

Sasken Communication Technologies
Financial Results - Fourth Quarter and Full Year ended March 2008
April 21, 2008

Moderator: Good morning ladies and gentlemen. I am Rita, the moderator for this conference. Welcome all to the Q4 earnings call of Sasken. Before we begin, we must point out that certain statements made during the call concerning Sasken's future growth prospects may be forward-looking statements. Please read the safe-harbor clause in the presentation for full details. For the duration of the presentation, all participants' lines will be in the listen-only mode. I would now like to handover the floor to Mr. Rajiv C Mody, Chairman and CEO, Sasken. Mr. Mody will take you through the financial and highlights of the quarter followed by the Q&A which will be first conducted for participants connected to the International Bridge, followed by India. Thank you and over to you Mr. Mody.

Mr. Rajiv C Mody: Thank you Rita. Ladies and gentlemen, good morning to you all. It is my pleasure to welcome you to the conference call to discuss the business performance of the Sasken Group for the fourth quarter and full year ended March 2008. I am joined on this call by my colleague, Neeta Revankar, Chief Financial Officer; Srikanth Kannankote, President and COO; Dr. G. Venkatesh, Chief of Strategy and Executive Director of the board of Sasken; and Hari Iyer, Head of the HR. Let me begin by summarizing the financial results for the fourth quarter and full year 2008. The consolidated revenues for the fourth quarter of fiscal 2008 stood at rupees 157.3 crores. This represents a Q-on-Q growth of 11% over the previous quarter and an increase of 16% over the corresponding quarter in the last financial year. The consolidated revenues for the full year stood at rupees 570 crores, an increase of 20% from rupees 477 crores last financial year. The services side of the business contributed rupees 139.4 crores with a quarter-on-quarter growth of 5.9%. The products business contributed rupees 17.8 crores for the quarter and rupees 46 crores for the full year, more than doubling in revenue terms over the previous financial year. In dollar terms, fiscal 2008 consolidated revenues of 142 million grew at 34.5% over the fiscal 2007 revenues of 105 million dollars. The fourth quarter EBITDA margins for the company were 19%. The services EBITDA margins are at 17.9% while the products divisions contributed rupees 6.7 crores in EBITDA at 38.13%. For the full financial year, services EBITDA margins are at 16.4% while the company EBITDA margins are at 13.9%. The profit after tax is at rupees 14.8 crores for the quarter and rupees 39.4 crores

for the full year. The basic earnings per share for the quarter is at rupees 5.2 and rupees 14 for the full year. We added 6 new customers this quarter taking the total number of active customers to 89. Sasken, like many others in the industry today, faces a challenging business environment. We expect R&D budgets of many of our customers to stay flat or show modest growth. Their response to the changes in the global environment is still evolving, and we expect greater clarity in their buying behavior in the next couple of quarters. The NEMS infrastructure space continues to remain sluggish. GSM deployment continues in emerging markets which presents significant opportunities for us. Delivery of rich media services over wireless network including services like IPTV, the need for digital lifestyle propelled, DLNA bode well for Sasken. Operators and network equipment vendors continue to upgrade their network using 3G, 4G technologies and architectures like HSxPA, WiMax, Femto-cell. Your company's investments in creating competencies to address these needs will enable us to see continued traction with the customers we serve and address the opportunity. We have entered into a partnership with leading provider of high-availability platforms to provide middleware solutions for content delivery and application hosting platforms, made significant in-roads into a market leading tier 1 vendor in the last quarter, and this relationship is all set for growth in the next few quarters. On the semiconductor side, operations are stabilizing with key semiconductor vendors after a round of consolidation in the first half of the calendar year. Industry analysts are expecting a recovery later this year, though the downturn in demand due to a looming threat of US recession remains a key impediment to the recovery. From a Sasken perspective, the encouraging trend is that the traditional silicon vendors are looking to add more value through software to create sustainable source of differentiation. With increased application of semiconductors in several electronic segments including digital lifestyle and near-field communication, the opportunity for Sasken becomes that much bigger. We have had some key wins in the semiconductor business unit this quarter including a multi-year turnkey contract to develop cable modem subsystem solutions for a North American tier 1 vendor and an entry into two tier 1 customers for our IC design offering. The mobile handset market has continued its trend of market share dominance by the top 5 OEMs. Again, in this segment, handset manufacturers are predicting slowdown in their replacement markets, but the impact on the outsourcing spend is not very clear yet. We have had a couple of very significant wins in the last quarter with two key handset

manufacturers. We are well positioned to show robust growth from this segment in the coming quarters. With these wins, we are happy to announce that Sasken today engages in its integration services business with all the top five handset makers across the world. The nature of these customer engagements is very strategic. These strategic relationships are helping us drive volume growth in the handset vertical across all geographies. On the product side of the business, key design wins this quarter were shipments made by leading mobile phone vendor in the Asia-Pacific market. The products business continues to be a source of differentiation for your company, and we will endeavor to leverage it as best as we can. We had mentioned last quarter that investment in E-series product line had been frozen. We continue to have a small team working on E-series while the rest of the team has been revectorred for other accounts. We are in the process of evaluating alternatives for this product line, and we will arrive at a decision by the end of the second quarter. For fiscal 2009, we are planning for a services revenue growth of 25 to 29% in dollar terms with 300 to 500 basis point improvement in EBIDTA over fiscal 2008 EBIDTA margins at a budgeted exchange rate of Rs. 39 to a dollar. We will maintain the products business at EBITDA breakeven without factoring in royalty revenues. There have been a few questions raised about our buyback announcements, about promoters buying back Nortel shares, etc. We would like to clarify that the promoter group is legally restricted from buying any shares during the duration when the buyback is in progress. From a people's prospective, our total strength stands at 3623 as of March 31, 2008. Attrition for the year was approximately 24%. We continued to put in efforts to get this number down.

Thank you and over to you for question and answers.

Moderator:

Thank you very much Sir. At this moment, I would like to handover the proceedings to the WebEx International moderator to conduct the Q&A session for participants connected to the international bridge. After that, we will have a question and answer session from participants connected to India. Thank you and over to you Alicina.

International Moderator:

Thank you moderator. We will now begin the Q&A session for participants connected to the WebEx International Bridge. Please press *1 to ask a question. At this moment, there are no further questions from the participants at the WebEx International Center. I would like to handover the proceedings back to the India moderator.

Moderator: Thank you Alicina. We will now begin the Q&A session for participants connected to India. Participants who wish to ask questions, kindly press *1 on your telephone keypads. On pressing *1, participants will get a chance to present their questions on a first in-line basis. Participants are requested to use only handsets while asking a question. To ask a question, kindly press *1 now. First in line, we have Mr. Rishi Maheshwari from Centrum Broking. Over to you sir.

Mr. Rishi Maheshwari: Thank you. Hi. Congratulations on a very good set of numbers. First, I would like to just clarify on the guidance terms, you mentioned 25% to 29% growth, is this inclusive of the products business as well.

Mr. Rajiv C Mody: We are saying that our services EBITDA revenue will grow by 25% to 29% in dollar terms, and our services EBITDA margins would improve by 300 to 500 basis points.

Mr. Rishi Maheshwari: Okay. Alright. Next, on the product lines, just want to understand the bifurcations of the royalty license and customization revenues for this quarter.

Mr. Rajiv C Mody: Yes, I think that information should be....

Mr. Rishi Maheshwari: It was not there as usual on the presentation sheet.

Mr. Rajiv C Mody: OK, does anybody want to take that?

Ms. Neeta Revankar: For the quarter, we had licensing fees of 46.81 million rupees and royalties of 42.65 million rupees and customization fees of 88 million rupees.

Mr. Rishi Maheshwari: Neeta, just this one on depreciation, amortization for this quarter for the products business especially has been extremely low as compared to last quarter in last year, why is that so, any product capitalization that has been done?

Ms. Neeta Revankar: See if you look at depreciation and absolute numbers, if you see as a percentage of revenues, it will appear to have fallen, that is because the revenues itself have grown.

Mr. Rishi Maheshwari: Right.

Ms. Neeta Revankar: So, there is no significant decrease in the depreciation in the products.

Mr. Rajiv C Mody: And we have not capitalized any more software development cost in our products business.

Mr. Rishi Maheshwari: An outlook on which model has actually driven growth, in fact which series has actually driven growth this quarter, especially in the products business, you mentioned a kind of not so much of an uptake on the E-series, therefore whether it was the S-series or the M-series that has actually seen this robust growth?

Mr. Rajiv C Mody: As you know, we have seen most of our royalty revenues come in from the majority of our S-series that has been launched in the market, so you can see that, as well as some of the rollouts that we see on the M-series, the products that we had been investing in with the customers going out in the market. So we have seen royalties come in from both our S-series as well as our M-series.

Mr. Rishi Maheshwari: Thank you so much, I will come back for the followup.

Mr. Rajiv C Mody: Thank you sir.

Moderator: Thank you very much sir. Next in line we have Mr. Krishnan from Spark Capital, over to you sir.

Mr. Krishnan: Hi, my question relates to the pricing. It looks like you got quite a good amount of pricing growth in this quarter, I just wanted to know if growth could be divided into volume and what was the volume growth and what was the pricing growth.

Mr. Srikanth Kannankote: As we have said earlier, the pricing that we generally expect would be in the lower single digits, and we continue to get that from last year to this year and then we continue to see that as a trend going forward, right. The change in EBITDA this quarter is really due to a couple of reasons. One, the price changes and the impact of pricing growth that has happened. The second one is a mix, the mix is that there are two things that are happening that are changing the mix in terms of our business. One is Finland and the other one is fixed price. So the fixed price business that we have had is really giving us some good realization in terms of margins, and Finland also is really providing some good what I call as the increases in terms of EBITDA. Over the years, we have had some increases in terms of utilization that has given us some increases in margins. We have also seen some mix changes from a business perspective. The NETS business or the services businesses in India as we call it due to some postponements of deployments in the service provider area is really a little lower compared to the R&D businesses which is a higher profit business. So, the business mix, the geography mix, the pricing, the

utilization; all of these four elements have really helped us in terms of getting our EBITDA.

Mr. Krishnan: Okay, the other part. If we look at FY'08, in the total, just wanted to know, what is now the mix that stands between NEMs, semiconductors, and the handset space.

Mr. Srikanth Kannankote: First of all, it used to be dominated by the networks business, hence if you look at the growth scenario that we had given, we had said that handset business will grow from about 30 to 40%, semiconductor in the 20% range, and networks business, because of the problems that the infrastructure companies are having, has been at...we were thinking of lower or single digit or lower double digits, and it is time now that we saw our mix of handsets in our mix of business in terms of handsets which has grown as has the semiconductor business while the networks business which used to be dominant in terms of our mix has come down. So, as we go forward, we will continue to see the handset business, and the mix going higher and the semiconductor business inching up and the networks business being flat.

Mr. Krishnan: Is it possible to sort of quantify that like around what percentage of revenue we can expect from ballpark figures in that special segments?

Mr. Srikanth Kannankote: I would say going forward if you take a look at the networks business, you will continue to see the low double digits, so the handsets will be somewhere between to 30% to 40% growth. Let me give you two things, the mix itself, the handset mix is about 37% of the total business, the networks is about 37% ,and the semiconductor is 26% of the total business.

Mr. Krishnan: Okay, sure.

Mr. Srikanth Kannankote: Okay, and then, in terms of the growth, we have told you what the growth is, right.

Mr. Krishnan: Okay, I will come back for followup questions later, thank you.

Moderator: Thank you very much sir. Next in line we have Mr. Pratish Krishnan from DSP Merrill Lynch. Over to you sir.

Mr. Pratish Krishnan: Hi, congratulations. First on the margin side in the IT services, you know clearly does not make good uptake in margins, but if I look at you know from the utilization and even from the offshoring point of view, both have decreased sequentially, may be if you can throw some

color on the you know what reasons are the margin expansion and why do you expect margins to go up further by around 300 to 500 basis points for next year?

Mr. Srikanth Kannankote: Okay, if you look at quarter over quarter, Q3 was a high utilization at 79%. Then Q4 we have about 76% utilization which has something to do with the number of people that we have brought in also in Q4 in terms of preparing for the further quarters. Of course, you know, from an EBITDA improvement perspective, I told you as to what the earlier what the factors are, you know, wage increases as well as mix increases and geography increases. Going forward, we are saying that the services EBITDA will be banded somewhere between 19% and 21% at 39 rupees per dollar. Utilization, we are looking at about 1% improvement contributing to the margins, and we also think that you know 78 % to 79% is really you know almost at the higher end of the utilization that we can draw you know from a company perspective. The scale impact itself because of the volume increases, will give you some decreases from an SG&A perspective of about 250 basis points, and then if you look at wage hikes and other improvements that we make from a mix perspective and fixed price by that perspective, we are sort of looking at that impact to be at somewhere around negative 1.5%. So, if we look at it, you know we have about a point improvement coming from utilization, 2.5 coming from about SG&A due to scale, and negative 1.5 which takes into wage and grade issues as well as what we call as pyramid, you know we are looking at each one of our engagements to make sure that we have an optimal pyramid in terms of delivering against it. So, we see actions that we are going to take that will position us you know very well from going from 16.4% EBITDA this quarter to about 19 to 21 as we move forward.

Mr. Pratish Krishnan: Sure. On the services side, I mean what is the Nokia German unit acquisition part of this quarter's review?

Mr. Srikanth Kannankote: It is Nokia Bochum unit.

Ms. Neeta Revankar: There is no revenue for this quarter.

Mr. Srikanth Kannankote: Revenues. Sorry, I was going ahead of myself here. So, in this quarter, in the current quarter, there is no Nokia handset revenue, I mean this is part of the Germany negotiation. It is not an acquisition yet.

Mr. Pratish Krishnan: Sure, and just one more I mean, this is on the Nortel side again. You know, there has been media reports about probably Nortel looking at cancelling the agreement that

you are terminating the agreement, what is the truth, I mean really if you just can throw some light on that.

Mr. Rajiv Mody: This is Rajiv here. See, the investment decisions of investors, they are all driven by their own considerations, and hence it is inappropriate for us to comment on it. Otherwise, we believe very clearly that we de-link our association with Nortel as a customer and as an investor. The business relationship with Nortel is a longstanding one, and I believe it will not be influenced by whether they continue to hold equity or not, and as of now, we are very clear in terms of our business engagements with Nortel are where they are, and there are no indications or issues in terms of them pulling out or any such thing.

Mr. Pratish Krishnan: Sure, I will come back later with more questions. Thanks a lot.

Moderator: Thank you very much sir. Next in line, we have Mr. Agarwal from Citi Group. Over to you sir.

Mr. Agarwal: Hello.

Mr. Rajiv C Mody: Hi.

Mr. Agarwal: Hi, just on the product side of the business, the margin in this quarter has taken a sharp uptake. Just wanted to understand the outlook for the next year or so.

Mr. Rajiv C Mody: Yes, so, our product business continues to be very important offering from Sasken. Otherwise, given the nature of this business, and our learnings that we have had over the last 24 months, going forward, we will ensure quarter on quarter we run the products business at EBITDA breakeven. This will be based only on licensing and NRE revenues. Royalties have not been considered in achieving the EBITDA margin or EBIDTA breakeven. Essentially, what we are doing is we are re-vectoring the business model to mitigate market shipment and related risks and our investments will therefore be protected as we have planned for the EBITDA breakeven quarter on quarter. When we break this whole thing down between our different product lines that we have, we see S-series continues to make good progress. There are more design wins. We are not assuming royalty based revenues in our stands. M-series will honor all current engagements and make investments, then we have business visibility of market traction. As far as E-series are concerned, we have capped our investment and most folks from this business line have been moved to our IP led services system.

Mr. Agarwal: Right Rajiv and on the services side just to understand it better, we have not really seen any hiring in this year, if I look at net hiring and even the utilization seems to be at a fairly high good level, so this growth which we are talking of, do we expect a very strong hiring in the few incoming quarters or how is it?

Mr. Srikanth Kannankote: First of all, how did we get services growth in spite of flat headcount, driven by four factors for this year just is the context for you. One is India volumes in R&D services business is that contributing to about 2% volume growth. Services mix is changing in favor of R&D versus net, so you will see a drop in net headcount and an increase in the R&D headcount, so in terms of headcount only numbers, right, because what we are now trying to do is to optimize the company so where we see the drop, we are sort of moving them towards the R&D side. Volume growth from Finland and Mexico, these are revenue per person are high and then we are getting to see volume growth both in Finland and Mexico, and we also said in the earlier statement about re-vectoring of people from the E series product line to services because we talked about this IP led services and IP led services growth especially Rajiv mentioned in his earlier context about the integration services business in the handset growing, so what we have done is you know with the changes in the businesses and the businesses mix, we have managed the headcount within the company and then of course utilization also contributed to the growth in terms of the revenue. Going forward, as you take a look at the business growth, the Q4 run rate is about 7% business growth as you see it for next year, and we see that we need to hire about 700 people over the next four quarters in terms of adding, this is net addition right, and then we sort of see that the mix to be in the 350 for laterals as well as fresh hires and then we continue to manage our headcount as to taking a look at where our businesses are, what is increasing, what is decreasing and how to make sure that we keep up the utilization level of about 78%. So that is sort of a plan as to how we grow forward.

Mr. Agarwal: Right and one more question like if you go back one year and look at the guidance for the services business, obviously the market became pretty challenging after that and clearly the company went through a pretty difficult time, so in terms of the guidance, what is your confidence level in terms of how confident are you achieving the guidance line, I am talking about the services side of the business.

Mr. Srikanth Kannankote: I think our guidance is somewhere around 25 to 30% in dollar terms. The best way to look at it is really look at each one of the components of the business and then the handset business is where we said that 30 to 40% in terms of growth. We are quite confident about that given that we are well entrenched in terms of all of the top 5 customers and then we are involved in, the whole sort of confidence issue is where you are involved in. Are you involved in their key projects or are you not involved in their key projects. So from that perspective, the 30% to 40% growth in terms of services is good, semiconductor is between 20 to 25%. Rajiv mentioned in his earlier comment that people are moving. Most of the handset guys are expecting semiconductor guys to increase the software value of their chip and then that plays to our strength from an embedded software perspective. I think you will see that we work with many of the top semiconductor customers and then anywhere in the IC design stage, we talked about adding a couple of tier 1 customers this quarter. So, I think that we have visibility into that. The networks is, where the infrastructure business is where challenges are going to be. But we are beginning to, as we mentioned earlier, we are beginning to get positioned well in terms of the future businesses as well as GSM deployment, as Rajiv was saying, this is continuing and continuing in the new markets, and then so that should bode well for our services business, but also the GSM existence itself is going to continue for a longer time with LTE and WiMax and IPTV and other content based opportunities that we are working on. We feel that 8% to 12% is a reasonable approach for us in terms of technical growth, so at the end of the day, we have top customers in each one these fields and then we have good position in the handset project that we are doing with them, and we feel that 25 to 30% is a reasonable approach.

Mr. Agarwal: I appreciate that, but just taking that further, compared to when we guided at the start of last year, has the guidance methodology changed. Is there anything which has been done differently to assure us, analysts and investors, that this time we can have more confidence in the guidance compared to the past track record.

Mr. Rajiv C Mody: Let me take that question and answer that. Let us go back to our last year's guidance that we had given you. We had said that we would do about 20 to 25% growth in dollar terms on a base of 110 million dollars of run rate that we had in our services business. So, when we compare ourselves to that, we definitely have fallen short by about 1 and a half percentage points instead of 20 to 25%, we did 18 and odd percent growth year on year. So, having said

that, definitely we have gone in and improved the way we guide going forward in our services business. We have scrubbed our numbers. We have assumed lot of things, whereby, which would possibly have kind of impacted our growth and all, and today we feel very comfortable, confident in terms of achieving the 25 to 29% growth. Having said that, if the recession deepens further, then definitely that is a concern area which we may come to you as and when it is happening. If any of our large customers pull back any of the large programs that could have an impact, definitely we will come back and inform you, but barring those catastrophic events, I think today, we definitely are confident of achieving the 25 to 29% growth in dollar terms at 39 rupees to a dollar.

Mr. Agarwal: Thanks Rajiv. Just one more question from my side. Could you just give us your thought process about the buy back because if I look at it, there is a net debt on books. Products investment has to be curtailed at some point and despite that you are going ahead with a buyback. So clearly what is the thought process of the company if you could just help us with it.

Mr. Rajiv C Mody: The simple thought process behind the buyback is that we believe that the intrinsic value of our share is more than the current market price, and we believe this action will increase the shareholder value. By reducing the number of shares, we will be able to increase the earnings per share. So, we are very clear in our objective why we are saying this.

Mr. Agarwal: Right, and 9 months back or so, you were looking to raise more capital by diluting equity, so if the stock price goes up, will you look at that again as an option.

Mr. Rajiv C Mody: Well, the rules do not allow you to go in and raise further equity in the market for 6 months after you close the buyback, so there is no question of us going and raising any more equity in terms of at least 6 months after the buyback process is closed. So the buy back process is, as you know, is open right now for 12 months, but the company has the option to close at any time in between, but then once the company closes that, you still have a 6 months moratorium.

Mr. Agarwal: Right, in terms of, Neeta, this is a question for you. In terms of the investments required for next year, what is the CAPEX plan and how do you plan to fund it?

Ms. Neeta Revankar: Yes. We have requirement of about 50 to 60 crores as capex for next year. We expect to fund it through internal

approvals largely, but there is also an option to us to use some of the lines of credit already available to us.

- Mr. Agarwal: Thanks a lot and all the best gentlemen.
- Mr. Rajiv C Mody: Thank you.
- Moderator: Thank you very much sir. Next in line, we have Mr. Joshi from Irevna Research. Over to you sir.
- Mr. Joshi: Hello.
- Mr. Rajiv C Mody: Yes.
- Mr. Joshi: Good morning. Just a couple questions on salary hikes that you might be expecting for FY'09 and how would that be spread across R&D headcount and your services additions?
- Mr. Hari Iyer: We are looking at an average. We are looking at an average bill increase about 5.5%. As a part of our ongoing process of restructuring our salary, we are looking at less fixed price increase and more variable increases. In terms of our R&D thing, internationally there are certain laws which require you to be paid as per the union negotiations which will be followed. In India we are saying that we will be looking at what you call as the way the market is growing. We would like to keep our salaries in line with the market.
- Mr. Joshi: One specific doubt is on product business. You were not ready to commit on how the margins will move in product business, last time you met us. So, going forward where do you expect the products business breakeven as EBITDA levels, but in terms of the business, where do you see it is going?
- Mr. Rajiv C Mody: As we said, we believe it forms a core and critical part of our business and we see that we can differentiate ourselves in the eyes of customers with regards to our competition because of our product business also. Having said this, definitely in the past we made certain statements but, those things at times are not in our control. Particularly the volumes that the market kinds of buys for certain models which carry our IPR on them. That makes us conservative in terms of going forward in making any commitment for statements saying that that would be the amount of royalty that we could possibly get. So, this year what we have focussed on is to ensure that we run at it the neutral level at the product business quarter on quarter and ensure that we make our revenues both by NRE as

well as licenses and not factor the royalty revenues that we could possibly derive in our planned configuration.

Mr. Joshi: Okay, and in particular to European handset market, what is your feel on how the market is shaping up and how that will impact offshoring? I mean, any color at this moment?

Mr. Rajiv C Mody: Yes, I think Sri has mentioned that we are seeing good traction with our handset customers. As I said in my opening statement, we now work with all 5 top tier handset manufacturers who form about 85% of the market share worldwide, and we have very good deep engagements with each one of them, so we feel extremely good about the growth that we can expect out of our handset business.

Mr. Joshi: Okay sir and one last clarification, the 25% to 29% is on dollar revenue growth for services business, if I am not wrong?

Mr. Rajiv C Mody: That is correct.

Mr. Joshi: Thanks a lot, and all the best.

Mr. Rajiv C Mody: Thank you, and we have factored Rs. 39 to a dollar for all our plans going forward.

Mr. Joshi: Yes, sure. Thank you. Bye.

Moderator: Thank you very much sir.

Moderator: Thank you very much sir. Next in line, we have Mr. Raunak from Value Enterprises. Over to you sir.

Mr. Raunak: Hello.

Mr. Rajiv C Mody: Yes, hi.

Mr. Raunak: Hi sir. Congratulations on a good set of numbers.

Mr. Rajiv C Mody: Thank you.

Mr. Raunak: Sir, can you give me guidance for product business for FY'09?

Mr. Rajiv C Mody: No, I am sorry, we have given you as much we can on the products business in terms of the objectives that we are driving internally to see that we beyond that EBITDA it will give same quarter on quarter from our licensing and NRE. On royalty, we will not make any predictions or projections.

Mr. Raunak: On royalties we will not make more....

Mr. Rajiv C Mody: No, on royalties we will not, it is impossible for us to do that exercise.

Mr. Raunak: Okay, sir, you handset business grew by 30 to 40% this year.

Mr. Rajiv C Mody: That is correct.

Mr. Raunak: And network business?

Srikanth Kannankote: We are projecting for it grow anywhere between 8 to 12%.

Mr. Raunak: 8 to 12%. So, overall growth how much you are expecting in FY 09, overall growth. Hello?

Mr. Rajiv C. Mody: Yeah.

Mr. Raunak: Overall growth in terms of revenue in fact.

Ms. Neeta Revankar: We do not give guidance on overall growth because we do not talk about product revenue growth. Services revenue growth is 25% to 29% on FY 08 services revenues.

Mr. Raunak: Okay so, will the rupee appreciation affect you margins? Have you hedged the rupee dollar?

Ms. Neeta Revankar: Yes, any exchange rate change will impact our margins.

Mr. Raunak: Have you hedged your dollar rupee?

Ms. Neeta Revankar: Yes, we have hedged to the extent of about 48 million.

Mr. Raunak: Sorry?

Ms. Neeta Revankar: We have hedged to the extent of about 48 million US dollars.

Mr. Raunak: 48 million US dollars?

Ms. Neeta Revankar: That's it.

Mr. Raunak: At what rate?

Ms. Neeta Revankar: The average is Rs 40.25.

Mr. Raunak: Rs. 40.25. Thank you.

Moderator: Thank you very much sir. Next in line, we have Ms. Divya from JM Financial. Over to you Ms. Divya.

Ms. Divya: Yeah, hi. While I understand you do not give guidance on the product royalty front, I would like to understand why there has been such a spike in royalty revenue this quarter. Which are the products you know that contributed to this hike?

Mr. Rajiv C Mody: Yes. Hi Divya, this is Rajiv here.

Ms. Divya: Hi Rajiv.

Mr. Rajiv C Mody: We have seen royalties come in both from our S-series as well as from our primary..... predominantly it is the S series that has contributed to the significant up tick in the royalty.

Ms. Divya: Okay, and I am still not able to reconcile your 300 to 500 basis points improvement in margin that you have given because we are looking at 1% coming from utilization, another 250 from SG&A, negative 150 from wage hikes, we still are nowhere in the 300 to 500 range, so what I am trying to understand is are you building in also some kind of price hikes coming in. What will contribute to the rest of the margin improvement?

Srikanth Kannankote: First of all, the base is 16.4, right. That is the EBITDA this year on services business. So, whatever additions and subtractions that you do could be coming from these things, and these are approximate numbers from where we are. Price increases as far as we are concerned, price increases will happen and it will happen in terms of low single digits as we have told you from what happens this year. I think it will be, you will probably see somewhere in Q3 and Q4 most of the impact and January is where you will probably see these things, from a pricing perspective. So, then the negative 1.5 in terms of the wage stuff really takes in to consideration the wage inflation, less the pyramid actions that we are going to take and the mix of the businesses.

Ms. Divya: Right. Sir, when you talk about price increases, you are talking about like-to-like billing rate hikes right? But you also spoke about higher revenue coming in from Finland and Mexico, which ever high revenue per person, so what are you building in, in terms of realization improvement per person employed over the fiscal of 2009.

Srikanth Kannankote: I think when we take a look at it, we sort of look at each one of the geographies and then take a look at what kinds of increases that we get and then take the realization that we get per person in those geographies in terms of how we build our models. By the way, one point, even though we were talking about the 16.4% that was a yearly number for

EBITDA, for Q4 it was 17.9%. So, and if you take a look at this traction from 17.9%, it adds 2 points, right, about 19, so 19.9 to 20 is what it comes and then some price increases may come on top of that. That will only happen towards the latter part of the year.

Ms. Divya: Sure, and Hari, I am also trying to reconcile what you said. Did you talk about a 5.5% average wage hike?

Mr. Hari Iyer: Yes, I did. What we are essentially saying is that there will be increase in the salaries which will be about 5.5% on the average wage.

Ms. Divya: Okay, last time we had given around 10%, if I am correct, and we were expecting approximately half of that this year, but we have seen, further announcements that we have seen are not significantly differently from what we have seen for the last year, in terms of salary hike.

Mr. Hari Iyer: Yes. What happens essentially when we talk about this we talk in terms of international hikes, which may not be at the range of some 10%, it ranges about 3.5% to 4% international. Overall it comes to about 5.5%. We would most probably be maintaining about 10%. And as I said also that we would look at the market and the way market goes. What has happened essentially is that we have in this year changed our cycle in terms of our salary review because we wanted to get our performance parameters very deeply done because we always used to find that the performance and the wage-bill cycle there coinciding and that that create some problems for us, so we have changed our cycles from July to June in terms of salary, and our performance cycle remains from April to March, so once the performance evaluation is done, we would look at the salary increase, so that also brings in considerable amounts of decrease in the wage factor.

Ms. Divya: Sure, but in terms of attrition, we still have not seen you know significant improvement in the LTM attrition, what are we doing in order to bring that down.

Mr. Hari Iyer: Let us get the understanding that we did have a higher attrition in our second and the third quarter. We have essentially been able to bring down the attrition substantially in the fourth quarter. What we have done is we have increased the employee task time, and we have trained our managers in terms of how to manage their employees. If you really see why people work with us is the kind of work that we get and second of course the most important that they look for is the growth and their future in terms of their aspirations and their professional career

interest and then the third of course was wages. For the first two of it is being done pretty well by us in terms of a kind of work that is very specialized and people do want to be in....., but we have been trying to bring these things to them, building this perspective rather than looking at what we call as a short term market gains that happens because of the fluctuations in the market, and we have been able to bring it down this quarter specifically, and we hope to go forward with what we have done, and probably we will be improving our attrition as we go.

Ms. Divya:

Sure. Thanks and all the best for 2009.

Mr. Hari Iyer:

Thank you.

Moderator:

Thank you very much sir. Next in line, we have Mr. Kunal from Edelweiss Securities. Over to you sir.

Mr. Kunal:

Hello everyone. Congrats for a great quarter. Sir, my question is pertaining to, you know the NRE fees, over the last 2 quarters we have seen, you know, strong uptake in NRE fees of over 9 crores and 6 crores. Could we talk a little about, you know what are we doing here, are we, we are working on the same Motorola models, probably variants of the Motorola RIZR platform.

Mr. Srikanth Kannankote:

This is Sri....

Mr. Kunal:

Hi.

Mr. Srikanth Kannankote:

NRE is something that we get from multiple customers, so it is not dependent on just one. I think you also had seen some announcement from us in terms of the M-series from satellite phone customers. so there is a good amount of NRE associated with that. From the consumer handset, traditional handset side, we continue to see NRE coming from each one of these handset vendors, so it is not dominant from one, you know in terms of the mix of the numbers. Going forward, we continue to see something similar from in terms of NRE over the next year, both from M-series as well as S-series.

Mr. Kunal:

Okay. Second question is, you know in terms of investments in the products, probably you know Rajiv did mention that you know we are capping the investment on the E-series side. Rajiv, my question is that you know for 2009, probably in terms of the cost, we have been spending about 12 to 12.5 million dollars as product cost, so will that remain constant or probably we are looking to bring that down.

Mr. Rajiv Mody: Yes. For that I said earlier that we will ensure that quarter on quarter we will run our products business at EBITDA breakeven, and for that, we will make sure will only factor in licensing and the NRE revenues, and we will not consider royalty revenues as part of our EBITDA breakeven calculations.

Mr. Kunal: Okay. So in terms of people investment, probably that remains the same and that 12.5 million dollars could increase in terms of just wage increases, but that absolute amount will not go up.

Mr. Rajiv Mody: If we are talking in context of 12.5 million dollars, I think one thing is just that we need to look at your calculations again. If E-series we have capped it, so when we have said 12.5, it had full E-series cost associated with that. Right now, we have a small team working on E-series. And on the M-series also we are seeing that we will honor all current engagements and make investments. When we have business visibility rather than go ahead of time, wanting to go and make these investments in this uncertain choppy market.

Mr. Kunal: Okay. On the services side, I am sorry if this has been answered earlier, what is the margin guidance, what are we looking at, at 2008 we have done about 16.4% EBITDA margin, so what kind of increase we are looking from these levels.

Mr. Srikanth Kannankote: If you take it as Q4, Q4 was 17.9.

Mr. Kunal: 17.9, right.

Mr. Srikanth Kannankote: And then where we are looking at is, we are looking at 300 to 500 basis points in terms of increase, that translates to 19 to 21% of EBITDA for services business going forward.

Mr. Rajiv Mody: And we are seeing that 19% to 21% on a full year basis.

Mr. Srikanth Kannankote: At 39 rupees per dollar.

Mr. Kunal: At 39 rupees per dollar. Alright. Okay, sounds great. Thank you and all the best.

Mr. Srikanth Kannankote: Thank you Kunal.

Moderator: Thank you very much sir. Next in line, we have Mr. Anand from Kotak. Over to you sir.

Mr. Anand: Hi and congratulations on good set of numbers. Just one question on Motorola. There are number of news reports

on them selling the handset business. Wanted to understand what is our estimates in terms of impact for us.

Mr. Rajiv Mody: Can you repeat the question, we could not hear, there was some noise in the line, can you please repeat the question.

Mr. Anand: Sir, is Motorola selling its handset business, any impact on us?

Mr. Rajiv Mody: Motorola is.....okay, hiving off its handset business, will it have an impact on us?

Mr. Anand: Yes.

Mr. Srikanth Kannankote: I think, you know, earlier on we said that we are basing our products business, and then the products business model on the NRE and licensing on these are on royalties. As far as our planning is concerned, we are not planning for anything other than what we are engaged with them from these two perspectives because we do not speculate nor do we know as to what models will get released and how much will they sell and what happens to it when their future you know sort of unfolds. We do not know, and then I think for us we are seeing the demand for NRE and NRE services just as we had in the past.

Mr. Anand: Okay sir. On the products business, when we are speaking of kind of the focus on license and NRE and not speaking so much of royalty, just want to understand is there is a business strategy change that is also happening or we will be focussing more on license revenue compared to royalties or it is purely just the guidance factor.

Mr. Rajiv C Mody: It is purely just the guidance factor. We have not changed our model in favor of licensing and NRE over royalty.

Mr. Anand: Okay, so we are going to continue the focus on the whole royalty model.

Mr. Rajiv C Mody: Exactly but ensuring that we factor in lot of learning that we have had in the past to ensure that we mitigate the market shipment risks also.

Mr. Anand: Okay. Sir how would that happen. Is that just purely from, you know, kind of cost containment sector or.....

Mr. Rajiv C Mody: No, if I tell you everything, I will give away my secret Anand. I cannot talk about that.

Mr. Anand: Sir, just lastly, any new design wins in this quarter.

Mr. Rajiv C Mody: Pardon.

Mr. Anand: Any new design wins in the quarter.

Mr. Rajiv C Mody: Any design wins, like Sri mentioned, definitely there are more models on which work is going on, so based on the platform and the new platforms that we are engaged with our customers, definitely more work and in some ways it would get reflected also on the NRE that we get from the customers.

Mr. Anand: Okay.

Mr. Rajiv C Mody: What I am trying to emphasize is the higher the NRE the indication in terms of that more models are being worked up.

Mr. Anand: Okay. It was great and thanks so much.

Mr. Rajiv C Mody: Thank you.

Moderator: Thank you very much sir. Next in line we have Mr. Tharve from IL&FS investment. Over to you sir.

Mr. Tharve: Hi.

Mr. Srikanth Kannankote: Yes Hi.

Mr. Rakesh Tharve: Hi sir this is Rakesh Tharve here.

Mr. Srikanth Kannankote: Hi, how are you?

Mr. Rakesh Tharve: I am fine sir, how are you?

Mr. Srikanth Kannankote: Good.

Mr. Rakesh Tharve: Just want to know, actually missed that number on royalty, NRE, and license fees for which you have not mentioned this time in the presentation.

Mr. Srikanth Kannankote: Yes, Neeta, can you please give that.

Ms. Neeta Revankar: Yes, we have license fees of 46.8 million rupees.

Mr. Rakesh Tharve: 46.8 million rupees.

Ms. Neeta Revankar: Royalties of 42.6 million rupees.

Mr. Rakesh Tharve: Just a minute.

Ms. Neeta Revankar: We have put it out in the metrics sheet.

Mr. Rakesh Tharve: What was the NRE sir, customized.

Ms. Neeta Revankar: Customization was 88 million rupees.

Mr. Rakesh Tharve: 88.

Ms. Neeta Revankar: That is right.

Mr. Rakesh Tharve: Thanks a lot.

Mr. Rajiv Mody: Thank you.

Moderator: Thank you very much sir. Next in line, we have Mr. Singh from Goldman Sachs. Over to you sir.

Mr. Singh: Hello sir.

Mr. Rajiv Mody: Hi.

Mr. Singh: Just wanted to understand this thing on guidance on services, revenue growth of 25 to 29%. Last year in a much better economic environment excluding this full year integration of Botnia, your growth was nothing, but this year like this guidance which you have given seems to be very high, so what exactly is that that is giving you confidence that you can achieve this sort of number.

Mr. Rajiv C Mody: So, let us give you a view on our services revenue that we had in the previous year. We had stated that we would do about 20 to 25% in dollar terms over 110 million dollars of run rate. In actual terms, we did about 18 and odd percent in our services business. And going forward, we are saying that we would do about 25 to 29% growth in our services business, and we are seeing good traction in our handset solution group, semiconductor solution group, as well as not so much in the networks business, so this definitely gives us the confidence that we will achieve the 25 to 29% growth in dollar terms for the full year in our services business.

Mr. Singh: Sir, secondly like if I was to just look at the break up of your services revenues over the last 4 quarters, most of the growth has come from onsite business, so it is like offshore has more or less flat actually.

Mr. Rajiv C Mody: I think yes. We mentioned that that we have seen some shift happening from our NETS business predominantly in India, but R&D business has grown in India, it is not that all the growth has come in from Finland and Mexico.

- Mr. Singh: No, because I was just looking at number Q1, your onsite revenues of 400 million rupees, Q2 it was 323, Q3 was 468, and Q4 is 534. If I was to look at the incremental revenues, most of it has come from onsite. So what exactly is happening onsite.
- Mr. Srikanth Kannankote: Mexico and Finland are both part of our onsite business. So, we are experiencing, you can call Mexico near shore, off shore, or onsite, we have decided to call it onsite, and we are seeing growth business in Mexico. Second thing that we are seeing is in Finland, our strategy of going beyond one account is working, we are now getting multiple accounts in Finland. So our Finland business is growing and then we categorize the Finland business as onsite business. Sorry, I may have misspoken earlier, I think Mexico is considered as our offshore business, not onsite business okay. And then we also have some of the services business that has picked up in the onsite component in North America, that is added to that. You see one of the things is in the mix also, you can see that the mix of our handset business and semiconductor business is increasing as opposed to the networks business which used to be a dominant business for us before. We begin to see the mix changes in terms of the businesses. These two businesses are forecasted to grow at 30 to 40% and 20 to 30%, and the networks business is slower.
- Mr. Singh: One thing like as per the Botnia acquisition is concerned, it was meant to get you entry into Nokia, now how has that account grown in the sense like, you think the acquisition has been successful in the sense like the purpose for which it was done.
- Mr. Srikanth Kannankote: First of all, we do not give account based information. Secondly, we acquired Botnia for 2 reasons, one we wanted to do really get global relationship built with Nokia, and the second reason we wanted to take Nokia's competency and then take it to other accounts, so in both of these dimensions, we seem to be doing quite well.
- Mr. Singh: Okay, that is fine. Thanks a lot.
- Mr. Rajiv Mody: Just to add, Nokia is our largest customer today.
- Mr. Singh: Okay. Thank you.
- Moderator: Thank you very much Sir. Participants who wish to ask questions, kindly press *1 on your telephone keypad. Next in line, we have Mr. Shreyas from IDFC SSKI Securities. Over to you sir.

Mr. Shreyas: Hello.

Mr. Rajiv Mody: Hello.

Mr. Shreyas: Just wanted to know how much was the revenue from Finland this quarter. Last quarter I think it was 8.6 million dollars.

Mr. Rajiv Mody: Revenues from Finland is 10.48 million dollars.

Mr. Shreyas: Okay. Secondly what is the reason for declining revenue from North America?

Mr. Rajiv Mody: I think predominantly because our presence in Europe is growing, and we also by the way even if we serve our American customers out of their European offices, we do count towards that.

Mr. Shreyas: Okay, and in product business, what is the number of plants are there and products.

Mr. Rajiv Mody: We cannot disclose or we cannot tell you specifically in terms of the number of clients that we are serving.

Mr. Shreyas: Okay. So in terms of client buckets which you gave like 1 to 3 million dollars, are there any products going live or anyone of them.

Ms. Neeta Revankar: No these are only services.

Mr. Shreyas: I think in the sheet it is mentioned that it is products plus services.

Ms. Neeta Revankar: The only thing is that the numbers that you have again is services customers.

Mr. Shreyas: Okay, the numbers are only for services. Okay and in terms of sir your handset models can you give any details in means of these kind of customization and royalty revenue come from how many models or something like that.

Mr. Srikanth Kannankote: Customization and royalty revenues are more related to platforms and then out of platforms how many models that they generate is going to be impossible to tell right, so it is really platform based.

Mr. Shreyas: So, in terms of platforms, whether it has increased in this quarter, number of platforms at least.

Mr. Srikanth Kannankote: Continue to work on more platforms.

Mr. Shreyas: Okay fine, thanks very much.

Moderator: Thank you very much Sir. Next in line we have Mr. Anup Upadhyay from SBI Mutual Funds. Over to you sir.

Mr. Anup Upadhyay: Good morning sir. Sir, if we look at the mix of clients within the different client buckets which Nandan referred to earlier, over the last four quarters we see that there has been little change in the number of client, greater than 20 million or between 10 to 20 million or similarly across client buckets, it seems as if clients are not graduating from smaller size to larger size, so is it that the nature of projects that we are involved in such that they are short term in nature and it is not possible for individual clients to grow to a larger size or is it that because of the general environment that it is last year this was observed and this will change in the future.

Mr. Srikanth Kannankote: I mean, I think if you saw the greater than 20 million dollar customer we went from 2 to 3 from Q1 to Q2, and if you take a look at greater than 1 to 3, graduating from 1 million dollar customer we went from 3 to 4 from Q3 to Q4, and then also we went from 2 to 3 last year from Q1 to Q2 in terms of customers going from 1 to 3 to 3 to 10. So you are saying that with the number of customers that we have are migrating a few of them upwards and we are also adding to the base, you know, earlier this year that we added 5 more new customers and we now have a total of 89 customers and then one of things that we are asked sometime ago by you guys was what you are doing in terms of de-risking and not dependent on the same customers, so we are sort of now showing that we are adding more customers to the base, and you know, then we continue to see traction with our customers in terms of the mixes over the amount of business and then these changes are significant right, going from 10 to 20 to greater than 20. So, we do not know where they were in terms of 10 to 20 Million range.

Mr. Anup Upadhyay: Secondly, can you tell the mix of the total revenue between networking, handset, and semiconductors for the full year of 2007.

Mr. Srikanth Kannankote: I think we said that earlier, 37% for handsets, 37% for networks, and remaining 26% for semiconductor.

Mr. Anup Upadhyay: This was 2007.

Mr. Srikanth Kannankote: This was 2008.

Mr. Anup Upadhyay: Okay and sir I wanted to know the status as per 2007.

Mr. Srikanth Kannankote: 2007. Can you help me here.

Ms. Neeta Revankar: Yes, it is about 50% for network, about 28% for handset, and about 24% for semiconductor.

Mr. Anup Upadhyay: Okay. Thirdly, there were some reports, I do not know if this has been already discussed, I am sorry if we are repeating that. On the purchase of our German R&D Unit of Nokia, could you tell what kind of impact that could have on our margin going forward and contribution paid for that and the benefit that we are expecting.

Mr. Srikanth Kannankote: First of all, please note that we are still in discussions with Nokia on the deal, and the deal is not yet signed, and we are under NDA and cannot provide any details in terms of the deal itself. We do not expect any significant capital deployment, and then I think the deal will create value for the shareholders in the long run. The strategic intent is really critical for you to understand. The strategic intent behind this is that it enables us to enter a whole segment of relationship, extending our relationship with Nokia with the tier 1 handset vendor and one of their development platforms, so we think it is overall very good deal for our shareholders.

Mr. Anup Upadhyay: Okay, thank you sir.

Moderator: Thank you very much sir. Next in line, we have Mr. Desai from Pioneer Investment. Over to you sir.

Mr. Desai: I just have a question on the product business. What are the current outstanding design you said you have for the S-series and M-series, if you can provide that number.

Mr. Srikanth Kannankote: We sort of do not look and share that information any more. I think what we had told you some time ago, you know I think we may assume that that is fair.

Mr. Desai: Alright, great, just on the data point if you can give the split between your technical headcount in terms of service and products.

Mr. Srikanth Kannankote: The headcount between services.

Ms. Neeta Revankar: We have about 3298 people in our company.

Mr. Desai: Thanks and all the best.

Moderator: Thank you very much sir. Participants who wish to ask questions, kindly press *1 on your telephone keypad. Next is a followup from Mr. Rishi Maheshwari from Centrum Broking. Over to you sir.

Mr. Rishi Maheshwari: Hi, I just want to understand the headcounts in the Sasken Finland business.

Mr. Hari Iyer: We have got 400 people in Finland.

Mr. Rishi Maheshwari: And a couple of more. Did I understand correctly when you said that you are changing the salary cycles to June to July?

Mr. Hari Iyer: Right.

Mr. Rishi Maheshwari: which would mean that you are not giving a salary hike in the first quarter?

Mr. Hari Iyer: Yes. So the whole cycle is now shifted from July to June.

Mr. Rishi Maheshwari: Okay, so first quarter there will be no salary impact.

Mr. Hari Iyer: Right.

Mr. Rishi Maheshwari: And what was the salary impact onsite for this quarter.

Mr. Hari Iyer: Salary impact on.

Mr. Rishi Maheshwari: The increased salaries probably for few employees you give, primarily onsite employees get.

Mr. Hari Iyer: All the cycle is getting shifted to July to June.

Mr. Rishi Maheshwari: Okay, I am asking about this quarter, as in last quarter, Q4 FY-08, what was the increased salary that you had given?

Mr. Hari Iyer: No increases have been given.

Mr. Rishi Maheshwari: And did I also understand correctly when you said Nokia is the largest customer, is that for the group or is it for Sasken Finland.

Mr. Rajiv C Mody: It is for the company.

Mr. Rishi Maheshwari: Sorry?

Mr. Rajiv C Mody: It is for the company.

Mr. Rishi Maheshwari: Okay. Thank you so much.

Moderator: Thank you very much sir. Next in line, we have Mr. Krishnan from Span Capital. Over to you sir.

Mr. Krishnan: My question relates to the 2 JVs, ConnectM and TACO, what sort of investments we see over the year in these 2 JVs?

Mr. Rajiv C Mody: Can you repeat, how much investments we have made or.....

Mr. Krishnan: What sort of investments, if I look at the previous FY-08, you made about 4.5 crores to 5 crores is what we have invested in these two JVs. Going forward, what sort of investments we see and how is that in the individual cases of business and gathering moment on what is happening there.

Mr. G Venkatesh: We have 2 JVs, the first one is ConnectM and the second one is TACO Sasken. So, ConnectM is focussed on the remote as such the management space driven from M2M. We have been basically investing there primarily in building a solution for this M2M, and we are very strongly focussed on building customers in the industrial, utilities, medical, and transportation segments. We have a few customers that we have signed up, but it is still too early for us to start reporting on specifics of ConnectM. As we go forward, we will start to give you more details on that. Second JV is TACO Sasken where currently we are building two products. The first product is a telemetry gateway unit, that is currently undergoing field trials both in India as well as in the US and it is going to be ready for customer evaluation in about a quarter. The second product is a driver information system, product that is being designed really for lead customer which is small volume car manufacturer. Based on the progress, we make with this car manufacturer, we intend to start taking it to other customers. Both these JVs are going to be in investment mode going forward even in the next year.

Mr. Krishnan: What could be the tune of investments we can expect.

Mr. G Venkatesh: Roughly on the same lines as what we saw in the last year or going up a little bit.

Mr. Krishnan: Going up a little bit. Okay, just wanted to get some clarity on, it is about STPI, the tax benefit going off. What sort of SEZ plans we are having if at all we are having any.

Ms. Neeta Revankar: We have plans to setup two SEZs, one in Chennai and one in Bangalore over the course of the coming financial year.

Mr. Krishnan: Okay, so at this point in time, it is still in planning process, as it is there is no much of..... what sort of headcount or other things we can expect from these SEZs.

Mr. Neeta Revankar: It is actually work in progress. So, the Chennai one will seat to about 200 to 250 people, and the Bangalore one will seat about 100 to 150 people.

Mr. Krishnan: What is the headcount in the product business, because we used to report it separately last two products you have not been reporting it separately.

Ms. Neeta Revankar: Products business has about 320 people.

Mr. Krishnan: Okay, thank you very much.

Mr. Rajiv C Mody: Thank you.

Moderator: Thank you very much sir. Participants who wish to ask question, kindly press *1 on your telephone keypad. I repeat participants who wish to ask questions kindly press *1 on your telephone keypad. At this moment, there are no further questions from participants. I would like to handover the floor back to Mr. Mody for the final remarks. Over to you sir.

Mr. Rajiv C Mody: Thank you so much for all your continued support, and we look forward to meeting you again at our quarter 1 results call. Thank you once again.

Moderator: Ladies and gentleman, thank you for choosing WebEx conferencing service. That concludes this conference call. Thank you for your participation. You may now disconnect your lines. Thank you.