make any closing remarks?

Mr. Vijay K. Thadani: No, just to say thank you very much for your participation and the questions that you ask us, and I think we provided all the answers if I remember right, but just in case we missed any, please do not hesitate to contact Kapil Saurabh, or any one of us and we will be very happy to answer those questions and if there are more details required, please do not hesitate to send us an email or go to our website where much more details are available. Thank you once again for participating in the call.

Ms. Shweta Dewan: Thank you so much sir. Thank you everybody. Let us close the call now. Thanks.

Moderator: Thank you very much sir. Ladies and Gentlemen, thank you for choosing WebEx's Conferencing Service. That concludes this conference call. Thank you for your participation. You may now disconnect your lines. Thank you.