



Transcript: Post Q2FY2011 results conference call, Mastek Ltd
18th January 2011, 5.00pm IST

Moderator: Ladies and gentlemen, good day and welcome to the post results conference call of Mastek Limited. We have with us today the Mastek management team. As a reminder, for the duration of this conference all participants' lines will be in the listen-only mode. There will be an opportunity for you to ask questions at the end of today's presentation. Should you need assistance during the conference call please signal an operator by pressing * and then 0 on your touchtone telephone. Please note that this conference is being recorded. At this time I would like to hand the conference over to Mr. Abhinandan Singh, Head - Investor Relations, Mastek. Thank you and over to you sir.

Abhinandan Singh: Welcome everyone to our post results conference call. As usual, the format will be similar to past calls. Our Chairman and Managing Director Mr. Sudhakar Ram will make opening remarks followed by our Group CFO, Mr. Farid Kazani, and then the floor will be opened for your questions. Those from the Mastek team present on this call along with me are Mr. Sudhakar Ram, our Chairman & Managing Director and Mr. Farid Kazani, our Group CFO, and Mr. Mrinal Sattawala, our Group President. Within an hour of this call getting over, a playback will also be available and the details are provided in the invitation that has been already sent to you at your e-mail addresses. You can see the details of that at our website as well. Within a few days, we should also have a transcript of this conference call available for you on our website or on demand if you drop me an e-mail. Thanks and over to Mr. Ram for opening remarks.

Sudhakar Ram: Thanks Abhi and good afternoon to all of you. Welcome to the Q2 earnings call of Mastek. As you are aware, we did have a bad quarter in the preceding quarter where we had a loss for the first time in our history as a public company and we took a set of steps to address the loss on three or four fronts.

One was in terms of improving the pipeline and keeping a closer track on new business. We also wanted to mind the existing accounts better and also add a services component footprint into the existing accounts to be able to have a larger share of the existing client's wallet. We took actions in costs on two fronts, one in terms of project execution we had to bring gross margins under control because there were projects overruns in the previous quarter. We also kept our discretionary spend under tight watch and at the same time we didn't want to compromise the investments relating to the strategic business direction of Mastek.

Having gone through this for one quarter, I think some parts have started paying dividend especially in terms of margins and costs. The actions that we have taken in project execution as



*Mastek Limited
January 18, 2011*

well as in keeping the discretionary costs under check have helped in improving the net margins by almost 500 basis points and Farid will take you through the details.

On the sales front, obviously the results don't happen so fast, yet we did see some improvement in terms of revenues this quarter that on a dollar basis we saw a 3% sequential quarter-on-quarter growth. The rupee-term growth was not as significant because of weaker pound and nearly 50% of our business being in pounds, but we have kept the effort in terms of account growth as well as new business pretty active and we expect to start seeing some results in the next two quarters. During the quarter we we did an acquisition of SEG, mainly with a view to accelerating our North American Elixir development as well as reducing our investment in terms of the product, especially for Foresters, and that acquisition is expected to pay dividends in the next year or so. It will accelerate our entry into the North American market and we should be able to get a product out into the market well before end of December 2011.

Having done the acquisition we did review all our assets in the IP assets in North America in the life and annuity space and we took a decision to take a write down as a prudent decision on our investment in Vector which we had made in 2007 that some of the assumption that we had made no longer held true and in future we look at the SEG/Elixir combination as our basic route to market. So while Vector still continues to be profitable and it is generating a level of revenue, it does not justify the kind of goodwill that we have carried if we are not going to focus so much on that line of business and to that extent, we decided to write down the goodwill on that investment. So that has led to almost a Rs 21 crore kind of a one-time hit to the P&L this time. It is not a cash hit. It is a one-time goodwill hit that we have taken. So that is one exceptional item overall. Looking at the next quarter, I think we will see movement on three fronts. One is definitely our P&C business where we have some good build-up of the pipeline and we expect to start closing deals which have got delayed during th quarter under review. We expect some closures to happen next quarter. In the UK government business, after a lull, we are signing up a partnership in one major government program and there will be an initial start to that in Q3 which is Jan-March and we do expect some revenue to start accruing from this account. We are keeping the services focused on our existing insurance account and while it is difficult to say when it will bear results, we will definitely have a pipeline built up on that and similarly in the North American insurance market, although we won't have a complete product ready before the last quarter of this calendar year. We will have demo versions available by the end of this quarter and we should start building up a pipeline based on SEG prospect base as well as our prospect base.

Those are the things that we expect will provide a positive momentum. So clearly the onus on us is to get the sales back on track and get the growth well above the 3% that we have achieved. We expect to hit that kind of growth within the next couple of quarters. So that is a very broad statement on where were see the business. I will like to hand it over to Farid who will add a bit more color to the financials of this quarter.



*Mastek Limited
January 18, 2011*

Farid Kazani:

Thank you Sudhakar and let me try and put some color on how the numbers pan out for this quarter. Let me start with the income numbers.

The total income for the quarter was 152.3 crores as against 151.3 crores in the last quarter. So marginal improvement, and the operating income has ended up with 149.8 crores as against 148.9 crores. So that is a 0.6% increase whereas if you look at in terms of dollar terms the improvement has been almost 3% with the revenue at 33.3 million for the quarter as against 32.3 million in the previous quarter. If you look at the break up of the revenue for this quarter we have had improvement in the revenue from North America and India/Asia-Pacific whereas the UK revenue has remained stable in pound terms. UK revenue was 49% of the total revenue as against 51% in the previous quarter. North America has remained almost the same level at 44% and India/Asia-Pacific has grown to 7% as against 5%. Just note that the 5% was a little aberration in the preceding quarter, as you know we had some revenue reversal which we had explained last quarter; otherwise it would have been at 6%.

When I look at the figures at a vertical level, the revenue from insurance has been at 43% government has been at 21% and the other verticals that we operate on has been on 36% and as against the 44% in insurance in the last quarter 22% in government and 34% in the other verticals. If I come to the numbers on the profitability the reported loss for the quarter is 27.7 crores as compared to 13.46 crores in the last quarter. The 27.7 crores in this quarter includes the 20.7 crores write-off in terms of the Vector investment which Sudhakar just explained and if you look at the numbers before the exceptional item then your loss for the quarter is at 6.97 crores as against 13.46 crores. So we have actually halved our loss or for that matter pulled back almost half the loss as compared to the previous quarter. There is one more item that I would like to highlight is the depreciation. The depreciation for the quarter is higher at 8.1 crores as against 6 crores in the last quarter and this is because we provided for 2.4 crores of depreciation for our SEZ facility in Chennai which is currently not put in use but with an eflux of time based on an accounting principle we have provided the depreciation for the two quarters. So the depreciation is higher because of this one additional item and if I add this back to the loss, the actual loss is 4.6 crores as against 13.5 crores and as a percentage the loss for the last quarter was -9% and the 4.6 for this quarter actually translates to almost -3%. So there is 6% improvement in the net profitability.

I would also like to draw attention to the fact that the last quarter had certain one-time impacts. So the loss was higher in the previous quarter because of those impacts. In the last quarter we had roughly 4.5 crores off one-time impact and if I net them off from the 13.5 crores the loss in the last quarter before the one-time impact would have been 8.96 crores. Similarly, the 4.6 crores loss for this quarter that I had just explained to you, we had a one time cost that we spent for the legal cost for the acquisition of SEG if I add that back then my loss actually for this quarter 4 crores, so on a like-to-like basis excluding the one times the loss is 4 crores in this quarter under review (Q2) as against 9 crores approximately for the previous quarter (Q1),



*Mastek Limited
January 18, 2011*

which is a 5-crore improvement in the bottom line, translating to almost 330 basis points improvement.

At a reported EBITDA level the loss for the previous quarter was 10.94 crore which is -7.3% whereas the reported EBITDA in this quarter is -3.24 crore which is -2.2% if I do the same adjustments for the one time in both these EBITDA reported number, then the previous quarter EBITDA is at 6.44 crore as against 2.64 crore in this quarter, which means an improvement almost 270 basis point. This improvement has come in largely because we had put in initiatives starting as far as 4 months back to look at projects where we needed to improve profitability, we also looked at certain costs that we needed to manage better and some of these have definitely started yielding results in this quarter and hopefully we should see further improvement in the next quarter.

Let me now turn to the order book position. The order book position stood at 296 crores at the end of December as against 312 crores at the end of the preceding quarter; the marginal reduction is largely on account of some book and ship numbers which didn't come in the North America business and one particular order book that we actually did not realize in the India, Asia-Pacific. Hopefully, the order book should come back to better than current position in the next quarter. On an employee head count we ended up 3118 in this quarter as against 3360 and . the reduction in the head count translated to a lower manpower costs. The reduction has happened in some of the projects which have been managed much better with a proper resource fulfillment and there has been some attrition that has happened from the bench which is appropriately sized today for our growth going forward.

From a cash position the balance stood at 152 crores as against 179 crores in the previous quarter and the cash reduction has happened because of the SEG acquisition in the last quarter. On the utilization front, the utilization stood at 75% as against 81% in Q1. Again, the lower utilization is because we recruited T2 in Q1 and post training they have come on the bench, Utilization ratio should improve in the next quarter. Overall we are positive about the uptake in the revenue as against the slides that we have had in the previous quarter and real operating improvement of almost 300 basis point is a good momentum which . we will try and build on in the next few quarters as revenue peaks up. Thank you.

Sudhakar Ram: Thanks Farid and I think that is a lot of detail in terms of understanding the figures and giving you a picture of where we stand, so I now keep the floor open for questions.

Moderator: Thank you. The first question is from the line of Biplab Chakraborty from Batlivala & Karani Securities, please go ahead.

Biplab Chakraborty: Sir I had a question in terms of how often do you check for goodwill impairment?

Farid Kazani: The goodwill is tested for impairment every quarter and if you look at the Vector impairment that we did last quarter, we did an assessment of the two platforms that we had between Vector



*Mastek Limited
January 18, 2011*

and SEG and what made relevance for us is to look at how we would go to market in North America for our insurance business and it made sense for us that the SEG platform becomes more relevant and flexible for bidding business in North America and to that extent on a conservative basis we have decided to go ahead and impair or reduce the investment in Vector in our books which was standing in the balance sheet.

Biplab Chakraborty: Sure, thanks. My next question was regards to the SEG acquisition if you could share with us some of the financial details in terms of how much you paid for it.

Farid Kazani: We did not disclose that separately but it is not a very significant amount that we paid, we only paid for the IT platform and the people who worked on that platform so roughly around 11 people who came into the organization with their domain expertise.

Biplab Chakraborty: Sure, thanks and may be if I can squeeze in a third question. I know you talked about the order book degrowing slightly but I think one major concern has been may be the stagnancy in the order book. If you are looking a growing over the next two quarters I believe order will get that indication and that growth is somehow not coming through if you could may be discuss on that.

Sudhakar Ram: I think I did cover that we are expecting breaks in P&C and in the government space but I will hand it over to Sattawala to actually add some more depth and color to this?

Sattawala: Yeah, thanks Sudhakar. You know in line with what Sudhakar talked about earlier. You are right the order book should be lead indicator for growth in the future and you know, I think we feel good that over the last quarter we have managed to stabilize the business and turned the corner back on to nominal growth in the business but we have a lot of work in front of us in terms of continuing to built on that and the focus over the next two quarters is definitely going to be on strengthening the order book so that we can get the degree of comfort that our growth plans over the next several quarters will be supported by a growing order book. We are focusing hard on the insurance business especially as Sudhakar mentioned in North America while you know the SEG platform does give us a product to go to market in end 2011 time frame. In the interim we are taking our services, focus as well as the product platform that we have on the P&C side plus the demo versions of the SEG platform and going to market aggressively around those. So the next two quarter I think will be more about business building than about actual order book, as far the L&A business in North America goes but there is very definite platform around which to do that now. And we are working hard to build our services footprint in that market place also. In the UK market again we got this new break in the government sector plus I think some of our UK business that we were actually expecting to convert into order book by now, the timings have slipped a little bit but I think we feel pretty good that over the next quarters we will see a build up in the order book in the UK also. So the focus is very much on order book building. Hopefully over the next two quarters we will be



*Mastek Limited
January 18, 2011*

able to show, you know the tangible momentum that will support growth for the future, if there were a bit.

Biplab Chakraborty: The UK governments deal its part of the pipeline right now? It is part of the order book number that you have disclosed?

Farid Kazani: The initial project is part of the order book but that is a very small amount.

Biplab Chakraborty: Sure, I will come back for followup. Thank you.

Moderator: Thank you. The next question is from the line Premchand Rao from Axis Bank, please go ahead.

Premchand Rao: What is the inorganic growth plan that you are looking at for your company going forward?

Sudhakar Ram: See as of now we have done this acquisition and I don't think we have any immediate inorganic plans over the next two quarters. We have to ensure that this starts paying results and we have built our business back and I think it will only be later in the year it at all that we would look at other acquisition.

Premchand Rao: Okay. You were talking about increasing the share of revenue from services this would be in-house. You are not looking at any acquisition in this space?

Sudhakar Ram: No we have fairly robust services capability just that we have not gone to market with services in the past but when we do large and complex programs testing is part of our basis competency but we are not going to take Testing as a horizontal service.

Premchand Rao: Okay.

Sudhakar Ram: Now what we want to do actually take Testing as a vertical service so within government, within insurance they are going to market similarly the data warehousing expertise we have, we have probably built the world's largest healthcare Data warehouse in National Health Service. So kind of expertise our guys have, very few companies in the world have today. So we are seeing how to take that to market but it is actually repackaging the core capabilities of the company and finding market opportunities for them within the customer base.

Premchand Rao: Yeah. Thank you that answers my questions.

Moderator: Thank you. The next question is from the line of Aashish Khaitan from Nirmal Bang Securities, please go ahead.



*Mastek Limited
January 18, 2011*

- Sunil Jain:** Yes, this is Sunil Jain here. Sir, I would like to understand we came into a loss in the last quarter and you said that this was first time in your history. So what was the reason and when we can be again profitable?
- Sudhakar Ram:** See obviously we are looking at continued margin improvement so while we are not getting specific thing, we do expect to turn back to profit as fast as possible. The actions are in place, we need the revenue to build up, the cost action are within our control and we have already been taking those actions and that has already yield a result this quarter.
- Sunil Jain:** True, but for my better understanding, what was the reason for turning into loss in the last quarter?
- Sudhakar Ram:** Actually we had covered it in a fair amount of detail last quarter. So most people on the call would be aware but you can take it offline with Farid or Abhi and they will help you through that.
- Sunil Jain:** Okay fine.
- Moderator:** Thank you. The question is from Abhishek Shindadkar from ICICI Securities, please go ahead.
- Abhishek Shindadkar:** Farid, a quick question for you. Do we believe that the trough of under-performance was achieved in the second quarter and from here we believe that sequentially, we should be able to do, not 3% but at least 1.5-2% growth in the revenues and maintain our cost-based realisations?
- Farid Kazani:** As I mentioned, we started the cost improvement initiatives looking at some of the key projects to improve the margins and even looked very closely at some of the discretionary items cost across the group. We have seen definitely results of that being achieved in this quarter under review, and some of that will continue in the next quarter. So hopefully we should see some improvements but I would say this kind of improvement which we had in this quarter would not come unless if we see an uptake in the revenues. So once the revenues start picking up we will see the leverage in the other cost building and there can be further improvement in the margins. We are definitely positive that we should come back to the positive territory but I wouldn't like to time it as next quarter or quarter after that. Hopefully we should be there soon.
- Abhishek Shindadkar:** Okay. Thanks and good luck.
- Moderator:** Thank you. The next question is a followup from the line of Biplab Chakraborty from B & K Securities, please go ahead.
- Biplab Chakraborty:** Sir, if you could please discuss what is the status update on the Capita project?



*Mastek Limited
January 18, 2011*

- Sudhakar Ram:** See as of now there is no shift from the last quarter we did see a drop last quarter but that has actually stabilized and we do expect that some new customer deliveries and certain reprioritization will happen and there is a possibility that it could go up in the next couple of quarters.
- Biplab Chakraborty:** Sir, currently are we still working with Co-op?
- Sudhakar Ram:** Yes, with Co-op and Zurich.
- Mrinal Sattawala:** If I could just add to the Capita question, we are also working obviously very hard to kind of strengthen our relationship and to reinforce our relationship with Capita. In fact we have assigned a very senior executive to the account now with a primary responsibility for making sure that the relationship can be brought back into a much more collaborative frame of reference going forward.
- Biplab Chakraborty:** Sure. Thanks. Sir you also mentioned about the deal that you have struck with the UK government? Could you give some color on the type of work that you are expected to do with the UK government?
- Sudhakar Ram:** Actually this is not again direct it is through a partner, so it is similar to what we have done in the past with the other thing like BT, Capita and Thales. I think it is more in the nature of pilot engagement with this partner; this is the first time, though we have been perusing this partnership for a couple of years. This is the first break that we have got and this is small engagement to start with.
- Mrinal Sattawala:** And it is very much a project engagement as opposed to a large structure of engagement right now.
- Biplab Chakraborty:** And within government which vertical would this be for?
- Sudhakar Ram:** I mean it is within a government thing, I can't say which department and all that.
- Biplab Chakraborty:** Okay. No problem sir. Couple of quick questions in terms of tax rate for FY12 & FY13, if you could give some color on that.
- Farid Kazani:** Well FY12, FY13 will see the STPI benefit going off so we will see the rate going as high as between 20-25% in terms of the effective tax rate. Our budget year starts from July to June, so we have not worked on our plan for next year but all I can say is that since STPI impact will go off we see a much higher tax regime and we need to work on either in terms of taking some business to the SEZ facilities where we already have a place and the tax rate will depend upon how much work can move to the said SEZ facility
- Biplab Chakraborty:** So will it be closer to 25% is that a fair estimate?



*Mastek Limited
January 18, 2011*

- Farid Kazani:** I think you can, the assumption between 20-25 should be fair enough to take.
- Biplab Chakraborty:** Sure. Also if you could discuss your exposures currently?
- Farid Kazani:** Yeah. We have approximately \$47 million exposure and we have £6 million exposures as on December and both of them are at higher than the market rate.
- Biplab Chakraborty:** Sure. Thanks sir. That is all from my side. Thank you.
- Moderator:** Thank you. The next question is from the line of Dipesh Mehta from State Bank of India Capital Securities. Please go ahead.
- Dipesh Mehta:** I have two questions. One is about our debtor days, it has shown some increase this quarter and there is some bad debt provision, we have made in the income statement. I just want to understand what is the trend we have seen?
- Farid Kazani:** Okay. The debtors have gone up to 178 crores at the end of December as against 167 crores and the increase is largely on account of some government payouts, that were pending in UK and because of Christmas time the cash flow did not come in. But I am happy to report that the same has got realized in January. To your question with regard to the provision that has been made in the P&L, it is around 1.2 crores in respect of the provisioning policy of providing 100% over 180 days for one of our government projects in India and government projects in India do pay late. Again I am happy to report that we have collected the amount in the first week of January.
- Dipesh Mehta:** So we expect that amount to be get reversed in the next quarter means that is in March quarter.
- Farid Kazani:** Yes.
- Dipesh Mehta:** And second thing is about our overall business outlooks. If I see one is because of the nature of the work what we do with client. If I see it in the IT services recovery, we have already witnessed for the last couple of quarters. When do we expect similar kind of recovery Mastek to report?
- Sudhakar Ram:** See I have always been maintaining that the solution business which is linked to client's transformation initiative, will take a longer time to recover. I mean our hit also took a longer time than other services, companies in fact, right up to June 2009 we had our best profit in that quarter. So we do expect in the next couple of quarters the recovery and we see that in the pipeline. But what we have also done to derisk is to increase the footprint of services which can have shorter lead time overall. The thing is that the fundamental need for transformation and fundamental need for legacy modernization is still there and many customers continue to talk to us. It is not that they have closed the conversation; it is just that it is delayed and it should come up whenever they feel secure about their own future prospect.



*Mastek Limited
January 18, 2011*

- Dipesh Mehta:** Okay. So may be two quarters down the line we see some kind of recovery and growth momentum.
- Sudhakar Ram:** That is right. That is our expectation.
- Dipesh Mehta:** And which vertical have we seen a good traction or may be initial conversations are very positive as compared to other verticals.
- Sudhakar Ram:** Right now the most number of conversations we have are in the insurance space. Government I mean though most of our work with UK government and that has slow down after the election and the conservative government freeze on spending, now we see that certain thing are becoming clear and where there are budgets there are things opening up. In other places they are clear that they are not going to spend. Earlier it was uncertain and now there is a level of clarity which is emerging in the different government departments so that part also should start looking at it and we are looking at both early forays in to health care as well as financial services which should start yielding some results.
- Dipesh Mehta:** And sir we have seen any kind of protectionism issues and because of that business related problems.
- Sudhakar Ram:** Not really.
- Dipesh Mehta:** In UK not really?
- Mrinal Sattawala:** Only to the extent of the general slowdown in the government sector but other than that I don't think so.
- Dipesh Mehta:** No objection on offshoring and all those stuff?
- Mrinal Sattawala:** No.
- Sudhakar Ram:** In fact we are one of the few where even a defense project has been offshored and we are certified under the UK security regulation, Ministry of Defense Security.
- Dipesh Mehta:** Okay. And what would your mix of solution and services at this point of time?
- Sudhakar Ram:** We are still predominantly a solutions company; I would say our maintenance business was about 30%. It would mainly still be in the 30-35% range but we want that to increase as we grow.
- Dipesh Mehta:** Sir, could this strategy have any margin implication because earlier Mastek used to operate at a different margin profile because when we shift to AMD services kind of offer, we see any kind of margin implication going for and once for growth returns?



*Mastek Limited
January 18, 2011*

- Sudhakar Ram:** Basically there are two parts at the gross margins level definitely the services business will be at lower gross margin than a solution business, there is no doubt. But we also expect the corresponding benefits in cost of sale.
- Dipesh Mehta:** Okay.
- Sudhakar Ram:** So at the EBITDA level we are trying I mean this is obviously some thing that we don't have a full fix on till you execute a couple of quarters you know it, but at the EBITDA level our anticipation is that there should be no difference.
- Dipesh Mehta:** And because of the change in our strategy towards services side, what kind of changes have we brought in for our sales team or our approach to our client?
- Sudhakar Ram:** We have already started that. I mean very fact that we inducted Satta (Mrinal Sattawala) who actually grew the Patni business largely around services, we have reinforced our North American IT services team, we have imposed a major accounts and services team in the UK. So right from the beginning of the year we have started making those steps, when we realized that the solution business is going to take time to fully recover. So that is already in play.
- Dipesh Mehta:** Okay, and about utilization, this quarter because of lower revenue it is showing significant decline.
- Sudhakar Ram:** That is right and we do have a bench available so it should be able to support us for growth in January, February, and March quarter.
- Dipesh Mehta:** Sir, my basic question is what is our employee mix, compared to 3 years plus and freshers that is what I want to understand.
- Sudhakar Ram:** That is still very high. I mean, we have more experienced, we have more senior guys, more architects, more project managers and so on. So 3 years plus, I would say would be at least 80% if not 85% of our staff, somewhere in that order of magnitude.
- Dipesh Mehta:** And once we are more focused towards services, and we expect services as a percentage of revenue to grow and 80% appears to be on higher side so what would be our hiring strategy going forward for next let us say 6 to 8 quarters.
- Sudhakar Ram:** We will have more of trainees coming in, to flatten the pyramid.
- Dipesh Mehta:** Then it would have an implication because right now growth is not returning to the extent what we expected. So how will we manage both of these because both have different impact on margin as well as probability of growth of what we expect?



*Mastek Limited
January 18, 2011*

- Sudhakar Ram:** No, the trainee strategy that we have is two-fold. We don't necessarily only depend on campus recruits which get bunched up in the summer time frame. We also look at campus trainees from fresh graduates through direct ads and direct recruitment so that we can time it based on our release and we know that is a 3-4 months cycle to train the people up.
- Dipesh Mehta:** Okay, so we expect freshers to grow higher.
- Sudhakar Ram:** As the growth happens, we will flatten the pyramid that is the expectation.
- Dipesh Mehta:** Okay, thank you sir.
- Moderator:** Thank you. The next question is a followup from the line of Abhishek Shindadkar from ICICI Securities, please go ahead.
- Abhishek Shindadkar:** Can you quantify the confidence level of your sales force in participating in RFPs this time compared to same time of last year?
- Sudhakar Ram:** You have to recognize that the RFPs we are involved in are different from the typical Indian company RFPs. So if I take the solutions RFPs, typically we will compete with other solution vendors both in P&C (property & casualty) and L&A (life & annuity). Our conversion rate has been pretty good on solution conversions. What has impacted us is the number of deals which has come to an RFP stage and once they come to an RFP stage number of things that actually get decided have been elongated. So that has been the issue not our conversion rates. So our sales team remains confident because the quality of our solution is good and they know that we are on a good track record of delivery but if the customer is not confident about his underlying business, then we will not initiate these transformation program, but it has nothing to do with us, it is to do with his level of confidence in the business.
- Abhishek Shindadkar:** Okay, and just a follow up on that, do you think that the sale cycles which we believe got elongated have now narrowed?
- Sudhakar Ram:** We hope that it will get narrowed. As of now we can't say for certain because the order book is still poor. I mean we have not grown, it has been at the same level for the last 2-3 quarters. But based on the conversations and based on early indications, we see that it could get shortened.
- Abhishek Shindadkar:** Okay and lastly Farid, what would have been the order book on a constant currency basis, would you mind sharing that?
- Farid Kazani:** It would have been a little higher closer to 300 crores, based on the mix of between UK & USA as against 296 crores
- Abhishek Shindadkar:** Okay. Thanks a lot.



Mastek Limited
January 18, 2011

Moderator: Thank you. As we have no further questions, I would like to hand the floor over to Mr. Sudhakar Ram, Chairman and Managing Director of Mastek, for closing comments, please go ahead sir.

Sudhakar Ram: Thank you and thanks every one for attending this call. As you can see while one does take satisfaction from the fact that some initiatives that we have put in place have started yielding results, we are in no way out of the woods and our efforts to improve the order book, improve the revenue performance as well as get the profits back to decent level remains. So we remain committed to growing the company and establishing ourselves as a leader in areas of insurance and government, we do expect to add a couple of more verticals within the next four quarters and we thank you all for your continued support of Mastek. Thanks.

Moderator: Thank you gentlemen of the management. Ladies and gentlemen, on behalf of Mastek Limited that concludes this conference call. Thank you for joining us and you may disconnect your lines.

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