"Mastek Limited Q4 FY18 Earnings Conference Call"

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MODERATOR: MR. DIWAKAR PINGLE – CHRISTENSEN IR

Moderator: Ladies and Gentlemen, Good Day and Welcome to Mastek Limited Q4 FY18 Earnings Conference Call. As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing '*' then '0' on your touchtone telephone. Please note that this conference is being recorded. I would now like to hand the conference over to Mr. Diwakar Pingle from Christensen IR. Thank you and over to you Mr. Pingle.

Diwakar Pingle: Thanks Janis. Good Evening and Good Morning to all of you depending on which geography you are logged in from. Welcome to the Q4 and full year FY18 results. The results and presentations have been mailed to you earlier in the day and you can also view this on the website at www.mastek.com.

To take us through the results today and to answer your questions, we have with us the top management of Mastek represented by Mr. John Owen – Group CEO and Mr. Abhishek Singh – the Group CFO. John will start with a brief overview of the quarter and year gone past which will be followed by Abhishek who will go into the details of financials of the company. We will then take a Q&A session.

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

John Owen: Thank you Diwakar and let me extend my welcome to everybody and thank you. As we have said in our briefing, we are very proud and pleased with our results and I think they show eight consecutive quarters of revenue and earnings growth. Strategically, we have moved the organization forward under our vision 2020 initiative which in simple terms the year one was to fix some of the fundamentals, build predictable and consistent performance and we are exiting that and are moving into our win scene for the next 12-months and then our major growth phase in year three. So, I think we have clarity of purpose, we have got clarity of direction and I think we have built good momentum and we are now starting to yield the benefit of that with good performance.

On financial performance I will let Abhishek to go through, but I think we are delivering our strategy, we are building capacity in the organization and that is measured by over 2,000 employees and we have increased our customer base with new logos and we have had 170 customers in the last 12-months. You can see that we start, we got clarity, we are executing the strategy. Now I will hand over the call to Abhishek to give you the details on the financial performance and then we will come and hopefully answer some of the questions and fill in the color for you. Thank you.

Abhishek Singh: Thank you, John. Hello everyone on the call. We will go through the financial performance of Mastek for the current quarter and the year ended.

Before the call, we had a deck circulated, so we will refer to that for this call. Moving onto Slide #4 of that deck, it has Q4 FY18 financials compared quarter-on-quarter. In terms of revenue, our total income stood at Rs 230.8 crore, up 7.2% quarter-on-quarter, operating income at Rs 223.7 crore, up 6.8%. In constant currency terms, our revenue grew by 5% QoQ. On profit matrix, our EBITDA stood at Rs 35 crore for the quarter, up 10.9% quarter-on-quarter, EBITDA margins expanded by 50 basis points quarter-on-quarter, net profit stood at Rs 19.4 crore, up Rs 1 crore quarter-on-quarter and this is after the impact of DTA charges that we took in our tax line for the quarter. Net profit margin stood at 8.4% vis-a-vis 8.6% for the last quarter. Cash and fair value of cash equivalents stood at Rs 205.7 crore for the quarter vis-a-vis Rs 167 crore for the last quarter. Our 12-month order backlog stood at Rs 524.8 crore, up 20% in INR terms and 12.3% in constant currency terms.

Moving onto next slide, it has year-on-year performance comparison:

In terms of revenue, our total income was at Rs 230.8 crore, up 25.7% year-on-year, operating income at Rs 223.7 crore, up 25% year-on-year. In constant currency terms, our revenue grew by 21.9%. In terms of profit parameters, EBITDA stood at Rs 35 crore, up 64.8% year-on-year, EBITDA margin stands at 15.1% vis-a-vis 11.6% last year this quarter, that is a margin expansion of 3.5%, net profit stood at Rs 19.4 crore versus Rs 10.7 crore last year which is up 81.6% and net profit margin is at 8.4% versus 5.8% last year same quarter. Cash and cash equivalent at the end of current quarter stands at Rs 205.7 crore versus Rs 153 crore last year, and the order backlog of 12-month stands at Rs 524.8 crore versus Rs 333.3 crore last year, which represents a 57.5% growth year-on-year.

Moving onto Slide #6, this gives you a full-year comparison of Fiscal '18 vis-a-vis Fiscal '17:

Our revenues grew by 46.3% to Rs 838.2 crore, our operating income grew by 45.9% to Rs 817.2 crore. In constant currency, it represents a 52% growth year-on-year. In terms of profit matrix, EBITDA stood at Rs 120.7 crore, up 97.3% year-on-year. EBITDA margins also expanded by 370 basis points, net profit at Rs 70 crore versus Rs 32.4 crore last year, a growth of 115.9%, net profit margin stood at 8.3% versus 5.7% last year, up 260 basis points.

Next Slide #7 is just a tabular representation of all the financial statistics that we talked about few minutes back, so I will move ahead to Slide #9, which talks about the operating metrics. We added 9 new logos in the quarter gone by and our total active clients over last 12-months stands at 170 now. Our top five clients contributed 40.3% of the total revenue and top 10 contributed 57.2% of our total revenue. Our total employee base expanded to 2,058 of which offshore has 1,327 and onsite has 731 count. This compares to the 1,902 that we had at the end of last quarter of which 1,252 were offshore and 650 were onsite. Our DSO stands at 67 days, down from 73 days for the last quarter. Forex hedges for the next 12-months stands at £12.3 million at an average rate of Rs

91.7. Because of this performance, Board has recommended a final dividend of 80% which takes our total dividend for the Fiscal Year to 120%.

Moving onto next Slide #10, it has got the revenue analytics:

Revenue by market region, UK continues to be the bedrock at 72% and US was at 26.8% and others are at 1.1%. Revenue by industry segment, Retail continues to be the largest vertical for us at 35.6% of the total revenue followed by Government at 31.9%, Financial services has maintained its northward trajectory and is at 22.9% whereas Others are at 9.6%. In terms of revenue by contract type, T&M continues to be the major chunk of our revenue at 75.5%, however, fixed price has grown this quarter and it is at 24.5% of the total revenue.

Moving onto the next Slide which is the revenue by service line. Application Development continues to be the major revenue contributor at 47.6%, Digital Commerce is at 23.8%, BI and Analytics has made a good growth quarter-on-quarter and it is now in double digit at 10.6%, Application Support and Maintenance is at 10.5%, Agile Consulting at 4.3%, and Assurance & Testing at 3.3%, so these are the dynamics of our revenue and financial performance. I will hand it back to the floor for questions, if any.

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

Mohit Jain: Are you looking at some kind of price pressure particularly in the fourth quarter because I was just trying to calculate your volumes and revenue per employee, it seems slightly on the lower side if you adjust for the cross currency benefit, so if you could help me understand that, that would be great, and your outlook on pricing for FY '19?

Abhishek Singh: Mohit, it is not driven by any pricing pressure. It is essentially the cost of growth, the cost of mobilization that the headcount that we have added and the time in which they went live i.e. became billable - it is the carrying cost. This is not driven by any pricing pressure.

Moderator: Thank you. We take the next question from the line of Dipanjan Basuthakur from Steward & Mackertich. Please go ahead.

Dipanjan Basuthakur: Sir, just to ask you we had a fantastic quarter in terms of profitability both for the quarter as well as for the entire year, so will this profitability will be sustained next one or two years, I mean how much growth are we looking from here on for the next one or two years and how will that growth be made possible, I mean one or two drivers that you can specifically mention?

Abhishek Singh: Thank you for your compliment. As far as performance is concerned, we have singular endeavor of maintaining a consistent and predictable financial performance and that includes quarter-on-quarter growth and improving the quality of earning. So, the levers that you can look at is the 12-month order backlog that has given a good growth across the two quarters. Our pipeline is also very robust and the kind of investments that we have made for market coverage both in UK and US is coming to fruition and that gives us the confidence of maintaining the trajectory.

Dipanjan Basuthakur: This level of growth, so next one or two years what is the percentage growth that we can look at approximately?

Abhishek Singh: We endeavor to maintain the trajectory, that said none of us can here either predict or guide you to the level of growth that we are looking at.

Moderator: Thank you very much. We take the next question from the line of Nirmal Bari from Sameeksha Capital. Please go ahead.

Nirmal Bari: My first question is on the order book that we have reported, Rs 524 crore is for the entire order book, what would be the comparable number for 12-months executable?

Abhishek Singh: This is the 12-month order book, Nirmal.

Nirmal Bari: I think in Q3 we started reporting the total order book, so this is for 12-months, so it is comparable with Rs 333 crore of last year?

Abhishek Singh: Yes.

Nirmal Bari: Sir, the second question is, is it possible to give an onsite and offshore split of revenues, we give the total number of employees onsite and offshore, but we do not have the revenue split?

Abhishek Singh: Revenue onsite and offshore is roughly 70:30.

Moderator: Thank you. We take the next question from the line of Ganesh Shetty, an Individual Investor. Please go ahead.

Ganesh Shetty: Sir, this year totally we have added 40 new customers and if we see by percentage that is around 24 percentage of our total number of customers over a period of time, so are you seeing any growth from these new customers like bigger order or new type of digital business, can you please elaborate the quality of customers what we have acquired during this quarter?

John Owen: Thank you, I would say that is probably where Mastek differentiates this competition, the quality of our customers we are dealing with Global Enterprises and National Governments be it the UK, Morrison, Brandsmart in the US, so the quality of customer is very good and what we are finding with the enterprise digital transformation market it is starting small with project as people prove that model and I think that is where Mastek is doing well inserting as a new supplier again some of the traditional IT services, and in the digital world the decision is around time to business impact wherein the old IT services world it was the cost of the input, the rate card and the CV. So, I think we are differentiating well because we have got a track record in engineering excellence and delivery track record, so I do expect the investment was made in account management to yield growth and we are delivering on that commitment to our customers, but these customers, we are looking at our share of wallet and at the moment there is plenty of upside win in our existing account if we continue to execute well and we are seen as the partner for those both initiatives because digital will displace traditional IT services as the budgets evolve. I hope this answers the question.

Ganesh Shetty: Sir, second question is regarding our revenue composition especially whoever most player of UK-based company and most of our revenue used to come from UK and this year, there is a change in our revenue mix and we are able to derive substantial growth from US geography also and it must be due to our acquisition in the US and also I wish to ask whether our organic growth in the US is in place and our cross selling opportunities with TAISTech is in place and also the TAISTech capabilities are also getting business over in UK geography, can you please throw some light on this?

John Owen: We have signposted the direction of travel as we want to balance that revenue between the UK and the US, but you are right we are starting from the very well established organization in the UK with mature relationships and a reputation and infrastructure and the US is a bit more like sort of a nascent business for us and we apply TAISTech. The difference with TAISTech business is that it is linked and aligned very much to Oracle because we are in Oracle cloud commerce. There is probably more seasonality in our American business as that is linked to the Oracle's fiscal year. Q1 and Q2 is a good indication of how we are executing on that integration because that lines up with Oracle's seasonality.

Regarding the cross selling, I mean that is the strategic goal and we have one account, so we are posting some cross selling. successes in the pipeline is encouraging, but again that integration is 12-months old. We are optimistic and we are moving in the right direction, would we like that to be as mature and as developed as our UK business yet, but I think we have got to go through that sort of gestation period with the integration lining with Oracle. Likewise, we do want to sell back in that capability into the UK market. What I think TAISTech gives us is balancing our revenues by geography is number one. Number two, probably it put us in one of the most inhabited market of cloud commerce and that is where everyone in the US market is competing against Amazon, so the market is driving innovation very quickly and the way to succeed is based on improving customer experience. In order to do that, it is about the user experience, so I think we are picking up some technical competencies as with the TAISTech acquisition in user experience, but we are then taking that capability back into our UK customers, so the US market in retail is probably 12 to 18 if not 24 months ahead of the UK market in digital adoption and that maturity curve and that is the other asset we are getting from that acquisition is we have got an insight into how the customer experience is changing and how we can take that into our existing customers.

Moderator: Thank you. We take the next question from the line of HR Gala from Finvest Advisors. Please go ahead.

HR Gala: Sir, as far as the US geography is concerned, do you think that we are betting closer to or are we exceeding what we had originally expected?

Abhishek Singh: Not really, we are just getting started in US geography especially with all the investments that we have made in our capability, in the geographies. We made an investment in a very seasoned geography head, we made investment in sales and marketing capability as well as specific operating initiatives and lead generation capability. All of that has happened over last three to four months, the result of which we would expect to see over next 12 to 18 months; so we r getting started in the geography.

HR Gala: Over a period of say next couple of years, how do you see the US geography contributing to our overall sales?

John Owen: As I said, we would like to balance the revenue from the two key geographies of the UK and the US and obviously the US is coming from a lower base, so that is the objective and I think we are also the difference in our revenue from the US because it lines very much around the Oracle product positioning as they rollout that technology and probably the sale cycles are a little bit longer than they are in the UK, so those are the two things that we are trying to balance. You cannot prepare the UK and the US at the moment as comparable market, but over time as we do cross selling and we keep those customers alike, hopefully, you will start to see that revenue become a little more predictable between both markets.

HR Gala: Do you expect UK and US to be almost contributing equally over a period of time?

John Owen: Correct, but that is a strategic direction to travel north in the next 12-months and I think it is to recognize the UK business is continuing to grow, so it is not growth or balancing at the expense of the UK growth. US could have accelerated growth.

HR Gala: How will that kind of transformation will result in the EBITDA margin going ahead?

Abhishek Singh: We expect that as the sales and marketing investments yield result, the upward bias would be maintained, and it should result in the quality of earnings improving over a period of time.

HR Gala: Last question from my side, you are working on several projects for the UK Government and different departments and also we had charted a course that beyond the certain departments where we are currently working, you wanted to migrate to some other department so has any concrete progress been made on this line?

John Owen: I think a lot of people will talk about Brexit and certainly probably in the last 12-months Brexit has dominated a lot of UK Central government thinking, capacity. That being said, we have actively invested in account management and that is giving us a better timeline of cross selling both capabilities into our existing account and also opening up a few departments. I think the other part of Brexit is and I think we signposted this last time, the UK Government will need to invest in 34 new departments and that will create opportunities for new business because those capabilities are currently provided by European agencies and that is obviously no longer be available at the end of next year.

HR Gala: Sir, the UK model can we replicate in some other geography, other European countries?

John Owen: The philosophy, yes, however, at the moment we are ruthlessly focused on executing in the UK and the US and just being disciplined in those two markets. Going into Europe sounds nice, but I think their appetite to work with Indian technology companies is different. You got the different complexity of the Euro, you have got culture, you have got language and we do not have footprint. In the UK and US, it is the opposite at the moment present very good upside and that is going and expanding in footprint.

Moderator: Thank you. We take the next question from the line of Nisarg Vakhariya from Lucky Investment Managers. Please go ahead.

Nisarg Vakhariya: I had a question, the first question was regarding your other expenses which have shot up quarter-on-quarter and YOY, can you throw some light on that, please?

Abhishek Singh: That includes the temp staff augmentation – subcontractor related expenses in UK geography.

Nisarg Vakhariya: These expenses are posted to the topline that you do, right?

Abhishek Singh: That is correct, and it also has a bit of an exchange impact.

Nisarg Vakhariya: My second question was the slight softness in the revenue from North America operations, can you please throw some light on that?

Abhishek Singh: It has two components, one is our digital commerce business and other one is a small organic biz that we had via Digility. In that biz, we had a large part of a project work coming to conclusion in Q4 that caused the softness, that said other statement of works and the initiative are in progress with the same customer and that is what gave you the softness between the two quarters. TaisTech on its own was OK

Nisarg Vakhariya: But the operating leverage on that business is so high because quarter-on-quarter your EBIT margin is almost halved in the North America operation?

Abhishek Singh: That is true, it is also aggravated by the fact that some of our heavy hitting sales and marketing investment came in at early part of this quarter that is in around Jan.

Nisarg Vakhariya: Those expenses are in which line, they are in the other expenses?

Abhishek Singh: Correct, they are the sales and marketing expenses.

Moderator: Thank you. We take the next question from the line of Ashutosh Garud from Reliance Wealth. Please go ahead.

Ashutosh Garud: When you mentioned about confidence in your business to continue the kind of +25% of growth in the top line front, so would that also mean that we have few operational leverage yet to fructify in our EBITDA margin, so would margins be improving as we go along?

Abhishek Singh: Yes, that is an interesting question. If you actually look at the growth trajectory that we have had, we are continuously in the state of ramp in some or the other program and to complement that we have also invested in sales and marketing and that sales and marketing investment has come in without diluting the EBITDA. As a matter of fact, we have maintained the northward bias on EBITDA despite all the investments made. This has been possible only due to the business giving us the efficiency - which is what we have invested in S&M in US to increase our reach and in capability building in UK investment. So, the answer to your question is yes we have had efficiencies and that is what we have used to invest in the business further.

Ashutosh Garud: Incrementally, we would be seeing the margins improving, are there more levers yet to be seen taking effectively in action at least?

Abhishek Singh: The biggest lever is the investment that we have made in sales and marketing as that helps accelerate the growth, you will see the returns coming in the performance.

Moderator: Thank you. We take the next question from the line of Mohit Jain from Anand Rathi. Please go ahead.

Mohit Jain: I had two questions, both related to margins, so one is this offshore percentage of work which in our case is comparatively lower in comparison to some of the other IT companies, and second is related to SGNA, so one is that from an FY ‘19 or FY ‘20 perspective, are you looking at increasing offshore proportion of work and look at it as a lever to improve your margins from here?

Abhishek Singh: The offshore portion for us is definitely lower compared to some of the other IT services firm. This is driven by the type of work we have been doing i.e. digital transformation work or in digital initiatives; we had shared about it in some of our earlier calls as well; this type of work involves significant onshore delivery. It requires the best of the breed having the first conversation with the Customer; this type of work is not a grade mix play, not an onshore and offshore mix story; hence u see significant onshore revenue. That said, we are always open to the requirements of the customers, if they want an ODC we have done. If they are looking at constrained budget then we suggest the onshore-offshore mix to be tweaked that can help them attain their desired objective; we are open to every possible opportunity to make it work for our customers and for us as well.

John Owen: I think just to build on that Mohit, in the digital world there has to be a significant contribution of onsite resource and I think that, one, we know how to mix that delivery model probably better than anybody, and secondly, I would expect old IT companies they are going to struggle with this new dynamic both in cost structure because in the digital world, it is not about scale and capacity, it is about dynamism and knowing what the customer impact is and this idea of you can just take a contract from one market and deliver it in offshore. I think that in a stable environment that is probably irrelevant, digital is not stable, it is about understanding the customers and having the right engineering talent, but I think as Abhishek said, as that market matures and as our confidence, people will start to migrate some of that work to offshore, but they are not going to stall with a pure offshore delivery because this business impact in digital is just too high.

Mohit Jain: From where we are currently in terms of onsite and offshore percentage, you only find it like little movement towards offshore over the next two to three years, but nothing significant in terms of your reported numbers?

John Owen: We are seeing customers that we have been on this digital journey for probably in the last 18 to 24 months have more confidence and start to look at the economies of scale of moving to offshore, so we are still growing our offshore, but I think as a new client building that confidence is that mixed delivery model, but builds the confidence in our delivery track record.

Mohit Jain: In terms of hiring of staff and addition of sales capability and senior leadership, are you done with it in the fourth quarter and should we assume that the cost has now remained steady for FY '19 or should we assume rather stabilize in FY '19?

Abhishek Singh: This is very dynamic, it is a function of the opportunity that we see and the coverage that we can afford as well as desired, so at this point of time, yes, we have made significant investment and we will look at further investment based on our affordability as well as the success of the investments made.

Mohit Jain: Lastly, on the tax rate, what should be your FY '19 tax rate given that it is going up for last two quarters?

Abhishek Singh: The quick clarification on that – in the quarter we took the DTA impact, the deferred tax impact due to the change in the tax rate in India and this was a one-time stuff. Other than that, the ETR that we guided remains consistent.

Mohit Jain: Can you just quantify how much is it for '19?

Abhishek Singh: Yes, it should be around 24%.

Mohit Jain: 24% consolidated?

Abhishek Singh: Yes.

Mohit Jain: That will give a big earning figure in the next year, is it?

Abhishek Singh: We do not look at tax as the line of contribution, we work the business and we work on the opportunities.

Moderator: Thank you. We take the next question from the line of Parag Bharande, an Individual Investor. Please go ahead.

Parag Bharande: John, as part of the conversation you mentioned about the Mastek's vision 2020, can you elaborate that a bit more in terms of what are we trying to do this year and next year?

John Owen: As a Board, we obviously started this digital journey about two to three years ago when we divested our product business and got in Majesco and we really sharehold the value and align both companies to operate as standalone entities. We then acquired Mastek which was essentially the residual business, we then acquired agile capabilities through the acquisition of IndigoBlue, because agile, opensource, and digital those are the components you need to make an organization successful in this market. Last year, it was all about the change to independent external management so that was the appointment of Abhishek and myself over the last two years to build basically the baseline of the organization, get the reporting, get the data set, get the discipline, get the scale because this is going to be a fast growing organization and we do not want to hit the plateau and sort of miss the opportunity because digital is growing quickly, so the first year of my sort of tenure which is now coming to an end of this fiscal year was all about building the infrastructure and getting the processes, getting the right people, getting the management team, and building confidence with our investors, this is the journey and we are building that predictable and consistent performance. Last year, we also invested in account management because we had very good relationships with customers and some customers we are being with for 15 to 20 years, so when you are a Mastek customer you tend to stay a Mastek customer, so we have invested in account management skill to basically increase our share of wallet particularly in the digital space.

This year is about how do we acquire new customers who have never worked with Mastek before, so the recent investment in that and that is why we coined it the veneer, because is how do we break the new business because I think traditionally people looked economies of scale being the differentiator, how much is your resource, what is the rate card, I can aggregate an economy of scale. That does not work in the digital because it is about time to business impact and that is what people look at your delivery track record, your engineering excellence and the projects that you are doing, so that is where we focus now.

The year after that, we have always said that we will use our cash at the appropriate time to grow our organization and I think the difference with Mastek to lot of other companies is it is an organization that has got sort of stability and clarity of direction, but it will go back, we are about executing and building confidence both with our customers, our employee and obviously our investors, so hopefully that gives you a little bit more color.

Parag Bharande: One of the thing you mentioned for FY ‘19 is that you are targeting that win year, but if I see Mastek’s revenue for last 10 years and if I see number of customer add, last two years has been fantastic on its own, so you had like 30 to 40 client win on its own, so how do you think this financial ‘19 year will be different than what Mastek had done for last couple of years?

John Owen: I think we should be very proud of the last couple of years, but from my point we go back to zero and we start all over again and so I think I will tell you complacency will have no place in this organization and we are in the right to deliver to our customers and serve our customers and we are in the right for our employees to come and create their opportunities with us, so it is attention to detail and just doing the basics in the fundamental day in and day out. There is no sort of, now we have achieved it, we can go on to something, we are only as good as our next delivery.

Parag Bharande: Another thing is UK revenue has increased from say Rs 118 crore from Q4 '17 to Rs 161 crore and is that momentum, are you seeing the momentum continuing next quarter?

John Owen: I see good fundamentals in the business, the market, the pipeline, our coverage model, but I do not think it is appropriate to guide on what the growth trajectory would be.

Moderator: Thank you. We take the next question from the line of Sanjay S. from Ampersand Capital. Please go ahead.

Sanjay S.: You have already discussed this, but still I just thought if you can just add little more color on the US geography, you mentioned something which is why your sales not gained on quarter-on-quarter basis, can you just tell us about how it will pan out going forward and what kind of really growth that you are looking at in US geography?

Abhishek Singh: Thank you for your question, Sanjay. In US geography, our growth engine is the digital commerce transformation opportunity that retailers provide us with. The asset that we bought in TAISTech was operating specifically with Oracle Commerce implantation capability; it is a gold certified partner; has a very good delivery credibility; recognized very well in the market and has a marquee set of customers. As Oracle makes it pitch to transition it ATG customers to cloud commerce that is the stuff that presents us with tremendous opportunity and which is where we have made the investments both as the head of the geography, in the sales leadership, the account mining approach as well as lead generation approach, so without hazarding a guess on a percentage, we can signpost that there is the capability, there is an opportunity in the market, there is capability in the organization and we have accorded ourselves the investment to capture that opportunity.

Sanjay S.: Can you just give a sense of timeline when one will see the benefit of that coming in, not the entire one but at least some directionally when one will get to see that it is going through?

Abhishek Singh: We all would love to have that timeline, Sanjay, with that said you have got the sales and marketing in, you have got those nuts and bolts done in this quarter. Now, we are hitting the market and hard with all that we have got - whether it is target operating model, go to market strategy, collaterals, and what not. Now, the endeavour is on and we will keep watching the space.

Sanjay S.: If I can just try to extract from you like Quarter-4 was the bottom so to say can you say that?

Abhishek Singh: I'm afraid I cant give you any guidance.

Moderator: Thank you. That seemed to be the last question. I now hand the floor back to the management for their closing comments.

John Owen: Thank you very much for joining us today and asking your questions. As I said, I have always said it is a real privilege to lead Mastek, it has got a great heritage, it has got great values and I think those are the things that is differentiated in the market, and I would just like to pay tribute to the loyal employees of Mastek for basically serving our customers so well. Our job as lead is to create an environment for that to be successful and I think hopefully you will see consistency, you will see predictability, and we are on a journey and we have got some pretty good high aspirations over the next few years, but I would just like to thank you for all your support, your interest, and your best wishes and we look forward to serving you in further quarters. Thank you.

Moderator: Thank you very much. Ladies and Gentlemen, on behalf of Mastek Limited, that concludes this conference. Thank you for joining us and you may now disconnect your lines.