



“Tata Elxsi Limited Q2 FY-17 Earnings Conference Call”

November 02, 2016



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MODERATOR: **MR. NIKET SHAH – RESEARCH ANALYST, MOSL**

Moderator: Ladies and gentlemen good day and welcome to Tata Elxsi Limited Q2 FY17 Earnings Conference Call hosted by Motilal Oswal Securities Limited. As a reminder all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing '*' then '0' on your touchtone phone. Please note that this conference is being recorded. I now hand the conference over to Mr. Niket Shah from Motilal Oswal Securities. Thank you and over to you sir.

Niket Shah: Thanks Ali. We at Motilal Oswal are extremely pleased to hold the call for Tata Elxsi to discuss the 2nd Quarter FY17 earnings. From the Management we have Mr. Madhukar Dev – MD and CEO of Tata Elxsi, Mr. Manoj Raghavan from the EPD Division, Mr. Nitin Pai – Head (Marketing) for Tata Elxsi and Mr. G. Vaidyanathan who is the Chief Investor Relation Officer. Just a important piece of the announcement, we would request everyone to ask questions related to the Q2 results and anything which is related to Tata Elxsi only and not ask any questions related to the recent events related to the Tata Group, just a humble request from my side. I will hand it over the call to Mr. Dev for his opening remarks and post that we can open the floor for the Q&A. Over to you Mr. Dev.

Madhukar Dev: Thank you. Good afternoon and welcome to the call. Just the top highlight for the quarter, we had a very good quarter despite the fact that results that you see are not so spectacular. We have to keep in mind that this is the quarter when we do a salary revision. We also took in a large number of fresh graduates in the quarter and we also had to withstand the erosion of revenues due to the fall in currencies, specially the GBP. Despite all this, we did reasonably well showing 15% growth over the same quarter last year, and almost similar growth in the profit numbers as compared to the Q2 of FY16. So all in all, a good quarter and vastly improved quarter in terms of the sheer volume of work that we have done as compared to the preceding two quarters. And some of the highlights of what happened in the quarter, will be shared by my colleagues. First Manoj Raghavan, Executive Vice President for what happened in Embedded Product Design (EPD) business.

Manoj Raghavan: Good afternoon, this is Manoj here. If you look at EPD's growth primarily focused on the transportation business and broadcast business for us. So in the transportation business, over the last few quarters we have been focusing heavily on the OEM side of business. So the good story is that yes, that continues to give us dividends and both our existing accounts are growing pretty well, and at the same time we also see new opportunities with select few OEMs. Hopefully that will propel our focus in the next few quarters. In the broadcast space, a lot of our revenues come from the operators. The good part is that the trend continues. As operators are looking at independent middleware like RDK and Android so that trend continues too.

We see good traction both in the main geographies of US and Europe. At the same time, in a geography like South Africa where we had one large operator as a customer; we have added another logo there. So overall we have grown the operator side of business also.

On the communications side, definitely the focus on SDN (Software Defined Networking) - that continues. SDN and IoT focus are definitely helping us move forward there. And lastly, on the medical side in the last quarter we have got one new customer from the US which is small project to start off with but it's a significant player in the medical industry. And that gives us hope that we will be able to grow that business. These are the few highlights from my side.

Nitin Pai:

Thanks Manoj. This is Nitin Pai here. Just to complement what Manoj shared on the electronics or EPD side, on the design side we have continued to do well. We are doing some quite exciting work on the design of next generation HMI, or Human Machine Interface within cars. So we have recently engaged with two leading OEMs in the international space to do with helping them conceptualize and think about how user experience and HMIs within cars would look like, over the next 5-10-15-20 years. That's a very interesting space and very well complements what we are doing on the electronics side.

On the consumer products and FMCG, we of course continue to work with companies both domestic and international. In fact, the highlight for the last quarter would be the kind of work that we did for an international lubricant brand for a range of global products that they are releasing into the market shortly. Closer to home of course, following up on the success of what we did with Kochi Metro, we have recently engaged with the Nagpur Metro which is an upcoming project. So at this time we are doing some work on the content and experience center part. But we hope of course to leverage a lot more of the experience we have built up from working with other metros including Kochi.

Of course, as a company and that cuts across both design and technology, we continue to invest in brand building, a lot of it in terms of international events that we participate in. So the big one for us last quarter was the International Broadcasting Conference (IBC), hosted annually in Amsterdam in September. That's the premier event for the broadcast industry and brings together everybody from across the world to that place. So we had an excellent presence there, including a speaker session and a stall that was showcasing new solutions such as Over The Top (OTT), test and test automation, video quality monitoring which is the big subject for the kind of video that will be consumed now over OTT, as well as newer emerging technologies on the network side like Software defined networks and so on. So all in all, a good quarter I would say.

Madhukar Dev:

Those are the highlights, and we can now answer questions.

Moderator:

Thank you very much. Ladies and gentlemen we will now begin the question and answer session. We will take the first question from the line of Ritika Jalan from Narnolia Securities. Please go ahead.

Ritika Jalan:

What is the order book number?

Madhukar Dev:

We don't share the order book number. But the general trend over the last several quarters has been a fairly significant buildup in the order book, and that trend seems to continue.

- Ritika Jalan:** But you can't give any visibility regarding the revenue growth from that order book?
- Madhukar Dev:** No I'm sorry we can't.
- Ritika Jalan:** Then anything that you would like to share on the new initiative on healthcare which was initiated last year?
- Madhukar Dev:** Yes as Manoj has mentioned in the highlights, we got an entry into a very significant account in the US. The engagement itself is not very large but we are quite confident that this will lead to a much larger and longer sustained engagement with this customer. So, I think we have made one major headway in the quarter plus 3-4 smaller wins in other parts of the world.
- Manoj Raghavan:** And also we have beefed up our sales presence in the US.
- Ritika Jalan:** In terms of value if you can guide us something that we can expect in the coming quarters.
- Madhukar Dev:** Unfortunately, we are not in the position to do that. In fact we do not give any forward-looking guidance at all. But all I can say is the trends are positive.
- Ritika Jalan:** Can you give me the top five customer contribution in the revenue and if you can name few of them?
- Madhukar Dev:** The top customer like we have named before is Jaguar Land Rover, and the contribution of the top five customers is somewhere between 45% and 50%.
- Moderator:** The next question is from the line of Gaurav Mehta from Ambit Investments. Please go ahead.
- Gaurav Mehta:** Sir my question is mainly to do with strategy. There is obviously TCS with the Embedded Products Division. Then there is Tata Technologies which is owned by I think is owned by Tata Motors and they are increasingly saying that in addition to the traditional mechanical designing business that they were in, they're also becoming more cognizant to electronics and software parts within the car which obviously for you, happens to be a big significant contributor to the revenues. So my question basically is that from a strategy point of view how do you resolve this conflict of interest and is there an impact of competing group companies on Tata Elxsi?
- Madhukar Dev:** Let me address the second part of your question first. We don't see any significant impact of what the other companies are doing in the space which we play in. The first part is the way we see ourselves and the way our customers see us, is that we are a design company with capability to support our designs through engineering. Now engineering has two aspects - it will have some elements of mechanical engineering and manufacturing support. But predominantly it will be electronics engineering capability. I think as a design company with the ability to deliver a design in a functional manner we are unique not just in India but also most parts of the world and that is our USP, and that continues to be a main driver for our growth.

Gaurav Mehta: But with Tata Technologies also now trying to focus on designing and software and Embedded Products?

Madhukar Dev: I'm not too sure what exactly they are doing. But our ability to consumer insights, do benchmark studies of consumer experience with products, our ability to design next generation human machine interfaces and the software and electronics to execute these, is quite unique and I think it continues to be so. Going forward, we will add more of the nascent technologies into the offering including Artificial Intelligence, Data Analytics and Virtual Reality using 360° cameras - all to deliver superior end-user experience. So I think we are in that sense, a unique company and I think we will maintain our edge over everybody else.

Moderator: The next question is from Alekh Dalal from One Thirty Capital. Please go ahead.

Alekh Dalal: What was the impact of the Pound on your revenue growth this quarter? That's the first question and second is, what percentage of your business mix is Defense because you have featured as one of the companies that offer the Defense solution as part of the Tata Group?

Madhukar Dev: If you see in our results, other income shows a negative of about 3 crores which is essentially the restatement of our assets in GBP - a loss resulting from that. And over and above this, there was the impact on the revenue which would be around 10 crores. So overall impact of about 13 to 14 crores.

Alekh Dalal: And the second part?

Madhukar Dev: Defense - it so happens that a lot of the work that we do in the areas that we have strengths in, are of relevance to Defense. For example, communications or wireless broadband or video compression and decompression, analytics of video, testing of video gear. These are all things which are of interest to the consumer market, and are also of interest to the Defense market. So we don't have a separate offering for Defense, it's just that the technologies and capabilities that we have are of relevance to Defense also.

Alekh Dalal: But directly or indirectly, what percentage would that be? Would you give ballpark of that?

Madhukar Dev: Completely insignificant. I won't be able to put a number, it's hardly any.

Moderator: The next question is from the line of Sanjay Satpathy from Ampersand Capital. Please go ahead.

Sanjay Satpathy: In the opening remarks you mentioned something about volume being lot higher. I couldn't follow that. Can you please explain?

Madhukar Dev: As I was mentioning that we saw an impact of about 10 crores in revenue due to the depreciation of the Pound. So if the currency had remained the same as Q1, you would have seen 10 crores more in the revenue. So that shows the volume growth that we would have had over the preceding quarter.

- Sanjay Satpathy:** JLR obviously is your biggest client and what kind of percentage of your revenue are they?
- Madhukar Dev:** This quarter I think it was just about 20% or so.
- Sanjay Satpathy:** You said that you are getting into healthcare and other segments. So these new segments which you were talking about - how quickly are they going to ramp up? What I'm trying to understand is that how much will they be as part of your revenue in two years from now?
- Madhukar Dev:** The segment that we talked of was healthcare where we have been in play for a while - maybe over two years. So we are not getting into a new sector. The offerings that I talked of which lend uniqueness to Tata Elxsi's capability will really go into all the existing sectors that we play in.
- Sanjay Satpathy:** If you can just answer this question briefly you said that you are really unique but still we would like to get a sense - like when you bid for a project, who really you compete with as far as Indian vendors are concerned?
- Madhukar Dev:** It depends on the kind of project it is. If it is a turnkey project including research, design and engineering, very often there is no competition. This is when we go into the account early, sell the idea to the customer and help them realize the potential from it. If it is a sliced opportunity say for example just video testing which a customer issues an RFP for then you could have other Indian and international companies.
- Sanjay Satpathy:** How much would be the First Type as part of your revenue?
- Madhukar Dev:** Really won't have a breakup of it, but very often when we go in with that kind of a campaign you end up doing narrow slice of work, not necessarily it helps to possession our capability. The customer may not engage us to do everything, but engages us to do bits of the whole program. So that's why it's a bit difficult to separate the two out.
- Moderator:** The next question is from Priyankar Sarkar from Motilal Oswal Asset Management. Please go ahead.
- Priyankar Sarkar:** I would like to know what is the fastest-growing segment within EPD, is it transportation, broadcast or the healthcare part? I would also like to know the margin impact of the wage hike in this quarter.
- Madhukar Dev:** The fastest-growing segment is the transportation segment - the electronics related to the transportation business. Broadcast is not far behind and these are the two fast growing segments. The impact of the wage hike is reflected in the numbers that we have published. And we will see that we have been able to more or less withstand the impact of increased cost, so there hadn't been any significant hit.
- Priyankar Sarkar:** Another question I wanted to ask is what is the kind of business you get from the captive or is it directly with most of your business from the OEMs?

- Madhukar Dev:** Captives means exactly what, can you elaborate?
- Priyankar Sarkar:** A company who is having a center in India and in turn they are outsourcing to a third-party company.
- Madhukar Dev:** That's less than 10% of our revenues that comes from captive India centers, Rest of it comes from the international market.
- Moderator:** The next question is from P Sachdev from P&Y. Please go ahead.
- P. Sachdev:** Could you give some indication on how the pipeline stands for the same time last year?
- Madhukar Dev:** As I mentioned in an answer to an earlier question, over the last several quarters we have been consciously going all out to build the deal pipeline. We have expanded our sales reach, we have invested in opening new offices, new locations and all that has helped build this momentum and we are still seeing a positive trend so there is nothing more than that.
- P. Sachdev:** Can you assume it's stronger than last year?
- Madhukar Dev:** Yes I would think so.
- P. Sachdev:** Coming to your long-term vision or the ambition you mentioned in the earlier con-calls, so you stick to that or is there any revision on that?
- Madhukar Dev:** There is no revision. I don't know what I had said in the last con-call but on the whole we are looking to accelerate our growth and it is our effort in this direction that has helped us withstand negative impact of the Pound depreciation. So we are happy with what we achieved in the quarter and we continue to look at ways of accelerating our growth.
- P. Sachdev:** Any indication on the cash utilization - I think it is about 200 crores of cash in the balance sheet. So any plans for inorganic growth or pay-out or something to share with the shareholders?
- Madhukar Dev:** Yes - we are looking at opportunities of inorganic growth and the logic that we follow is that it has to make sense for us to acquire or invest in a business if it gives us a new capability, or access to a new market, and if it is affordable and the numbers make sense. With these filters, we are always on the lookout and would be happy to conclude a deal whenever we can.
- Moderator:** Thank you. The next question is from Sandeep Baid from Quest Investment. Please go ahead.
- Sandeep Baid:** If you can tell me how much of your business is GBP denominated and what's your hedging policy?
- Madhukar Dev:** The GBP part of our income would be around 30% of our revenue and we hedge a part of the exposure with options which we buy at a premium. So it is a controlled hedging policy, and it

has worked well in the past and we continue with the same policy. We don't do derivatives and complex forwards and stuff like that. We do plain vanilla options.

Sandeep Baid: If you can give some more color on how much of your GBP exposure you typically hedge?

Madhukar Dev: It could be anywhere between 10% and 30%.

Moderator: The next question is from Darshan Engineer from Alchemy Capital. Please go ahead.

Darshan Engineer: I have two questions. The first relates to the hedging, the nature of losses in this quarter were there on account of the Pound depreciation but was it on the asset side or because of some income related?

Madhukar Dev: There are two different things. One is the other income that we have shown in our results which is a negative impact of 3 crores that is on account of restatement of Pound assets. The other impact is an erosion of our topline by around 10 crores because the Pound fell.

Darshan Engineer: It was at the fag end of Q1, so we already had some indication that the Pound would depreciate. So despite that, was it the case that our hedges were not able to fully cover the losses?

Madhukar Dev: Hedges work in an environment where there is an element of predictability. When you see such sharp erosion, the premiums that you have to pay in buying hedges eats into the benefit that you get from the hedging. We have to strike a balance between the two - is it worth paying that much premium or it's better to live with the risk. What we have seen in the Pound, in a very short period of time, just about less than 100 days, is a near 20% erosion in value. Unless you have got an inside view, no hedging can safeguard against that dramatic a change.

Darshan Engineer: So it is safe to assume that if you had fully hedged your Pound exposure, the expenses in the premium that you would have had to pay for those hedges would have effectively reduced your margins to that extent and would have resulted in a similar Profit Before Tax?

Madhukar Dev: Yes, so that is the judgement that we exercise at every stage - is there a net benefit or is that neutral, and depending on that we take hedges or don't take hedges.

Darshan Engineer: My second question was regarding the recent news of AT&T merger with Warner Bros. While it has not been approved as yet, but how do you look at the broader trend of M&A happening especially in the communications part of your business where because of cost pressures or because of lack of growth initiatives there might be even more M&A transactions in the future and how they affect our business prospects.

Madhukar Dev: I don't think there's any direct effect on our business prospects. What we see happening is that in the traditional businesses there is a lot more M&A happening and new breakthrough technologies and our opportunities really comes from new fast changing technologies where M&A occur only when the technology becomes mature. By then our involvement in that

technology becomes less significant. So I don't see a great impact either way but I leave it to my colleagues Manoj and Nitin to add.

Nitin Pai:

Darshan, maybe I can just add one word here, this is Nitin here. If you look at AT&T and Warner Bros. they are really coming from two different places, because AT&T is a conventional operator with triple play services, while Warner Bros. is really coming in with a huge amount of media content and assets and an ability to generate more content. So in some sense if you look at it, it is complementary so even if we were and I am not saying we are, but even if we were engaged with either, there would technically be no risk to engagements on either side simply because they are complementary and not supplementary. You typically stand a risk when there is a consolidation within the industry where let's say competitor A buys competitor C and if you were working with both, then possibly there is a risk in terms of what happens to your business with A and C - does that consolidate too. So that will be my only comment to this specific instance.

Darshan Engineer:

If I may add in a third question, how do you look at the longer term trend of a lot of the big tech companies also entering into autonomous vehicles and safe driving cars and how does that affect us in the longer run?

Madhukar Dev:

I think it will be positive; it will only accelerate the advancement of technology. Because you see, no single player can lead a breakthrough technology without an ecosystem to support it. So the more the number of players, the more advanced the ecosystem and therefore quicker the advancements in technology. The negative side, yes, you could have potentially new competitors entering the field that you are in, but each one has to find its own space and its own unique strength.

Moderator:

The next question is from the line of Chintan Modi from Motilal Oswal Securities. Please go ahead.

Chintan Modi:

My first question is related to the recent launch of Tiago by Tata Motors. As we see the advertisement it highlights that the infotainment has been designed by Harman International which I believe is a key competitor to us. So I would like to understand like within the group how does this work, is it open in terms of competitive bidding or if you can highlight a little bit more on that.

Madhukar Dev:

Harman is not a competitor, in fact is a valued customer of Tata Elxsi. Harman makes the equipment and we provide services to companies like Harman. So we would never be in competition with Harman to supply an infotainment system to a car company. They are not a competitor at all. As far as the bidding process, etc., is concerned it depends on each customer. They figure out how to source their gear and our role only is integrating systems and making sure they coexist and interoperate with other gear. We don't play a role in selection of the Tier-1 supplier.

Chintan Modi: Next is on the employee addition. As you highlighted we added some employees, can you highlight total how many employees would be there currently, how much we have added recently the second quarter?

Madhukar Dev: We have about 5300 as the closing head count of Q2.

Chintan Modi: The next question is on the UK Pound depreciation issue. So typically what we understand is our project lifecycle is close to 3-6 months, so post depreciation and most of the I think it's almost now more than a quarter that has happened so the new order that will flow in - do you see any kind of pressure on the realization and the margins coming in?

Madhukar Dev: Yes, people are still not accepting the fact that the Pound depreciation is a permanent thing and a lot of customers like to believe that it's a temporary blip and it will come back, so we are in discussion with the key customers that we have who pay us in GBP and we are backing up whatever we are saying with data that we are getting from banks, etc. So it's a question of being able to figure out which way the Pound is going to move. When I say it's falling the customers say, no no, it's a temporary blip, wait for two weeks and come back. But we all know that's not happening.

Chintan Modi: One more is on the medical equipment, you highlighted that we won a new customer in US. Can you throw some more light on how many products we could be working on and typically who is the customer in this space for us?

Madhukar Dev: I leave it to Manoj to answer this.

Manoj Raghavan: These are typically companies which make medical devices and equipment in the US or Europe and some in Japan that we have interacted with, maybe about 10-12 companies that we are currently engaged with and developing their products.

Chintan Modi: How much of that you expect would get converted in next one or two years? What kind of growth are you expecting in the medical equipment side and how large it can become for us?

Manoj Raghavan: We have been in this business for about two years now and we had certain expectations when we started this business. Frankly we realized that compared to other areas in EPD the growth what we see is slightly muted. I think we are still in the learning stage and it's very difficult to give you a projection of whether or how much more it can grow, so I think you need to give us some more time before we can answer that question.

Chintan Modi: Just last thing I missed out, what would be the utilization rates in terms of employees?

Manoj Raghavan: We averaged close to 75% in Q2 which is where we wanted to be. We don't want it too much higher than this.

Chintan Modi: So that is also after the addition of the new employees?

- Madhukar Dev:** There are two kinds of new employees; there are the fresh graduates who joined at different times in the quarter and are currently undergoing training. There are lateral hires that we do - people with experience; those are included in the utilization number.
- Chintan Modi:** For the year we would have been done with new recruitments, is that a right assumption?
- Madhukar Dev:** Not really. I think we will close the year with maybe another net addition of 400-500 people.
- Moderator:** The next question is from Rohan Advant from Multi Act. Please go ahead.
- Rohan Advant:** My understanding was that in the past JLR used to form around 25% of our revenues which you said that is now 20%. So is this only because of the currency or the projects have gone down a bit?
- Madhukar Dev:** It is mainly because of the fact that other customers have given us more revenues. We are seeing faster growth in other automotive customers and also yes, of course, the impact of the Pound also. In terms of volumes there is no decline in the JLR revenue standalone.
- Rohan Advant:** In terms of how we bill the customers how much would be on an outcome based versus and T&M based?
- Madhukar Dev:** I think the mix is 65:35.
- Rohan Advant:** So 65 would be fixed or outcome based?
- Madhukar Dev:** 65 would be time and material; 35 would be outcome based.
- Rohan Advant:** Lastly on the IPR monetization - are we closer to it than few quarters back and any outlook on that?
- Madhukar Dev:** Sadly not much closer. I suppose we are closer but we don't have a great visibility of monetizing the IPR portfolio but what is happening is that the demonstration of the IPR that we are working on is getting us customer engagements for services. There, certainly we have made significant progress in the last few quarters.
- Moderator:** The next question is from Nalin Shah from NBS Wealth Managers. Please go ahead.
- Nalin Shah:** I think a couple of years back during the concall there was some guidance that the company aims to become a 3000 crore topline company by 2020. Does this hold good till now or are we having some difference on the estimates?
- Madhukar Dev:** See, what we look at is accelerating our growth rate and we had targeted growing at upwards of 20% year-on-year and we got quite close to that, and our immediate task is to again get back to year-on-year growth in excess of 20%. If you were to add that over next few years, you will find that organically we cannot get to 3000 crores from where we are. So obviously there

would have to be other events that will help us achieve that milestone if we are to get there by that year.

Nalin Shah: Another thing it was mentioned that company would have a good kick-in from Digital India, Smart cities, etc., initiatives. Is there something which is like are we able see the opportunities in the near term as far as the domestic market is concerned because of these initiatives?

Madhukar Dev: Not yet. We are sort of investing in a number of initiatives, even if they are unpaid initiatives to prove certain concepts of better design or better use of digital technology to deliver a superior customer experience. We talked of what we are doing with the Metros. We started with Bangalore, then Kochi and the others. We are also talking to the Indian Railways and we have done some work for them as just proof of concept and are still doing some more work just to establish and prove what the possibilities are. Hopefully all this will lead to more significant revenues as Digital India, Smart cities, Smart stations all become a reality.

Moderator: We will take the next question from Niket Shah from Motilal Oswal Securities. Please go ahead.

Niket Shah: I just wanted to get a sense on during the last Bangalore visit that we had you obviously showed the driverless car that you were working on. Any update on when that project is expected to complete, although it might be in phases but any broad update on that?

Madhukar Dev: I don't expect that project to get over. As we achieve some capability there we look at how do we achieve a similar capability or a better capability using different technologies which will have a lower cost implication or a lower failure rate and so on. So it's truly a research project which will keep going and we are happy with the progress we are making there.

Niket Shah: The other question that I had was on the broadcast part of the business. Obviously we had years of slightly volatile growth in broadcast, where we had years of very strong growth and then followed by the lag and then back again. Obviously with a lot of new apps coming like Hot Star and all which gives a lot of opportunity for broadcast, do you think that broadcast will also follow a very structural growth the way auto has been growing for us in the last 4-5 years?

Madhukar Dev: I don't think broadcast will follow a very structured path. They come from a completely different background. Auto is more engineering, more precision driven and so on. Media - it comes from creativity and they don't have to invest in manufacturing plants and they can jump from one technology to one another much more quickly than the transport business can. And what we think will be very interesting in the years to come is the fusion of virtual reality with broadcast. We still don't know exactly how it will be, but sooner than later we will experience that in the broadcast industry. In fact my colleagues who are at the IBC were witness to a lot of momentum in that area and we are ourselves nicely poised to have a significant play there.

Niket Shah: Final question on the margins part of it, this quarter obviously in spite of 15% revenue growth we had some bit of margin expansion Y-o-Y basis. Do you think we are coming very close to

the peak end of margin expansion where 24% is a good number to settle or do you think there are areas or room where we can still look at a bit of margin expansion as we go forward?

Madhukar Dev: I wouldn't really think that there are any significant areas where there are significant changes in increasing the margin, and will be quite happy if we can maintain it at this pace and use our resources to accelerate our growth instead of conserving the margin. If we stay at this margin, we should be able to accelerate growth.

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

Madhukar Dev: Nothing really more from us. Thank you all for joining the call and whenever possible we will organize a conference at Bangalore. We did that in July and hopefully before next July we will have an opportunity. On the November 18th event which the Tata Group is organizing, we will get more clarity on what our role will be in that, and I hope to be present there and to interact with some of you. Thank you.

Moderator: Thank you very much. Ladies and gentlemen, on behalf of Motilal Oswal Securities that concludes this conference call for today. Thank you for joining us and you may now disconnect your lines.