"NIIT Limited FY12 Annual Results Investor Call"

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Moderators: Mr. R. S. Pawar – Chairman
Mr. Vijay Thadani – Managing Director
Mr. P. Rajendran – COO
Mr. G. Raghavan – Chief Executive, Career Building Solutions
Mr. Sapnesh Lalla – Chief Executive, Corporate Learning Solution
Mr. Rohit Gupta – CFO
Mr. Sanjay Bahl – President, Skill Building Solutions
Mr. Kapil Saurabh – General Manager, Investor Relations

Moderator Ladies and gentlemen, good day and welcome to the NIIT Limited FY12 Annual Results Investor Call. As a reminder for the duration of the conference all participant lines will be in the listen-only mode. There will be an opportunity for you to ask questions at the end of today's presentation. Should you need any assistance during the conference call you may signal an operator by pressing * and then 0 on your touchtone telephone. Please note that this conference is being recorded. I would like to hand the conference over to Mr. Vijay Thadani, CEO of NIIT Limited. Thank you and over to you sir.

Vijay Thadani Welcome to the investor call for our annual result which also have the quarter 4 progress during the year. As usual I will quickly set the tone about the environment, some highlights and may be take you through a few relevant details about the results of last year and significant developments. And after that we will open it for Q&A and for Q&A I have the whole management team of NIIT supporting me here. Mr. Pawar – the Chairman of the company, Mr. Rajendran – the Chief Operating Officer, Mr. Raghavan – the Chief Executive of the Individual Learning business, Mr. Sapnesh Lalla who is the Chief Executive of the Corporate Learning solution, Mr. Hemant Sethi as well as Mr. Sanjay Bahl who are presidents of their respective Schools and Skills business. We also have our CFO – Mr. Rohit Gupta as well as our investor relations team. So starting with the environment, I think enough has been said about environment.

I would only like to talk about the highlights. Enough is said in the media. I do not think there was any doubt about the fact that the global economy did go through a period of extreme volatility during the year, mostly it is negative. There were fresh challenges during the year and several of the western economies were battling with issues of growth and solvency. India itself started on a very strong note but over the year went into increasing degrees of uncertainty. We had a year of slower growth, higher inflation and stronger FOREX volatility which was exacerbated by a slow pace of decision making by the government. Environment uncertainties also contributed to the hiring outlook. The net employment outlook had declined by 8% points in the second half of the year. Large IT firms though they have not announced any slowdown in hiring, their cautious future outlook as well as real time delays in hiring definitely contribute to the market sentiment. Having said that, education and skills remain a very-very large opportunity and are a very important agenda for not only the Indian government but everybody else. And lastly in US and Europe the market uncertainties actually working favorable for certain parts of the society and certain kinds of businesses where the propensity to look at an alternative source of specialization for certain specialist functions in the organization such as training is increasing as was evidenced by substantial increase in RFPs that we saw during the last year. Just to remind us 12 months ago, we had talked about the plans for this year. The top on our agenda was strengthening of our balance sheet and improving the capital efficiency but it was an agenda which was supported with four platforms of growth, one in of the business which was to drive the strategy for the year. I am very pleased to inform you that we have made substantial progress on each of the four platforms of growth and of course have ended the year with a much stronger balance sheet than the one which we started. Looking at the four platforms of growth, at the Individual Learning level cloud campus which was the starting point of our foray into using cloud technologies to deliver education has now got 13,800 enrollments and is prevalent in 340 centers and 80 colleges – a very-very substantial implementation effort and product rollout effort which has been received very-very well. In the Corporate segment focus on managed training services as a platform of growth ended the year with nine global customers with a revenue visibility of $120 million and just the MTS part of the revenue grew 72% year-on-year.

Our Schools, where NGuru solutions was the focus, during the year we added 687 private schools, 32% growth in quarter 4 and overall order intake in schools of 47% was another feature. And in Skills, the launch of 90-10 JV with NSDC called NIIT Yuva Jyoti had six centers operational and over 1,000 enrollments. Now these are some of the large initiatives which perhaps would not be visible in the numbers because many of these will yield results over periods of times. The second thing which I want to say is that in each one of these initiatives quarter 4 performance would be better than the annual performance which means that all these are on a positive upswing.

So, with this background and the fact that during the year the significant move to strengthen to balance sheet was divestiture of Element-K, which

I will talk about as well as of strengthening the balance sheet by improving capital efficiency through reduction in receivables as well as working with a smaller capital base. So, overall highlights of the year are to do with the cloud campus, with the breakout growth in managed training cervices. The fact that many of the businesses which we used to track separately and they were collectively called new businesses, each one of them turned profitable. Stronger growth in private schools, divestiture of Element-K at a significant premium to the acquisition cost and we will talk about that. And also a very strong year and social recognition in the form of highest rated education brand by the Brand Trust report as well as several other awards and recognition. Many of these once again do not find their mention in the financials and I think need to be looked at in isolation or combined with the financials to get the overall view of this situation.

The challenges in the year were plenty. There was a weaker industry hiring which we discussed during our last quarter's results. In fact there was a total freeze in quarter 3, in quarter 4 there is a little bit of movement. The other is changing customer preferences. The pace of improvement we would have liked to collect much more money from the Government. We made positive progress but not sufficient and the other was the containing cost pressure as well as the new initiative having a cash burn which had to be accounted for.

We remained focused to on our four platforms for faster growth as well as continued with our balance sheet strengthening exercise. So if we look at the results on a published basis they demonstrate the annual growth of 1% in net revenues, minus 7% in EBITDA, minus 106 basis points in EBITDA margin, massive jump in profit before tax which is contributed by other income arising out of Element-K and profit after tax of 19%, a part of that flowing through. However, this would not tell the complete story because we did not have Element-K which was a substantial part of the organization's overall balance sheet for all of 12 months. We divested Element-K on 13th of October, 2011, therefore had the benefit of financials of Element-K for six months and 13 days. And therefore we have to look at the financials from that lens which is on a continuing basis. In addition to that in the quarter 4 there was another exceptional item in terms of a hardware pass through revenue which we will discuss when we discuss the particular business. However, if I was to exclude that as well because that also is not of a continuing nature, the like-to-like excluding pass through performance would show that our overall revenue grew by 15%, our EBITDA margin was at (-263) basis points compared to last year at 12%. Our Profit before Tax was again lower but Profit after Tax was 9% and EPS was also 9% increase. So that is the like-to-like picture for the year.

Now quarter 4 picture which I will be discussing in a minute was much-much better than that and I would refer to that when I reach there. So overall if we were to look on a continuing basis, our revenues grew 21% and on a like-to-like basis 15%, our EBITDA margin was at 11%, normalized margin on a continuing basis was at 12%. Net debt reduced by 98% from Rs. 3,022 million to Rs. 67 million. So we are a zero net debt situation at the end of the year. Our balance sheet size has reduced from Rs. 9.25 billion to Rs. 7.74 billion. EPS was up by 19% and the board proposed a dividend of 80% in contrast to 75% which was proposed for last year.

I will now come to each line of business into higher level of detail but to explain that at the end of the year the individual business on a net basis contributes 59% of the total revenue, corporate is grown to 26% from 23% last year and schools have shrunk from 17% to 16% during last year. When I explain these business wise details many of these things will be clearer but before that let me talk about quarter 4 performance. On a same continuing basis if I was to look at the quarter 4 performance then the net revenue for like-to-like situation was 17% growth on year-on-year basis. EBITDA was at 15% increase over last year. EBITDA margin was just 21 basis points away, remember with all the new initiative we were actually looking for a larger gap in EBITDA margin but this is better than that. The profit before tax grew by 64% and EPS grow by 31% if we were to just examine the quarter4 performance on continuing basis excluding pass through revenues.

Moving onto individual learning solutions – The net revenue grew during the quarter by 14%, annually the growth of 13% so which means quarter 4 did better than the overall year. EBITDA for quarter 4 was at 18% which was 114 basis points lower than last year. For the year it was (-239) basis points lower, which means that quarter 4 once again had improved in relationship it to the previous quarter. Overall enrollments grew by 8%, short term program enrollment were up by 25% and may be during our detailed discussion today or tomorrow, most certainly my colleague Mr. Raghavan would like to explain the changing consumer preferences and how you are responding to it. Margin drop of 114 basis points is attributable to our cloud campus implementation related expenses and adverse product mix.

Over the year cloud campus now stands rolled out to 340 centers and 80 colleges. Short term enrollments grew by 14% during the year and 25% in this quarter. So again this year acceleration on a quarter on a quarter basis. Banking career enrollments grew by 54% during the year, a very good response. An interest IT and this is a question which is interesting and perhaps will get discussed in tomorrow's investor's meeting of the relevance of IT training, this year we had a 77% growth in applications for an IT Aptitude Test, which I think is a positive sign for the interest in IT. Placements during the year grew by 5% and as I mentioned before all new businesses are now profitable including the college solutions business which was launched during the year. We ended the year with an order book of Rs. 1.56 billion, 2/3^{rds} of which is executable in the next 12 months.

School learning solutions while the published number show a 131% growth in revenues we have to take out the pass through revenue of Rs. 482 million from Rs. 865 million and that will leave with a marginal growth over the same period last year on a like-to-like basis. Reasons are very clear, as we have been downsizing the government business, especially the risky part of the government business completely and moving the private schools business up, we would be going through this phase.

The nGuru interactive classroom solutions now extended the leads in this quarter alone by 32% more than same period last year to 258 schools, our non-government schools' revenue grew by 24% and now contributes 54% of our total revenue. In these numbers is a repeat order from Assam which is a BOT contract which means hardware gets accounted for at least on a cash flow basis in the first few months of the year. Assam is a very old state of ours where we have exposure in 1,200 schools, we have an excellent payment records, the payment terms of this contract are very favorable. Inspite our very clear understanding that we are not taking on any more of new government contracts, this particular contract, because of the special relationship with the state and the confirmation of revenue, has been taken up and is being talked about.

Overall during the year, the non-government revenue contributed 47% as well as we added 687 new non-government schools.

In Corporate Learning solutions our major strategy was managed training services. The overall quarterly growth was 36% in revenues for Corporate Learning solutions on a continuing basis. EBITDA grew by 161% because there was a 463 basis points improvement in margin. Volume growth was 23% and within that MTS volume growth was 52%. We now ended the year with nine global managed training services deal with $120 million of revenue visibilities over the contract period. Our nine global customers are leaders in their own respective businesses, they are very large organizations. One of the largest oil companies, one of the largest technology companies, one of the largest platform companies and of course the electronics company Philips that we are very familiar with continued to remain very strong customers of ours. Overall impact of exchange for the corporate learning solution was favorable during the year to the tune of Rs. 69 million. In this quarter also the impact was marginal any one way we looked at.

Skill building solutions, we got six centers operational and have launched 10 services sector jobs linked courses. We have mobilized more than 7,000 prospects and executed a technology-enabled pedagogy and delivery method.

Moving onto balance sheet as I said the balance sheet size reduced from Rs. 9.25 billion to Rs. 7.74 billion, a reduction in capital employed as therefore reduced by 16% primarily counted by Element-K divestiture as well as improvement in receivables. Our net debt has come down to Rs. 67 million.

We added Rs. 1.5 billion worth of assets but that was also including the assets which we had created for Element K. Our Daily Sales outstanding which is accounts receivable were at 114 days but again if we take away on a continuing basis there is a 6-day deduction even though at this time we believe receivables are on a higher side but the quality of receivables had improved substantially. We closed the year on a continuing basis with 127 days of receivables. So that was about our balance sheet.

Moving onto our headcount, I think headcount perhaps makes sense only on a continuing basis. So on a continuing basis during the quarter we reduced our headcount by 172 but during the year on a net basis we increased our headcount by 82 and this is on a continuing basis which means for the same period, I mean without Element K. The Element K transaction by itself though in the last quarter had been explained in great detail in terms of sales proceeds as well as how the cash flow was being used, I think the only significant change is that we were able to do the cash in a much more granular manner and I have not reduced the provision for taxes from the $20 million that we had taken based on the advice received at that time to a much more accurate $17.2 million on the transaction on a conservative basis. There are still moving parts to this since there will be the agreements required, certain confirmations which we are in the process of obtaining and we believe based on the council that we have received that there may be an upside in future that we can look forward to.

I would like to stop here at this time and I would like to open the floor for Q&A, my colleagues who are around with me, they would be helping me in answering the questions. Thank you once again for your attention.

Moderator Ladies and gentlemen we will now begin the question and answer session. The first question is from the line of Mithun Aswath from Barclays, please go ahead.

Mithun Aswath Just one question on your school learning solutions, though in the quarter we have seen rapid growth in terms of the revenues, but margins seem to have deteriorated. Is there some sort of expected margin from this business in the next fiscal?

Vijay Thadani First of all on a like-to-like basis the margin has not deteriorated because I think this quarter's revenue is to be adjusted for the hardware pass-through. Without that the operating margin has actually improved on a year-on-year basis by 200-odd basis points. It will be up 10%. In the following year we expect a further improvement in margin as the product mix is shifting from government schools to private schools. The share of increase in revenue will actually be lower but the improvement in margin will be faster.

Moderator Thank you. Our next question is from the line of Amar Maurya from India Nivesh, please go ahead.

Amar Maurya Couple of questions, first of all this school learning solution. If I am not wrong revenue in the current quarter is Rs. 384 million as well as the EBITDA margin is 9.6%, right?

Vijay Thadani If we take away the pass through figure.

Amar Maurya Yes like-to-like basis pass through. So, in what was the contribution from nGuru?

Vijay Thadani nGuru grew by 24% and contributed 54% of revenue.

Amar Maurya If you can share what is the margin which we are realizing in the nGuru particularly segment?

Vijay Thadani It will be difficult to talk about a steady state margin at this time because as you know we are ramping up the sales force but on a steady state the margin of a contract if we were to assume a steady state SG&A is north of 25%. As we grow scale we will get closer to that.

Amar Maurya So meaning we have a target to achieve this 25%, right?

Vijay Thadani That is exactly the point, yes.

Amar Maurya Currently as we had talked last time that we are likely to invest more on the SG&A part and likely to appoint more employees in terms of that. So that is over or it is likely to recur further?

Vijay Thadani We scaled up from, I think we added nearly, we now have a sales force of 160 people and we moved from 40 to 90 cities during the year. This year the increase in sales force will only happen in the later half of the year based on the progress that we make on this because right now we have plenty whose own productivity can improve substantially.

Amar Maurya Okay. So meaning now the major investment in terms of the SG&A is done. So now from here can we see some accretion in margin primarily from the nGuru segment?

Vijay Thadani Yes, there is an accretion is margin which is taking place as we go along, as I explained on a quarter-on-quarter basis.

Amar Maurya Okay, so this accretion in margin is primarily coming from the nGuru particularly, right?

Vijay Thadani Yes, it is as we are scaling up that operation to an extent on the government size of the business when you are downsizing as you know the margin falls sharply. So we have a sharp decline in margin on the government side and an improvement in relative margin. Right now the margins are very low even in the private schools because we are carrying a huge SG&A but as we are progressing and adding more schools we are covering that.

Amar Maurya If you can give me like what is the per class revenue for nGuru?

Vijay Thadani I would have to share that with you separately, I do not have it right now.

P Rajendran So as far as NIIT's nGuru solution is concerned, it is quite different from other competitors. When we go into a school, we go with a full solution. On one side we have the bigger content where their teachers can co-create and the students can use which is the thing which we target for as many classrooms as possible. On the other side when we give the IT wizard, which is the IT education, it is really one computer lab and then students are coming into the lab in batches. Third thing is we provide the maths lab facility. There are multiple classrooms, the students from different section are coming into the math lab and staying there for a period conducted by the teacher and going back. So in our system it is very difficult to talk about a rupee per classroom because that is not the metric available to us. Now having said that the one thing which I missed out is the school resource planning software which we call it Quick School, so this is our intellectual property and we have acquired this property last year and now we are ramping that up in all schools. It is very unique, it is not available with the competition. So our metric on a per classroom does not make sense. We would like to move sometime during the next year more in terms of rupee per school because there are chain schools and multiple schools.

Amar Maurya Okay, so meaning rather than looking for a class it is advisable to look per school revenue, right.

P Rajendran Yes and may be ultimately when we stabilize it could be per student per class.

Amar Maurya Okay, but then students' data is not available.

Management That will take time.

Amar Maurya Secondly about the cloud, now since we had already rolled out these services into 340 centers and 80 colleges, so like the EBITDA which was down this quarter primarily because of the investments made in cloud business, now what will be the boost in margin primarily because of this cloud segment going forward?

Vijay Thadani Cloud is a relatively longer term strategy than just by increasing the number of sales people, even that is a longer term strategy, so let me invite Mr. Raghavan to answer this question for you.

G Raghavan We have actually rolled out cloud into about 340 centers besides 80 colleges as we speak. As Mr. Thadani said this is a long term market positioning, product enablement and margin improvement action. So the idea of the cloud this year FY13 is going to be through take this forward further in all the centers where we have rolled out plus we will add a certain number of centers to these population besides taking into more colleges according to our institutional alliances businesses plan. In terms of products we have a certain set of products which will be rolled out on the cloud during the year. So your expectation of cloud enablement for improved margins is correct, but that is over a certain period of time.

Amar Maurya My question particularly is related to whether the cloud as in segment is likely to anchor further operating expenditure or SG&A expenditure going forward or we are capped with that?

G Raghavan Last year was the first year of creating our readiness to the first place. So, therefore, our reference to specific spends during the course of last year was pretty much a one-time getting ready expenditure. When we go forward, we will have additional and marginal expenses towards further enablement and the new products but they are unlikely to be causing the same set of impact that was caused during last year. So I had to come straight to the specific question on what is the net-net impact on margins in the coming year, I would say that the FY13 margins we will hold at the same level as FY12 margin level for the Individual Learning solution business.

Amar Maurya Lastly about the order books which we give, sir just wanted to know is there any relation just trying to find out about the order book given and the revenue which is likely to realize going forward, if you can give me some relationship of that?

Vijay Thadani Well actually we always declared the order book going forward, pending order book which I read out Rs. 1.56 billion and I said 2/3rd which is 66% executable in next 12 months. So that explains you. And the closing order book this year is higher than last year. I do not have the exact number right in front of me but I can give you that.

Amar Maurya So this you are talking about?

Vijay Thadani I am only talking of the individual business.

Moderator Thank you. The next question is from the line of Deepen Shah from Kotak Securities, please go ahead.

Deepen Shah I had one question on the ILS business once again about the overall scenario which you foresee in the next year in terms of enrollments and which segments do you expect to see more growth and consequently can we expect growth rates to be better than the 12.5% or 13% witnessed in this year?

G Raghavan Currently we are dealing with transforming consumer preferences. If you look at the last year preference for much awareness kind of programs as well as the old design programs have been on the decline. What has been growing is programs which are based on cloud campus and programs which are of short duration but employability focus programs, those are the ones which have been growing. And this is not an unexpected trend and that is why we started our preparations well ahead of time and putting the cloud campus during the last year. We had rolled out diploma programs a couple of years back and gave further boost to that during the course of last year. So now going forward, where we are expecting growth is cloud based program that we will expand the portfolio in. Shorter duration employability focused programs that will be another area of growth. In the area of under the cloud campus we are going to launch pretty soon new product that has got features of flexibility, aligned with the college semester period of time and building in soft skills which are very much required by these students. So that is something that we will be launching very soon. Second is we will be launching very soon a post-graduate program in IT completely delivered on cloud. This is graduate with who come out of colleges and are looking for entry in the IT industry. Third is the successful short term diploma programs that are already in the market will expand in its offering to an infrastructure management solutions products in that portfolio. So we expect growth to be coming in from these and these are the ones which are addressing the consumer preferences today, that is what we are expecting.

Deepen Shah May be we do not want to dwell too much into the numbers but coming to the CLS business how are you seeing the growth in MTS like we saw the numbers were pretty impressive but any particular trend which we are witnessing in any of the businesses or the sub-segments in CLS?

Sapnesh Lalla As Vijay pointed out and you mentioned we have seen reasonable growth over the last year and we believe that trend is likely to continue because as we acquire new customers there are some segments that we are focusing on at this point in time where we are seeing better conversion rates as well as, we see an opportunity of improving business with some of our existing customers by outsourcing more processes and expanding the share of the wallet and given that we continue to expect to see reasonable growth rates from the MTS business.

Deepen Shah Can you be specific on how the sentiments are in the developed markets and whether any impact you have seen either positive or negative or any of the businesses?

Sapnesh Lalla I think sentiment is what we have read in the newspapers and I would not add anything else to it but what impact we see is that as the market condition tightens and uncertainty grows, more and more organizations choose to start doing what they are very good at and start speaking specialist to do the things that they are good at and in training we appear to be a specialist organization who understands the training business and is able to help organization outsource that business to us and run it at times better than they can. And that helps our course.

Deepen Shah Okay, that is on the business side. Just one last bookkeeping question, what could be the tax rate for the FY13?

Vijay Thadani Well our normal tax rate should be for about 26% of profit. However, as I mentioned we do have an upside in the transaction taxation but we do not have clarity on that and therefore that is likely to be the upside.

Moderator Thank you. The next question is from the line of Amar Maurya from India Nivesh, please go ahead.

Amar Maurya What is the capacity seat years in this particular quarter?

G Raghavan We have a capacity of 55%. The capacity added during the quarter is 4% year-on-year.

Amar Maurya Okay, and in India number of centers have increased from 587 to now it is

G Raghavan It is 636.

Amar Maurya Lastly about NIIT Oneworld. Last time you had mentioned that we had rolled out into 40 centers, so when we had actually announced this vision, the vision was that this will increase the utilization level of our centers, that was one and secondly it will also lead to some margin accretion. So wanted to know when it is likely to happen and our target is I think 100 centers, right.

G Raghavan You are absolutely right, you have got a very-very powerful memory. Just to keep this on record, as on today we have 59 centers which are One NIIT centers. We are planning to add another 41 taking the number to 100. More important than just the number of centers, it is exactly what you mentioned in terms of integrating the product offering, making the student come to one place for all the solutions that he or she is looking for is the primary objective. The training of the counselors, back-end delivery and all those works are going on in the center and as we roll out to more and more centers we do expect efficiency to come (a) in the front offices and (b) in the back office scheduling as well as to some extent in as much as some of the common programs like the soft skills for employee satisfaction is concerned we expect efficiencies to come in. So, the direction is definitely towards what you are saying and we are on our way to completing the other center using the current year of FY13. We are at 59 at the moment.

Amar Maurya Any specific like benefit which we are looking still today in terms of what we had rolled out?

G Raghavan For the One NIIT center?

Amar Maurya Yes.

G Raghavan Yes absolutely. If you look at, I mean one way to look at it is that year-on-year the margin is down but the important point is that we have spent that money enabling for cloud last year. However there have been lot of changes in the consumer preferences from traditional, old, design long term duration courses through new age course such as the cloud campus program, then reduction of courses which were primarily awareness creation kind of courses that is giving way to short-term, more job oriented consumer program. So I would like first to understand the transformation that is happening in the consumer preferences and how we have geared ourselves up for meeting those changing requirements. So the margin changes into the view when the light of the transformation that is happening with respect to consumer preferences. But directionally what we have undertaken in terms of One NIIT is a very solid one and the logic of stability through view growth through all the products and also bring in efficiencies is completely on track.

Amar Maurya Correct. That is what, the move was right, that is what I am trying to understand how much it is beneficial in terms of today.

G Raghavan See as we know during the last year when we actually gave fillip to this strategy it was kind of too early to really measure and put a certain bits against that at this point of time. I am sure that as we keep tracking data on this in the coming quarter we should start being able to really quantify, isolate the benefits that are coming out and may be talk to it. At this time I am afraid that I am unable to give you a very specific answer.

Moderator: Thank you. The next question is from the line of Deepen Shah from Kotak Securities, please go ahead.

Deepen Shah In terms of the enrollments which we had, we have said global enrollments grew by 8%, how much was the improvement in the India based enrollments, the domestic enrollments?

G Raghavan I do not think I have the breakdown for it, may be we will talk to it when we meet tomorrow. I do not have a specific breakdown of it.

Deepen Shah And probably I missed the number but what is the cash balance currently or the net cash?

Vijay Thadani Rs. 1,020 million is the cash balance and we now have net debt of Rs. 67 million (Rs. 6.7 crores) as on 31st March.

Deepen Shah So this is the net debt, is it?

Vijay Thadani Yes. It means, as you know we have some debentures and some fixed term loans which we have yet to retire, so the Rs. 102 crores is the cash balance and Rs. 108 crores are those loans put together. That is why net debt is Rs. 6.7 crores.

Moderator: Thank you. The next question is from the line of Sakshi of SKS Capital & Research, please go ahead.

Sakshi I just wanted to know that the promoter holding is about 34% right now. Is there any plan to take through a buyback program or something to increase the promoter holding?

Vijay Thadani No such discussion has taken place.

Sakshi Apart from that we were expecting like a special dividend post the sale of US business, sir any such plans in the coming year or something?

Vijay Thadani Well as you know we have maintained a consistent dividend policy and in fact tried to shield our shareholders from the ups and downs of the economy by following a consistent policy of improving the dividend by a marginal amount on a year-on-year basis. So the dividend has increased from 75% to 80%. The second thing which I would like to say is that the proceeds of the divestiture to 100% extent have been deployed for the benefit of the shareholders in terms of focusing on the four platforms of growth which requires capital support for them to become self-sufficient completely. So I think at this point of time the internal needs of the organization are stronger. The government receivable situation though has improved ,has not improved to an extent where we could believe that we would be sitting on large amounts of cash. So in that scenario the board considered, in fact, the suggestions which you just made and decided that it would be prudent at this point of time to conserve cash within the organization. And by the way the next year's market uncertainties are also to be considered in that decision. So ,therefore, we increased it by 5% over last year, 75% to 80%.

Moderator There are no further questions. Would you like to add any closing comments?

Vijay Thadani First of all thank you very much for being with us and we do know that you had many other important options and you decided to be with us. Second for your detailed questions which always help us in improving the performance of the organization further, the third which is a very important point I want to make is that the organization in tune with the changing times and in tune with the uncertain times is going through a period of transition. We have divested businesses where we felt the returns would not be forthcoming at the rate at which we want to grow them. At the same time we have invested in businesses and I sometimes ahead of the market demand and demand creation being one of the objectives and as we go through these spans of transition I think the important thing is it is been done in a moving car and it is important that we look at the results in the overall perspective of how the transition is being managed and yet the performance is improving on an year-on-year basis.

Deepen you had a question, sorry I just got an answer that you wanted to know what is the growth in enrollments in India versus global. It is the same 8%, so just to complete that question which was unanswered. So coming back to this tomorrow at 11 AM on the rooftop at The Trident at Nariman Point we are having our Annual Investor Meet but please be there at 11. We would be there a little earlier in fact and if anybody would like to have a one-on-one discussion we would be very happy to look at that. Everybody from our management team who is all the call today by and large would be there for meeting in person and we look forward to a more active and engaging discussion tomorrow.

So with that invitation I would now like to sign off and in case there are any further questions, please do not hesitate to call Kapil Saurabh or send a mail to him and we would come ready with those answers and if you are not there we would at least email those answers to you. Thank you once again.

Moderator Thank you. On behalf of NIIT Limited, that concludes this conference call. Thank you for joining us.