



Firstsource Solutions Ltd.
Investors/Earnings Conference Call – Q2 FY 2007-2008
October 29, 2007

Moderator: Good evening Ladies and Gentlemen. I am Pratibha, the Moderator, for this conference. Welcome to the Firstsource Solutions Ltd conference call. For the duration of the presentation all participant lines will be in the listen-only mode. After the presentation the question and answer session will be conducted for participants connected to WebEx International Bridge followed by question and answer session for participants at the India Bridge. I would now like to handover to Mr. Krishnan - Head of Investor Relations. Thank you and over to you sir.

Mr. Krishnan: Thank you Pratibha. A very good morning to participants from the US, good afternoon to our UK participants and good evening to our participants from India. Our apologies for a slight delay in the start. Welcome everyone and thank you for joining us on our earnings call for the second quarter and half year ended, September 2007. This is Krishnan, Head of Investor Relations for Firstsource, please note that the results, fact sheet and press release are available on our website, www.firstsource.com. The presentation and the transcript of this call will also be made available on our website. To take you through the results and to answer your questions, we have with us today, Mr. Ananda Mukerji, the CEO and Managing Director.

Ananda Mukerji: Good evening everybody.

Mr. Krishnan: Mr. Raju Venkatraman - the Joint Managing Director and CEO.

Raju Venkatraman: Good evening this is Raju.

Mr. Krishnan: Mr. Rajesh Subramaniam our CFO.

Rajesh Subramaniam: Hi.

Mr. Krishnan: And Mr. Farid Kazani our Finance Controller

Farid Kazani: Good evening everyone.

Mr. Krishnan: We will be starting this call with a brief presentation providing an overview of the company's performance in this quarter followed by a Q&A session. Please note that anything said on this call, which reflects any

outlook for the future or which can be construed as a forward looking statement, must be viewed in conjunction with the risk that the company faces. A full statement and explanation of these risks is available in our prospectus filed with SEBI which can be found on www.sebi.gov.in. With that I would like to turn the call over to Mr. Ananda Mukerji our CEO and Managing Director.

Ananda Mukerji: Good evening once again and thank you for joining this call. What I will do is, we have a small presentation on the earnings update for this quarter, I will just make a few preliminary remarks and then handover to Rajesh to take you through the numbers in details and then I will comeback again and talk about some of the other aspects.

I think, overall we have had a strong Q2 and an overall strong first half of the year. If we look at the quarter, our revenues, total income is up 62% from the previous year, EBITDA is up 95% from the previous year. If I look at the first half, total income is up 70% from the previous year and EBITDA has more than doubled. So, we have had a fairly strong first half of the year. We have also in this last quarter, completed the acquisition of MedAssist, which is an important strategic move by the company. And with that we expect to change the trajectory of our company to a different level now. We have, in a sense, created over the last 6-9 months, two new drivers and engines of growth for the company I) is the domestic India business which is now showing rapid traction as well as II) the healthcare provider segment – through the MedAssist's acquisition and that significantly extends our proposition in the healthcare segment and really puts us in a strong leadership position in that very, very important market as far as any of the BPO companies out of India is concerned. So, the two strong engines of growth in the future and strong numbers for the first two quarters, we believe, positions us very well going into the future. I will comeback and talk more about some of the other events that took place in the year and take you through MedAssist's strategic business in a little bit more detail, but let me hand it over to Rajesh to actually take you through the second quarter numbers.

Rajesh Subramaniam: Between Q2 of FY2007 and Q2 of FY2008, our revenues of Q2 2007 were Rs 1,833 million. In that we saw an increase of 62% YoY and those numbers are 2,965 million in Q2 of FY2008. Sequential quarter growth has been 5.2%, despite the appreciating rupee. Our total EBITDA in Q2 FY07 was Rs 378 million representing 20.6% EBITDA margin and that saw an increase of 95% YoY. The EBITDA for Q2FY08 was Rs 737 million representing almost a 25% EBITDA margin. Similar matrix on the profit after tax level, Rs 188 million in Q2FY07 representing 10.2% net margin and in Q2FY08, we delivered Rs. 456 million representing a 15.4% net margin.

Some of the salient facts that I would like to touch upon in Q2, on which I would expect questions coming from the group are:

- A) Our tax rate has been lower at about 3.1% compared to 12.3% in Q1. And this is essentially because we have had a large deferred tax asset release which is why our tax rates have come in lower.
- B) The other element is, our interest expense has come in higher, we have come in at about Rs 23.6 million, compared to a net interest income of Rs 19.8 million in Q1, this is again on account of the \$275 million loan that we took to fund our MedAssist acquisition, which was at a LIBOR plus 250 bps, plus some expenses on the arranging fee.

So, if I take a look at overall what happened in Q2, we have kept our momentum, we have delivered our numbers which will support the growth in revenues for fiscal 2008. And as of now we believe that our guidance is closer to about a 45% growth rate between 2007 and 2008, largely on account of the appreciating rupee. When we had given our guidance in the last quarter call, the rupee was still in the north of Rs 41.50 and given the current environment we are in, we are reducing the 50% guidance to 45%. The other numbers which are not reflected in our guidance of 45% is obviously MedAssist's revenues, which we believe would be about \$50 million additional between Q3 and Q4.

If I turn you to the next slide, it basically summarizes our half year performance of 2008 over 2007. Our revenues in the first half of 2007 were Rs 3,407 million and that has grown at about 70% to Rs 5,784 million. EBITDA has grown 112% YoY, 19.5% EBITDA margins to 24.4% EBITDA margins and PAT of Rs 321 million representing 9.4% is up almost 180% to Rs 899 million, representing a 15.5% net margin. With this I will hand it over to Ananda to take you through the highlights of this quarter.

Ananda Mukerji: Yeah, I will talk you through some of the highlights which are there. We commenced new center operations in the course of quarter, two new centers, one in Manila in Philippines and the second one in Indore. Our total employee strength increased to over 16,500 employees. Total seat, total capacity of seats at 13,545 seats, with seat fill factor of about 77%. We won a couple of significant awards in the course of the year which are relevant. One of them is a very prestigious award from the National Outsourcing Association of UK, where we won the Best Telecom Outsourcing Project of the year. And we won an award for one of our Six Sigma Services, in addition to the three earlier awards which we had won in the last two quarters. This was for DMAIC services categories for Fortune 250, Telecom Company. And we also won the "Offshore Agency of the Year" award from a leading financial services client in the US, in the collection area. So these are some of the significant events.

I hope everybody now has slide no. 6 in front of them. Some of the matrix we historically have been taking you through, in terms of client concentration, not a whole lot of change from the previous quarter, but significant reduction from the previous year. Top 5 clients now are 45% compared to 51% in fiscal 2007. Revenue by geography, the significant thing to notice is, India continues to grow as a market for us and contributes 13% of our revenues in this quarter. And between the UK and the US, UK and US were pretty much the same in the previous quarter, but this quarter UK is 42% and US is about 45%. In terms of the verticals, BFSI is about 36%, telecoms and media 43%, healthcare is about 17.5%. These numbers will of course change with the MedAssist Acquisition, once that impact is reflected in our numbers in the coming quarters as we see all of that coming in, we expect that all the 3 verticals together would be roughly about 1/3rd, 1/3rd, 1/3rd in broad terms with some variation. And this is broadly where we would like it to be; we see all three as very important verticals and we are pleased that they will all be roughly of the similar size and scale and importance to us, going into the future. As some of the other features in the quarter and clearly the dollar depreciation continues to be a concern. This quarter the impact on us is relatively muted, because of the fact that at the same time the pound appreciated. The other feature is attrition, it is relatively high in this quarter and this is a continued impact of the initial high attrition of the program we started from Hutchison. And that is, in the 2 or 3 months at the end of the first quarter and in the beginning of the next quarter, and we are expecting this would shift down, moderating now as the program has started to become stable.

The other aspect I want to just mention is our collections, in our collection business in the US, we are seeing increased delinquencies in the US market. And we expect in fact, that potentially will affect the liquidation rates of the portfolios which we collect on right now. And may have some impact on the margins for the short run, however the counter impact of this which we expect will kick in after the short run, wherein we expect we will have more portfolios to collect on. The other factor which will impact our business in the coming quarters is, increasing interest cost for the loan taken for the MedAssist acquisition. And we, our company has announced plans to raise foreign currency convertible bonds of up to \$275 million to repay this and thereby reduce its impact. This is something which is been approved by the board and is now awaiting regulatory approvals and shareholder approval. And we expect to complete that expeditiously.

Just to talk you through a little bit on the MedAssist acquisition and we did discuss this at the time of the acquisition, with most of the analysts. But I just thought it will be important to just go through it and understand what impact this has on our business. This is a company providing a full range of Revenue Cycle Management Services for hospitals in the US, got about over 800

hospitals customers amongst its customers. The hospital industry is a huge industry potential out there and just the administrative costs of hospitals itself is probably more than a \$100 billion industry. This company has a Pan-American presence, has strong diversified client relationships, many of them over 12 to 14 years, and has a strong platform on which it is poised for future growth, both in its existing lines of business and the opportunity it has for us, to be able to bring our service capability into this market place. And we are in early discussions with the MedAssist management team and their customers in terms of potentially what are the services we can bring out, clearly there is a lot of capabilities from both, from a claims management side which we do, on to the payer side as well as and to bring that capability into the coding and bill preparation side on the provider segment. The pure administrative and transaction processing capabilities and the customer service elements at hospitals, all of which we have strong capabilities in, which we can bring in out there. So we see this as an important driver for our growth. We have tried over the years, to build a diversified set of businesses, with strong engines of growth, which will overall drive the company's business. And we see this as an important addition to that and with significant elements by which we can cross-sell and create synergy between the existing operations, and also give us further drivers into the future.

So with that I will hand it back to the moderator for any questions that you may have on our numbers and any other questions you might want to ask, thank you.

Moderator: Thank you very much sir. At this moment I would like to handover proceeding to Crystal to conduct the Q&A session for participants at the International Bridge, over to you Crystal.

Crystal: Thank you moderator we will now begin the Q&A session for participants connected to the WebEx International Bridge, please press *1 to ask a question. At this moment there are no questions from the participants at the International Center. I would like to handover the proceedings back to the Indian moderator, please go ahead ma'am.

Moderator: Thank you very much Crystal. We will now begin the Q&A interactive session for participants at the India Bridge. Participants who wish to ask questions please press *1 on your touchstone enabled data phone keypad. On pressing *1 participants will get a chance to present their questions on a first in line basis. Participants are requested to use only handsets while asking a question, to ask a question please press *1 now. Our first question comes from the line of Mr. Sreevatsan from Spark Capital.

Ganesh: Well this is Ganesh from Spark Capital, I just wanted to know how your numbers would look, excluding the one month of revenues from

MedAssist, in terms of top line and bottom line. And second thing which I want to know is, your extraordinary expense of Rs 3 Crores, what that will be.

Rajesh Subramaniam: In terms of revenue from MedAssist, we consolidated for 10 days and the contribution to revenues is about Rs100 million and the EBITDA is pretty much in the same range as our EBITDA is. So that is to give you a heads-up on the contribution of EBITDA to this quarter. And the other extra ordinary expense you see is related to costs associated with a deal that we did not get through and these expenses are related to that strategic deal we were pursuing and could not consume.

Ganesh Ram: And another question which I wanted to understand is, your FCCB issue, which company will be issuing these bonds. It is quite relevant from a tax rate perspective, in terms of which country will be bearing the tax, bearing the tax benefits. So I just wanted to know that.

Rajesh Subramaniam: FSL India is issuing the FCCB, because the underlying shares through which it will convert is the Indian underlying shares.

Ganesh: Okay, now what I am trying to understand is the loan which you had, which you otherwise had and it is about \$275 million, had it been with the US books, your marginal tax rate there being higher, you would have had a greater benefit instead of it in the lower tax paying country and with an FCCB here, I am just trying to understand the tax impact.

Rajesh Subramaniam: The \$ 275 million loan that we have ultimately was to get syndicated out by ICICI Bank. So, though the \$ 275 million loan is sitting in my FSL US books, the jurisdiction in which the loan has been sold on to, could be far and wide. So ultimately from a taxation angle whatever is the double taxation treaty which the US had with whichever country to whom ICICI bank would have sold down that loan, that impact would anyway be there. So, my sense is that the delta between doing it in India and post syndication what would have happened, the impact is not going to be significant.

Ganesh Ram: Okay fine thank you.

Moderator: Thank you very much sir. Our next question comes from the line of Mr. Viju George with Edelweiss Securities.

Viju George: Hi good evening, congratulations to management for good set of numbers. My question pertains to MedAssist, on this FCCB. You have taken on the FCCB; can you just I mean what the conversion price is.

Rajesh Subramaniam: That is something which is not been firmed up yet, we have just got board approvals for up to \$275 million and the terms are being finalized as we speak.

Viju George: Okay fine. On MedAssist I think you just mentioned that, that is been a contribution to the extent of 100 million to the top line, am I right.

Rajesh Subramaniam: That is correct, rupees.

Viju George: Rupees, yes. So if I exclude that, then you possibly have grown by still close to 50% in rupee terms YOY.

Rajesh Subramaniam: That is correct.

Viju George: So and if you are guiding now for 45%, it is to expected to be a little bit slower.

Rajesh Subramaniam: That is not true because in Q1 my dollar rates were higher. So by first half dollar rate average would be higher then the current dollar environment we are in right now.

Viju George: Okay, yeah fine. The other question I had was pertaining to your attrition; I find it that has gone up further, its 54%, is that something that's hurting you right now in terms of being a big concern factor.

Ananda Mukerji: Attrition has gone up a little bit compared to the previous quarter, but the impact is for the same reason. You know we started the program for Hutchison in 3 or 4 new cities and those were new startup operations. And these centers underwent high attrition during the months of June and July and parts of August also, it impacted my attrition in the first quarter. it was August and September that those attritions have started to come down and we expect that we will have more moderated attrition in the third quarter.

Viju George: Yes, okay thanks that is all for now.

Moderator: Thank you very much sir. Our next question comes from the line of Mr. Manik Taneja with Emkay Shares.

Manik Taneja: Good evening to the management. Just wanted some clarity on this other operating income, I think that is the grant that we get for our Ireland operations, just give us a sense of what kind of numbers should we build in for the year in terms of grant.

Rajesh Subramaniam: Yeah I think in terms of rest of quarters the average would be closer to about Rs 100 million on an average. So this is based on the commitments we have with Northern Island, it might not be Rs 10 crores in each quarter, those numbers will change. But the average going for the next 2 quarters would be about Rs 100 million.

Manik Taneja: Second question was with regards to your employee breakup. In Q1 2008, of the 15,314 employees around 12,800 was off-shore headcount and more than 2,500 was a number outside of India. Could you give us a breakup for the current quarter?

Rajesh Subramaniam: Yes, we have 4,000 employees outside India.

Manik Taneja: Sir this would include both the Philippines center as well as the employees that came into through MedAssist.

Rajesh Subramaniam: That is correct.

Manik Taneja: So basically if I were to exclude the number of employees that came in through MedAssist the employee addition on the onsite centers was pretty low.

Ananda Mukerji: Yeah, that is correct.

Ananda Mukerji: If you look at the year-on-year basis, our employee count has gone up by 60% year-on-year basis. We had a lot of employee growth, if I will go back to the previous year in Q2, Q3, Q4 we had big ramp-ups of employees which took place. Basically when that happens, you end up with a lot of people who are extra at that point in time and as those operations start to mature and stabilize, then the headcount works itself out over a period of time. So it is, when you have a very rapid growth for a few quarters, you do tend to see stable headcount for a couple of quarters.

Manik Taneja: The other question was on your domestic operations, we were given to understand that domestic operations would contribute closer to a 10% to our revenues in this financial year. Now in Q1 we ramped this up to like almost 10.5% - 11% and then now it is moved up further above that. So what kind of contribution can we look at it over the entire year, does that initial guidance still stand or maybe it will be higher than that.

Ananda Mukerji: Yeah, we see this as a big growth opportunity and we are certainly agnostic to where the growth comes from. If we have seen more growth in India than what we expected, we are certainly happy about it, the margins are same or better compared to our average margins. So we are happy to see that growing. Second is, where it will come in higher than 10% at

this point, we do not have any specific target or a guidance that we can provide.

Moderator: Thank you very much sir. Our next question comes from the line of Mr. Ruchir Desai with Pioneer.

Ruchir Desai: Hi, good evening, congrats on the numbers. Just a question on the BFSI revenues, you know on a sequential basis for the past two quarters there is kind of decline in revenues in the BFSI vertical, is it because of ramp down in some of the processes for a couple of your clients, you know if you can elaborate on that a little bit.

Ananda Mukerji: That decline in the number is chiefly on account of the exchange rate. There has been no ramp down on this at all.

Ruchir Desai: And also you know, considering your current business outlook, what is the kind of pipeline you are seeing currently, you mentioned the 45% growth rate plus the MedAssist revenues for FY2008, but as you move to FY2009, how are the contracts in pipeline looking currently, compared to what they were looking couple of quarters back.

Ananda Mukerji: We are at this point not guiding in for the next year, but I think business continues to look strong, we have a strong pipeline in all our business segments, it is at this point looking pretty much where it was at the beginning of year, we have not seen any real impact of any extraneous events like potential slow down on the US market affecting at this point. Other than what I mentioned on the collections side, we have not really seen any impact; there continues to be a lot of interest from customers in the overall proposition which we have and at this point there is nothing that will cause us to change any view on the long term future, but we will come with a guidance for the next year at the appropriate time.

Ruchir Desai: Thank you and all the best.

Moderator: Thank you very much sir. Next question comes from the line of Mr. Sushant Sethi with Smith Barney.

Sushant: Hello sir. Just wanted to understand one thing was your EBIT margins has fallen quarter-on-quarter, any special reasons.

Rajesh Subramaniam: Yeah, if I take a look at my EBIT margins, if I exclude the extraordinary expense which was associated with the strategic deal which I spoke about, the margins have more or less been steady from an operational perspective. The other impact on EBIT would be because of A) our depreciation is higher because we capitalized both our Manila center and

our Indore center, and there is a 0.5% change in the margins because of the exchange rate fall-off between the two quarters consolidated.

Sushant: Ok. And one more question, can you give me a breakup of your other income of around 16 Crores.

Rajesh Subramaniam: The other income breakup of 16 Crores, largely about Rs110 million is on account of translation gain on our loan book. And the balance is from the liquidation on investments which we used to fund the MedAssist deal.

Sushant: Okay, thank you.

Moderator: Thank you very much sir. Next is a follow up question from Mr. Viju George of Edelweiss Securities.

Viju George: Yeah my question has already been answered thank you.

Moderator: Thank you very much sir. Next question comes from the line of Mr. Sudhakar with Span Capital.

Sudhakar Hi congratulations to the management for a good set of numbers. Most of my questions have already been answered. I just have one question, what are your hiring plans for the current year.

Ananda Mukerji: We do not give forecast of hiring numbers, as I said, we hire recruitment numbers as we need them depending on specific client requirement. So we do not predict or guide on headcount.

Sudhakar And this 45% guidance which you had given, this is purely on organic front excluding the MedAssist acquisition?

Ananda Mukerji: That is right.

Sudhakar: And what is your guidance on the EBIT level, do you think this around 12% to 13% more or less stabilizing.

Ananda Mukerji: Yeah we expect to see our net income margins, similar to what we have guided, that is between 11% and 13% and that is what is our sustainable net income margin. In the first half of the year we have been well above that guidance range, but there have been extraneous items here as Rajesh spoke about the forex translation gains which we have been getting in the last two quarters which we obviously cannot forecast. In the second half of the year we would also have the interest cost on the \$275 million loan we have taken, until we take it out with an FCCB, but overall, despite of all of that,

we still expect that it will come somewhere in the middle of the 11% to 13% net margin range.

Sudhakar Thanks and all the best.

Moderator: Thank you very much sir. Next question comes from the line of Mr. Madhu from Finquest Securities.

Madhu: Sir, what is the total number of clients during the quarter sir. I guess we have given it last quarter but not given now.

Rajesh Subramaniam: The number of clients metric becomes a little irrelevant post the MedAssist acquisition. We added more than about 1000 clients. So it does not have a mention in client metrics as it not be the right metric to be guiding on. If there are any material developments on the client side, we will make appropriate announcements.

Madhu: Okay sir. And then can you give the clients details of clients contributing to greater than 5% of the revenues.

Rajesh Subramaniam I think the right metric is again to look at clients concentration, our top customer is about 17.5% and our top 5 customers are 45%. That would be the two metrics which would be relevant.

Madhu: Okay sir thank you.

Moderator: Thank you very much sir. Participants who wish to ask question may please press *1 now. Next is a follow up from Mr. Ruchir Desai of Pioneer.

Ruchir Desai: Hi, thanks for taking my question now, you mentioned that the collections business could have an impact on your margins in the short term, would you be able to quantify it in a certain fashion, if possible, would it be a significant impact of 50-60 basis point impact on the EBITDA margins?

Ananda Mukerji: No cannot really give you, as I said it is not really something which, we can quantify at this point, we are seeing early trends of liquidation rates which is how much of the loans get collected, getting affected by the overall delinquency environment which is there in the US. So we anticipate that there will be some collectability issues as we go forward. The overall guidance we are giving in terms of the range of profitability takes into account that there maybe some impact of that but we cannot really quantify.

Ruchir Desai: Okay sir thank you and all the best once again.

Ananda Mukerji: Thank you.

Moderator: Thank you very much sir. Next follow up comes from the line of Mr. Srivatsan with Spark Capital.

Mr Srivatsan: Could you tell us some kind of traction you have got through the Metavante relationship, how many more clients you have added during the quarter?

Ananda Mukerji: We do not talk about specific client acquisition from specific channels. However from specific relationship perspective it continues to engage in the market, there are a lot of conversations which are happening and lot of things are under discussions. I think I mentioned the last time that we expect these deals in the later half of the year and we continue to expect these deals closing in the course of the second half of the year.

Mr Srivatsan: Okay, thank you.

Moderator: Thank you very much sir. Next is a follow up from Mr. Viju George of Edelweiss Securities.

Viju George: Yes hi, thanks for taking this question. I was just wondering with the credit tightening condition in the US and given your collections business, maybe you have talked about it earlier in your comments, but is the situation working to your advantage, do you see that happening.

Ananda Mukerji: Yeah, at one level as I said, as overall delinquencies increase, what we expect to see happening is that the portfolio of debt on which collections are to be done, will increase. So all the issuers of financial instruments will have larger amounts of debtors, on which they need to be collected upon, therefore the volume of business which is available should increase. So we should get larger shares of business going forward. But that is something which we will see happen over a period of time. In the short span what happens is that portfolio on which we are collecting, there is an impact on how much on that you can collect and given that our revenues and process are linked to how much we collect, if there is any impact of that in the short run, it will impact us in revenue margin. But in the long run you are right, the impact is that, there will be more business and the business dynamics maybe a little bit different and that is where the expertise and the experience of this team which collect become very important.

Viju George: Sure that was helpful. My second question relates to the level of output based pricing or billing that you do, does that cover substantially a good part of your revenue pipeline right now.

Ananda Mukerji: Yeah.

Rajesh Subramaniam: Right now as of Q2 our output based pricing is about 45%. The entire MedAssist billing is on output basis so those numbers will change as we go forward.

Viju George: Okay fine alright. Thank you.

Moderator: Thank you very much sir. Next is a follow up from Mr. Madhu of Finquest securities.

Madhu: Yes sir, my question has been answered, thank you.

Moderator: Thank you very much sir. Participants who wish to ask question may please press *1 now. Next is a question from Mr. Arvind Manickam of MS Global.

Arvind: Sir, congratulations on a very good set of numbers. My question is, is there any salary hike last quarter.

Ananda Mukerji: Yes, there were salary hikes in the last quarter. What we do is have salary hikes for different category of employees at different points in time; at the agent level it is given in the first quarter, which would have impacted the first quarter. The more senior people which come into the SG&A category, increases were given in the last quarter.

Arvind: And can you just give me what are the revenue drivers of this quarter.

Ananda Mukerji: The revenue drivers are the same set of revenue drivers which we have had in past quarters. There is growth and traction in all our businesses.

Arvind: There is one more question. You said like 100 million has been contributed from MedAssist.

Ananda Mukerji: Rs 100 million.

Arvind: Rs 100 million. How many days you have considered?

Ananda Mukerji: 10 days.

Ananda Mukerji: 10 days. Okay thank you sir.

Moderator: Thank you very much sir. At this moment I would like to handover the floor back to Mr. Mukerji for final remarks.

Ananda Mukerji: Yeah. I think we have had fairly comprehensive set of questions, so hopefully most of your questions have been answered. If you have any questions, you can certainly get back to any of us including Krishnan. Just to reiterate, I think we have had a very strong first half and given the momentum we have seen in the first half as well as strategic acquisition of MedAssist we do think that there is going to be strong momentum in our business going forward. There clearly are challenges ahead of us in terms of the foreign exchange environment and so on, but we believe there are many ways in which that can be dealt with and in an environment in the last couple of quarters when the rupee has appreciated significantly we have been able to manage it and there are many drivers to our business, both for growth and for profitability and we hope we will be able to continue doing that. Thank you with that I will handover to Krishnan.

Mr. Krishnan: Thank you again everyone for participation in this conference call. If any of your queries have been unanswered you could probably give us a call at Investor Relations. Thank you and wish you a good day.

Moderator: Ladies and gentlemen, thank you for choosing WebEx Conferencing Service. That concludes this conference call. Thank you for your participation. You may now disconnect your lines, thank you and have a nice evening.