



“Mastek Limited Q3 FY17 Earnings Conference Call”

January 17, 2017



MANAGEMENT: **MR. SUDHAKAR RAM – VICE CHAIRMAN AND
MANAGING DIRECTOR, MASTEK LIMITED
MR. JOHN OWEN – GROUP CEO, MASTEK
MR. ABHISHEK SINGH – GROUP CFO, MASTEK
LIMITED**

MODERATOR: **MR. DIWAKAR PINGLE - CHRISTENSEN IR**



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Moderator: Good Day, Ladies and Gentlemen. Welcome to the Q3 FY 2017 Earnings Conference Call of Mastek Limited. As a reminder, all participant lines will be in a 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. Diwakar Pingle from Christensen IR. Thank you and over to you, sir.

Diwakar Pingle: Thanks, Margreth. Good morning and Good evening to all of you, based on which geography you are right now. Welcome for joining the Q3 FY17 results ended 31st December, 2016 of Mastek Limited. The results and the presentations have been mailed to you and you can also view that on the website at www.mastek.com.

To take us through the results today and to answer your questions we have the top management of Mastek, represented by Mr. Sudhakar Ram – Vice Chairman & Managing Director, Mr. John Owen – Group CEO and Mr. Abhishek Singh – Group CFO. Sudhakar will give a brief overview of the quarter gone past, which will be followed by preliminary comments from John and then Abhishek will go into the financials. We will then follow this with the Q&A session.

I would like to remind you that everything said on this call that reflects any outlook for the future or which can be construed as a forward-looking statement must be viewed in conjunction with the risks and uncertainties that we face. These risks and uncertainties are included but not limited to what we mentioned in the prospectus filed with SEBI and the subsequent annual reports that you can find on the website.

With that said, I would now like to hand over the call over to Mr. Sudhakar Ram. Sudhakar, over to you.

Sudhakar Ram: Thank you, Diwakar. Good afternoon to all of you. The quarter has been good for us, both from a perspective of performance during the quarter as well as the capabilities that we are building for growth as an organization.

From the performance – I think on order book, on revenue and particularly on profitability we have made significant improvements over the previous quarter. The overhang of the troubled programs are behind us. The cost actions that we have taken are working and the momentum in terms of growing our existing accounts as per the guiding new accounts, we added 8 new logos this quarter and all are showing some promise and is translated to better revenues and better order backlog.

I am excited about the two key events that happened this quarter. One is, after an extensive search we brought in John Owen to lead Mastek as a Group CEO, so I will be handing over all the operational business to John. And with John's strong background in sales, marketing and



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running businesses in UK as well as in Europe, particularly in the government sector, we have seen that he is an ideal fit to take Mastek to the next level going forward.

The other key event this quarter was, we have always been talking about doing the acquisition in US. While we have set up Digility and Digility is growing its current account, building its base of business overtime, we know that that would not be fast enough for the market opportunities that we see in digital. So, we have acquired TAISTech in US that I have been talking about in the past few weeks, this is a company focused on Digital Commerce around oracle technology. It is highly focused around Retail, so it brings strong capabilities from a vertical as well as from a transformation perspective and it is a very (Inaudible)of cultural compatibility and the fact that we see a lot of cross-sell, up-sell opportunities between the TAISTech customer base and the capabilities that we bring in Mastek. So that we see as a good addition and a good break into the US market which would help us to grow to the next level in the coming quarters.

So, with this let me hand it over to John to give you (Inaudible) Mastek.

John Owen:

Thank you, Sudhakar. Welcome to the analysts and thank you for inviting me to give a little bit of color about my first sort of 90 days in Mastek. First of all, I would like to put on record my appreciation to Sudhakar and the Board for the appointment because it really is a privilege to lead an organization at such an exciting stage both in the market and in our development. And having done the divestment in to Majesco, having made the acquisition of Indigo Blue and now TAISTech, you can see the organization repositioning itself for this exciting digital transformation. And we do want to be a leader in digital transformation services as that develops. Today digital is the latest fundamental shift in the technology and as you can see the opportunities with the digital transformation quality is going to be a key deliverable and I think that is where Mastek in all seriousness can differentiate because we have a fair reputation and a well-earned reputation in delivering. And I think in the digital world delivery, quality, agility, speed and competitiveness are all key attributes. And that is what I am looking forward to build on because that is the foundation that we have.

So, from my perspective just to give you a little bit of color. I am used to running high-growth businesses both in the corporate sector and in the public sector. What attracted me to Mastek was, one – the market opportunities with this digital discontinuity. Secondly, the ability for Mastek to execute and the reputation for execution. Thirdly, a very strong financial base to work from. And fourth, a global footprint. And I think those are the things that we need to build together in a strategy over the next quarter for Board approval that we will then launch into the new financial year. So I am very excited, and I will not comment on this quarter's performance because my contribution was minimal but the team around delivered a stellar performance, but I will catch-up with Abhishek to go through the details so you can actually dissect the numbers. And then I will be quite happy to give comment about the market and the opportunities thereafter. Abhishek.

Abhishek Singh:

Thank you, John. Hi everyone on the call. We will go through the deck that was circulated prior to this call. And if you actually turn on to page four, which sums up our performance highlight for the quarter gone by. Looking at the revenue, our total income was Rs 128.0 crores as compared to Rs. 128.4 crores in Q2FY17, marginally down by 0.3% on quarter-on-quarter basis. Our operating income stood at Rs. 126.1 crores as against Rs. 125.9 crores for the last quarter, reflecting marginal growth of 0.2% in rupee terms and in constant currency terms we had a growth of 6.9% on a quarter-on-quarter basis and which is essentially what we control. The currency headwinds in terms of GBP depreciating over the quarter was almost around 5% and that is what has a bearing on the rupee revenue which we reported.

In terms of profit metrics, our EBITDA for the quarter was Rs 15.5 crores as against Rs 13.8 crores for the last quarter, it is at 12.1% which is 137 basis points increase on quarter-on quarter basis, that is a pretty good story for us. Net profit stood at Rs 11.2 crores for the quarter under review as against Rs 7.7 crores for the last quarter, an increase of 46.8% on quarter-on-quarter basis. Our net profit margin was at 8.8% in Q3FY17 versus 6% in Q2FY17.

Cash and cash equivalent stands at Rs. 146.5 crores as on 31st December, 2016, up from Rs. 138 crores last quarter. In terms of order backlog, it showed positive trend, again, we stand at GBP 27.2 million as against GBP 25.3 million for last quarter. In rupee terms, it is Rs. 227.1 crores versus Rs 220.1 crores in Q2FY17.

Moving forward on to the next slide, performance highlights for the nine months of this financial year:

Our total income stood at Rs. 390 crores versus Rs. 416.8 crores for the same period last year and that is essentially again driven by the fact that GBP has depreciated significantly over the years. Operating income of Rs. 382 crores versus Rs. 402.7 crores again down by 5.1% in rupee terms on a year-on-year basis. However, if we look at our performance in constant currency terms, we have grown by 2.9% year-on-year. In terms of profit metrics, our EBITDA was at Rs. 40 crores for this nine months versus Rs. 29.1 crores for the nine months last year which is up 37.5% year-on-year. EBITDA margins was at 10.3% versus 7% for the corresponding period and net profit stands at Rs. 22.5 crores versus Rs. 7.9 crores for the corresponding period of last year. Net profit margin has also grown up at 5.8% versus 1.9% for the nine months last year.

We move on to the next slide in terms of operating metrics for the quarter gone by. We added 8 new clients during the quarter and our total active clients stand at 87. The top five clients contribute 52.6% of the total revenues and top 10 clients contribute 71.4% of the total revenues. In terms of total employee count, we stand at 1,300 of which offshore has the bulk of 920 employees, on-site has 380 employees as of 31st December 2016. The corresponding number for the last quarter was 1,317, of which offshore was 923 and onsite was 394. Our billable utilization has moved northward at 82.4% as against 81.5%. And as we mentioned in the cash collection, the same thing is reflected on the DSO, it has gone down by 5 days this quarter to 58 days, this



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in line with our cash and cash equivalent balance. FX hedges stand at GBP 12.8 million, the average rate of which is Rs. 101.3 per Pound Sterling.

The next slide is the tabular representation of our financial performance and the key point there is that the growth for the quarter was driven by the improvements that we have been driving in our operational performance (Inaudible) and some benefit that we have had on our tax side.

The next slide is a representation of how market looks in UK and the key call out there is we are, as Mastek UK, looked upon as one of the top disrupters in the market and that positions us very well for growth.

As we move along, revenue analysis. To look at revenue by region, in Q3 our UK revenue stands at 90.6% of the total revenues and the others which include India and part of US is 9.4%. The same number for the last quarter was 91.8% for UK and 8.2% for the rest of the world. Revenue by industry, there is a significant uptake on the government side, we are at 48% of the revenue and that has quite frankly also driven our quarter-on-quarter growth. Other Financial Services is at 26.7%, retail has contributed to 6.8% of the revenue, IT and other services are at 18.5%. Revenue by offerings, development still constitutes mother lode at 74.8%, maintenance is at 13.1% and consulting is at 12.1% Revenue by type, here the fixed priced projects are at 25.2% and T&M is at 74.8% for this quarter, practically flat on quarter-on-quarter basis.

So, that sums up our financial performance summary for the quarter. And I will hand over the floor for questions.

Moderator: Thank you very much. We will now begin with the question-and-answer session. Our first question is from the line of Mohit Jain from Anand Rathi. Please go ahead.

Mohit Jain: I have one on the recent acquisition, TAISTech. So When do you plan to integrate it and if you could disclose some more financials on the same?

Abhishek Singh: From an integration point of view, our 30-60-90 day plan is rolled out and we are working with the management on the other side very actively on all the areas of finance, HR, sales and marketing initiatives and the plan is pretty solid on both sides and it is in execution as we speak. What was your other question, Mohit?

Mohit Jain: Anything on the financials like the margins and the impact of H1B if there is any on the acquired entity?

Abhishek Singh: So, it is margin accretive and it is EPS accretive is what I would guide you to, Mohit.

Mohit Jain: And second is for John, anything on the strategy on how do you plan to move this forward and how the roles will be split between you and Sudhakar Sir? Is there any change we should expect from the company in terms of strategy?



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John Owen: Well, I think if you look at our geographic strategy we are in high growth markets, UK and US. We are in web commerce with TAISTech, so we are using our balance sheet to actually give us more channel-to-market, more market coverage. And I think we are also looking at it from a digital transformation view point versus an IT automation or IT services viewpoint. So I think the market is looking for a new player to come in with attributes of established organization which is well-funded and well run and has the agility to see and the commitment outcome that I think Mastek has. So that I think is where we are going to see growth.

Regarding Sudhakar (Inaudible) Mastek is the same, because it is a key differentiator for our people, for our customers and hopefully for our shareholders. Regarding functional skills, I am coming with a very, very out and out sales marketing and a European and US business experience, and I hope to sort of fuse that with the Indian management culture (Inaudible). I have been well received by the organization, been well received by the Board and I have a lot of support and I feel very comfortable in this environment and I thank Sudhakar for doing one – a smooth transition and two – providing coaching for me in the organization. So, I do not think we are losing anything, we are getting a net benefit.

Mohit Jain: Do we have further plans to do more investment to get the kind of growth you are expecting?

John Owen: I believe we are not going to give you guidance on actual financials but if we do year-on-year, quarter-on-quarter we have got to build momentum. And I think for me it is probably sort of short to give you financial guidance. What I will be looking for or what are underlying operational KPIs, i.e., pipelines, our coverage model, our self-execution model, our cost structure that makes us competitive. So, I see the fundamentals of the growth.

Mohit Jain: So this one is for Abhishek actually, just wanted to check on the interest expenses which seem to have shot up in this particular quarter, is there any one-time there? And second is on taxation, what kind of write-backs you have received in this particular quarter?

Abhishek Singh: Mohit, in terms of the tax credit that you see here is the result of the ongoing transfer pricing change that we are doing between UK and India and the new pricing policy that we have put in place. And if you look at the nine months effective tax rate that is a good indicator of it going forward.

Mohit Jain: And on utilization, to what extent can you guys pull it up if growth were to come back?

Abhishek Singh: So our utilization is pretty high, I mean it has been on the northward trajectory for the last three quarters. I think this is the best range that you can see, as we see the growth, we will have to build and we will have to add.

Mohit Jain: So this is pretty much near the peak to which you can probably go, 82% - 83% is what we can expect?



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- Abhishek Singh:** That is right.
- Mohit Jain:** And last one, it is a repeat actually, anything on the finance cost on interest expense that has come up in this particular quarter?
- Abhishek Singh:** Yes Mohit, so this is related to the acquisition, the funding cost that we had to pay to the bank for the loan, so that is what it is, it is one-time for the quarter, moving forward it would just be the interest cost.
- Mohit Jain:** So this is a one-time all expensed out whatever you had to pay to get the loan facilities running?
- Abhishek Singh:** That is right.
- Moderator:** Thank you. Our next question is from the line of Parthiv Jhonsa from NVS Brokerage. Please go ahead.
- Parthiv Jhonsa:** I am really sorry because of the technical error I had missed on a lot of points actually, and a lot of questions have been even covered by the previous analyst. So basically I have two questions. Can you just elaborate on your sector revenue bifurcation, like what is from the government, what is from the retail because I actually missed out on the entire thing.
- Abhishek Singh:** Okay. So if we look at the presentation that we had circulated prior to the call and we have also uploaded on the website, it gives you the revenue breakup. And for the purposes of your reference now, for this quarter our Government Revenue stands at 48% of the total reported revenue, Financial Services stands at 26.7%, Retail Services at 6.8%, IT and other services is at 18.5%.
- Parthiv Jhonsa:** And the other question which I have is, almost a good 90% - 91% of the revenue comes back from the UK basically, so what was the effect like the Pound is really fluctuating so what is your future roadmap on that, like how are you going to push up the revenue?
- Abhishek Singh:** It is a good question. There is two-pronged approach to it, the first one is what we outlined in form of TAISTech acquisition, so that reduces my geography concentration and that diversifies my risk, a good portion of my revenue from next quarter is going to come from US dollar as well. And the second part to your question is the impact of translation of the GBP revenue in INR. There will be an impact on consolidation as GBP continues to depreciate; we will face that challenge. But the profitability is managed by the forward coverage that we have out there. And the third part to your question is, how do you look at doing it? Essentially by selling more.
- Parthiv Jhonsa:** I am sorry, I did not get on your third part, what is this all about?
- Abhishek Singh:** How do you grow the revenue, to your question, the best way to grow the revenue is to sell more.



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- Moderator:** Thank you. Our next question is from the line of Prateek Singhania from Param Capital. Please go ahead.
- Prateek Singhania:** Sir, my question is, in the quarterly results release you had said that there are certain consideration which is payable afterwards with respect to the acquisition that you have made apart from whatever US spend initially. So what exactly are those conditions, sir?
- Abhishek Singh:** Prateek, this is in terms of our acquisition and the acquisition has two steps to it, the first one is the upfront payment that we have made in the geography and the rest of it is contingent consideration i.e. earnout which will be based on revenue growth as well as the EBITDA that will be delivered by the acquired entity. So that is what the contingent consideration is.
- Prateek Singhania:** And that would be how much, what range of EBITDA and growth?
- Abhishek Singh:** So it is based on the absolute value and percentages that we have outlined to the sellers. That is something we really would not be able to disclose.
- Prateek Singhania:** And sir, with respect to the UK business what kind of a further improvement in operational efficiencies we can see from here on?
- Abhishek Singh:** So we continue to build from where we are right now, Prateek. And as we grow we will leverage some of the fixed cost that we have in the geography, the sales and marketing engine is pretty robust, well invested and as we expect them to plough in more revenue that will give you the leverage. And in terms of operational efficiency, utilization is one key lever - utilization of infrastructure as well as the SG&A that is out there, as the revenue grows. These are the two or three areas that we would be focusing on.
- Prateek Singhania:** And given Mr. Owen has a very deep understanding about the government related business, so what kind of a growth, market lead growth and market share gain growth does he see for Mastek for three to five years of view?
- John Owen:** I think the UK government has really embraced digital and they have got a policy of digital by default, so that is the way they are transforming their government services and they want the digital citizen. And that is putting an awful lot of pressure into the supply chain to support that. So it is not about being absolute in numbers but, one – we have credibility with the UK government; two – they want to deal with smaller agile organizations as they have been let down by the larger integrators over the last five years and that has been all documented in the UK press. And the third element is it is a key strategy for us because it does give us stability in revenue that we can build our enterprise business and our US expansion. So I think the UK public sector will be always a core market and because we are good at it, we are well-respected and that customer continues to demand more services.



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- Prateek Singhania:** So sir, you have been in Serco, being a very large organization, so according to you which all areas are there where Mastek compared to Serco is lacking or have a better advantage, so like pro and cons of Mastek versus Serco, if you have to give your assessment of 90 days?
- John Owen:** I think these are two very good companies but in very different segments and Serco is a BPO company. Mastek is a software services company that is focused on digital transformation. Very different business models, different cost models, different capabilities, we are not comparing like-to-like.
- Prateek Singhania:** But the end customers would be overlapping, right?
- John Owen:** The government departments are the same but they are buying different contracts, different services from different suppliers, so there is no conflict between Mastek and Serco and I guess we would look at Serco as a potential opportunity to help them transform their service. Because the way BPO market will drive cost out of services is with technology and I think we are probably best in class in that space of the market.
- Moderator:** Thank you. Our next question is from the line of Mohit Jain from Anand Rathi. Please go ahead.
- Mohit Jain:** Sir, just one follow-up. So, Sudhakar sir has become the MD and you are the CEO, so who is like handling the top clients and how do you split the responsibilities between you two?
- Sudhakar Ram:** So being MD is only an internal step because we are just trying to get the legal scenario sorted out. So all people, the entire management team reports directly to John and my only role is to provide guidance and coaching to John and to the team as and when required.
- Mohit Jain:** So all sales growth responsibility etc will go to John, is it?
- Sudhakar Ram:** Yes. Not just sales growth but all operations, the entire business short-term, medium-term and long-term is being run by John.
- Mohit Jain:** Understood. And your role would be more strategic in nature.
- Sudhakar Ram:** That is right, it will be at an oversight level and even peculiarities of Indian regulations and so on I just wanted to ensure John is not exposed too much to all the pressures of managing a business in India to start with, but over a period he will have to learn that also.
- Mohit Jain:** And one for Abhishek, Abhishek what kind of margins should we expect now going forward, the extension will sort of continue or do you think you have achieved the bulk of it?
- Abhishek Singh:** Mohit, let me caveat it by the fact that we would not give guidance. But with that said, we will continue the momentum that we have built.

- Mohit Jain:** So directionally we should expect this momentum to continue?
- Abhishek Singh:** Yes.
- Moderator:** Thank you. Our next question is from the line of Parag D, he is an Individual Investor. Please go ahead.
- Parag D:** I read in your reports that you have a loan of around GBP 10 million, I am just wondering what is the cost of that loan?
- Abhishek Singh:** It is US\$10 million and it is very competitive as we would expect in the market, linked to LIBOR.
- Parag D:** Okay. You do not disclose the cost or...?
- Abhishek Singh:** I would like to refrain from disclosing that.
- Parag D:** I understand. And the finance cost, I understand that includes the interest expenses plus one-time cost associated with the bank loan, right?
- Abhishek Singh:** That is correct.
- Parag D:** I have not seen a cost associated with the acquisition, I know the acquisition is completed in January I think but there must be some activity which you might have done in the last quarter, so when ROE not seeing that in the last quarter?
- Abhishek Singh:** Parag, that is a very good question. All the cost associated with acquisition is already baked into the numbers that we shared in this quarter, which means we have absorbed those cost and after that this is the financial performance.
- Parag D:** Okay, so that is even better now. And will there be associated cost in the current quarter as well?
- Abhishek Singh:** No, all the costs have been accounted for.
- Parag D:** So the one-off cost is not mentioned will not occur in the January to March quarter?
- Abhishek Singh:** That is correct, the only caveat being there would be the one-time finance cost that you are seeing here, that would also not repeat to that extent in the next quarter.
- Parag D:** And I know you mentioned about the margin and EBITDA, I know you said you do not give the guidance and I appreciate that, but how sustainable is a current EBITDA or the net profit margin going forward?

- Abhishek Singh:** That is the whole endeavor Parag, we would like to believe that it is based on the business process improvements which makes it sustainable and predictable as we move forward and that it was not just a two quarter of a blip.
- Parag D:** One more thing, in the last quarter there was a 50% drop in the retail services revenue from 13.7% to 6.8%, is there a completion of a big project, is that what is the reflection?
- Abhishek Singh:** So two things here, one is that the absolute revenue has gone up that is why the composition has gone down, and of course there has been completion of some project as well.
- Parag D:** Now, if I come on to the revenues there is a steady decline in the fix bid projects and increase in T&M. That means the more profitable business is coming down and the T&M which is not as profitable is going up. How do you see that going ahead?
- Sudhakar Ram:** One of the challenges with digital program delivered in an agile manner is that it is delivered in a series of fortnightly to monthly trends and it becomes difficult to fix price these engagements. Though we carry the ownership and we run all the contractual obligations like a fixed price but the actual contract tends to be more of a T&M or more variable in terms of number of story points, as they are called, delivered. That is what is being reflected because as more of our business becomes agile, the traditional fix price which waterfall programs like what we did in congestion charging or the BP is fine, where we take on GBP 30 million – GBP 40 million engagements and deliver it over three years, that kind of business is not the preferred mode of contracting for the UK government, they want to see quick results. And therefore it tends to be reported as T&M but actually it is all agile program.
- Parag D:** And also the development part is increasing and the maintenance cost is contracting, I know maintenance we were steady stream of revenue and it is coming down, so is it something because the development is going up or you are making an explicit effort not to focus on that segment for much?
- Abhishek Singh:** No, it is not something where it is defocused, it is dependent on the customer's demand or what the contract asks for. So of course as agile delivery increases you will see more and more of this revenue.
- Parag D:** Well, this is more of a directional question, how do you see the US operation, not in immediate term but maybe in two to five years' time?
- Abhishek Singh:** So US is an interesting market as far as IT services is concerned, as a matter of fact it is the largest market and we have reentered with this acquisition and we have a small organic footprint as well as we acquired a customer, early part of current financial year. And we have built our sales and marketing team as well there so they are ploughing the streets to actually build up sales pipeline and grow the organic business. So we are very bullish as far as the US market is concerned.

- Parag D:** But are you giving any numbers in terms of what the medium-term objective of the company would be? Means, I know you have not given it, so it is not a question of this quarter but in next one or two quarters, like this is what we would like to be in the US in say next two, three, five years.
- John Owen:** We bought TAISTech that has a very good US footprint and logically we got to do the integration of that to make sure that the operations are seamless and then we will look at cross selling our co-capabilities into that customer base and taking their capabilities into ours which I think it will be classed as just organic growth. But it is a key market, we made an investment in all our markets and all our investments we wanted to grow and that will be our focus.
- Moderator:** Thank you. Our next question is a follow-up from the line of Prateek Singhania from Param Capital. Please go ahead.
- Prateek Singhania:** My question is to Sudhakar, so to ensure that Mr. John Owen is onboard with us for a very long time what all things in terms of ESOPs or other options are we planning to do?
- Sudhakar Ram:** Obviously John comes in as a very senior executive and his package would be attractive, it would include both short-term and long-term compensation. So the Board is very cognizant of what it takes to attract and retain senior talent.
- Prateek Singhania:** So that would be in the next one year of his completion or...?
- Sudhakar Ram:** No, these kind of things happen as soon as the person comes on board.
- Prateek Singhania:** So recently in a press release you have mentioned that you have allotted ESOPs to certain employees, so would he be including in that?
- Sudhakar Ram:** I do not know what press release but he has just come on board and this is the first Board meeting, and obviously, the Board has granted ESOPs to him in this Board meeting.
- Prateek Singhania:** Right, because after a while we have got such a good person to handle the business. So retaining him would be very important for us. And secondly sir, what would be the role of Mr. Madhu Kumar, who is in the US?
- Sudhakar Ram:** Madhu came on board as a President of our US operation, so we have Prahlad who is the MD of our UK operation, Madhu who is heading our US and both of them reporting to John apart from other functional heads, the COE heads, the CFO and so on.
- Prateek Singhania:** So the entire meetings and everything in terms of sales and marketing would be done by Mr. Madhu Kumar?



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Sudhakar Ram: No, Madhu heads only the US. He is based in the US and he heads the US, Prahlad is based on UK and heads the UK.

Moderator: Thank you. Ladies and Gentlemen, that was our last question. I now hand the conference over to Mr. John Owen, CEO, for closing comments.

John Owen: Thank you very much for your attendance and hopefully you can see the good performances reflected both in the numbers for this quarter and also the strategy moving forward. And I think it is important to say this has been a culmination of many quarters' hard work by the executive team and all employees of Mastek because they have delivered great service to their customers, we are transforming our own business as well as transforming our customers. But at a personal note this is a huge opportunity and an exciting opportunity at an exciting time as I said, and that is why I joined. And to the last point, I joined this organization to take it forward to deliver on the potential with this market discontinuity is creating, I think we have got proof points in the UK, we have made a good acquisition with TAISTech so we are now getting proof points in the US , we have done organic growth in the US so we know we can sell direct as well as through acquisition. With integrated Indigo Blue so we now have a very strong consulting proposition as well as a strong delivery and development opportunity. And we do it within the agile world which Sudhakar just said that is what our customers are looking for, they are looking for immediate impact, low capital, low risk, high degree of confidence for this to execute and those are the attributes that Mastek has in the market and we will build on. So thank you very much and I think we are building momentum, the key is in execution and the key is to make it sustainable and we look forward to giving our full year results in another three months' time.

Moderator: Thank you. On behalf of Mastek Limited that concludes this conference. Thank you for joining us and you may now disconnect your line.