



Rolta India Limited

Q1 - FY 07 Earnings Conference Call Transcript

October 30, 2006 6.00 PM (IST)

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Joint Managing Director

Mr. Hiranya Ashar

Director-Finance & Chief Financial Officer

Analysts / Investors:

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LKP Securities

Akash Gopawar

Arihant Capital Markets

Amol Manjrekar

Alexandra Investment Management

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Calypso Capital Management

Dipesh Mehta

Khandwala Securities

Devendra Singhal

Religare Securities

Jayavardhan Diwan

Alexandra investment Management

Jaspreet Singh

Prabhudas Lilladher

Sandy Mehta

Venus Acumen Asia

Mukesh Patel

Old Lane Management

Nitin Padmanabhan

ICICI Web Trade

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Venus Capital Management

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Novatera Capital

Robert Lewis

Novatera Capital

Sapna Mehta

SKS Securities

Stephen Pope

Cantor Fitzgerald Europe

Vedanta Bagichi

Lehman Brothers

Vinitha

Fidelity

Rahul Gupta

Presentation

Operator

Good Evening Ladies and Gentlemen, Thank you for standing by. This is Pallavi, the moderator for your call today. Welcome to the post results earnings call of Rolta India Ltd. We have with us today Mr. Atul Tayal, Joint Managing Director, Mr. Hiranya Ashar, Director-Finance & Chief Financial Officer from Rolta India Ltd..

At this moment, all participants are in listen only mode. Later we will conduct a question and answer session, at that time if you have a question, please press * (star) and 1 (one).

I would now like to turn the conference over to Mr. Hiranya Ashar, Please go ahead Sir,

Hiranya Ashar :

Good morning, good afternoon and good evening every one. Thank you for joining us today to discuss the first quarter results of our company for FY 07. Joining me on this call is our Joint Managing Director Mr. Atul Tayal, who will present a brief overview of the company's performance in the first quarter. Following that I will take you through the financial highlights after which we will start the questions & answers session.

Rolta does not provide any guidance on the future earnings and I would also like to draw your attention to the fact that during this call we may make certain forward looking statements regarding our future growth prospects, which may involve a number of risks and uncertainties associated with our business. So with this, I hand over the session to Mr. Tayal.

Atul Tayal :

Thank you Hiranya, hello everyone and thank you for joining us on the call. I think we have maintained the growth momentum year on year and sequentially in the first quarter of this year. Our consolidated revenue has grown at around 31.8 % year on year and 5.6 % sequentially. Consolidated profit after tax also grew by 35.3 % year on year and by 5.6 % quarter on quarter. All our three business groups i.e. GIS, Engineering Design and e-Solutions have shown good performance and growth.

In GIS, we have executed large projects for major Telecom/Electric distribution companies in Europe and US. We have also won a major project for 3D city modeling for one of the Emirates in Middle East, using high-end photogrammetry services and have started execution of the project. With a large pool of technical experience and resources, we are uniquely positioned to address new opportunities from the emerging core infrastructure development projects in India and creating digital networks for telecom, electric, gas & water companies in the utility sector worldwide.

As you all are aware, we have recently announced our joint venture with Thales, France, a leading international electronics and systems group, to provide Command, Control, Communications, Computers, Intelligence, Surveillance, Target Acquisition and Reconnaissance (C4ISTAR) information systems, for domestic and international markets which would further strengthen our dominant position in defence and home land security market in India. We are in the process of establishing the joint venture company and we believe the incorporation process will be completed in the next few months.

Coming to our Engineering Design business, we have seen a strong demand both in the process and power sectors, which has been a major growth driver. During the quarter, we have secured large contracts for providing engineering design solutions and design services to major EPC companies and also won a large order from one of the largest refineries in India.

We have made a good beginning in Ship Design services by securing contracts from shipyards in India to provide design services using the latest cutting edge technology software tools for generation of workshop drawings, production information, prefabrication, preoutfitting information, assembly and installation schemes. Internationally, we executed several contracts in plant Information management for customers in US, Europe and Middle East.

The joint venture company Stone & Webster Rolta Limited (SWRL), has achieved a very healthy growth during this quarter. Besides providing engineering design services for S&W projects globally, the JV is also executing EPCM projects for large refineries and petrochemical companies in India. SWRL is growing very fast and has ramped up exponentially to 250 people, which we plan to increase to 400 by end of June 07.

Our eSolutions business group, in partnership with CA, has been growing in triple digits. As you know we already have a definitive agreement with CA for North America and we have provided significant services in support of hundreds of CA customers' worldwide using eTrust, Unicenter, Brightstor and custom integration solutions. On the same lines as the agreement for North America, we have now entered in a definitive three-year agreement with CA for UK, Europe, Middle East and Africa to provide product implementation, migration, upgrade, customization and integration services to CA customers. This agreement extends a highly successful five-year service partnership between Rolta and CA and would provide a good boost to our eSolutions business.

We have continued to benchmark our quality processes against the world's best. We have been awarded the prestigious BS ISO 27001-2005 certification, the highest benchmark for information security. At present only 25 companies worldwide are certified at this level, of which 10 are in India. Rolta is also certified by BSI with "ISO/IEC 20000-1-2005 IT Service Management Standard". Our software development business group has also now been certified at the highest level of CMMI Level 5 by KPMG.

On the HR front we have inducted more than 200 technical professionals during the quarter in various disciplines and our current head count is over 3100. We plan to ramp up of our head count to 5000 in the next 18 months. The attrition during the year has been in the higher single digit and we continue to attract Engineering talent from the Industry to ramp up our strength.

Our Company has been ranked and listed in "Asia's 200 Best under a billion" by Forbes the leading American Business Magazine. The internationally reputed magazine listed companies with sales up to US \$ 1 billion and those who posted solid top and bottom-line gains. The companies were scrutinized on the basis of their profitability, earnings, sales growth and market value for the final 200. We are among the 23 Indian companies that figured in this list.

I am also pleased to announce the appointment of Hiranya Ashar as our Director Finance and Chief Financial Officer with effect from 1st November. I wish him all the best.

Thank you and I now handover to Hiranya who will give you insight on the financials of the Company.

Hiranya Ashar :

Thank you Mr. Tayal, Our results were sent to you by e-mail and have also been posted on the web and I am sure most of you would have got an opportunity to go through the numbers. I will now share some highlights of the results.

This quarter we achieved consolidated revenue of Rs. 1546.23 million, which is equivalent to USD 33.66 million representing, y-o-y growth of 31.8 % and a sequential growth of 7.0 %. Our consolidated profit after tax stood at Rs. 373.18 million, which is equivalent to USD 8.12 million representing, a y-o-y growth of 35.3 % and sequential growth of 5.6 %. EPS for the quarter stood at Rs. 4.7 after taking in to account the dilution of our GDR issue. In India we give annual increments to all our employees with effect from 1st July every year, so in this quarter we have absorbed the impact of the wage increase of about 16.0% on an average. This had an impact of about 2% on our Gross and Operating margins. Hence, our Gross margins and Operating margins were at 49.0 % and 39.3 % respectively in this quarter. However, we believe that we will be able to cover up our margins in the subsequent quarters due to increase in billing rates and also due to increase in productivity.

Our revenue split between the three business groups was 58 %, 30 % and 12 % for GIS, EDA and e-Solutions respectively.

Manpower cost for this quarter increased 40.9 % y-o-y and 15.1 % sequentially, basically due to the wage increase which I discussed earlier.

The interest cost during the quarter has come down from Rs. 27.77 mn in quarter ended 30 September 05 to Rs. 2.88 mn as we have repaid all our debts in May and June of 06 and we are now a debt free company except a small debt in our US subsidiary for their local requirements. Our net margins as a result improved to 24.1 % as compared to 23.5 % in corresponding quarter last year inspite of the reduction in operating margin.

Our Joint venture company SWRL has also shown robust growth in this quarter. The revenues for the JV company were about USD 2mn in this quarter, 50 % of which are consolidated in our books.

With this I open the session for Questions & Answers. Thank you everyone.

Operator : Thank you Sir, Ladies and Gentlemen, we will now begin the question & answer session. If you have a question please press star * and 1 on your push button phone and await your turn to ask your question when guided by the facilitator. If your question has been answered before your turn and you wish to withdraw your question, you may do so by pressing the # key.

Our first question comes from Mr. Sandy Mehta, from Venus Capital, please proceed, Sir.

Sandy Mehta : Hello Atul, Hi Hiranya, Congratulations, Hiranya on your appointment as CFO, it is well deserved and congratulations on good results. Two questions, one is when you are talking about backlog, what business you see in the pipeline, order activity has been pretty robust, lot of enquiries, lot of potential customers visiting your office, what is the pipeline looking for next six months and the second question is you deal with Computer Associates now that it also encompasses rest of the world. Can you sort of, help us gaze, the rest of the world partnership with Computer Associates is that as large as what you are doing with US, should we expect a significant ramp up in your rest of the world activities with Computer Associates now that you have this deal, you know ramp up in next six months or so. Thanks.

Atul Tayal : Let me address both the questions for you, Sandy. The first one is, the pipeline is very strong. Hiranya will be able to give you the exact numbers for the order backlog that we have, which is in my feeling around Rs. 600 crores, now that is the order backlog and not the pipeline. The pipeline is much bigger than that. It should be one and half times that size. The second question that you had about CA was, will it give a boost to our numbers? It will, but you must also take in to account we are already doing business with CA in those territories, which were being done more on a case by case basis, rather than a definitive basis. Now what has happened, is that volume itself has grown to an extent where it was felt that it needed a three year agreement, so a definitive agreement has been put in place. So you will see a boost but, you know, it will not be doubling up revenues because we were anyway doing a fair amount of revenue in those territories also. And its not rest of the world, it is Europe, Middle East and Africa. Asia Pac we are still in the process of adding and hopefully we should be able to do that in the coming quarters.

Hiranya Ashar : Hi Sandy, and your question on the current order book position, our current order book position is little more than Rs 600 crores, which is USD 150 million, which is over two years or little more than two years.

Sandy Mehta : Just follow up on the Computer Associates, the business that you expect with CA outside of North America, is that about the same size as North America or slightly lower or higher ?

Hiranya Ashar : It is slightly lower than what is there for North American operations, but it will be very difficult for us to put an exact number.

Sandy Mehta : Sure, ok, Great, thank you.

Hiranya Ashar : Thanks

Atul Tayal : Thanks , Sandy.

Operator : Thank you Mr. Mehta. Participants who wish to ask any question, may please press star and one now. Participants are requested to press star and one for any further question. We have our next participant Mr. Devendra Singhal from Religare PMS, please go ahead, Sir.

Devendra Singhal : Good Evening Gentlemen, and congrats Hiranya for newer responsibilities, hope you do a good job in that too.

Hiranya Ashar : Hi Deven.

Devendra Singhal : My question relates to the debtor days again, could you give us as to how, what is the position like stands as of today, as of 30th September, 2006 ?

Hiranya Ashar : As of June 30, 2006 our debtor days were 7.3 months which has come down to 7 months as of September, 2006.

Devendra Singhal : Any update on the mapping policy ?

Atul Tayal : No, it is still the same. To the best of my knowledge it is status quo right now.

Devendra Singhal : Ok, thank you, gentlemen.

Operator : Thank you Mr. Singhal. Our next question comes from Mr. Akash Gopawar from Arihant Capital. Please proceed, Sir.

Akash Gopawar : Congratulations, Sir, good set of numbers. My question is that costs of air service are increasing, how is our experience with this ?

Hiranya Ashar : Pardon, I did not get your question.

Akash Gopawar : in the GIS segment we use the air service for mapping, I think the costs of air service are increasing, so how is our experience with this ?

Atul Tayal : I will explain, what happens is that air service forms a very small component of the total cost of the project for the simple reason air service gets done only for very high resolution requirements, A lot of mapping still gets done out of satellite data, where the costs remain as they are. Now there is no doubt the cost of air service has gone up slightly, but we pass on that cost as a part and parcel of the cost of full project and typically we have seen when we put the whole project together, air service is the part of the outsourced component and that outsourced component in totality is less than 20 %. So we don't see that impacting us so too much.

Akash Gopawar : What is our operating profit margin for SWRL ?

Hiranya Ashar : SWRL is working on 38 % EBITDA.

Akash Gopawar : Thank you.

Atul Tayal : Thank you.

Operator : Thank you Mr. Gopawar. We have our next participant Mr. Dipesh Mehta from Khandwala Securities, please proceed Mr. Mehta.

Dipesh Mehta : Congrats on good set of numbers. What is the break-up of your order book ?

Hiranya Ashar : Break-up of our order book on business lines ?

Dipesh Mehta : Yes.

Hiranya Ashar : Out of Rs. 600 crores, around Rs. 300 cr. is for GIS, , around Rs. 130 crores for EDA business and Rs. 170 crores is for eSolutions business.

Dipesh Mehta : So, we are getting good traction in our eSolutions business. And I just want to understand is that our depreciation cost during the quarter is little bit lower and at the same time we are extending our facilities, can you throw some light on it ?

Hiranya Ashar : It is lower as compared to the quarter June'06 because that is our year end and after the year-end the written down value gets changed. So from this quarter onwards we charge depreciation on the new written down values, which are lower than the written down values which were charged earlier and that is why you see a lower depreciation in this quarter. But as you know, we are capitalizing our assets, we are ramping up our infrastructural facilities there will be a high depreciation in the coming quarters.

Dipesh Mehta : One more point about revenue from SWRL JV ?

Hiranya Ashar : What I said earlier, the Stone & Webster JV had revenue of about \$ 2 mn, 50% of which is consolidated in our books.

Dipesh Mehta : Thank you, Sir.

Hiranya Ashar : Thank you.

Atul Tayal : Thank you.

Operator : Thank you Mr. Mehta. For any further question, please press star and one. All participants are requested to press star and one for any further question.

Our next question comes from Mr. Sandy Mehta from Venus Capital. Please go ahead, Sir.

Sandy Mehta : Stone & Webster - Rolta , I guess its been about a year, may be year & half, since you formed the joint venture and now that your employee count as you mentioned is ramping up really aggressively, should we expect a pretty solid ramp up in your revenues because it is coming obviously of a small base but now that you have the building box in place and the people in place, is that business I would presume to see, much greater revenues in balance '07 and going into '08 in particular.

Atul Tayal : In 2007, what you saw in the first quarter, you can expect a little more than 4 times of that. Say about \$9m, I think that is what we are looking for from services only. Going forward, the bigger revenues will come as we have talked earlier, when we start bidding and winning the large EPCM type projects on a turnkey order basis, and that I think, we should start looking at from next year onwards. This year is when we want to build that capability into the organization, we have built a world class engineering company and now we want to add the procurement and construction management into it during this year so that from next year when we take on that kind of a project, we should have the capability to execute and earn good money out of it.

Sandy Mehta : Yes, that is exactly my point. It is not a sort of linear sequential ramp up but it could be a step function meaning that you could get large business, large pieces of business, a sort of step function, especially in '08 and '09.

Atul Tayal : I completely agree with you Sandy. It would be a function which would go in the fashion that you are saying but I would not bank too much on it for this year because that kind of business is reasonably high risk also and so you need to have all the right pieces in place to be able to really go out, win it and then execute it on a winning note.

Sandy Mehta : Ok, thank you.

Atul Tayal : Thanks.

Operator : Thank you Mr. Mehta. Our next question comes from Mr. Dipesh Mehta from Khandwala Securities, please go ahead, Sir.

Dipesh Mehta : Govt has planned additional capacity of around 1 Lac megawatts (MW) by 2010, power on demand, so what kind of traction are you getting in there?

Atul Tayal : Tremendous amount of traction in the power sector. SWRL is already doing a fair amount of power engineering projects for Shaw-Stone & Webster in the US and the big advantage with, as I mentioned earlier is that, there is a lot of basic engineering technology with Shaw-Stone & Webster, so we see a good amount of traction coming in there. We are already doing some work for some major power players locally and I see good traction in the power business locally.

Dipesh Mehta : Can you provide some colour, how big opportunity & what kind of opportunity we are seeing ?

Atul Tayal : You put the numbers yourself; you talked about over 100,000 MW as the full market. We will obviously not get all of it but even a reasonable chunk because of the basic engineering technology piece that comes from it, will become a pretty large number.

Dipesh Mehta : For simplicity, suppose 1 MW plant that company is planning to set up, what kind of opportunity will we get from it ?

Atul Tayal : See, 1 MW is not something, we would focus on. One aspect that we are looking at, let's say the smaller power plants, which SEZs will setup. These will be typically 50 MW.

Dipesh Mehta : I want to understand, say in a 1000 MW plant, what would be our revenue portion out of it ?

Atul Tayal : Again it depends on technology. If it is nuclear it is different, if it is coal it is different and if it is hydro it is different. If it is nuclear, for 1000 MW, you can talk of Rs. 10,000 crore plant, that is something we would focus on. It would depend on opportunity to opportunity. It would depend on the type of fuel, the type of technology being used.

Dipesh Mehta : Ok, my second question is regarding Defence business, now Government is more open and private participation is allowed better than earlier, what kind of traction are we getting in that business?

Atul Tayal : Business from Defense is a solid component of our overall operation and I believe, we will continue to do well there. The areas that we operate in are pretty high-tech and they have already been talking to the private sector with us for the past 15 years and doing business in that. Now what they are now doing is that they are opening up some of other sectors too to private sector participation and I hope we can enter into some of those too.

Dipesh Mehta : If I understand correctly, Thales is doing some part of submarine and other stuff for Indian Defense, is there any opportunity for us ?

Atul Tayal : We are not yet a part of that project, Thales is doing that by itself. However, the Indian Defence also talks about offset clause of 30% for whatever work the foreign Co. does, 30% of that has to come into India. In times to come, may be, the joint venture will get some part of it.

Dipesh Mehta : Is there any chances that you will get some business out of it ?

Atul Tayal : There are reasonable chances that once the joint venture has the capability, it will win some business and also benefit because of the offset clause.

Dipesh Mehta : Can you give the break-up of our Export business ?

Hiranya Ashar : The domestic business was 61% and exports were 39%.

Operator : Thank you Mr. Mehta. Our next question comes from Ms. Sapna Mehta from SKS Securities, please go ahead, Madam.

Sapna Mehta : Good evening, Sir. Can you just tell me what would be the debt figure of the Company as of now ?

Hiranya Ashar : the debtors ?

Sapna Mehta : The debt figure of the company, the total debt of the company.

Hiranya Ashar : Are you talking of loans or debtors ?

Sapna Mehta : I am talking about loans.

Hiranya Ashar : As of September there are no loans, no debts on the books of Rolta India Limited. There is a small debt on US subsidiary, Rolta US, which is \$ 2m. That is the only debt on a consolidated basis.

Sapna Mehta : Thank you, Sir.

Operator : Next question comes from Mr. Stephen pope from Cantor. Please go ahead, Sir.

Stephen Pope : Good evening everybody, very nice set of results, nice to see that and would like to say Well Done. From the low your stock is up by nearly 76 %. That is great showing and very much appreciate that.

Three questions, you mentioned you are doing some mapping work in Emirates, can you tell me which one ?

Thales, the joint venture when do we expect to see it making an impact on your bottom line ?

And you mentioned that you are debt free, would you be using any credit line you have got to expand the business on the faster rate ?

Atul Tayal : On the Thales business I do not expect to see any impact on the bottom line in this year as we will in this year just set up the company and get it going and from second year onwards i.e. 2007-08 you should start seeing some results on that. Obviously the first year of results would still be ramping up and the bigger impact would come in the years thereafter.

The Emirate that we are doing work for is Al-Ain and that's the second Emirate that we are doing work for, we earlier did work for Dubai.

Could you repeat that third question once again, please.

Stephen Pope : You mentioned that except some small debt exposure in US affiliate, Rolta is a debt free company. I just wanted to know that whether it's a deliberate decision on yourself or should you be using any credit lines you have, may be allow the business to more quickly or may be you are just keeping that in reserve until you need to use it.

Atul Tayal : See, the reason we paid our debt right now because on an operating basis we have reasonable amount of cash that we can use to run our business and we are using our debt free status in the context of being able to leverage and generate the right amount of funds or raise that kind of money when an opportunity comes up, which is ripe for acquisition and we may need debt at that point of time. So that's the reason we have become debt free right now and we are keeping it as a deliberate decision but we are not ruling out further debt.

Stephen Pope : Please explain the source of acquisition, can you throw some light on that?

Atul Tayal : I can not give you anything concrete right now, we are still in non-disclosure mode. Once there is something concrete we will be able to talk about that.

Stephen Pope : Ok, I must have been missed on your list because I did not get any email on your results.

Atul Tayal : I am sorry about that, Steve, we will ensure that you get it from next time onwards.

Stephen Pope : Alright, thank you very much.

Atul Tayal : Thank you.

Hiranya Ashar : Thanks.

Operator : Thank you Mr. Pope. Our next question comes from Mr. Rahul Gupta from Oaktree Capital.

Rahul Gupta : Hi guys.

Atul Tayal : Hello Rahul

Rahul Gupta : Excellent Results, the growth seems to be there. Just couple of questions may be little bit too detail level. Typically this quarter, looking at the results, there is a seasonal dip, but you guys have produced very significant results, where is that strength coming from ?

Atul Tayal : The strength comes from that we expanded our business The Engineering business is growing very well, the eSolutions business has grown very well and even the GIS business we have expanded in to various types of businesses for example high-end work for city mapping using facilities like LIDAR and things like that. I think the expansion in to various different lines has been able to continue giving us strength.

Rahul Gupta : Ok, also Hiranya you had mentioned that going forward you will be able to expand the gross margins back to higher levels using high utilization and increase in billing rates. Just want to understand is that increase in billing rates, is that from realized level that you do a lot of fixed bill project with higher efficiency or is that in absolute terms you are able to increase the bill rate on the customer ?

Atul Tayal : Both, its on both basis, What is happening is that existing project should become more profitable because our efficiency levels go up and as we move up the value chain and we increase the bill rate too. So it is a combination of both the factors. And I am seeing that happen for example in our engineering business, a project we are doing for a very large multinational headquartered out of US, but for their UK operations, has become far more efficient over the past month and the bill rates have also gone up because we have moved up the value chain. Initially they started giving us work that they believed is easily out-sourceable and as soon as they started seeing the quality and efficiency that is coming in and the expertise available locally, then they moved up in the higher value of the project.

Rahul Gupta : Ok, can you give me strength in terms of what kind of increase in billing rate you can expect.

Atul Tayal : I would say on an overall average, it should range between 3 % to 5 %

Rahul Gupta : And final question on the tax rate. Your tax rate hovers around 10 % range. What is the reason the tax rate is around 10 % vis a vis the other IT Services companies the tax rate seems to be higher ?

Hiranya Ashar : No, all other IT companies also have tax rate of around 10% or may be 12 %. Other IT companies have some foreign taxes. We don't have any foreign taxes, we have only Indian taxes because of the transfer pricing which is coming in our favour because our offshore-onsite component is 90:10, their offshore-onsite component is around 50:50. So if you compare the domestic taxes, it is higher as for as Rolta is concerned and foreign taxes, the other companies.

Rahul Gupta : Ok, Thank you very much. I will get in touch with you guys later on.

Hiranya Ashar : Thanks, Rahul.

Operator : Thank you Mr. Gupta. Our next question comes from Mr. Mukesh Patel from Old Lane. Please go ahead, Sir.

Mukesh Patel : I have a question on acquisitions, and I cannot speak specifically. Can you just explain which areas, which segments you think they might be in and secondly what kind of pricing, how do you think about how to value and price acquisitions ?

Atul Tayal : The areas would be similar businesses we are in, to expand our technology base and to build our capabilities to address much higher level of the value chain. That is the bigger focus that we have in the acquisition, it can be in the Geospatial domain adding technology, it can be in the engineering domain acquiring companies for adding capabilities and similarly in eSolutions & security domain. We have already talked to some good potential targets, planned it out well and we are in the process of appointing a leading consultant in Europe to help us, advise on mergers, acquisitions. Hopefully we should be able to appoint this consultant in the coming week itself. So that's the areas, obviously we don't want to acquire anything we cannot digest, we are looking in the range mid level say \$ 15-20 mn.

Hiranya Ashar : Does that answer your question, Mukesh ?

Mukesh Patel : Are you talking only about cash deals or you are talking to people open to taking stock as well. At some level even a stock deal may look attractively priced.

Atul Tayal : We have not got in to that kind of details right now, but we will look at all options when we finalise it.

Hiranya Ashar : Predominantly we are looking at cash deals but if there is a small component of even the shares, that is something which is negotiable.

Atul Tayal : We will look at it depending on what makes best sense.

Mukesh Patel : Ok, the final part of my question was, how you think of valuing the deal. Different people have different ways of looking at. One way is simply look at earning solution and there is another way of looking, what is the value solution, so how do you think about what is the right price or too high price to pay.

Atul Tayal : Ofcourse the commercial aspect will get done based on a very strong due diligence that we will do. However the critical aspect what I have said is, what does that acquisition brings on the table to us and if it brings some specific technology, specific expertise, specific capabilities which enables us to expand our core business and grow that exponentially, that is what our key requirement is. We are not looking at acquisition for the sake of just adding revenue to the company. When we buy that company, the right fit, as I have explained, at that point of time, would play the most important role.

Mukesh Patel : Thanks

Operator : Thank you Mr. Patel. Please press * and 1 for any further question.



As there are no more questions I would now like to hand over the conference to Mr. Hiranya Ashar. Please go ahead, Sir.

Hiranya Ashar : Thank you for joining us everyone and if you have any follow up questions, please contact me. I am sure you have my contact details. Thank you.

Atul Tayal : Thank you everybody, it was great talking to you.

Operator : Ladies & Gentlemen, this concludes the conference for today.