
Prithvi Information Solutions Limited



FY 2007-08 – Earnings Call Transcript
July 14th, 2008

Corporate Participants

Mr. Satish Kumar, Managing Director
Mr. P.S. Shastry, CFO
Mr. Sai Krishna NV, Manager – Investor Relations

Host:

Four-S Services Pvt Ltd



Moderator: Ladies and gentlemen good evening and good morning. This is Marina, Chorus Call Conference Operator. Welcome to the FY08 earnings call of Prithvi Information Solutions Limited organised by Four-S Services. As a reminder, for the duration of the presentation all participant lines will be in the listen-only mode and the conference is being recorded. After the presentation, there will be an opportunity to ask questions. Should anyone need assistance during this conference, they may signal an operator by pressing * and then 0 on their telephones. At this time, I would like to handover the proceedings to Mr. Ashish Nayyar from Four-S Services Private Limited. Thank you and over to you Mr. Nayyar.

Ashish Nayyar: Good evening everyone and welcome to this conference call to discuss Prithvi Information Solutions results for the year-ended March 31st, 2008. The company has posted strong performance during the year with revenue growth of 44.7% and profit after tax (PAT) before provisions and write-offs growing by 71.2%. Joining us today on this conference call are Mr. Satish Kumar, Managing Director, Mr. P.S Shastry CFO and Mr. Saikrishna, Manager Investor Relations and Finance. We will start the proceedings with an overview of the company's performance and key drivers of growth by Mr. Satish Kumar after which we will have Mr. Shastry take us through the financial performance before we open up the discussion for Q&A. Before I pass the proceedings on to the management I would like to draw your attention to the fact that during this call the management may make certain forward looking statements concerning future growth prospects. Actual results may differ materially from those suggested by the forward looking statements due to a number of risks and uncertainties associated with the business. The company may, from time to time, make additional written and oral forward looking statements including statements contained in the company's filings through stock exchanges and the reports to shareholders. The company does not undertake to update any forward looking statements that may be made from time to time by or on behalf of the company. I would now like to hand over the session to Mr. Satish Kumar for the opening remarks.

Satish Kumar: Thank you Ashish and thank you everyone for joining us on our investors call for the year ending 31st March 2008, though slightly late, I appreciate it. Well, to begin with we had a good year in terms of our business. The key salient points for the year have been (our) foray into new geographies. We are concentrating on the Middle East and India, apart from the US. And we have started seeing some results of that, both in terms of the year gone by and the years ahead. In the Middle East, we are concentrating on 3 countries. And we are exploring more opportunities there, one is Dubai, Doha which is Qatar and Bahrain. And we are looking at more opportunities as we go forward in that region. And the second geography is India where as you all know we have bagged a big order from BSNL. We are working in the telecom space in India where we will be a strong player going forward.

The second area of interest in the year gone by has been our focus on solution sales in the verticals that we have chosen to be in. It has shown traction and is getting strong visibility with our prospective and existing customers in terms of sales and funnels. And we think we should be doing great as we go forward. We have a strong order book of close to \$239 to \$240 million as we talk. And we have a sales funnel of \$200 to \$250 million at this point of time. In terms of acquisitions, we have acquired Agadia Systems last year, which has expertise in the Pharmacy Benefit Management (PBM) space, which falls into our healthcare bucket. We have seen strong traction from that space. We are seeing close to 30 to 35 very strong leads that we are working on in that space. And the integration has been done fairly well. Our sales team has been integrated with Agadia's sales team and technology team and our delivery capabilities are being intertwined as we talk

And that is in terms of our growth strategy. We have recently taken Board approval for our joint venture in Middle East Saudi Delta Contracting Corporation. The goal of this joint venture is that we will be foraying into the telecom space



where we are already strong in the Middle East and where we are trying to work through this company with operators like Etisalat and Du. The opportunity with this joint venture is close to \$10 to \$15 million as we talk over the next 12 to 18 months. And we will see more business opportunities as we go forward from there.

The other heartening news has been that we have improved our ranking from 17 to 14 as per NASSCOM's rating for the year ending 31st March, 2008. So, as we speak we are the 14th largest IT exporter in the country.

Then the fourth point is on quality. We have improved our quality process. We have always said that we are a strong quality conscious firm and to ascertain that we have been assessed at Level 3 CMM. We will be, in fact, we are already in the process of getting assessed at Level 5, and which we should be seeing over the next 12 months, when we will be getting assessed at that level. So these are some of the salient points for the last year. And now maybe Mr. Shastry could take us over through the financial numbers and then maybe we can have the Q&A session. Thank you.

PS Shastry:

Good evening friends. Very pleased to be with you all again to address the annual year-ending 2008 numbers, to share the numbers with you. Apart from everybody else I in the finance department had a very tough time during this year I must say, because it is during this year we have had SR Batliboi as our auditors. For the last 7 to 8 years we have been with a local firm. And we really had a tough time to gear ourselves but at the end of the entire exercise I am glad to say that we have been able to really speed up our entire process which I initially requested the auditors that I might take a couple of years to fall in line but they were not agreeing, so have been really behind us. And at the end of it, it was good that today we are fully equipped and we have imported their entire processes. We are able to really say that going forward we should now have the process of international standards and all this is incorporated to the satisfaction of Batliboi, but in the process I had to pay a small price like we had to kill some of our reporting systems. The classifications, regrouping and certain figures and transactions are being looked at more in depth where while the company was feeling more confident of dealing with those transactions and the prudential business policy the auditors were requesting us to go ahead and see if we could provide. So this year we had a little bit on the other side, the small cost which I had to pay. But at the end of it all is well that ends well. We are still being able to put up very good figures. And at the end of it all we were able to come out with a very good system in place now to take care of our accounting and financial transparency requirements for the years to come.

There were a few issues of taxation, deferred tax on the regroupings, depreciation and other areas where the auditors have given a different opinion and we had to take into account their feelings and their opinion. So keeping aside all these we have still been able to, at the end of the entire exercise, post almost about 44.7% increase in revenues. And as Mr. Ashish was mentioning we had made almost 71.2% increase in PAT subject to the changes not been considered on the MTM and other Forex values. We have almost crossed the Rs 1,000 Crore mark for the topline. We did almost Rs 1,000 to 1,200 Crore on the topline and had bottomline of about Rs 63.71 Crore. We have been able to add almost about 23 new customers and we have been able to save some cost on certain hedge.

The major points, which I would like to bring to your attention is that some of the items have been regrouped. And so comparison becomes possible only after these things are considered. For instance, the software development expenditure until the 3rd Quarter included all the employee costs also which have now been bifurcated into software development cost and employee cost separately. The selling and general administrative (SGA) expenditure has also taken into it, the other income which we have been stating in the previous quarters where the Forex transaction losses and Forex income and other things were considered in other income while they are being now taken as a part of the administrative expenditures. There has also been a spurt in the depreciation item where certain software tools, which



we have been using for the past 2 to 3 years and which the lifespan of which the auditors felt was over and therefore could taken to depreciation and written off.

And also we have found many items which have been there for the past 3 to 4 years, some of which required a larger depreciation write-off and some a little less. All these have been made into the prior period items, which is another item appearing in this year-end quarter where certain adjustments have been made for the prior period items to bring the figures in line with the normal yearly figures. The prior period items have some expenses such as the vendors billing, the existence of these expenses came to light in the 1st Quarter of the present year. And so this has to be again written back as a prior period item. After taking into this consideration these figures the transactional loss is being restated and the MTM losses on the Forex hedges that we have taken, have been regrouped. And then the selling and other administrative expenses have been arrived at. As earlier indicated there has been an MTM loss of 30 Rs Crores which has been again with another Rs 10 Crores plus has been reduced which has been the income which has been earned during the year on the FOREX hedges. The MTM as you all maybe aware is essentially a very notional item. The disclosure of which was again another point of debate between ourselves and the auditors and the auditors and their own peers of the Big Four in the country, at the end of which they have taken a view and we have presented the accounts accordingly. At end of all this exercise we have the net profit of about Rs 63.71 Crores after providing for an MTM of Rs 30 Crores and transaction and Forex losses where the assets and liabilities are restated including the FCCB loan and working capital loan. After these are restated the figure comes to about Rs 63 Crores of net profit after tax. These have been some of the major changes which I thought I should share with you.

Let me tell you, friends, that at the end of all these we still did not want to stop our trend of giving a good dividend to the investors. So we continued and the board was interested that we must continue with the dividend payment. So though we could not go out and increase the dividend payout percentage. We definitely, even in these hard times, maintained a dividend of 30% for the year end. With these few points I would now leave it to Mr. Ashish to take it to the Q&A.

Ashish Nayar: Moderator, can you start the Q&A?

Moderator: Sure sir. Thank you very much. We will now begin the question and answer session. Anyone who wishes to ask a question may please press * and 1 on their touchtone telephone. If you wish to remove yourself from the queue you may press * and then 2. Participants are requested to use only handsets while asking a question. Anyone who has a question may press * and 1 now. Our first question is from Mr. Sunil Tirumalai of Credit Suisse. Please go ahead.

Sunil Tirumalai: Hi sir good afternoon. Congrats on the numbers. Just a few questions. First, I just wanted a broad outlook on the demand environment that you are seeing in your key verticals and telecom technology. And also if you could speak about BFSI. It is not so important for you but important for some of the others.

Satish Kumar: Sure, we have seen good traction in terms of our key verticals at this point of time. I think the highest growth drivers for us will be telecom and healthcare technologies. We are seeing great traction in both in all geographies - in telecom be it India and Middle East and the US or the other way round. And we will see a high growth in this area. Healthcare in the USA is definitely growing and we see a lot of traction there. So that too will also be growing above average. Technology will grow at a decent pace, I think. In terms of retail it is going to be slow for us for the current year. And in terms of BFSI though we are not very big we see some amount of postponement of key projects or new initiatives and such. But most of the customers are maintaining status quo. And they are not taking up any new initiatives. So we are not seeing great growth in the BFSI space for us also. Having said that we are seeing some good traction in BFSI in



India and the Middle East. So I think BFSI will take some good lead in both in India especially for our data analytic tools that we have built for the financial institutions and in the Middle East. Compliance-based rules are tough for the Middle East is what traction we are seeing at this point of time. So all in all we think we should do a 35% to 40% growth very easily going forward for this year and I think that is an overview from our side.

Sunil Tirumalai: Okay sir just a question on that, I remember when you met analyst here in Mumbai about a month and a half ago you were talking about 45% to 50% growth. Does this 35% to 40% read as a reduction of your outlook?

Satish Kumar: Well see not really. I mean what I have told is only from the dollar perspective from the US. I have not counted the other geographies at all in this space.

Sunil Tirumalai: Okay I understand. Sir and also wanted to understand the progress on your strategy to increase your offshore proportion because I do not see much change from 2007 to 2008. Where do you think 2009 will be and how fast you will be able to make the shift because I think that is important for your margins?

Satish Kumar: Right. See as far as offshore goes, we have been increasing. If you look at the absolute numbers we have done a fairly decent job in terms of the absolute numbers and growth on the absolute numbers. But what has happened is what we have related some of the key shift to clients those whom we wanted to shift. Two of them have shifted to offshore and we are still waiting for some of the others to shift. And the second thing is that in most of our new sales funnel we are seeing as a good component of offshoring in that. So we feel that we, okay, might not see a significant jump in terms of offshore income but I think conservatively speaking we should see around 15% of our revenues from offshore.

Sunil Tirumalai: Okay, okay. Sir, just one last questions before, I will come back for my rest of the questions later. Sir, when I take a look at the volume and the billing rate numbers that you have given somehow that does not seem to add up to your revenue growth rate. I just want to know what, if I am missing something. I mean the volume growth. There is strong volume growth and the billing rate has also improved. But then your, when I dollarise your revenue growth it does not seem to add up. Is there any, because there seems to be asterisk point below saying billing rate translation excludes trading revenues, can you explain what that is about?

Satish Kumar: Right see, some of the Indian orders that we are working with BSNL has a product component which we are buying equipment from vendors and adding our software tools we have been selling to the customers so obviously these revenues will not have any billing rate per say, right. When we are buying some Rs 10 Crores to 15 Crores worth of equipment, adding whatever value, we are doing it and selling it an x price. So to that effect the billing rate would not be applicable to that component as such.

Sunil Tirumalai: Okay I will come back for more clarifications.

Satish Kumar: Sure.

PS Shastri: Thank you.

Moderator: Thank you Mr. Tirumalai. Our next question is from Asha Kiran of Span Capital. Please go ahead.

Satish Kumar: Hello Mr. Asha.

Asha Kiran: Hi good evening sir. Can you give me the numbers of the cash flow for this full year.



Satish Kumar: For the full year.

Asha Kiran: Yes.

Satish Kumar: In terms of cash flow, the net cash flow from operation. Okay can we come back to that slightly later Asha.

Asha Kiran: Sir if you ...

Satish Kumar: They are taking over that number. We will come back to you on that slightly later in that call.

Asha Kiran: How many employees can you add this..., any number...

Satish Kumar: I did not get that Asha.

Asha Kiran: Employees addition this year I think ...

Satish Kumar: How many employees we have added right? The total gross addition has been 1004 this year...

Asha Kiran: Now coming in any addition?

Satish Kumar: In this current fiscal we should, we are seeing an addition of at least 1,500 to 2,000 people globally for us. And that is the addition that we are looking at overall for the current year Asha.

Asha Kiran: Okay, and any hedge cover you are having for this coming up next

PS Shastri: Yeah the normal coverages that we have taken. We have for the year 2009 roughly about \$50 million hedge covers we have with us there...

Asha Kiran: 50 right?

Satish Kumar: Yeah.

Asha Kiran: Thank you.

Moderator: Thank you Mr. Asha Kiran. Our next question is from Mr. Tushar Bhola of Cap Gemini. Please go ahead.

Tushar Bhola: Hi this is Tushar I am just a retail investor you know. I have a question regarding the hedge position now you said that it is \$50 million basically. But I just wanted to know why we have so much of hedge position given the fact we have natural hedge against the dollar because 75% to 80% of our expenditure is in dollar terms.

PS Shastri: Roughly, we have still about 20% which translates to roughly about \$45 to \$50 million, which is what we have attempted to keep in the hedge folder.

Satish Kumar: Tushar, thanks for joining the call. If you look at our revenues roughly \$300 million, about 280 million has been the topline. So you do have 15% to 20% on that - it roughly comes to \$56 million right. And this year we are still growing further and we request some hedge positions for even the balance 15% to 20%.



- Tushar Bhola:** Okay my next question is regarding the FCCB dilution. Now as per your statements I think the diluted equity is 2.78 Crores of shares basically. So can you just provide the break-up and why we saw this sudden jump in this.
- Satish Kumar:** See there is a small issue on this with the auditors. While we have been taking that the premium payable on redemption should be taken to the end of the year upto 2008. The auditors have been insisting that it should be taken in the year 2011. So for having provided for that extra 3 years also the yield to maturity the number of shares to be issued against that also goes up. That is what has been the differences.
- Tushar Bhola:** Okay. And what is your reset price? And what is your reset clause when you issued this FCCB like how often would you reset your price if the performance is not good?
- Satish Kumar:** Right. When we issued the bonds the convergence price was Rs 469 Tushar. Currently, it got reset to Rs 354 or thereabouts and which is the SEBI floor price. And I do not think there is any other reset possible below this price and I think this reset price stands good for the next 4 years.
- Tushar Bhola:** So this is the minimum price even if the share price goes to 150.
- Satish Kumar:** Yeah, I mean even if the stock price does not perform over the next 4 years I do not think the reset price can be lower than this. There is only one reset and that is this one.
- Tushar Bhola:** Okay so in that case our FCCB equity would be around 6.5 million shares.
- Satish Kumar:** Yeah see it depends on the time that it gets converted right Tushar. And so I mean worst case scenario if it is getting converted on March of 2012 then it is 9 million shares if it is getting converted today it is roughly 6.1 million shares.
- Tushar Bhola:** Alright. And another question is like with these promoters stake is around 22%. Now I would consider the diluted equity. Because after 4 years anyway they are going to dilute it, I mean the investor would get the share basically. And I am confident that our price will be about Rs 350. So in that case the promoter shares would be 22% max basically.
- Satish Kumar:** Right.
- Tushar Bhola:** So what efforts we have been taking to increase the promoter holdings?
- Satish Kumar:** We are looking at various steps. Let me answer on behalf of myself and Madhavi being the key promoters here Tushar. So we are looking at various options I mean just like I will comment on what we are trying to do but last year we acquired close to 2% to 2.5% stake increasing and this year also we are trying to acquire some percentage of equity as we go forward. And we are making attempts to that effect. We are also looking at various other forms where the promoters' equity can be increased. And we are presenting all those cases to the board and see which one will be the best situated for the corporation.
- Tushar Bhola:** Okay so what is your...
- Satish Kumar:** As a promoter we feel that we want to increase our stakes. We are highly confident, I mean, this is our baby. We have built this over the last 10 years and between me and Madhvi we have nothing else to do. And we will increase our stake as much as possible and our hope is over the next 4 to 5 years we should be near a 50% mark if not anything else.



Tushar Bhola: 50%.

Satish Kumar: See that is a tough task, that is a tough goal for me and Madhavi but we are trying to figure out what we can do with it.

Tushar Bhola: Right because we are not seeing anything from your side like even the stock prices is at the bottom?

Satish Kumar: See, at this point, we have been doing some cribbing off late seen as doing it but you will be seeing us doing that as we go forward. I mean, we are in the process of doing what all we can, Tushar, I mean obviously we are employed with Prithvi and our resource are limited and within those limitations we are trying to work out what all we can do for ourselves.

Tushar Bhola: Okay alright. And what happens to buyback offer made, what is the progress on that?

Satish Kumar: We are working. There has been a technical snag in that buyback offer, Tushar. We are just working on that to get that cleared. I haven't made a comment on that (yet), obviously I know we have to come back on that. But the reason I did not comment is that there has been a technical snag in the sense of there was a query from Registrar of companies, which we are resolving or answered that and maybe Mr. Shastry could throw some more light on it. But we are awaiting their clearance and once that is done we will be ready for a buyback.

Tushar Bhola: Okay. My last two questions. Sorry I have many questions.

Satish Kumar: Go ahead Mr. Tushar, My pleasure.

Tushar Bhola: I just wanted to know the revenues from Middle East and any break-up in Exxon Mobile. And the second question is STPI benefits that are expiring in FY2010. So what is your strategy to reduce tax thereafter on increase PAT thereafter?

Satish Kumar: See as you have observed, for last year the revenues out of other it has been 2% mostly out of India and you see that change much bigger difference this year as we talk and so that is one, on your first question. As for Exxon Mobile is concerned we provided some of the details. I mean we gave some proposal to them and we are awaiting the result of the same. That is for question #2. The question #3 is that we are actually looking at SEZ property and trying to take SEZ properties which will eventually help us reduce tax component post-STPI Act.

Tushar Bhola: Right. Alright, I think I am done.

Satish Kumar: Thanks Tushar.

Moderator: Thank you Mr. Bhola. Our next question is from Mr. Rahul Bhangadia of Lucky Securities. Please go ahead.

Rahul Bhangadia: Good evening sir. Could you tell us what is the number of days of outstanding debtors as on March 2008?

Satish Kumar: I think it is 127 days or 130 days Rahul.

Rahul Bhangadia: Does not it look a little too high for this sector? Can you throw a little bit of light?

Satish Kumar: See when this typically is on the higher side, Rahul. I mean if you look at our natural creditors that we have built over the last, from a long time we have an average credit period of around 90 days with most of our customers, which



essentially means that a looking at the sequential growth that we have typically will be 105 to 110 debtor days for us. For this particular quarter it has been slightly higher because of the payments that we had to receive from BSNL. Essentially the way BSNL works is that they withhold 20% of the receivables for a period of a year. And that kind of skewed the debtor days to a slightly large extent on the other side.

Rahul Bhangadia: And sir could you help us out with your net working capital.

Satish Kumar: When you say, I did not quite get that Rahul.

Rahul Bhangadia: Sir your receivables minus creditors basically.

Satish Kumar: Okay, give me a minute Rahul. Rs 350 to 360 Crores.

Rahul Bhangadia: And sir what would this entry come under the heading of loans and advances. This was a big number last year also. If you could share what is the number this current year....

Satish Kumar: Right loans. Well essentially loan and advances - a major component of that is loan that have been given to our subsidiaries Rahul, See, we have floated a 100% subsidiary, which we have incorporated, to which we have given huge amount of loan for acquisition purposes and stuff. And the other one is also to a subsidiary, to a subsidiary of ours in India for our real estate and SEZ and all the other activity for, the major component of that is that part.

Rahul Bhangadia: So this is to a subsidiary. So at a consolidated level what is this number of loans and advances.

Satish Kumar: Yes it is a consolidated number. Loans given to our subsidiary also comes as loans and advances right.

Rahul Bhangadia: No sir but at a consolidated level it will get netted off, right.

Satish Kumar: We have not yet given the consolidated numbers.

PS Shastry: Yeah we can net it off that we will be doing it

Rahul Bhangadia: Sir I am saying this is for financial year 2007 this is the balance sheet that was already published last year.

Satish Kumar: Right.

Rahul Bhangadia: What is this number at a consolidated level.

PS Shastry: You are talking of the 2007 results is it?

Rahul Bhangadia: Sir I am saying I do not have the financial year 2008 annual report so I cannot ask you on that but ...

PS Shastry: Satish was mentioning about this 2008 numbers roughly which we had the advance. 2007 , we will get back to you on that consolidated one for the 2007

Rahul Bhangadia: No no sir. Consolidated numbers are coming out to be the same as per your reflected numbers. The standalone and consolidated number are the same. So I mean then you ...



Satish Kumar: Last time --- Mr. Rahul last time we didn't have subsidiary which we incorporated and we didn't have the subsidiary we are talking about. So loans and advances would have been to our vendors and to our vendor from various businesses and from whom we have taken work and stuff like that...

Rahul Bhangadia: Okay so you lend money to your vendors.

Satish Kumar: We do not lend money, the advance money for the job that we have getting them done through them.

Rahul Bhangadia: Okay and for the current financial year what would be these numbers on a consolidated basis.

Satish Kumar: It will be you some Rs 10 Crores or 12 Crores, it is around Rs 20 Crores Rahul.

Rahul Bhangadia: The loans and advances the consolidated numbers.

Satish Kumar: To our vendors.

Rahul Bhangadia: No I am saying under the total heading that comes in the balance sheet loans and advances consolidated level.

Satish Kumar: Rs 136 Crores right.

Rahul Bhangadia: Okay and what is the breakup of the 136 Crores.

Satish Kumar: To subsidiaries and stuff will be close to 70 to 75 Crores.

Rahul Bhangadia: So that gets netted off. So Rs 135 Crores less Rs 75 Crores. So Rs 60 Crores only is left at a consolidated level.

Satish Kumar: Which essentially remains as it is from the last year.

Rahul Bhangadia: Okay and whom is this money given again to your suppliers.

Satish Kumar: Yes, that is right.

Rahul Bhangadia: Alright sir, the only problem is that with all these advances and all that there is nothing left in terms of the cash flow from operations. Sir the amount of money that you can actually payout to shareholders and thereby boost the valuation of the stock ...there does not seem to be too much money left to distribute to the shareholder after all these advances that are given out. So do you have a plan in mind for improving the cash flow from operations?

Satish Kumar: Definitely Rahul and that is something that we are very aggressively working on. And that is a good point that you raised Rahul. See some of these advances that we have given to vendors are for the projects that we are doing both in India as well as in the US. And the recovery of this will happen once the projects are executed. And we will be seeing pretty good positive cash flows happening because of these projects and I think that is valid point and we will definitely look into that.

Rahul Bhangadia: What is the total debt level of the company?

Satish Kumar: Debt level in terms of working capital



Rahul Bhangadia: Total borrowings...

Satish Kumar: Yeah about Rs 120 Crores Rs 110 crores apart from FCCB, Rahul.

Rahul Bhangadia: So, what is the break-up between the government contracts and the private sector business?

Satish Kumar: See the government contract as we are talking is close to \$80 million out of the \$240 million, Rahul. That is BSNL telecom orders.

Rahul Bhangadia: The \$80 million is purely from BSNL.

Satish Kumar: \$77 is from BSNL Rahul.

Rahul Bhangadia: \$77 million. Right sir thank you very much, I will come back for more.

Satish Kumar: Yeah.

Moderator: Thank you Mr. Bhangadia. Our next question is from Mr. Nirav Dalal of Capital Market. Please go ahead.

Nirav Dalal: Good evening sir. Would you like to give any guidance for next year?

Satish Kumar: Not really I mean as we have told I mean we cannot give it as we told we should do a growth of 35-40%.

Nirav Dalal: That you said was only US or it was for the whole.

Satish Kumar: As I have told that is for the conservative side Nirav.

Nirav Dalal: And anything on the margin front.

Satish Kumar: Margin we should, we will see slight improvement in the margins close to 100 basis points margin improvement.

Nirav Dalal: And I believe now that all write off have been taking care of now we would not see anything next year.

Satish Kumar: Hopefully not Rahul I mean see Obviously, I mean we had a very tough time in trying to convince the auditors but we still feel good about the advances in the write of that we did and in terms of the debtors, only one debtor to be more specific which is around Rs 3.2 Crores but yeah we don't see anything like that is happening going forward.

PS Shastri: I am quite sure that there could be some write back rather than write offs.

Nirav Dalal: Okay and sir I want to know what are the margins for the BSNL contract?

Satish Kumar: Close to 10% to 12%.

Nirav Dalal: Okay, thank you, sir.

Moderator: Thank you Mr. Dalal. Our next question is from Mr. Shekhar Singh of Goldman Sachs. Please go ahead.



Shekhar Singh: Yeah just wanted to know like what percentage of your total revenues is recurring in nature.

Satish Kumar: Okay in terms of maintenance contracts we have close to around \$45 to 50 million contracts in maintenance Shekhar. And if you look at our repeat business we have close to 87% coming in terms of repeat but we have close to as we talk we have close to \$50 million in maintenance business yearly.

Shekhar Singh: In case the BSNL contract will be more like installation contract and therefore it will be finite life contract.

Satish Kumar: See there is a maintenance component in that spread over 5 years.

Shekhar Singh: That will be like say 8% or 10% of the total, right.

Satish Kumar: Right Shekhar right.

Shekhar Singh: And therefore what percentage of your revenue is like basically a cost pass through sort of a thing?

Satish Kumar: So far except that Rs 10 or 15 Crores of last year there is nothing that is being passed through Shekhar. And going for this BSNL contract also close to 45% to 50% is only the pass through and I would not say it is a pass through, I mean it is certainly the evaluation that we are doing in terms of the hardware that we are buying. So I mean out of this Rs 300 odd Crores that close to Rs 150 to 160 Crores is what will be the hardware component and if we have to mention that as pass through then yes that is the component of the pass through that we have.

Shekhar Singh: Okay sir thanks a lot.

Satish Kumar: Thank you.

Moderator: Thank you Mr. Singh. Our next question is from Mr. Madhukar Shetty of Infoline. Please go ahead.

Madhukar Shetty: Good day Satish Bhai.

Satish Kumar: Good day Madhukarji how are you?

Madhukar Shetty: Fine sir, surviving yeah.

Satish Kumar: Yeah.

Madhukar Shetty: Sir what is the total number of employees now.

Satish Kumar: It is close to 2,700 people for the current year.

Madhukar Shetty: And of this offshoring also.

Satish Kumar: Of this around 800 people are offshore, 800 plus balance is onsite, between contracts as an employees so.

Madhukar Shetty: And what about the new center we were planning in Hyderabad, has it now been ready or...



- Satish Kumar:** Right. It is not yet ready Madhukar. And we are also looking at an SEZ property because of the 10A benefits going off. We have already identified one property, which is essentially tier II built to suit properties in Hyderabad but that is something that we are very actively looking at and hopefully we should finalize that in the next quarter.
- Madhukar Shetty:** And we are not going for the buyback then we can discharge all those secured loans to increase our profitability?
- Satish Kumar:** Yeah I mean if you are not going to...
- Madhukar Shetty:** Buyback will give a better signal of course. And the best signal will be given when you increase your stake.
- Satish Kumar:** We are actively pursuing that option Madhukarji. So we definitely are, we look forward and you will see some action on that front.
- Madhukar Shetty:** We want that you buy at least 5% which is the upper limit of acquisition every year...
- Satish Kumar:** Yeah that is something that we are working on Madhukarji and you will see that in action soon.
- Madhukar Shetty:** Because we really feel unhappy about the way ...we were enthusiastic about this company when the IPO came that too with Enam as the manager ...and where we are despite getting good results. Somehow the perception is not the result that we worry about ...it is a perception that we worry about.
- Satish Kumar:** I mean we are out there to, I mean say obviously even we are not happy in this situation Madhukar. I mean see we feel that the stock prices are in abrasion rather than, see as a business, as management we, one of our stakeholders is not happy. And because we are not able to produce results for them in terms of this thing and we are very actively trying to work in that direction. And we are trying to put our best foot forward and we would like to take suggestions and see how we can change that perception and all that stuff as we go forward. And very honestly as management we feel that there is an abrasion that is some tough times but it will not be a long lasting situation we are very hopeful and we are very confident that if the company performance over long-haul there is no reason why the stock will not perform. And we are fairly confident that the stock will perform one day or the other. And the company is doing well, we are growing fast and as I have just mentioned, we have grown from the 17th largest exported to the 14th and we feel that as a good thing as a management as business goes I mean there are few more things that we could definitely improve in our businesses which we will and hopefully the perception will start changing for whatever the reason the stock is not doing, well I think that should also be corrected as we go forward. You are in the market Madhukarji so you know it better.
- Madhukar Shetty:** Everybody is happy with the balance sheet performance with the earnings but somewhere something is missing and I do not know why it is not reflected in the price. So let us once in a while meet and do something.
- Satish Kumar:** Definitely Madhukar.
- Madhukar Shetty:** Thank you.
- Moderator:** Thank you Mr. Shetty. Our next question is from Mr. Ridhima Saxena of Merger Markets. Please go ahead.
- Ridhima Saxena:** Hi Mr. Kumar this is Ridhima here. Just one question was on your acquisition strategy for this year. I understand you guys are looking at multiple of acquisitions in the telecommunications area.



Satish Kumar: Right.

Ridhima Saxena: Can you tell us a bit more about that.

Satish Kumar: Well see our acquisition strategy has always been to acquire skill sets and our strategy is always the higher small to medium sized firms rather than big one. So we have been looking currently at 3 very actively and the due diligence is on - one is in the technology space, one is in the telecom space, and one is in the media and entertainment space.

Ridhima Saxena: And why USA is that the targets are cheaper there?

Satish Kumar: I would not say so. I mean, that is where our strength lies and we are fairly confident that, you see actually we feel integration becomes a lot easier for us when we do us where our strength lies rather than doing it in a place where our strength does not lie and we are trying to grapple. See, in an acquisition it is not acquisition which is good, I mean which is, I think that is the easier part to acquire a firm so that we have scanned close to 100 firms and we have been able to shortlist only 3. And we have been very prudent in terms of how we want to acquire our firms. And the easier part is the acquisition. The tough part is the integration and we are careful that we are trying to acquire a firm. And we will ensure that the integration is as smooth as possible and we actually reap the benefits of that acquisition.

Ridhima Saxena: And how are you funding this?

Satish Kumar: We have FCCB funds lying with us so we will use that money.

Ridhima Saxena: Alright great thanks.

Moderator: Thank you Ms. Saxena. Our next question is from Mr. Amit Tripathi of DNA. Please go ahead.

Amit Tripathi: Hi Mr. Satish Kumar this is Amit here from DNA.

Satish Kumar: Yeah hi Amit.

Amit Tripathi: I spoke to you that is around I think in February when I did a story on how tech firms ride 3G wave to telecom main stage. So at that time when you said telecom is going to contribute 35% of your revenues from existing 25% in the next 2 to 3 years.

Satish Kumar: Right.

Amit Tripathi: So can you give me a break-up of the geography-wise revenue earning and as well as vertical wise.

Satish Kumar: Well that might be a slightly difficult thing to answer Amit. See let me give you a very broad perspective of how things are moving for each region, right. So in India we are seeing strong traction in telecom and in BFSI to be more specific as financial institutions, right. In the Middle East we are seeing strong traction in retail, telecom and BFSI. So what we are envisaging is that in the US we are seeing very strong traction in telecom, healthcare, right. So all in all we see telecom as a constant factor all through. So the reason why we said that telecom will be the highest growth driver for us is that we are seeing traction in all three regions of the same sector. And the kind of services that we have been able to roll out in the last couple of years has been well accepted by the market and we feel that we are fairly confident that we



will shoot the number, the number that I have mentioned to you in February faster than the timeframe that I have talked to you.

Amit Tripathi: So right. Now can you give me a break-up of how much telecom gives you in terms of revenue how much BSFI gives you...

Satish Kumar: See last year it has been around 25% to 26%.

Amit Tripathi: That is telecom.

Satish Kumar: That is telecom and for 23% to 24% has been last year but for the current fiscal we should see upwards of 27% to 30% very easily for the current fiscal...

Amit Tripathi: And BFSI.

Satish Kumar: And BFSI has been around 7.5% I think it will be thereabouts or slightly lower than that.

Amit Tripathi: It will reduce.

Satish Kumar: Slightly.

Amit Tripathi: And what about healthcare.

Satish Kumar: Healthcare has been around 17% to 17.5% and I think it will improve from there to around 20%.

Amit Tripathi: And so what do you see your order pipeline now.

Satish Kumar: See as I have mentioned we have close to \$240 million worth of order book as we talk.

Amit Tripathi: 214.

Satish Kumar: 240.

Amit Tripathi: 240 okay.

Satish Kumar: Right. And we have a sales total of close to \$200 to \$210 million which we usually see a conversion pattern of 0.3 to 0.4 and we keep bidding every now and then...

Amit Tripathi: So this \$240 million will be executed over a period of...

Satish Kumar: 12 months from now.

Amit Tripathi: 12 months, okay. But if you can give me average margin that you would expect from this \$240 million.

Satish Kumar: The average margin will be, I could make a comment on this gross margin levels it is around 27% to 28% is what the gross margins will be apart from the BSNL order.



Amit Tripathi: Okay and right now, so which is the geography that gives you maximum revenues?

Satish Kumar: US.

Amit Tripathi: Followed by Middle East.

Satish Kumar: Followed by in the current year it will be India, even last year it was India.

Amit Tripathi: Okay, but how much is it, US gives you around?

Satish Kumar: This year we have an order book of close to Rs 350 Crores from India as we talk and we have a sales funnel at least around Rs 100 Crores in India itself.

Amit Tripathi: Sales what did you say.

Satish Kumar: Sales funnel.

Amit Tripathi: Okay sir.

Satish Kumar: See generally the proposal that we have committed and we are awaiting results for.

Amit Tripathi: So that will add to this Rs 350 Crores?

Satish Kumar: Yeah I mean some part of it will add to this Rs 350 Crores.

Amit Tripathi: And in the US.

Satish Kumar: US we have an order book of \$150 million and we have a sales funnel of \$180 million.

Amit Tripathi: Okay. And you talked about, one of your subsidiary that you are involved in the raising SEZ property and all, can you throw some light on that.

Satish Kumar: See essentially we have a subsidiary, entire the property that we have bought for ODC in that subsidiary and the SEZ that we are trying to acquire the land that we are going to acquire and all that so this is essentially the vehicle that we have created for our real estate and which we will be merging into the mother company as we go forward once the entire activity of real estate is over.

Amit Tripathi: So when will you raise it the SPV.

Satish Kumar: It is going well. It was in the last quarter of last year, I do not remember the exact date but it is sometimes in February-March.

Amit Tripathi: And also in February Satish Kumar you had told me that you are looking to acquire two companies in US with infrastructure management and network management capabilities and now you said you would be acquiring three.



Satish Kumar: Those things have fallen. As you remember I have also mentioned that we have looked at 100 companies. And we have given LOAS to three, we have given LOAS to one of that infrastructure companies but the due diligence will go through so we have to leave it like that.

Amit Tripathi: And you have lined up an investment target of \$20 million for this.

Satish Kumar: Yes I mean for 3 acquisitions together should be around \$25 million.

Amit Tripathi: Okay and so how soon we will see any of these announcements?

Satish Kumar: See if the due diligence goes through well I think you should be seeing them in the next, one of the acquisitions in the next one month to 40 days.

Amit Tripathi: Okay. Sir that is about it from me.

Moderator: Thank you Mr. Tripathi. Our next question is from Mr. Ashish Opel from Standard Chartered. Please go ahead.

Ashish Opel: Good afternoon, sir.

Satish Kumar: Afternoon, Ashish.

Ashish Opel: Sir, can you just throw some light on the CAPEX that was there in FY2008.

Satish Kumar: Ashish I did not get that.

Ashish Opel: CAPEX capital expenditure.

Satish Kumar: Give me a minute Ashish, it is around Rs 40 Crores.

Ashish Opel: Around Rs 40 Crores.

Satish Kumar: Give me a minute I do not think that is a right number. CAPEX is roughly about Rs 39 to 40 Crores.

Ashish Opel: Rs 40 Crores in India.

Satish Kumar: We can hold it only in India. We cannot hold it...

Ashish Opel: Rs 20 Crores in India.

Satish Kumar: The CAPEX in the year 2008 it has been Rs 4 Crores. The entire asset base is around 40 Crores, Ashish.

Ashish Opel: Sir, because what we told that the offshore development center which you are going to come up with was to have a seating capacity of 2,500 employees and you are projecting some Rs 90 to 100 Crores of CAPEX of that and can you give me the current status of that.

Satish Kumar: Yes, I mean the current status has not changed much Ashish. As I was mentioning see we have acquired the land we are got some of the permissions and we are awaiting some of the permissions also but we also increased the capacity. Or I



would not say capacity I mean we have increased our footage in terms of number of seats available for us in terms of leases and stuff, but as I have just mentioned this the 10F benefit going off next year and then financial ministry has moved it for one more year. We had to do a re-change in our strategy that we should look at an SEZ rather than an ODCs because of the tax benefits and we are very actively looking for an SEZ which we have built to suit facility so that we can move another 3 to 6 months time and that is what we are very actively looking at and hence the reason that there has been no major CAPEX during the current year.

Ashish Opel: Sir that means the land that we have looking to setup ODC is not going to be utilized for that purpose. Even did you buy the land in the first place?

Satish Kumar: I did not get that Ashish.

Ashish Opel: Sir did we buy the land ...

Satish Kumar: Yeah we have bought the land, the land belongs to us.

Ashish Opel: But no formal construction has begun to develop that area.

PS Shastry: That is right. Suddenly we are confronted with this SEZ issue and that we may develop up for a corporate office and look at actively SEZ options and we are discussing this.

Ashish Opel: So then apart, my second question I think ensuring that very point in time you were mentioning that there is some Rs 137 Crores of debtors outstanding as on 31st March, 2008. Sir, can you give me a break-up of that in terms of their ageing in terms of 1 month, 2 month, 2 to 3 months and above 6 months.

Satish Kumar: As of 31st March 2008 you know we have almost about Rs 410 Crores plus of which less than 30 days is about Rs 125 Crores and less than 60 days is about Rs 210 Crores, between 90 and 120 days is about Rs 61 Crores and between 150 to 180 days is about Rs 14 Crores.

Ashish Opel: There is nothing else ...

Satish Kumar: Beyond that is about Rs 8 Crores which is essentially that BSNL last 10% to 20% which is coming there.

Ashish Opel: Only one client in this bucket.

Satish Kumar: Yeah you are right. And one more we have, which we have in fact provided with others so yeah.

Ashish Opel: Sir, then in terms of the geography distribution of revenue, US has contributed around 97.8% last year..

Satish Kumar: Yeah.

Ashish Opel: How much has US contributed this year.

Satish Kumar: US this year also has been on the higher side, it has been again 97.64% and India has been about 2.2% and the other are about 0.14%.



Ashish Opel: So when is the Middle East's contribution coming in.

Satish Kumar: In 0.14% of others.

Ashish Opel: In 0.14 only, I thought Europe was also a part of it.

Satish Kumar: Yeah, which is scheduled to go up in the coming years.

Ashish Opel: Okay can you give me a breakup of the various verticals I mean the BFSI and the embedded, retail and manufacturing, retail, technology and telecom?

PS Shastry: Yeah Mr. Satish was just mentioning about that, we have BFSI of about 7.17% healthcare of about 17% we had manufacturing of about 9% retail of about 7.5%, technology of about 35% and telecom was there of about 23%.

Ashish Opel: And sir the 27%-30% you mentioned.

Satish Kumar: Yeah.

Ashish Opel: 33%. Okay in terms of these 3 companies that you are projecting sir that you have acquired hello...

Satish Kumar: Yes please go ahead.

Ashish Opel: Yeah in terms of the companies that we are projecting to acquire have we actually boiled down on any 2 or 3 of them, all of them are going to be in the infrastructure space.

Satish Kumar: No see as I have mentioned one is in telecom space, one is in technology space and one is in the so ... we have already given the letter of intense to all these three and due diligence is ongoing process here.

Ashish Opel: Okay and my last question would be in terms of the current year margins. Our margins have actually come down to 6.3% even if I include the 335 odd Rs Crores of derivative cost our margins are actually are at 9% versus the 12% last year.

Satish Kumar: I think there is some math gone wrong, see if our EBITDA has moved up from 13.9% to 14.5%.

Ashish Opel: No, I am talking about the PBT margins profit before some ordinary item before tax.

Satish Kumar: See I mean I do not have the PBT number in here...

Ashish Opel: Rs 70 odd Crores.

Satish Kumar: Rs 70 odd Crores is what.

Ashish Opel: Rs 70 odd Crores of the PBT and around 1130...

Satish Kumar: Yeah I mean obviously I mean yes it has gone down from that perspective because of all the provisions that we had to make during the current year.



Ashish Opel: So that is but if I include that provisions I mean you have made a provision of Rs 31 Crores

Satish Kumar: Right and that is on MTM we had a Rs 18 Crores Forex loss then we had a provision for around Rs 11 Crores—if we were to add all these up then our net profit margins have moved from 10.3% to 12.1%.

Ashish Opel: Okay and you would have seen from giving any guidance on the margins going forward.

Satish Kumar: As I told we should be able to increase by 100 basis point ...

Ashish Opel: That is all, thank you sir.

Moderator: Thank you Mr. Opel. The next question is from Mr. Saurabh Jain of Aries Stock Trade. Please go ahead.

Saurabh Jain: Hello, good evening.

Satish Kumar: Hi, Saurabh.

Saurabh Jain: Hello.

Satish Kumar: Hello.

Saurabh Jain: Yes can you hear me.

Satish Kumar: Yeah.

Saurabh Jain: Good evening, I am quite disappointed; I am an investor in the company.

Satish Kumar: Okay.

Saurabh Jain: I am quite disappointed with the results. Rs 91 Crores is what you showed last year and this year you have shown Rs 70 Crores this year.

Satish Kumar: Right.

Saurabh Jain: I can see 3 big items one is prior period expenses of Rs 20 Crores, one is MTM of Rs 30 Crores, and one is an exchange loss of Rs 18 Crores. Suddenly when an auditor changes these kinds of expenses come up I am surprised at that.

Satish Kumar: Well Saurabh let me answer this way, see the Forex losses or gain I think which translation have always been there in the company over the last 8 to 10 years. They have no new things in there except the quantum of foreign exchange translation loss has been substantial during the current year which is to the tune of Rs 18 Crores. If you look at the last year number there is also a foreign exchange loss of around Rs 9 Crores, right point #1. Point #2 on the MTM see this is essentially not a change because of an auditor or anything like that. The second question is the point of MTM. See, the company never has never had, has recently got into the foreign exchange derivative we created a risk policy and so for our foreign exchange have entered into the derivatives during the last fiscal, point #1. And point #2 is that the MTM has to be calculated in these new rules as far as the accounting standards as of 27th March, 2008, and prior to that I do



not think any company or any auditors has interested on providing this number into the profit and loss accounts. And this essentially is the change because of the accounting standards 30 and accounting standard 1 any company which has adapted accounting standard 30 which is due in 2011 early on need not have provided this even with MTM significant profit and loss account even for the current year.

Saurabh Jain: Okay my question over here is whether this will continue and how much will be there in this current year.

Satish Kumar: No I will discuss, I was just trying to answer to your question that this auditor change and hence all these numbers have come up Saurab. So I do not think this is because of an auditor change that have come up, it is because that nature of the business and the way the business dynamics have changed and accounting standards have changed in the recent period that this numbers have come up, right. And as far as the prior period expense goes see there has been an error because we had, if you look at the Q2 of last year we had a fixed bid contract where we had a UBR of around Rs 31 to 32 Crores and the nature of the fixed bid contract is such that you cannot fix the cost of that fixed bid contracts when you are executing project and you will only be able to fix the entire cost appropriate entire cost to that project once the project is done. And there was an error by our accounts department which we fully accept that should not have happened. But yes there has been an error in not being able to appropriate that cost to that particular UBR in the last year and which has come up as prior period item during the current year. So that is in terms of our explanation towards this thing. And that is definitely not because of account change or auditors changing. So it is business styles and change in time point #1, point #2 we are fairly confident that we have done it in a prudent way in terms of our derivatives which are accounting policies and stuff, it is just the timing the volatility in terms of the foreign exchange market has been so high that we have to become soothsayers to see that whether we are making any profit or loss, I mean someone said best way today is to keep quite and not do any hedges. But you need to be a brave heart when the foreign exchange markets are so volatile that you see Rupee going from Rs 44 to 39 and people saying it will go down to Rs 35 and nonetheless that people like Mr. K. V. Kamath saying that it might be southward of Rs 35 and we can still keep quiet. I need to be a very brave man not to hedge myself if someone like as big a man as K. V. Kamath said it is going to happen.

Saurabh Jain: Sir Rs 17 Crores is certainly a very huge amount.

Satish Kumar: Yeah it is see Saurabh I mean what we need to remember here is that there is a notional loss that I have made booked in the current year. It is a provision that we have made for notional loss which is appropriate over the next 3 to 4 years. I mean it is not a loss that I will be, it is not a cash loss that we will hit my balance today. It is a notional loss which I mean if the foreign exchange situation does not take and it remains this way that is when I will see this loss and I will see this loss also over the next 3 to 4 years. And it is not in one single day that I will see this kind of losses.

Saurabh Jain: So what is the position as far as 30th June is concerned as far as this MTM is concerned?

Satish Kumar: See we are working out some that here when we have got the numbers from our bankers and stuff we should be getting them soon and then once we get that we will see numbers

Saurabh Jain: We will get further hit on that account or ...

PS Shastri: On an average definitely rupee-dollar has definitely undergone a change. I think there will be change in the MTM workings also, we are working at that.

Saurabh Jain: Will we recover some part of it or ...



Satish Kumar: No because of the rupee because we are mostly into US dollar and INR probably there will be increase..

Saurabh Jain: There would be a further loss.

Satish Kumar: Yes.

Saurabh Jain: Okay you would not be able to quantify that.

PS Shastri: No, not at this time because they are spread over 1 or 2 years and there will be.

Satish Kumar: See, the MTM calculation is a worry. It is not just a math straight math that we can just use math and come to that number. There is some, I mean obviously we are not experts at it and our bankers do that and we should be coming out with that number ASAP.

Saurabh Jain: Okay thank you.

Satish Kumar: Thank you.

Moderator: Thank you Mr. Jain. Our last question is from Mr. Ashish Opel of Standard Chartered. Please go ahead.

Ashish Opel: Hello sir, sir. One more question was in terms of what is the amount of investments we have done in our subsidiaries in 2008?

Satish Kumar: See roughly it will be closer to the tune of Rs 60 to 65 Crores Ashish.

Ashish Opel: Rs 60 to 65 approximately.

Satish Kumar: Approximately.

Ashish Opel: And the FCCB around is Rs 67 as expected against what was projected?

Satish Kumar: I could not hear that Ashwin. Could you repeat that once again?

Ashish Opel: Sir Ashish here.

Satish Kumar: Sorry Ashish.

Ashish Opel: Yeah. Sir I was referring to two things. One was in terms of the total liabilities which includes the FCCB amount and the total current asset. I did not note down your current asset that you can fetch me.

Satish Kumar: Including the FCCB the debt will be around the Rs 320 Crores or thereabouts Ashwin. And in terms of our net worth, it is close to Rs 434 Crores or thereabout. I do not have the exact number but that must be probably...

Ashish Opel: And other current assets?

Satish Kumar: Other current assets...



Ashish Opel: Standalone entity what I mean referring to...

Satish Kumar: I did not get that.

Ashish Opel: What is the standalone entity on the Indian level?

Satish Kumar: Okay just a minute. Current asset will be around Rs 600 Crores and so and debt level is around Rs 320 Crores.

Ashish Opel: Rs 600 crores

PS Shastry: Sundry debtors and inventories and other.

Satish Kumar: You are asking other current assets?

Ashish Opel: Other current assets.

Satish Kumar: Other current assets will be roughly about not more than Rs 5-6 Crores.

Ashish Opel: Rs 5-6 Crores only?

Satish Kumar: Okay let me read out the entire current asset block is around Rs 900 Crores. Right out of which the inventories are around Rs 100 Crores roughly.

Ashish Opel: Rs 100 crores. Okay these are because of the equipments and all?

Satish Kumar: Yeah right. Receivables will be around Rs 400 Crores. The cash and bank balance will be around Rs 220 Crores.

PS Shastry: This includes the FCCB.

Satish Kumar: And the other current assets are around Rs 4 Crores. Loans and advances are Rs 130 Crores.

Ashish Opel: Loans and advances would be Rs 130 Crores. Okay fine sir. Thank you.

Moderator: Thank you Mr. Opel. Ladies and gentlemen that was the last question. At this time I would like to handover the floor to Mr. Satish Kumar for final remarks.

Satish Kumar: Thank you everyone for joining us in the conference. We had a good year in terms of our operations and a disappointing year in terms of our financial numbers. As management we take responsibility and we will ensure that some of these steps should not be repeated and we are very hopeful that we will have some good numbers going forward. See, as I have mentioned we are very confident about the business that we are in and the industry is recognising us and we are very confident that as we go forward we will be achieving greater heights in terms of our businesses and hopefully you will support us as we go forward to that level and thank you very much for being at the call. Thanks once again.

Moderator: Thank you very much. On behalf of Four-S Services Private Limited and Prithvi Information Solutions Limited that concludes this evening's conference. Thank you for using Chorus Call Conference Services and you may now disconnect your lines.